
2 Education: South Shore Regional School Board

Summary

The mission of the South Shore Regional School Board (SSRSB) *“is to provide quality educational programming for students, grades primary to twelve, within a healthy, safe, respectful environment”*. The Board is ultimately responsible to ensure that the mission is achieved. The Board needs appropriate information to adequately assess performance in achieving its mission. There are many potential risks to student health and safety inherent in attending and being transported to and from school. It is critical that these risks be identified and appropriately managed to help minimize the risks to students. We completed a performance audit at the South Shore Regional School Board with a primary focus of assessing processes, policies, and procedures affecting student health and safety and Board governance.

A significant number of the SSRSB student health and safety related processes, policies, and procedures audited are not adequate. We identified instances of policies not being followed, noncompliance with legislation and standards, and areas where existing processes need to be enhanced. For example, SSRSB does not periodically update employee child abuse and criminal record checks subsequent to hiring, bus emergency evacuation drills are not being completed as required by Board policy, the Nova Scotia Utility and Review Board identified numerous safety issues through their safety inspections, and SSRSB is not in compliance with all requirements of the Fire Safety Act including the completion and documentation of required inspections. Policies that are not being followed and procedures which do not meet legislative requirements may not be effective in minimizing the risks to students. We have made several recommendations for improvements which need to be addressed by the Board.

The Board is not completely fulfilling its governance roles and responsibilities. The Board needs to complete a formal risk assessment process to ensure all risks which could impact on the achievement of the Board’s mission, goals, and priorities are identified and appropriately evaluated. Of particular concern should be the adequacy of the controls designed to help protect the health and safety of students as our audit has identified a number of weaknesses.

The Board is also not reporting complete performance information. Performance information demonstrates the Board’s effectiveness in achieving its responsibilities and fulfills its accountability obligations to those whose interest it represents. The Board also needs to ensure management regularly report progress against all goals, priorities and performance measures detailed in its annual business plan.



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Background

- 2.1 The legislative authority for the provision of publicly-funded education programs and services in the Province falls under the Education Act and regulations. According to the Act, a regional school board is accountable to the Minister of Education and is “*responsible for the control and management of public schools within its jurisdiction*”. The South Shore Regional School Board (SSRSB) was established by an amendment to the Education Act, effective August 1, 2004. The Board is comprised of 12 members, 11 elected and one Mi’kmaq representative appointed by the Minister of Education.
- 2.2 The Superintendent is accountable to the Board and has overall responsibility for the operation of the school board office and public schools, as well as the supervision of all SSRSB employees. The Superintendent is supported by four Directors who have operational responsibility in the following areas: Programs and Student Services, Finance, Operations, and Human Resources. The Directors of Finance and Human Resources are responsible for these services in both the SSRSB and the Tri-County Regional School Board. The Superintendent and the Directors form the senior management group at the SSRSB.
- 2.3 The regional administration office of SSRSB is located in Bridgewater, Lunenburg County. SSRSB responsibility includes the 31 public schools in Lunenburg and Queens Counties. In 2006-07 school enrolment was 8110 of which 7390 or 91% were bused.
- 2.4 In 2006-07, SSRSB employed a total of 992 FTE (full-time equivalent) staff including 507 FTE teaching staff. Actual expenses for the SSRSB in 2006-07 were \$66.6 million; budgeted expenses for 2007-08 are \$70.7 million.
- 2.5 SSRSB operates all aspects of its facilities management and student transportation systems. SSRSB operations must comply with a number of provincial legislations. Student health and safety is addressed in many of these Acts including the Education Act, Motor Carrier Act, Motor Vehicle Act, Fire Safety Act and Environment Act. One of the primary objectives of this audit was to assess SSRSB’s compliance with certain legislated requirements related to student health and safety.
- 2.6 We have not conducted any other recent audits at the SSRSB.

Audit Objectives and Scope

2.7 We completed a performance audit of SSRSB in fall 2007. The audit was conducted in accordance with Section 8 of the Auditor General Act and auditing standards established by the Canadian Institute of Chartered Accountants.

2.8 The objectives of the audit were to:

- determine whether management processes, operational systems and practices over student transportation operations and facilities management help to ensure a safe environment for students when transported to and from school and when on SSRSB property;
- review and assess compliance with certain aspects of legislation and Board policies focusing on general responsibilities of the SSRSB and safety of the students;
- determine if the Board is fulfilling its governance roles and responsibilities;
- assess the adequacy of performance information reported by the Board; and
- determine whether the SSRSB's management processes, operational systems and practices over student transportation operations and facilities management help to ensure economy and effectiveness.

2.9 Our audit criteria were obtained from recognized sources and have been accepted by SSRSB as appropriate.

2.10 Our audit procedures included a review of relevant Board and Committee minutes, interviews with management and Board representatives, detailed testing of compliance with processes and procedures, and a review of other documentation deemed to be relevant.

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Significant Audit Observations

Student Health and Safety Processes, Policies and Procedures

2.11 *Conclusions and summary of observations* – A significant number of SSRSB student health and safety related processes, policies, and procedures audited are not adequate. We identified instances of noncompliance with policies, legislation and standards, and areas where existing processes should be enhanced. Legislative requirements, standards, and Board policies exist to help minimize the risks to student health and safety while attending and

being transported to and from school. Policies that are not followed and procedures which do not meet legislative requirements may not be effective in minimizing the risks to students. We have made several recommendations for improvements which should be addressed by the Board.

- 2.12 *School bus routes* – 16 of 30 bus routes tested exceeded the number of stops allowed per Section 14.2 of the Governor in Council Public Passenger Motor Carrier Act Regulations. These routes had four stops within 1.6 kilometers; the regulations require a maximum of three. The Nova Scotia Utility and Review Board (NSURB) management indicated that additional stops could pose a potential safety risk.

Recommendation 2.1

SSRSB should ensure compliance with the Governor in Council Public Passenger Motor Carrier Act Regulations or obtain Board approval where routes do not comply.

- 2.13 *Child abuse registry and criminal record checks* – No child abuse and criminal record checks have been conducted on employees hired prior to the current SSRSB policy implemented in August 1998. We understand this practice is consistent with a decision made by the Department of Education and the regional school boards and is followed by all school boards. SSRSB needs to assess the risk of not completing criminal record and child abuse registry checks on all employees. For bus drivers hired after August 1998, there was no evidence in one of the 13 bus driver files examined that the required child abuse registry and criminal record check had been completed. As well, SSRSB does not periodically update employee child abuse and criminal record checks subsequent to hiring. The objective of the current screening process is to identify individuals who may not be suitable to work in a school environment as they may pose an unacceptable risk to student safety. We are concerned that there are SSRSB employees who have not been subject to a child abuse and criminal record check screening process and other employees whose checks are outdated. Checks could be cycled over a period of time to help reduce the administrative burden on staff of completing such checks for all employees at once.

Recommendation 2.2

SSRSB should assess the risk of not completing criminal record and child abuse registry checks on employees hired prior to implementation of the Board policy and take corrective action as required. SSRSB should assess the appropriate frequency of record checks subsequent to hiring and update employees' checks accordingly. The Board should also provide management with guidance on required actions when issues are identified.

2.14 *Bus driver licenses* – Three of 30 school bus driver files examined did not contain evidence of a valid driver’s license as licenses had expired since the date of the last abstracts obtained. Subsequent to our audit, staff provided evidence that those drivers examined did have valid licenses.

2.15 Legislation requires that bus drivers have a valid license to operate a school bus. Driver abstracts are obtained once a year to ensure drivers have a valid license and to identify any accidents or tickets which may require follow-up action. When abstracts are only run once a year there is a risk that such concerns will not be detected in a timely manner. We encourage the Board to assess the risks of obtaining driver abstracts once a year and take corrective action as required.

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2.16 *Bus driver first aid/CPR training* – SSRSB requires all bus drivers have a valid first aid/CPR certificate. During our audit, we identified four bus drivers who had driven for a period of months during 2006-07 and 2007-08 with expired first aid/CPR training certificates. It is important that bus drivers have up-to-date training in first aid and CPR in case of an accident or other emergency on a bus.

2.17 *Bus emergency evacuation drills* – We examined 25 driver files and found only three had completed the required two emergency evacuation drills during the 2006-07 school year. These drills are important in helping to prevent injury to students in emergency situations by educating them on how to exit a bus in a safe and orderly manner.

Recommendation 2.3

SSRSB should ensure bus drivers have valid first aid/CPR certificates and school bus evacuation drills are completed as required.

2.18 *Bus maintenance* – We reviewed a sample of 30 bus maintenance files and found that all files contained evidence buses were repaired and maintained; although we did note that preventive maintenance inspections were not being conducted in accordance with the schedule established by SSRSB. Preventive maintenance inspections are conducted to help ensure buses remain in safe working order, reduce the risk of unexpected breakdowns and optimize the time buses are available for service.

Recommendation 2.4

SSRSB should complete preventive maintenance inspections on schedule.

2.19 We examined a sample of 30 work orders and found the work appeared to be completed in a timely manner. Our audit did not include an assessment of whether the maintenance performed was appropriate and of good quality.

Issues in this regard could be identified through the safety inspections performed by the Nova Scotia Utility and Review Board.

2.20 *Nova Scotia Utility and Review Board (NSURB) safety inspections* – NSURB performs safety inspections on all school buses twice a year to ensure compliance with the Commercial Vehicle Maintenance Standards Regulations. Inspectors produce a report documenting any potential safety issues which should be addressed. If issues are identified, the bus may not be permitted on the road until the issue is fixed. NSURB issues warnings to highlight the importance of deficiencies. Tickets may be issued if a deficiency was included in a previous written warning. We contacted NSURB to determine what inspection reports, warnings and tickets had been issued from September 1, 2006 to June 30, 2007 and spoke with NSURB regarding any other issues they may have concerning the transportation system at SSRSB. We found the following.

- 87% of 174 inspection reports issued identified safety issues which needed to be fixed. 75% of the 174 reports required the issues be fixed before the bus was allowed back on the road.
- We examined a sample of 30 NSURB inspection reports and found SSRSB appeared to address the deficiencies noted in a timely manner.
- NSURB issued a warning to SSRSB in May 2007 after incorrect parts were used on bus brakes. In October 2007, NSURB issued a ticket to SSRSB for use of incorrect parts on brakes.
- NSURB had concerns with the adequacy of pre-trip inspections completed by bus drivers. NSURB identified issues in its inspections which should have been identified and fixed through the pre-trip inspections.
- NSURB was concerned with the lack of detail included in some work orders regarding actual work completed.

2.21 We are concerned with the significant number of safety issues identified by NSURB. SSRSB needs to assess the cause of these deficiencies and take corrective action where required.

Recommendation 2.5
SSRSB should comply with the Commercial Vehicle Maintenance Standards Regulations requirements.

2.22 *Fire safety policies and procedures* – The Fire Safety Act requires school boards “establish and conduct a system of inspections to provide for fire safety, assess the adequacy of fire-prevention measures and ensure compliance with this Act, the regulations and the Fire Code”, and “a record is made of every inspection undertaken”. The Department of Education, with the assistance of the

Office of the Fire Marshal, implemented a Fire Safety Program designed to help all schools in the province comply with the requirements of the Fire Safety Act. We audited SSRSB for compliance with the Fire Safety Act and found the following:

- The Department of Education visited nine schools in 2005-06 and six schools in 2006-07 and found none of the schools were complying with all requirements of the Fire Safety Program.
- The Fire Marshal issued no orders for schools visited in 2005-06 and issued three orders, noting many violations, for schools visited in 2006-07. During each school year, the Office of the Fire Marshal visits the same sample of schools as the Department of Education and notes violations of the Fire Safety Act through the issuance of an order. According to the Fire Marshal, these violations do not deal with the completion of required inspections and documentation of those inspections by the schools. Those are covered by the Department of Education inspections. The Fire Marshal orders focus on deficiencies found when inspecting the building and its contents.
- SSRSB took action to address the violations noted in the orders in a timely manner.
- We visited four schools to determine if periodic fire safety inspections required by the Act were completed and documented by SSRSB staff. In all schools, we found some inspections were not done or we could not conclude on whether they were done as there was no documented evidence to support their completion.
- The Act requires annual inspections of fire alarm systems. Eight of 27 fire alarm systems inspected in July and August 2007 were not fully functional when inspected. The inspection reports note *“the fire alarm systems functioned correctly under general alarm conditions”*. However, deficiencies in the system were identified which prevented the system from being fully functional. There is no evidence to determine when the SSRSB was notified of the deficiencies. Management indicated some of the deficiencies noted were fixed by November 5, 2007 but were not able to provide support for this comment. When deficiencies are identified, they should be addressed in a timely manner.
- The Act requires annual sprinkler system inspections. Such inspections are based on the building code at the time the sprinklers were installed. Five of 11 sprinkler systems inspected in July and August 2007 had a number of deficiencies. SSRSB was notified of the results between August 29, 2007 and November 15, 2007. In November 2007, SSRSB indicated the inspections were not based on the building code at the time the systems were installed. The inspections have to be repeated to determine if there are any deficiencies. By November 2007, appropriate annual inspections

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of the sprinkler systems were not completed as required by the Fire Safety Act and any deficiencies which may exist are unknown. We also noted that 17 of SSRSB schools do not have sprinkler systems as these were not required by the building code at the time the schools were constructed.

- The Act requires six fire drills be conducted each school year. The Fire Safety Act provides further guidance on a schedule for the drills. One of five schools sampled could only provide evidence of five drills being conducted and none of the schools conducted fire drills in accordance with the required schedule.

Recommendation 2.6

SSRSB should comply with all requirements of the Fire Safety Act including conducting and documenting the required system of inspections, and addressing deficiencies identified in a timely manner.

- 2.23 The Director of Operations sent a memo highlighting common fire safety violations identified by the Department of Education and the Fire Marshal to all SSRSB principals so they would be aware and take action as necessary. As well, management informed us principals were provided training on their responsibilities under the Fire Safety Program.
- 2.24 *Compliance and Training Officer* – The SSRSB Compliance and Training Officer is responsible to help ensure schools are complying with the requirements of the Fire Safety Act. We could not determine if all aspects of the Act are being assessed as complete inspection procedures and results are not documented. This is an important control to ensure that fire safety issues are being identified and deficiencies corrected in a timely manner. If inspections are not properly documented with a process to follow up deficiencies, the effectiveness of the role may be limited. Management indicated that the Officer visits schools twice a year and we understand results of inspections may be communicated verbally to staff at the school.

Recommendation 2.7

The Compliance and Training Officer should document school inspection procedures and results to help ensure compliance with the Fire Safety Act. Deficiencies noted should be followed up to ensure corrective action has been taken.

- 2.25 *Children's play spaces and equipment standard* – SSRSB does not currently comply with the standard for children's play spaces and equipment but has indicated that this is its intention and steps have been taken towards compliance. Play spaces and playground equipment can pose safety hazards for students if not properly maintained. The Canadian Standards Association (CSA) has developed a standard which is available to aid

organizations in this regard. Compliance with this standard is voluntary and requires a comprehensive maintenance program along with periodic inspections, documentation of inspection results, and actions taken or planned.

- 2.26 SSRSB's Compliance and Training Officer completed an inspection of all playground equipment between April 2005 and October 2005 and found a significant portion of the equipment did not comply with the CSA standard. SSRSB developed a plan to remove the noncompliant equipment with an expected completion date of fall 2008. Annual inspections are planned starting in April 2008. As well, we were informed weekly visual checks are completed but not documented.

Recommendation 2.8

SSRSB should ensure full compliance with the CSA standard for children's play spaces and equipment as planned.

- 2.27 *Drinking water inspections* – We found evidence that required water testing was completed, documented and when necessary, corrective action was taken as required under the Environment Act, except for daily testing of chlorine levels. One school could not provide support for the completion of this daily testing for two months.
- 2.28 *School safety plan* – In fall 2006 SSRSB reviewed their security protocols and procedures related to the safety of students in schools. They determined minimum security standards for schools such as the existence of fire alarms, security cameras and public announcement systems. Staff surveyed all schools to determine where standards were not met and plan to address deficiencies by the end of 2007-08. The Department of Education is in the process of developing a province-wide emergency management plan. It is expected this plan will be released by the Minister of Education in February 2008.
- 2.29 *Deferred maintenance projects* – SSRSB had two engineering assessments completed to determine the condition of schools in Queens (February 2000) and Lunenburg (October 2003) Counties. The assessments provided a list of projects which were prioritized into three categories:

“1. Must Do – serious code violations or other situations threatening the health, safety or short-term preservation of assets,

2. Should Do – less threatening code violations, fire safety and health issues and poor functional or construction conditions that will require correction in the short-term and conditions that do not meet the requirements or current expectations of authorities, and

3. *Could Do* – minor functional or construction improvements that are likely to fall under the *Should Do* category within 3-5 years.”

- 2.30 Management does not have a process to track the status of these projects. As a result, they were unable to provide a list of completed projects. Subsequent to our audit, management completed an analysis of the “*Must Do*” category and determined there are five projects identified in October 2003 and one project identified in February 2000 which had not been completed. The estimated cost of these projects is \$821,000.
- 2.31 No analysis was completed for the “*Should Do*” or the “*Could Do*” categories, but given the date of these assessments, it is possible that items in each category are currently more urgent. In addition, management indicated that at least nine additional maintenance projects, which are considered to impact the health and safety of students, were identified prior to the 2005-06 school year. These projects have not been completed and have an estimated cost of \$249,500.
- 2.32 We are concerned that maintenance projects, which could have a negative impact on the health and safety of students, were identified several years ago and have not been completed. SSRSB needs to finish assessing which projects identified in the consulting reports have not been completed and which should be considered a current priority.

Recommendation 2.9

SSRSB should establish a process to prioritize and track deferred maintenance projects. The prioritization process should include an assessment of risk to the health and safety of students.

Governance, Accountability and Performance Reporting

- 2.33 *Conclusions and summary of observations* – The Board is not completely fulfilling its governance roles and responsibilities. The Board should undertake a formal risk assessment process to ensure all risks to the achievement of the Board’s mission, goals, and priorities are identified and appropriately evaluated. Our audit identified a number of weaknesses in the controls designed to help protect the health and safety of students. Additionally the Board is not reporting complete performance information and progress against all goals, priorities and performance measures detailed in the annual business plan is not regularly reported to the Board by management.
- 2.34 Generally, SSRSB is in compliance with the requirements under the Education Act and regulations, focusing on general responsibilities of school boards. There was one area identified where it was not compliant.

Personal service contracts for senior staff of SSRSB were not approved by the Minister of Education. Those contracts define the responsibilities, salary and other benefits to which management is entitled.

Board Governance

- 2.35 *Risk management* – The Board does not have a formal risk management process. Risk management is an important governance function in any organization to help ensure risks are identified, assessed and appropriate controls put in place to mitigate risks. A risk management process helps to ensure the organization’s overall exposure to risk is at an acceptable level. Of particular importance to SSRSB should be those risks which could have a negative impact on the Board’s ability to deliver on its mission “*to provide quality educational programming for students, grades primary to twelve, within a healthy, safe, respectful environment*”. During our audit, we identified a number of weaknesses in the policies, procedures and practices in place to help ensure the health and safety of students and we believe that the Board should make this area a priority.

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Recommendation 2.10

The Board should implement a formal risk management process.

- 2.36 We understand SSRSB currently has an enterprise risk management (ERM) initiative underway. It is working with other school boards with the intention to develop and implement an ERM process in all school boards by the end of 2007-08.
- 2.37 *Board information requirements* – The Board has defined and communicated some of its information needs such as the monthly financial reports required. We were informed by the Board that some of this communication often happens “*in camera*” with no documented support. However, as part of its governance role, it is important that the Board define and communicate the timing and format of all information it requires on a regular basis so it can effectively and efficiently fulfill its governance responsibilities. For example, what are the Board’s information requirements related to student health and safety. The Board is provided with information on a regular basis by senior management relating to various aspects of operations, but there may be information received which is not required or relevant information which is available but not communicated.

Recommendation 2.11

The Board should define and communicate all of its regular information needs to senior management.

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- 2.38 *Annual evaluation of Board* – The Board does not perform annual evaluations of its effectiveness. To help ensure the Board continues to be effective in fulfilling its governance roles and responsibilities, it is important that the performance of the Board is evaluated annually. This process could be in the form of a self-evaluation where accomplishments are compared against goals and targets established at the beginning of the year.

Recommendation 2.12

The Board should perform an annual self-evaluation of its effectiveness.

- 2.39 *Annual evaluation of the Superintendent* – To help ensure the Superintendent is effective in fulfilling her roles and responsibilities, it is important that her performance is evaluated annually. Performance expectations should be defined at the beginning of the year and include specific measurable targets. There was no evaluation of the Superintendent in 2006-07 as the employee left the position during the year and a new Superintendent was hired in January 2007. There were no documented measurable targets agreed upon with the new Superintendent to use in completing the first annual evaluation. It is expected the Superintendent will be evaluated against the roles and responsibilities defined in the Education Act and regulations and achievement of goals and priorities defined in the 2007-08 business plan of the Board. The Board plans to have an external consultant complete an annual evaluation of the current Superintendent in 2007-08.

Recommendation 2.13

The Board should define measurable performance targets for the annual performance of the Superintendent.

Business Planning and Performance Reporting

- 2.40 *Planning* – The Department of Education requires all school boards file an annual business plan using a template provided by the Department. The Board is involved in the development of the business plan and approves the final document. The Board does not have a strategic plan; however, the business plan is a long-range planning document which includes a mission statement, long-range goals and priorities, as well as outcome measures and targets, specific to each goal identified in the plan. Targets will be monitored and reported over a number of years. The plan also includes targets to be achieved in the coming year. The Board intends to update the business plan each year to ensure goals, priorities, measures and targets remain appropriate.

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- 2.41 *Performance reporting* – Regular, formal reporting to the Board does not include monitoring of progress against all goals, priorities, and performance measures detailed in the business plan. Without regular reporting of performance against the approved annual business plan the Board does not clearly know whether the priorities, objectives and goals established are being met. The Board’s 2007-08 business plan includes a list of some initiatives achieved in the prior year which can be linked to some of the priorities noted in the prior year’s plan. However this list is not complete and does not include reporting on achievement of established outcome measure targets.

Recommendation 2.14

The Board should require management regularly report progress against all goals, priorities and performance measures detailed in the annual business plan. As well, the Board should report complete performance information.

Approval and Monitoring of Annual Budget

- 2.42 *Budget approval* – The Board plays an active role in the review, challenge and approval of the budget. The Board is informed of the budget assumptions and calculations and challenges the content of the draft documents. There is a clear link between what is funded in the budget and the priorities and goals included in the business plan.
- 2.43 *Financial monitoring* – Financial information reported by management to the Board is appropriate and there is an opportunity for Board members to review and challenge the information provided. The Board receives monthly comparisons of actual results to budget with variance explanations. In the past, management periodically reported forecast information verbally. Beginning in September 2007, management began formal monthly reporting of forecast information to the Board.

Compliance with the Education Act and Regulations

- 2.44 *Senior management pay scales* – We examined the pay scales of senior management at SSRSB and concluded they were in compliance with the Ministerial Education Act Regulations. The regulations establish the pay scales for Regional School Board senior management and define this group as including the Superintendent and Directors.
- 2.45 *Senior management service contracts* – There are two senior staff at the SSRSB who are working without final, approved personal service contracts. As of September 2007, one employee was in a director position for approximately two years and the other was in a director position for approximately three years. The Education Act requires that the Minister of Education

approve senior staff personal service contracts. These contracts define the responsibilities, salary and other benefits to which the employee is entitled.

Recommendation 2.15

The Board should ensure personal service contracts are submitted for approval to the Minister of Education in a timely manner.

- 2.46 *Audit Committee* – The Board’s Audit Committee fulfills its responsibilities under the Education Act. The Committee’s terms of reference are consistent with the Act and it interacts appropriately with financial statement auditors. The Committee meets as required and membership is appropriate.

Economy and Effectiveness

- 2.47 *Conclusions and summary of observations* – SSRSB’s management processes, operational systems and practices regarding student transportation and facilities management help to ensure economy and effectiveness. However, we identified some areas for improvement. SSRSB should have a formal maintenance program to help ensure property is in safe working order and its useful life is maximized. SSRSB has a procurement policy which requires that individual procurement practices be open, fair, and provide for the best value. However the policy does not adequately address procurement in situations where following the required procedures is not feasible or practical. We identified purchases where SSRSB’s procurement policy was not followed. We also noted controls over fuel inventory should be improved.
- 2.48 *Maintenance program* – SSRSB does not have a formal maintenance program to ensure SSRSB property is properly maintained and kept in safe working order. There are some components of a program in place but it is not complete. In 2004, the Department of Education issued draft guidelines to inspect and maintain school board property. This may be helpful in developing a program. Some issues identified related to the lack of a formal maintenance program are as follows.
- SSRSB does not have a preventive maintenance plan. A preventive maintenance plan protects property over the long term and assists with early identification and correction of maintenance problems. SSRSB does preventive maintenance work on some equipment but there is no system to ensure this work is completed as required. We examined the records of four schools to determine if custodial preventive maintenance work was completed and documented. At three of the four schools staff were unable to provide evidence to support that preventive maintenance work was done.

- Management does not track and report maintenance work which has been deferred, including costs to complete the work. A serious deferred maintenance problem can lead to the need to prematurely replace buildings. As well engineering assessments, as discussed in paragraph 2.29, identified a list of maintenance projects which could be done to improve the conditions at each school and extend the useful life of the buildings. At the time of our audit, management was unable to provide a list of completed projects for these assessments. Deferred maintenance issues should be monitored and reported to senior management and the Board to ensure they are aware and can assess the significance of the issues and impact on the effectiveness of operations.

Recommendation 2.16

SSRSB should develop a formal maintenance program for school property with regular status reporting.

2.49 *Procurement* – Procurement activities of SSRSB must comply with the *Province of Nova Scotia's Government Procurement Process – ASH Sector*. These guidelines require that individual procurement practices and policies be open and fair and provide for the best value. We reviewed the procurement policy of the Board to determine if it was consistent with the ASH sector guidelines. We found Board policy had no provision for procurement in situations where following the required procedures is not feasible or practical other than if there is an emergency. The policy does not define what constitutes an emergency. Without clear guidelines to address when alternative procurement methods may be used (e.g., purchasing without a competition), there is a risk these methods will be used inappropriately. The ASH sector guidelines outline circumstances where alternative procurement methods may be used and the required documentation and approval to support those decisions.

2.50 We tested 30 procurement transactions and found the following issues.

- There were eight procurement transactions where an alternative procurement method was used (sole-sourcing). The reasons for sole-sourcing were not documented. As well, in three of these cases the purchase was approved verbally and in one instance, no approval was obtained.
- In three of 17 sample items, SSRSB did not advertise in the electronic public bid notice system as required by Board policy.
- In two of six sample items, SSRSB did not advertise in the newspaper as required by Board policy.



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- In three sample items, the purchase was recommended and approved by the purchasing officer.

Recommendation 2.17

Board should revise its procurement policy to provide clear guidance on the use of alternative procurement practices. SSRSB should also ensure all aspects of the procurement policy are followed.

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- 2.51 *Bulk purchasing* – SSRSB procurement policy encourages the use of bulk purchasing to achieve cost savings. The purchasing officer considers bulk purchasing opportunities through the Nova Scotia School Board Association and the Province of Nova Scotia. We saw evidence of bulk purchasing in our procurement sample testing.
- 2.52 *Control over fuel inventory* – SSRSB does not monitor vehicle fuel usage over time which could provide valuable information to identify inefficient vehicles or possible misuse of fuel. Staff were unable to reconcile month-end fuel inventory levels with purchases and usage of fuel reported for the month. Management indicated this has been an issue for the past few years. Fuel is an expensive commodity and a significant expenditure by the Board that warrants an appropriate level of control to ensure it is used in the most economic and efficient manner possible.

Recommendation 2.18

SSRSB should strengthen controls over fuel inventory through monitoring fuel usage and reconciling month-end inventory levels with purchases and usage information.

Response: South Shore Regional School Board

The South Shore Regional School Board appreciates the opportunity to respond to the 2008 audit report. Board and senior staff acknowledge and agree that there are areas that require significant attention and enhancement. As demonstrated to the audit team, in many instances these areas of deficiency had already been identified and steps are being taken to respond in a timely manner. Many of the recommendations made by the audit team reinforce priorities of the Board and provide concrete support for the direction in which the region is moving.

However, the general negative orientation of the report is disconcerting. In our opinion, it is most unfortunate that the authors of the report did not present a balanced review of findings to include processes, policies, and procedures that are working effectively and efficiently to serve the needs of students and staff in a safe and secure manner.

Throughout the report and recommendations, there is a failure to clearly differentiate between instances of non-compliance with legislation or policy and what could be argued to be a less serious situation involving a lack of adequate written evidence of compliance. Several recommendations would require that the Board exceed existing requirements. There are other recommendations based on assumptions that there is a threat to student safety, even when this is not necessarily the case.

The seriousness of this report merits comments on each of the recommendations.

Recommendation 2.1

School bus routes: The SSRSB acknowledges that there are bus routes that technically exceed the maximum of three bus stops per 1.6 km, and that there is no formal procedure in place to ensure Board approval of these variances. Immediate action has been taken to deal with this. However, there is a false implication in the report that each of the situations in which there are four stops within 1.6 km results in a “potential safety risk”. In many instances, the rationale for the decision to add a fourth stop was, in fact, **increased** student safety.

Recommendation 2.2

Child abuse registry and criminal records check: Senior staff of the SSRSB was directly involved in the implementation of these provincial requirements aimed at enhancing the protection of students. Board and staff have developed procedures and are compliant. While the SSRSB acknowledges the opinion in the audit report that more frequent checks could potentially be beneficial, the feasibility of completing such checks on all staff on a regular basis is questionable. This is an area that could be referred to the provincial government for consideration

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and funding. Nevertheless, the Human Resources Committee will engage in a discussion of the potential benefits of this recommendation.

Recommendation 2.3

Bus driver licenses, first aid/CPR training, and emergency evacuation drills: The SSRSB acknowledges that attention is required in this area and action has been taken. In terms of driver abstracts, the Motor Vehicle Regulations require abstracts to be filed once annually and the Board will continue to comply. Processes are being put in place to provide electronic monitoring that will ensure up to date documentation. The SSRSB also has increased the focus on professional development.

Recommendation 2.4

Bus maintenance: Completing preventative maintenance inspections on schedule is one aspect of bus maintenance, which is an area of high priority for the SSRSB. The entire bus maintenance program is being reviewed with assistance from an external consultant to ensure a clearly documented operational vision for the future, including a new preventative maintenance program. All processes are being reviewed and corrective action is being taken.

Recommendation 2.5

Bus safety inspections: Compliance with the Commercial Vehicle Maintenance Standards Regulations was identified by the SSRSB as a very high priority prior to the audit process. An expert has been contracted and is working in collaboration with the Nova Scotia Utility and Review Board Motor Carrier Division. Although all identified items are considered to be “safety issues”, the personal safety of students travelling on buses was not compromised.

It is important to note that not all items that an inspector notes for repair can be accurately described as immediate safety issues. While buses may not be allowed on the road until an immediate safety issue is repaired, an inspector does not necessarily order every item to be repaired on or before returning to service.

Recommendation 2.6 and 2.7

Fire Safety: The SSRSB takes the safety of students very seriously, and will continue to address requirements in this area. While educators tend to be more concerned with student safety than with the documentation of proof of safety checks, the requirement to maintain up to date accurate documentation is acknowledged, and is being addressed.

Recommendation 2.8

Children’s play spaces and equipment: Although the CSA standards for play spaces and equipment are voluntary, the SSRSB has already identified and removed all playground equipment deemed to be unsafe. We acknowledge that there are remaining structures that while in good condition, do not meet the voluntary

standards. Since there are no targeted funds available to Boards to support the implementation of these voluntary standards, the SSRSB will continue to balance this voluntary recommendation with other safety and educational priorities.

Recommendation 2.9

Deferred maintenance: A lack of documented processes for the tracking of deferred maintenance has been acknowledged by the SSRSB, and is an area of priority. It should be noted, however, that without additional funding provided annually in a timely manner, simply documenting and tracking needs will not result in increased completion of deferred maintenance.

Given the limited funding to the Board for major renovations and new school construction, it is an ongoing challenge to maintain aging buildings and grounds. The focus in the report on deficiencies and lack of acknowledgement of strengths is very discouraging given that in the past, the SSRSB has been commended for the condition of its facilities.

Recommendation 2.10

Risk Management: The SSRSB is currently engaged in a process to consider the development of a risk management program, in collaboration with other Boards.

Recommendation 2.11

Board Information Requirements: The SSRSB recognizes that the focus of an audit is documentation. While the Board is satisfied with the information that is received, it acknowledges that clear articulation of specific requirements, including timelines would increase the level of satisfaction of external parties reviewing practices and procedures.

Recommendation 2.12

Annual evaluation of Board: The Board acknowledges the potential benefits of a formal annual evaluation and will take this under consideration.

Recommendation 2.13

Annual evaluation of the Superintendent: The Superintendent has been with the Board for one year. The annual performance appraisal process is in progress, as required by the province, and measurable performance targets will result.

Recommendation 2.14

Business Planning and Performance Reporting: The Board is compliant in reporting annually on achievements as required by the Department of Education. In addition, monthly reports to standing committees provide an opportunity for updates. The suggestion that formal documented reporting be more frequent is acknowledged and will be considered as part of the 2008-2009 planning process. As in all instances, the Board must be cautious in regard to diverting staff time and resources away from student learning.

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Recommendation 2.15

Senior Management Service Contracts: The SSRSB acknowledges the requirement for a personal service contract for senior staff.

Recommendation 2.16

Maintenance of Facilities: The SSRSB has already identified the need for a formal maintenance program. This is in development.

Recommendation 2.17

Procurement: During the period May 2004 through April 2006, at the School Board's recommendation, the position of Purchasing Officer was eliminated. In May 2006 the Purchasing Officer position was reinstated and the position was filled to enable the Board to put more emphasis on the purchasing function.

In response to this recommendation, the SSRSB will be reviewing the current purchasing policy to examine alternative purchasing practices, as well as ensuring the purchasing policy is followed.

Recommendation 2.18

Control over Fuel Inventory: The SSRSB has already identified control over fuel inventory as an area of priority, and steps are being taken to address this to the extent possible and feasible.

In closing, it is important to highlight that during the past few years the SSRSB has identified areas of underperformance, and has taken significant steps to deal with these and to move forward. It is the mission of the South Shore Regional School Board SSRSB to provide quality equitable programming for students within a healthy, safe, and respectful environment. The region continues to provide excellent educational programs for students and will continue to work to provide an increasingly safe and secure learning and working environment.