

Chapter 13

Prairie South School Division No. 210—Equipping the Board with Knowledge and Competencies to Govern

1.0 MAIN POINTS

School divisions play a crucial role in the delivery of education in the province. The elected boards of school divisions require a sufficient level of knowledge and competencies in order to govern effectively. The duties and responsibilities of school division boards include administering and managing education affairs, and establishing policies that guide division management.

Prairie South School Division No. 210 (Prairie South or Division) has 40 schools located within 19 rural and urban communities in southern Saskatchewan with about 1,300 staff (equivalent to about 960 full-time equivalent positions) and 6,500 students.¹ The Division is comprised of six subdivisions for the purpose of elections and representation. The Board of Education of Prairie South School Division No. 210 (Board) is a 10-person elected board charged with governing Prairie South.

We concluded that the Board did not have effective processes to equip itself with the necessary knowledge and competencies to govern the Division. While the Board carried out certain activities to build Board knowledge and competencies, these activities were not undertaken using a coordinated approach to ensure the Board was equipped in all areas necessary for effective governance. The Board needs to:

- › Set out baseline knowledge and competencies necessary to govern; this could be done on its own or by working with the Ministry of Education (Ministry) and other school divisions
- › Maintain a listing of knowledge and competencies possessed collectively and by current individual board members
- › Develop a plan to address gaps in individual and collective Board knowledge and competencies and periodically monitor whether professional development training for the Board addresses those gaps

We encourage other boards of education to use the information in this chapter to assess their own processes for equipping themselves with the necessary knowledge and competencies to govern their division.

2.0 INTRODUCTION

In 2013-14, the Government spent over \$2.1 billion on Prekindergarten to Grade 12 education.² Publicly-elected boards of education (school boards) of 28 school divisions in Saskatchewan directly oversee the delivery of this education.

¹ *Prairie South School Division 2013-14 Annual Report*, p.10.

² Provincial Auditor of Saskatchewan from Government financial records.



Effective governance of school divisions is important. To enable school boards to do their job effectively, boards and board members need to maintain a sufficient level of knowledge and competencies.

This chapter reports the results of our audit to assess whether the Board of Education of Prairie South School Division No. 210 had effective processes to equip itself with the necessary knowledge and competencies to govern the school division.

3.0 BACKGROUND

3.1 Knowledge and Competencies to Govern

Governance determines who has power, who makes decisions, how other players make their voices heard and how account is rendered.³ It refers to the structures and processes that direct, control and hold an organization to account.⁴ Management of an organization, on the other hand, deals with the day-to-day operations of an organization within the directives established by the governing body (e.g., management implements board decisions, policies, and strategies).

Having the knowledge necessary to govern a school division, such as Prairie South, means that the Board members understand their roles, responsibilities, and the environment in which the organization operates. Competencies necessary to govern refers to the Board members' skills and experiences; these include competencies such as leadership skills, board experience, education sector experience, and financial expertise.

Board members typically possess a variety of competencies and skills. However, it is common that, collectively, members may not possess some specific competencies and skills or need further development so that the board can govern effectively.

Failure to identify and address knowledge and competency gaps may limit the Board's ability to govern effectively – that is, to make the right decisions at the right time.

3.2 Roles and Responsibilities of School Boards and School Division Management

School boards must govern in accordance with *The Education Act, 1995* (Act). The Act makes school boards responsible for various duties and responsibilities including administering and managing the education affairs of the school division and establishing policies that guide management. The Act also sets out other areas of responsibility for general supervision and control such as approving courses of study, facilities maintenance, teacher appointments, transportation services, financial record keeping, and preparing budgets and operational reports.⁵

³ Institute on Governance, www.iog.ca/defining-governance/ (26 February 2015).

⁴ Auditor General British Columbia, *School District Board Governance Examination*, p. 7.

⁵ Adapted from *The Education Act, 1995*, section 85 (1).

The Act does not set requirements for knowledge or competencies for individuals seeking election as school division board members. As a result, divisions have no control over the pre-existing levels of knowledge and competencies of new board members.

When we surveyed board members of all school divisions together with selected management in 2013, board members and management identified gaps between the skills and knowledge needed to govern and those possessed by their boards.⁶ For example, fewer than half of board members were of the view that experience in a related industry or sector, or financial expertise, were adequately represented in their current board. Also, almost 30% of board members and 45% of management indicated they were concerned that board members do not understand the board's role and responsibilities.

3.3 Prairie South School Division

Prairie South is one of 28 school divisions in Saskatchewan. It has a 10-person Board, elected in the fall of 2012 for a four-year term.⁷ Two members have joined since 2012 through by-elections.

Prairie South has 40 schools located within 19 rural and urban communities in southern Saskatchewan with about 1,300 staff (equivalent to about 960 full-time equivalent positions) and 6,500 students.⁸ The Division is comprised of six subdivisions for the purpose of elections and representation.

In 2013-14, Prairie South had revenues of \$85.3 million (2012-13: \$88.7 million) and expenses of \$88.1 million (2012-13: \$89.7 million). At August 31, 2014, it had financial assets of \$30.5 million (2012-13: \$32.2 million), liabilities of \$11.3 million (2012-13: \$11.7 million), and tangible capital assets of \$52.7 million (2012-13: \$54.4 million).⁹

In accordance with the Act, the Board may provide any meetings, seminars, workshops, and conventions for members of the Board considered advisable for the purposes of educational planning and development in the school division. As shown in **Figure 1**, each year, Prairie South spends over \$500,000 on governance-related expenses. This includes expenses related to Board member professional development.

Figure 1 – Prairie South School Division Governance Expenses

	2012 Actual	2013 Actual	2014 Actual	2015 Budget
	(in thousands)			
Board Members Expense	\$ 205.1	\$ 198.6	\$ 191.9	\$ 214.5
Professional Development – Board Members	68.9	50.5	45.4	62.1
Advisory Committees	37.8	42.0	41.4	53.4
Elections	-	55.5	0.7	16.0
Other Governance Expenses	205.8	254.2	249.4	229.8
Total Governance Expenses	\$ 517.6	\$ 600.8	\$ 528.8	\$ 575.8

Source: Audited Financial Statements of the Prairie South School Division No. 210 for the Period Ending August 31, 2014, p. B-1, Prairie South School Division No. 210 Annual Report 2012-13, p. 43, and Prairie Spirit School Division 2014-15 Proposed Budget Supplementary Details of Expenses.

⁶ Available at www.auditor.sk.ca/publications/resources.

⁷ Prairie South School Division 2013-14 Annual Report, p.10.

⁸ Ibid., p. 5, 12, and 13.

⁹ Audited Financial Statements of the Prairie South School Division No. 210 for the Period Ending August 31, 2014, p. 1-2.



To effectively meet its responsibilities, the Board of Education of Prairie South School Division No. 210 needs to equip itself with necessary knowledge and competencies.

4.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess whether the Board of Education of Prairie South School Division No. 210 had effective processes, for the 12-month period ended January 31, 2015, to equip itself with the necessary knowledge and competencies to govern the Division.

We examined the Board's policies and procedures, orientation manual, reports, Board packages, minutes, and other relevant documents. We also interviewed the Chair, Vice-Chair, the majority of Board members, and members of senior management.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Board's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with the Board and management. The Board and management agreed with the criteria (see **Figure 2**).

Figure 2—Audit Criteria

Effective processes for the Board of Education to equip itself with the necessary knowledge and competencies to govern the school division include processes to:

- 1. Determine Board knowledge and competencies necessary to govern**
 - 1.1 Assess school division operating environment and impact on knowledge and competency requirements (e.g., roles and responsibilities, specific skill sets needed)
 - 1.2 Identify Board knowledge and competencies necessary to govern given environment (i.e., collectively and for each Board member)
 - 1.3 Periodically reassess necessary knowledge and competencies
- 2. Identify gaps between necessary and existing Board knowledge and competencies**
 - 2.1 Maintain information on Board knowledge and competencies (collectively and for each Board member)
 - 2.2 Compare existing Board knowledge and competencies to necessary Board knowledge and competencies
 - 2.3 Document gaps
- 3. Plan to address gaps in Board knowledge and competencies**
 - 3.1 Identify alternative methods for addressing knowledge and competency gaps (e.g., training, external experts)
 - 3.2 Develop strategy to address knowledge and competency gaps
 - 3.3 Document strategy
- 4. Implement strategy to address knowledge and competency gaps**
 - 4.1 Take steps to address gaps in Board knowledge and competencies (e.g., provide orientation, training and development opportunities, or access to external assistance, for Board members in accordance with the strategy)
 - 4.2 Monitor whether gaps are addressed (e.g., through periodic Board evaluations)
 - 4.3 Adjust the strategy as required

Although the Board of Education of Prairie South School Division No. 210 carried out certain activities to build Board knowledge and competencies, these activities were not undertaken using a coordinated approach to equip the Board in all areas necessary for effective governance.

We concluded that, for the 12-month period ended January 31, 2015, the Board of Education of Prairie South School Division No. 210 did not have effective processes to equip itself with the necessary knowledge and competencies to govern the Division. We make four recommendations.

5.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out the criteria (*expectations*) and our key findings along with related recommendations.

5.1 Knowledge and Competencies Necessary to Govern Not Specifically Identified

We expected the Board, with the assistance of management, to assess how the operating environment of the School Division influences the knowledge and competencies needed by Board members and the Board collectively. For the purpose of this audit, operating environment refers to all of the external and internal influences that impact the governing and operating of the Division (e.g., legislative mandate, government priorities, size of the Division, student demographics). The Board would identify and maintain knowledge and competencies necessary to govern both at the individual board member level and collectively. Also, the Board would periodically reassess necessary knowledge and competencies.

The Prairie South School Division Board approved Board policies that provide guidance and direction on how the Board functions, conduct of trustees, functioning of Board Committees and representatives, conduct of hearing and appeals, roles and responsibilities, as well as delegations of authority. The policies also set out requirements related to the information to include in an orientation program for newly-elected Board members.

We found the contents of the orientation program were in line with the requirements set out in the Board's policies. However, the orientation program did not provide sufficient information on the School Division's operating environment. The orientation program included general information (e.g., statutory and regulatory authorities, financial and enrolment information, organizational structures, and Division procedures) but was missing key information necessary to provide newly-elected Board members with an introductory-level understanding of the Division necessary to effectively carry out their duties. For example, the orientation program materials did not include identification of issues and current initiatives specific to the Division.

While the Board Chair, Vice Chair, Director of Education, and Chief Financial Officer collaborated to develop and update the orientation program materials, we did not find evidence of an assessment of baseline knowledge and competencies needed to govern the Division. In addition, we found no evidence in Board minutes (or supporting agenda packages) of discussions about necessary Board and Board member knowledge and competencies. Also, we did not find evidence that the Board sought this information from the Ministry or other school divisions.

Not setting out baseline knowledge and competencies needed to govern resulted in coverage of the Division's operating environment in the orientation materials being incomplete. Identifying baseline knowledge and competencies would inform requirements for Board orientation, and would help form the basis for further Board development.



Not specifically identifying baseline knowledge and competencies increases the risk that the Board may not be suitably equipped to make informed decisions. Identifying key knowledge and competencies of Board members, either on its own or by working with the Ministry and other school divisions, would assist the Board in managing this risk. Making this information available publicly may attract individuals possessing such knowledge and competencies to run for school board member elections.

- 1. We recommend that the Board of Education of Prairie South School Division No. 210 set out its baseline knowledge and competencies necessary to govern the School Division.**

Because the environment in which school divisions operate changes (e.g., new policies, changes to strategic focus), we would encourage the Board to reassess necessary knowledge and competencies periodically.

5.2 Formal Process Needed to Identify Knowledge and Competency Gaps

We expected the following processes to be in place. The Board would identify knowledge and competencies of current Board members and update its listing of identified knowledge and competencies on a periodic basis. The Board would periodically compare necessary Board knowledge and competencies with those possessed by current members. The Board would review the results of the comparison and agree upon gaps identified.

We found the Board did not expect (e.g., in Board policies) to identify the knowledge and competencies possessed by current Board members and maintain a listing of them. Also, Board policies did not require a comparison of existing and necessary Board knowledge and competencies to identify gaps.

We found the Board gathered limited information on Board member knowledge and competencies. It completed an annual facilitated Board self-evaluation process (evaluation). The evaluation completed in April 2014 gathered information on several areas related to Board operation and effectiveness such as fulfilling roles as Board members, interpersonal working relationships, effective communication, adherence to the Board's policies and annual work plans, and Board-management relations. The Board used the evaluation results to create an action plan focused on two areas. While the evaluation could be used as a tool to identify Board member knowledge and competency gaps, its use in this regard was limited. The Board may want to consider building this component into future evaluations.

We further found that each Board member developed a biography for the Division website. These biographies included limited information on Board member knowledge and competencies. We note that the Board's use of committees provides Board members with the opportunity to focus their attention on areas to build expertise. We observed that certain areas such as leadership skills, education sector knowledge, and legal expertise were represented on the Board. Other areas, such as financial expertise (e.g., accounting designation) or information technology expertise, were not evident. In

addition, Board members expressed to us a common concern regarding a lack of understanding of Board roles and responsibilities. These may be areas where the Board may choose to seek additional training or outside expertise to ensure it is in a position to effectively respond to issues that may arise.

Not having a formal process to identify knowledge and competencies Board members possess individually and collectively (i.e., an inventory) increases the risk that the Board will not know whether it has the key knowledge and competencies to govern effectively. This, in turn, increases the risk that the Board may be hindered in its ability to make informed decisions or place increased reliance on management.

2. We recommend that the Board of Education of Prairie South School Division No. 210 maintain a current listing of knowledge and competencies possessed collectively and by individual Board members.

Because the Board did not identify necessary or existing knowledge and competencies of Board members (individually or collectively), it did not know in which specific knowledge and competency areas there may be gaps or which ones needed further development or support.

5.3 Plan Needed to Address Gaps in Board Knowledge and Competencies

We expected the following processes to be in place. The Board, with the assistance of management, would develop a documented strategy (i.e., plan) to address identified knowledge and competency gaps. Such a strategy would set out key areas or guidance for Board training and development and matters where the Board should consider use of outside expertise (e.g., information technology expert) to make decisions. Such a strategy would also include setting out expected actions, assigning responsibility and outlining timelines consistent with approved funding. Given that Board members change, the Board would maintain and store this strategy and related information in a way readily accessible to Board members (e.g., centrally).

Because the Board had not determined knowledge and competencies necessary to govern, or created an inventory of those possessed by the current Board to identify gaps, it did not have key information necessary to develop a plan.

We found a high-level plan was developed, called the *Positive Path Forward*, resulting from issues identified in the 2014 Board evaluation previously noted in **Section 5.2**. The plan contained minimal content related to Board knowledge and competencies. In addition, the plan did not assign responsibility or timelines for completion of actions. Plans that do not assign responsibilities and timelines are at increased risk of not being accomplished.

In our review of Board meeting minutes (and supporting agenda packages) for 2014, we found that the Board used outside experts in specific instances such as to help develop the process to hire a new Director of Education and carry out the Board self-



assessment. These provide specific examples of the Board leveraging the use of outside expertise in areas where it was not equipped with sufficient knowledge.

Although the Board makes professional development funds available to Board members each year, it did not have a written professional development plan for the Board or give Board members criteria or guidelines to follow when selecting development opportunities (e.g., target areas where the Board needs to improve its knowledge and competencies). Board members had discretion on the use of their professional development budget and could take training in areas of their choosing.

Lack of a documented plan increases the risk that spending on Board professional development will not address gaps in Board knowledge and competencies, or further develop knowledge and competencies in key areas. The absence of a plan also increases the risk that the Board will not identify areas where it may need to engage outside assistance. It may also result in the Board placing undue reliance on management.

3. We recommend that the Board of Education of Prairie South School Division No. 210 document a plan to address gaps in individual and collective Board knowledge and competencies.

5.4 Strategy to Address Knowledge and Competency Gaps Not Yet Implemented

We expected the following processes to be in place. The Board would, following its strategy (i.e. plan), address gaps in knowledge and competencies. The Board would periodically monitor whether its strategy was working effectively to address knowledge and competency gaps.

As we have described, the Board carried out some steps to enhance its knowledge and competencies. For example, the Board provided an orientation to new members and provided a professional development budget for its members. We noted Board members participated in activities such as provincial and national conferences for school board members. However, as noted in **Section 5.3**, the Board did not take steps to help ensure spending on professional development focused on knowledge and/or competencies where the Board most needed further development.

While the Board monitored overall spending by Board members on professional development, it did not monitor whether training selected or taken helped address knowledge and competency gaps (e.g., financial expertise).

Also, we did not observe processes that Board members prepared or discussed professional development plans. Such plans, if linked to an overall Board plan informed by gap analysis, would assist the Board in using its professional development resources effectively.

Unless the Board monitors whether its plan for equipping itself with necessary knowledge and competencies is effective, it will not know whether it is spending its development resources optimally.

4. We recommend that the Board of Education of Prairie South School Division No. 210 periodically monitor whether Board professional development training addresses gaps in individual and collective Board knowledge and competencies.

6.0 SELECTED REFERENCES

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