

GOVERNMENT OF ALBERTA  
DEPARTMENT OF EDUCATION  
MINISTERIAL ORDER (# 016/2020 )

I, Adriana LaGrange, Minister of Education, pursuant to Section 70(9) of the **Education Act** make the Order in the attached Appendix.

This Order shall be effective on the date of signing.

DATED at Edmonton, Alberta May 21, 2020

  
MINISTER OF EDUCATION

**APPENDIX**

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**EDUCATION ACT**

**IN THE MATTER OF AN INQUIRY PURSUANT TO SECTION 70 OF  
THE EDUCATION ACT  
Into The Calgary Board of Education**

**WHEREAS:**

- A. Alberta Education remains committed to ensuring school boards provide high-quality educational programming to their students and recognizes that many factors contribute to school board success.
- B. In order to ensure this commitment and pursuant to Sections 70(1) and 33(h) and (i) of the **Education Act**, Grant Thornton was appointed to investigate the financial and administrative condition of the Calgary Board of Education (CBE).
- C. The scope of Grant Thornton's review included Governance and Financial Cost Management with a focus on:
  - Board procedures, related governance practices and decision-making
  - Effectiveness of financial management and internal control processes
  - Funding and allocation of resources including program delivery costing
  - Control of public information
  - Specific cost centres including head office lease options, plant operations and maintenance including student transportation costs, staffing levels and related compensation, procurement, and instructional program cost management.

**WHEREAS Grant Thornton made findings of fact, including the following findings of fact:**

- D. That CBE has deployed a Policy Governance Model designed to clearly differentiate the roles of management and the board of trustees. As such, the role of CBE as the board of trustees is primarily that of oversight and due diligence in relation to that oversight.
- E. That CBE has become focused on internal process related matters and policy interpretation rather than the strategic matters at hand (form over substance), and it is currently unclear how the future financial sustainability of program delivery is considered within policy or assessment indicators.

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- F. That no measures exist to evaluate the effectiveness of the programs that are being run outside the mandate and whereas CBE does not perform analysis to understand the impact of the supplementary program costs on the delivery of the mandated programs.
- G. That CBE's decisions about use of reserve funds suggest that CBE viewed it as Alberta Education's responsibility to manage financial risks associated with sustainable program delivery, rather than that of the CBE.

WHEREAS I have accepted the recommendations set out in the Grant Thornton report to the extent they are reflected below, I direct CBE to take the steps set out in this order.

THEREFORE,

- 1 Pursuant to Section 70(9) of the **Education Act**, I order the Calgary Board of Education (CBE) with respect to the areas outlined below, as follows:

(a) Governance

- (i) CBE shall amend the Operational Expectation Policy 5 (OE-5) to include a board oversight of risks to the future ability to sustain operations while meeting statutory obligations.
- (ii) CBE shall amend OE-5 monitoring, to include oversight of short and longer-term fiscal jeopardy and overall financial risk management.
- (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 reporting to ensure a clear understanding for both management and the board of trustees the level of financial and operational risk accepted by the CBE.
- (iv) CBE shall engage a governance instructor to be approved in writing by the Minister.

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(b) Governance with respect to Instructional Programming

- (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 Expectation Policy 3 and related indicators to identify that program spending are supported within the context of value for money and overall financial capacity.

(c) Governance with respect to Risk Management Capabilities

- (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.
- (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.

(d) CBE Central Office Building (Education Centre)

- (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.

(e) Financial Management

- (i) CBE shall consider eliminating all half days of instruction to save on transportation costs.

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- (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.
- (f) Procurement and Expenditures
- (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.
  - (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.
  - (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.
  - (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.
- (g) Communication
- (i) CBE shall develop a communication strategy identifying the type of information, the level of confidentiality and how any information is to be communicated.
- (h) Staffing Levels and Compensation
- (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.

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- (ii) CBE shall conduct an updated salary survey.
  - (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.).
  - (iv) 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.
- 2 CBE shall provide a written update to Alberta Education on their progress in meeting the requirements of this Order by July 31, 2020.
  - 3 Subsequent to providing the written update of their progress as stated in Section 2 of this Order, CBE shall attend meetings with the Assistant Deputy Minister of Strategic Services and Governance for Alberta Education to discuss their progress on or before August 31, 2020, September 30, 2020 and October 30, 2020.
  - 4 CBE shall complete all requirements set out in this Order by November 30, 2020.