

Summary of Compliance to Ministerial Order #016/2020

Risk Management Oversight	
Directive	Actions Taken to Address Directive
Board Oversight of Risk	
<p>Directive 1(a)(i) CBE shall amend the Operational Expectations Policy 5 (OE-5) to include a board oversight of risks to the future ability to sustain operations while meeting statutory obligations.</p>	<ul style="list-style-type: none"> Amended Board policies Governance Culture 3: Board Job Description (GC-3), Operational Expectations 5: Financial Planning and Operational Expectations (OE-5) and OE-1: Global Operational Expectations (OE-1) to address risk oversight and to require Board approval of an annual risk appetite and risk tolerance Outcome: Board adopted risk appetite and risk tolerances that will drive how CBE administration prioritizes and manages risks related to CBE's strategic and operational objectives. Administration will provide additional reporting to the Board through OE-1 and OE-5.
Addressing Fiscal Jeopardy	
<p>Directive 1(a)(ii) CBE shall amend OE-5 monitoring, to include oversight of short and longer-term fiscal jeopardy and overall financial risk management.</p>	<ul style="list-style-type: none"> Amended Operational Expectations 5: Financial Planning to address short-term and long fiscal jeopardy and amend reserve provision. Amended Operational Expectations 5: Financial Planning to require enhanced financial reporting relating to the CBE's financial health and to specifically address the potential for fiscal jeopardy. Board set a minimum threshold of operating reserves of 3%. Outcome: Board to receive enhanced financial report and metrics on CBE's financial health; CBE to maintain 3% in operating reserves.
Implementing Risk Assessment, Prioritization, Reporting and Monitoring	
<p>Directive 1(a)(iii) CBE shall implement with respect to the financial risk oversight and the assessment of risk relating to strategic and operational objectives, some level of risk identified, prioritization, assessment and report to ensure a clear understanding for both management and the Board of Trustees the level of financial and operational risk accepted by the CBE.</p>	<ul style="list-style-type: none"> Amended Operational Expectations 1: Global Operational Expectations to require the Chief Superintendent to have processes in place to identify, prioritize, manage, monitor and report on risk. New reasonable interpretations and indicators require reporting to the Board on these processes. Amended Governance Culture 3: Board Job Description to require Board approval of an annual risk appetite and risk tolerance, which will drive how CBE administration prioritizes and manages financial and operational risks. Board of Trustees and members of CBE administration attended a two-day course on Risk Management for Governance Professionals offered by the Governance Professionals of Canada to build capacity. Outcome: Annual Board approval of risk appetite and risk tolerance. Increased reporting to the Board of areas of risk through Quarterly Variance Reports.

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Enhancing Risk Capabilities	
<p>Directive 1(c)(i) CBE shall provide additional oversight and advisory responsibilities within the Audit Committee Terms of Reference to enable the board of trustees to further leverage the skills and experience of that committee for specific financial or broader risk management program oversight.</p>	<ul style="list-style-type: none"> ▪ Adopted new Audit and Risk Committee Terms of Reference (Governance Culture 5E) to expand Committee scope of work to include reviewing CBE’s budget variance reports and financial health matrix on a quarterly basis and reviewing CBE’s risk appetite, tolerance and identified risks. ▪ Amended GC-5E – Committee Terms of Reference to rename the Committee to CBE’s Audit and Risk Committee and to make it explicit that the Committee will meet four times per year and shall meet with the auditors without CBE administration present. ▪ Outcome: Expanded use of Audit and Risk Committee; clarity in roles and functions of Audit and Risk Committee members
<p>Directive 1(c)(ii) CBE shall review the existing complement of external Audit Committee members (as necessary) to ensure it aligns with any additional competencies required of a broader role for that Committee.</p>	<ul style="list-style-type: none"> ▪ Developed a competencies and skills matrix for Committee membership. ▪ Current committee has five external members drawn from the financial community including a partner in a national public accounting practice, a private sector senior finance executive, and other individuals with expertise in the areas of risk management, governance, finance, and internal control. ▪ Outcome: Future recruitment of Committee members to be informed by matrix.
Financial and Cost Management	
Directive	Actions Taken to Address Directive
Performance Measures for Programs	
<p>Directive 1(b)(i) CBE shall establish performance Measures, which can be used to determine the quality of programs and the information needed to monitor the educational and cost effectiveness of supplementary programs. This will include revising Operational Expectations Policy 3 and related indicators to identify that program spending are supported within the context of value for money and overall financial capacity.</p>	<ul style="list-style-type: none"> ▪ Worked with external experts to develop a program evaluation framework which will allow CBE to assess its instructional programs for economy, efficiency and effectiveness. The framework will account for program specific performance measures. ▪ Amendments to Operational Expectations 3: Instructional Program (OE-3) to require the use of an evidence based and researched informed program evaluation framework to evaluate programs and to provide reporting to the Board. ▪ Outcome: The defined process provides the CBE with a means to assess the value of money expended; enables the CBE to ensure it is using the most effective way to allocate resources to achieve the intended outcomes. Board of Trustees to receive and review program evaluation information through each annual reporting cycle.

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Education Centre Lease	
<p>Directive 1(d)(i) CBE shall evaluate alternative options in relation to the Education Centre, to determine if the Board is able to reduce risks associated with the Education Centre building, and shall in that consideration consider options in addition to the two options that have to date been presented by the CBE's administration. As part of that consideration, CBE shall evaluate all options on the basis of the risks associated with each option. The level of analysis should correspond to the level of risk associated with all options considered.</p>	<ul style="list-style-type: none"> ▪ CBRE, a reputable commercial real estate firm, was selected to conduct an options analysis, including risk and financial costing analysis (July 2020). ▪ A report outlining the options was presented to the Board of Trustees for consideration. ▪ <u>Outcome:</u> The Board has directed Administration on the options presented.
Cost Savings in Transportation and Half-day Instruction	
<p>Directive 1(e)(i) CBE shall consider eliminating all half days of instruction to save on transportation costs.</p>	<ul style="list-style-type: none"> ▪ CBE conducted an analysis of its options related to eliminating half-day instruction to save in transportation costs. Any changes made would impact the system instructional calendar, as well as CBE obligations under its collective agreements and legislation. ▪ <u>Outcome:</u> CBE is implementing an option to set system wide non-instructional days for the 2021-22 school year which will save \$750,000/year.
<p>Directive 1(e)(ii) CBE shall consider providing bus service only where it is required (i.e. beyond the 2.4 km eligible limit) and/or set fees to reflect actual costs.</p>	<ul style="list-style-type: none"> ▪ Reviewed service and fee levels. Conducted an engagement with parents and school communities in Spring 2020 which informed decisions on service level changes. ▪ <u>Outcome:</u> Adjusted service levels and fees for the 2020-21 school year to align service levels costs to government funding and fees. This also aligned to Board direction issued on Jan. 14, 2020.
Clarity in Procurement and Expenditure Practices	
<p>Directive 1(f)(i) CBE shall maintain all documentation necessary to evidence the business decision for why a vendor was selected, such as procurement and expenditure evaluation matrices</p>	<ul style="list-style-type: none"> ▪ Developed a procurement documentation checklist and procurement file audit plan. ▪ Implemented a quarterly audit for procurement files to assess compliance with key process and documentation requirements. ▪ <u>Outcome:</u> Clarity of requirements and routine audits. Of the two audits completed to date, there have been no material errors.
<p>Directive 1(f)(ii) CBE shall use a formal request for proposal framework as per CBE policy to increase competitiveness and facilitate compliance with applicable trade agreement obligations.</p>	<ul style="list-style-type: none"> ▪ CBE reviewed its existing RFP process. ▪ <u>Outcome:</u> Updated procurement manual detailing activities for schools and service units related to the CBE's RFP process.

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<p>Directive 1(f)(iii) CBE shall update Administrative Regulation 7001 to include the use of brokers, and such amendments to the policy regarding the use of brokers shall comply with CBE's applicable trade agreement obligations.</p>	<ul style="list-style-type: none"> ▪ Updated Administrative Regulation 7001 - Purchase of Goods and Services (AR7001) to address changes to the CBE's RFP framework and to allow for the use of brokers in compliance with applicable trade agreements. ▪ <u>Outcome</u>: Policy amendments account for the use of competitive bid processes related to brokers.
<p>Directive 1(f)(iv) CBE shall ensure coding of expenses in the general ledger is accurate/specific, and determine when coding of expenses shall be consistent between schools.</p>	<ul style="list-style-type: none"> ▪ Updated documentation and guidance on financial management for school based staff. ▪ Provide training to staff to ensure greater consistency ▪ <u>Outcome</u>: Greater clarity of expectations and support for school based staff to ensure coding of expenses is consistent and accurate.
Staffing	
Directive	Actions Taken to Address Directive
Staffing Levels and Compensation	
<p>Directive 1(h)(i) For those salaries CBE decides/controls, CBE shall develop a long-range strategy to bring salaries more in line with other school boards, other public entities, and the private sector.</p>	<ul style="list-style-type: none"> ▪ Based on the findings from the salary survey the CBE developed a strategy to support long term management of salaries to maintain alignment with the applicable market and make adjustments as recommended. ▪ <u>Outcome</u>: Board direction to CBE administration to implement the strategy.
<p>Directive 1(h)(ii) CBE shall conduct an updated salary survey.</p>	<ul style="list-style-type: none"> ▪ Retained Mercer through a competitive bid process to complete a comprehensive salary survey of similarly sized organizations including school boards in Canada, the Alberta public sector, and Alberta private sector. ▪ Report to Board of Trustees in November 2020. ▪ <u>Outcome</u>: Findings confirmed CBE's approach to salaries and identified specific areas for adjustment that will benefit the CBE's fiscal health.
<p>Directive 1(h)(iv) Strategy to standardize use of teacher allowances, review non-CBE shall develop a strategy to standardize the use of teachers receiving allowances between schools in the Division, including a review of non- certificated specialists.</p>	<ul style="list-style-type: none"> ▪ Completed an analysis of Learning Leader positions to standardize the Learning Leader role. ▪ <u>Outcome</u>: Adjusted hiring processes and allocation of learning leader positions; implemented budget reduction strategies from May 2020 budget. ▪ Conducted a review of non-certificated staff psychologists and psychology services. The review expanded on analysis conducted in 2018. ▪ <u>Outcome</u>: Adjusted service delivery model and staffing levels to focus on direct services and to realize savings of approximately. \$866,000.

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Staffing Levels and Compensation	
<p>Directive 1(h)(iii) CBE shall reallocate resources and/or staff to support classrooms in a more direct way (i.e. more “regular” teachers and less specialists, leaders, administration, etc.)</p>	<ul style="list-style-type: none"> ▪ Between 2015 and 2020, the CBE has increased school-based staff by 7% while reducing central positions by 18%. ▪ Returned certificated staff from central office positions to teaching positions in schools effective September 2020. ▪ Introduced a new hiring approval process for non-certificated staff. ▪ Classroom-based spending will continue to be reviewed annually through the budget allocation process. ▪ <u>Outcome:</u> Redirected teaching supports from central office to schools; implemented processes to maintain and monitor classroom based spending.
Governance Performance and Communication	
Directive	Actions Taken to Address Directive
Governance Instructor	
<p>Directive 1(a)(iv) CBE shall engage a governance instructor to be approved in writing by the Minister.</p>	<ul style="list-style-type: none"> ▪ The Board of Trustees retained an experienced governance instructor recommended by the Minister of Education in July 2020. ▪ Instructor attended Board meetings, supported the Board with work related to a number of the directives as well as held sessions with trustees to improve understanding of roles and responsibilities, board oversight, functioning and performance. ▪ <u>Outcome:</u> Increased/positive Board performance.
FOIP Communications	
<p>Directive 1(g)(i) CBE shall develop a communication strategy identifying the type of information, the level of confidentiality and how any information is to be communicated.</p>	<ul style="list-style-type: none"> ▪ Developed a Confidentiality/Responsible Use of CBE Information strategy targeted at building understanding of good confidentiality practices and promote responsible use of CBE information. ▪ Updated Administrative Regulations 4027 - Employee Code of Conduct (AR4027) and 1061 - Responsible Care and Use of Information (AR1061) to make expectations and consequences more explicit and implemented new protocols to on confidentiality. ▪ Implemented a comprehensive communications plan and monitoring process to ensure staff are aware of these policies and ensure expectations are reviewed with staff annually. ▪ <u>Outcome:</u> Administrative Regulations amendments provide greater direction and supports to staff on handling of confidential information within and outside of the CBE.