

Chapter 3

Section 3.07

Ministry of Education

Literacy and Numeracy Secretariat

Background

The Ministry of Education (Ministry) is responsible for the system of publicly funded elementary and secondary school education in Ontario. Its responsibilities include developing the primary and secondary school curricula, setting requirements for student diplomas, and providing funding to school boards. The Ministry also set up the Education Quality and Accountability Office (EQAO)—a government agency—to provide independent assessments of student achievement by testing students in reading, writing, and mathematics. It is the responsibility of the Ministry and the school boards to review EQAO assessment reports and adjust strategy and training to foster continuous student improvement. The Ministry's overall target is that 75% of all 12-year-olds achieve at least a level-three score, equivalent to a B grade, on province-wide EQAO testing for reading, writing, and mathematics.

The Ministry's Literacy and Numeracy Secretariat (Secretariat), the subject of this audit, was established in November 2004 to work with over 4,000 elementary schools across 72 school boards. It serves English- and French-language schools in both public and Catholic school boards. The Secretariat's mandate is to provide support to school

boards and schools to assist them in fulfilling their responsibilities to improve the achievement of children from junior kindergarten (JK) to grade 6, as measured by EQAO test results, and to close gaps in achievement for lower-performing student groups and schools.

The Secretariat works to boost student achievement by collaborating with school boards and schools to set targets, support boards in implementing secretariat initiatives, and foster a sense of goodwill and enthusiasm within the education sector. Along with funding a number of program initiatives designed to enhance teaching strategies and improve student achievement, the Secretariat employs over 80 experienced educators, called student achievement officers (SAOs), who work directly with schools and school boards across the province to implement strategies to improve reading, writing, and mathematics skills.

Since it was established in 2004, the Secretariat has spent \$340 million, with almost \$288 million transferred to school boards to help them meet student-achievement targets. The details of these expenditures over the last five years are shown in Figure 1.

On April 1, 2009, the two areas in the Ministry responsible for improving student achievement, the Literacy and Numeracy Secretariat (grades JK to 6) and the Student Success/Learning-to-18 Division (grades 7 to 12), came together to form the Student

Figure 1: Literacy and Numeracy Secretariat Expenditures, 2004/05–2008/09 (\$ 000)

Source of data: Ministry of Education

Program	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Ontario Focused Intervention Partnership			24,747	34,470	33,436	92,653
Capacity Building	8,485	34,232	8,725	4,195	3,775	59,412
Resources	2,402	39,522	10,007			51,931
School Effectiveness Framework				11,700	11,400	23,100
Schools Helping Schools					9,859	9,859
Equity of Outcome			4,200	5,000		9,200
Turnaround Strategy			6,243			6,243
Tutors in the Classroom		1,613	1,642	1,511	1,205	5,971
Character Education			1,731	1,689	1,505	4,925
Schools on the Move			377	749	953	2,079
other programs	13,981	5,480	3,128	0	0	22,589
Program Total	24,868	80,847	60,800	59,314	62,133	287,962
administration	890	8,135	14,285	15,028	13,279	51,617
Total Expenditures	25,758	88,982	75,085	74,342	75,412	339,579

Achievement Division. The responsibilities of the Secretariat will carry on substantially unchanged in the new division. The purpose of the amalgamation was to better align ministry responsibilities for all students from JK to grade 12.

Audit Objective and Scope

The objective of our audit was to assess whether the Literacy and Numeracy Secretariat had adequate procedures in place to:

- measure and report on the effectiveness of its activities in fulfilling its mandate to ensure that students in Ontario achieve a high level in reading, writing, and mathematics by age 12; and
- ensure that its transfer payments to school boards are properly managed and directed to the areas in greatest need of support for students' achievement levels to improve.

The scope of our audit work included researching practices around student achievement in other jurisdictions; reviewing and analyzing ministry

files, administrative directives, policies, and procedures; and interviewing ministry staff as well as supervisory officers and principals at one French-language school board and five English-language school boards across the province. The school boards we visited were the Conseil scolaire de district catholique du centre-sud, Toronto Catholic District, Peel District, Thames Valley District, Lakehead District, and Thunder Bay Catholic District. Our audit also included a review of related activities of the Ministry's Internal Audit Services Branch. We reviewed the Branch's recent reports and considered its work and any relevant issues identified when planning our audit work.

Summary

The Ontario government made a significant commitment to improving student achievement when, in 2004, it set a goal that 75% of all 12-year-olds (grade 6 students) would score a level-three standard (approximately a B average) on province-wide testing for reading, writing, and mathematics by

2008. Although the Ministry of Education (Ministry) had not achieved this goal by 2008, substantial progress has been made over the last five years, and the number of children achieving level three on Education Quality and Accountability Office (EQAO) testing has increased on average from 56% in 2003/04 to 65% in 2007/08 (this report uses 2007/08 numbers because results for the 2008/09 fiscal year were not available at the time of our audit).

Further increasing the percentage of students achieving a B average on the EQAO literacy and numeracy tests will be a challenging undertaking. During our audit, we noted a number of areas that could be improved to help achieve this goal.

Some of our more significant observations were:

- Although the Literacy and Numeracy Secretariat (Secretariat) and the school boards we visited have done some limited assessments of how secretariat program initiatives have contributed to improving student achievement, further analysis is required to assess the effectiveness of the various programs in improving student outcomes. Better analysis in this area would have enabled the Secretariat to ensure that its spending of almost \$288 million was directed to the initiatives that provide the most benefit.
- The information in reports submitted by school boards was insufficient to assure the Secretariat that funds were being spent on its initiatives and to track, over time, their impact on student outcomes. This lack of structured financial and performance reporting limits the Secretariat's ability to carry out a comparative assessment of its program initiatives. Given that the Secretariat's window of opportunity to help improve student achievement closes after students reach the age of 12, it is important that the Secretariat develop effective improvement programs during those critical years. To be able to do so, the Secretariat must know which program initiatives work best and which should be modified or eliminated.
- School board improvement plans were initiated to help teachers, principals, and school board staff plan and implement strategies to improve student achievement. The Ministry has developed a framework to help school boards and schools implement an effective improvement planning process. However, neither the Secretariat nor the boards we visited documented, monitored, or reported on the plans to the extent necessary to assess whether the plans were contributing to improved student achievement. Because it exercised only limited oversight, the Secretariat did not have the information needed to identify patterns and trends among school boards. Thus, it could not determine how effective the various plans were so that the most successful initiatives could be shared with other boards.
- Secretariat program funding was not always allocated to school boards and schools with the greatest need. Funding for some of the secretariat improvement initiatives was based on average daily enrolment (rather than on relative needs); in other cases, the Secretariat could not fully explain how the amount of funding that went to each school board was determined. For instance, we found that for one major program, the funding for the board with the greatest number of schools designated as low-performing was only \$17 per student, while several boards, with no schools designated as low-performing, received more than twice this amount per student.
- The Secretariat routinely uses certain boards as "bankers" to act as distributors of funds to third parties or other school boards. We question the need for such arrangements and noted that there is no Memorandum of Understanding or agreement between the Secretariat and the banker boards outlining respective roles and responsibilities, accountability relationships, reporting requirements, and service levels to be provided. Also, the

Secretariat paid banker boards administrative fees that in some cases appeared excessive.

- Final report card marks for most students should be relatively comparable to their EQAO scores for reading, writing, and mathematics. The Ministry does not do this type of comparison, but we carried out our own analysis comparing report card marks to EQAO scores. We noted that, at the school boards we visited, approximately half of the student report card marks for grades 3 and 6 matched their EQAO scores. An additional 43% of the report card marks were within plus or minus one assessment level of the EQAO scores, with over twice as many of these report card marks exceeding EQAO results versus falling short of them. We believe this type of analysis would be useful to conduct—significant differences could highlight areas where adjustments to student assessment practices or EQAO testing warrant consideration.

OVERALL MINISTRY RESPONSE

We would like to thank the Office of the Auditor General for the work put forth in preparing this report; the recommendations will be of assistance to the Literacy and Numeracy Secretariat as it refines its future work.

In 2008, a leading research company evaluated initiatives undertaken by the Ministry to raise student achievement between February 2007 and October 2008 and concluded “that over its brief history, Ontario’s Literacy and Numeracy Secretariat has had a major and primarily positive impact on Ontario’s education system.” In six years, student achievement has increased from 56% to 67% of students reaching level 3 in the grade 3 and 6 EQAO tests, the achievement gaps for English language learners and students with special needs has been reduced, and the percentage of Ontario elementary schools in which fewer than 50% of students were meeting provincial expecta-

tions has been reduced from 19% to less than 5%. Ontario’s high school graduation rate has increased from 68% to 77% of students graduating within five years. Ontario is recognized internationally as a school system of “excellence and equity,” a leader in achieving multi-year continuous improvement in student outcomes, both increasing student achievement and increasing equity for diverse student groups.

The Ministry has provided leadership in creating a significant shift in the teaching and learning culture of Ontario’s schools. This has required that the Secretariat function in a continuous cycle of research, dialogue with school boards and schools, development of strategies, pilot implementation, assessment, review, refinement, and expansion.

Ministry initiatives work in an integrated way to improve student learning and achievement and narrow the gaps. While individual programs are evaluated to varying degrees, it is difficult to quantify the degree of impact of individual strategies. Evidence that our approach has credence exists in the analysis of outcomes, which reaffirms that the Ministry, in partnership with district school boards, schools, and staff, is significantly improving student achievement and closing the gap. The Ministry recognizes that some areas need to be strengthened, and the recommendations will help us to do so.

Detailed Audit Observations

MEASURING AND REPORTING ON PROGRAM EFFECTIVENESS

The Ministry’s priorities are to attain high levels of student achievement, close gaps in student achievement, and maintain high levels of public confidence. It has implemented a number of initiatives to ensure that more students succeed. One

of these initiatives is the Literacy and Numeracy Strategy, which identifies practices that improve student achievement. The government's Reach Every Student strategy affirms that strong literacy and numeracy skills are the critical foundation for all other academic achievement. Accordingly, the Secretariat's goal is to ensure that all students achieve a high level of literacy, numeracy, and comprehension, with a province-wide total of 75% of 12-year-olds (grade 6) meeting the provincial standard (level three or a B average) on reading, writing, and mathematics testing by 2008. Figure 2 shows EQAO results over the last five years.

Over the last five years, the average results for both English- and French-language schools have gone up overall by almost 10%, from 56% to 65%. Although French-language schools achieved the Ministry's goal in 2007/08, with at least 75% of 12-year-olds scoring a level three in reading, writing, and mathematics, English-language schools have not. The percentage of English-speaking 12-year-old students at the provincial level-three standard is still only 65%. However, the percentages of students who scored at level 2.7 (or about 10% below the target level three) in reading, writing, and arithmetic were 79%, 85%, and 75%, respectively. This suggests to us that the Ministry's goal to have 75% of 12-year-olds achieve at least

a level-three score on EQAO testing, while challenging, is not unreasonable. The Ministry recently reiterated this goal.

At a symposium sponsored by the Secretariat in November 2005, the Premier stated that four out of every 10 students were not meeting the provincial standard. He further stated, "Those children are at risk. They are at risk of doing poorly throughout their school years. They are at risk of dropping out of high school. They are at risk of growing up and achieving less than they are capable of." Better test scores are a sign of progress, but from the results discussed above, it is evident that in 2008 there were still 3.5 out of every 10 students who were not meeting the provincial standard, and who could therefore be at risk. In this regard, although progress is being made, the Ministry has not yet met its overall goal of 75% of 12-year-olds achieving at least a level three on EQAO testing by 2008. It advised us that it plans to achieve the goal by continuing with a number of initiatives, including:

- strengthening the networks of educators who focus on student work and effective pedagogy so they can learn from and with each other;
- supporting the work of the School Effectiveness leads through regional professional learning sessions;
- building capacity at the board level;

Figure 2: Percentage of Grade 6 Students at or Above the Provincial Standard (EQAO Level 3 or a B Average)

Source of data: Education Quality and Accountability Office

	2003/04	2004/05	2005/06	2006/07	2007/08	Increase
English-language Schools						
# of students	146,169	143,421	146,711	145,901	140,420	
reading (%)	58	53	64	64	66	8
writing (%)	54	59	61	61	67	13
mathematics (%)	57	60	61	59	61	4
average (%)	56	61	62	61	65	9
French-language Schools						
# of students	6,760	6,672	6,540	6,639	6,390	
reading (%)	63	67	68	68	75	12
writing (%)	68	70	73	74	80	12
mathematics (%)	70	74	76	76	78	8
average (%)	67	70	72	73	78	11

- supporting board improvement planning ;
- building on and sustaining the School Effectiveness Framework;
- continuing field-based support through the student achievement officers;
- intensifying support for low-performing boards; and
- analyzing and using data to target improvement strategies to the areas of greatest need.

The Ministry relies on EQAO test results to measure the success of its programs. However, this approach to measuring success does not consider the effect of programs on the same students over time. Other jurisdictions track the test scores of individual students over time, for example, by comparing a particular group of students' grade 3 results with their grade 6 results three years later (this is called "cohort tracking"). In our view, if the Ministry did this type of tracking in addition to the test-score analysis it currently undertakes, it would have a better measure of the value its investment in programs and initiatives has achieved.

Another measure of student achievement relates to the range in scores between high-performing and low-performing student groups and schools. Educational research shows that jurisdictions that have narrower gaps in achievement between the top- and bottom-performing student groups and schools also tend to have higher average scores than do those where the gap is larger. Yet Ontario does not publicly report on how wide the gap is between the highest and lowest performers. This measurement would help the Ministry evaluate whether it is meeting its goals and responsibilities for student achievement, and enable it to track, for selected student groups and schools, whether the gap is being reduced over time.

RECOMMENDATION 1

The Ministry of Education should develop more comprehensive indicators for measuring and reporting on its effectiveness in improving student achievement. In addition to reporting

the percentage of 12-year-olds who are at or above the provincial standard, it should also consider reporting changes in the gap between the top-performing and lower-performing student groups and schools, as well as how specific student cohorts perform over time while participating in the programs and initiatives intended to improve their performance.

MINISTRY RESPONSE

The Ministry agrees that additional indicators would be useful in reporting its effectiveness in improving student achievement. In September 2009, the Education Quality and Accountability Office (EQAO) began reporting information on tracking student cohorts and how they perform over time. This analysis was dependent on the Ministry's full implementation of the Ontario Education Number to track each student.

In addition, the EQAO produces for the Ministry and school boards a report of the test results for specific student groups. The Ministry uses this information to track over time the gap in achievement between the overall student population and specific student groups (for example, English-language learners, students with special needs, and boys). Also, the Ministry tracks trends over time in the proportions of students at each of levels 1 through 4. This information informs ministry planning and priorities from year to year.

The Ministry will continue to examine and use this information to further assess the effectiveness of its programs and to refine its initiatives in improving student achievement and narrowing the gaps.

SCHOOL BOARD IMPROVEMENT PLANS

School board improvement plans are intended to help teachers, principals, and senior school board staff plan and implement strategies to improve

student achievement in both the short and long terms. Improvement plans are also a mechanism through which the public can hold schools and boards accountable for student success and through which improvement can be measured. An effective improvement plan includes strategies for improvement, indicators of success, performance targets, relevant timelines, and reporting on student achievement.

Completion and Review of Improvement Plans

School boards, superintendents of education, principals, and teachers all have varying roles in preparing and monitoring improvement plans at the school board and school levels. The Ministry has produced a number of guidelines to help school boards prepare effective improvement plans. One of these guidelines is the School Effectiveness Framework, which provides key indicators of school effectiveness for the purpose of building board and school capacity to:

- identify strengths and weaknesses;
- perform self-assessment and analysis;
- achieve better improvement planning;
- implement high-yield strategies; and
- determine the monitoring and feedback strategies necessary for improvement and accountability.

In early 2008, a consultant the Ministry engaged to review school board improvement plans reported that there was a wide variety of plan formats, which made it a challenge for the Secretariat to identify patterns and trends from board to board. In addition, the absence of a common planning template means less usage of a common language that could help school boards to duplicate the successful practices of other boards. In response to this report, the Ministry adopted “SMART” goals—that is, goals that are specific and strategic, measurable, achievable, result-based, and time-bound—to be incorporated into improvement plans. The Ministry

recommended that school boards develop their improvement plans based on these SMART goals.

Although there is no formal requirement that improvement plans be submitted to the Ministry, we found that all 72 school boards have been submitting their plans every year. We noted, however, that once the Secretariat received the plans, there was limited documentation to demonstrate that the plans were reviewed to ensure that all the required components of an effective plan had been addressed. We selected a sample of 13 improvement plans of large and small school boards and noted that some school boards set SMART goals that were vague, difficult to measure, and not within the board’s direct control. To realize the benefit of its SMART initiative, the Ministry should review improvement plans and document each board’s degree of consistency with the SMART guidelines.

Among the responsibilities of the Ministry’s student achievement officers is working with school boards to set student achievement targets and develop improvement plans. However, there was no documentation of feedback to the school boards on whether they had included all the required components of an effective plan. We were informed that student achievement officers provide verbal feedback only. Without consistent and concise documentation of these informal discussions, there is no assurance that any possible shortcomings in the improvement-planning process have been communicated to the proper levels of authority within the school board. This lack of documentation, combined with the lack of detailed consistent reviews, hinders the Secretariat in its ability to follow up on whether any previously observed shortcomings have been addressed.

Monitoring and Reporting the Achievement of Plans

In our review of the improvement-planning process, we noted that the accountability mechanisms in place at the Ministry were informal, with little or no documentation. The Secretariat does not require

that school boards periodically report the results of the monitoring and measurement of their improvement goals. Rather, it is left up to school boards to decide when and how to monitor the improvement plans. As a result, the Ministry has little assurance that school boards are meeting the goals or timelines in their improvement plans and that, where necessary, corrective action is being taken to meet goals. We noted that British Columbia uses a formal achievement contract with school boards to more closely monitor their improvement plans. This contract requires the boards to submit the goals, objectives, performance indicators, and progress made to improve student achievement. In addition, any goal not met is either to be carried forward until it is achieved or deleted with an explanation of why it is no longer relevant.

We reviewed the improvement plans for 13 school boards and noted that 10 of them did not provide information on the progress made in the implementation of past improvement strategies. All 13 of the Ontario boards in our sample had mechanisms in place to track and report on the achievement of goals, but this was generally not done. We noted that in Alberta the Ministry of Education provides funding for student improvement projects; school boards are required to submit annual reports that include financial information as well as results on student learning outcomes achieved, lessons learned, and effective practices that demonstrate the greatest impact on student learning. Without proper documentation, monitoring, and objective evaluations of the results of improvement strategies, it is difficult for the Secretariat to ensure that school board improvement plans are achieving their intended goals. More detailed board improvement plans that assess whether their goals have been achieved, with recommended actions when goals are not met, would assist the Secretariat in its review of the results of school board program strategies.

To help it identify overall provincial trends, the Secretariat receives an annual mid-term review

from the 72 school boards. These mid-term reviews include responses to a number of inquiries from the Secretariat, including a summary of the board's initiatives to improve student achievement. This report is used mainly as a planning document by the Ministry and also as a school board self-assessment tool. What the report does not include, however—and what would make the report more useful for the Ministry as it tries to determine trends—is information on the achievement of improvement-plan goals.

If the Secretariat determines that a school board has performed poorly in any of the areas reported on in a mid-term review, there are no formal procedures in place to take corrective action. We were informed by ministry staff that, instead, informal discussions are held with the board in partnership with the Ministry's student achievement officers to develop strategies for improvement. We found no documentation with respect to this process. In addition, none of the boards we visited had received any report-back from the Secretariat indicating compliance with ministry expectations for board improvement or corrective actions that might be necessary. Staff at one school board we visited said that it would be beneficial if the Secretariat would provide written feedback on the mid-term reports to avoid any misunderstanding, which sometimes occurs when student achievement officers provide only verbal feedback. Formal feedback would also provide the Ministry with a more objective basis for assessing the effectiveness of student achievement officers.

Furthermore, we noted that school improvement plans are generally not made available for parents and other stakeholders to review. Of the 13 school boards we reviewed, only three had posted their improvement plans on their board's website. In British Columbia, the school board achievement contracts, along with the improvement plans from every school district, are available on board and school websites for review by interested parties.

RECOMMENDATION 2

To ensure that the improvement-planning process is sufficient to support boards, administrators, principals, and teachers in helping students to improve results and progress toward the provincial standard in achievement testing, the Ministry of Education should:

- implement a formal improvement-plan review process to help ensure that all of the necessary components of an effective plan are included;
- require that school boards post improvement plans online to enhance accountability and transparency;
- consider adopting the practice followed in some other provinces of using a formal contract with school boards that would require school boards to periodically report their results in achieving the goals in their improvement plans; and
- properly document the result of its monitoring efforts along with any required corrective action to be taken and any subsequent follow-up where plans are not complete.

MINISTRY RESPONSE

The Ministry agrees that the board-improvement-planning process and documentation should be improved. A board improvement plan is designed by boards to articulate the actions required to improve student learning and achievement K–12. This is most effectively accomplished through a combination of pressure and support.

Since 2005/06, the Ministry has provided annual feedback to school boards to support the ongoing refinement of their improvement plans. In 2007, the School Effectiveness Framework was created to guide school and board analysis and improvement planning. In 2008, a global leader in enhancing student achievement and improvement planning was commissioned to

perform a comprehensive review of all board improvement plans. It made recommendations through a written report back to each board on ways to improve plans and provided the Ministry with a detailed analysis, which formed the basis for refinement in the current year. In 2008/09, the Ministry developed a template of expected components for an effective plan. School board plans were gathered in June 2009 and a written review has been provided to each board identifying areas for improvement. Revised plans, which also incorporate an analysis of the most recent Education Quality and Accountability Office (EQAO) data, are to be submitted to the Ministry in October. These will form the basis for three meetings between ministry staff and school board staff throughout the year as they review plans, progress made, and expected outcomes relating to student learning and achievement.

The Ministry will continue to work with school boards to enhance the improvement planning process, including more effectively documenting feedback to and discussions with boards regarding their plans and actions. The Secretariat will also encourage boards to post their board improvement plans online.

MONITORING AND FUNDING OF PROGRAM INITIATIVES

To achieve its goals of attaining high levels of student achievement and closing gaps in that achievement, the Secretariat and the Ministry have implemented a number of initiatives to ensure that more students succeed. The programs currently offered by the Secretariat are as follows:

- Ontario Focused Intervention Partnership (OFIP)—Schools identified as low-performing or static are given targeted support, such as allowing teachers time away from the classroom to participate in professional

development activities that will help them to increase their effectiveness.

- **School Effectiveness Framework**—To improve the way planning is done, this program helps boards and schools to identify areas that require attention and implement strategies for enhancing strengths and addressing weaknesses.
- **Schools Helping Schools**—High-performing schools work with low-performing schools to help the latter improve student performance. The program also provides networks for schools and boards to learn from each other.
- **Capacity Building**—Strategies are developed to help improve practices throughout the school system. For example, investments are made in initiatives that enhance teacher knowledge and skills.
- **Tutors in the Classroom**—College and university students tutor elementary school students in literacy and mathematics under the supervision of classroom teachers.
- **Schools on the Move**—Schools that have made substantial progress in raising student achievement and sustained this progress over several years are highlighted to share successful practices with other schools.

Monitoring Student Achievement Initiatives

To develop its student achievement initiatives, the Secretariat gathers information about the status of student achievement in the province and how to best support large-scale change. It looks at lessons learned from international educational reform efforts, such as research on how to effectively build and sustain improvement. The programs the Secretariat develops are also based on advice from educational advisors hired by the Ministry. Overall, the main impetus behind program initiatives is the Secretariat's collaboration with school boards to set targets, support board-identified projects, and build capacity, all with the goal of improving student achievement.

Program delivery happens at the board level. School boards are responsible for implementing the Secretariat's program initiatives for improved student achievement. But the Ministry is ultimately responsible for achieving its goal of having 75% of 12-year-olds (grade 6 students) meet the provincial standard on province-wide reading, writing, and mathematics testing. According to educational research, the level of educational accomplishment reached by age 12 is generally seen to set the pattern for future learning and academic success that will help students to develop adequate skills to pursue lifelong learning and expand their career opportunities. At a 2005 symposium sponsored by the Secretariat, a former Minister of Education added to this idea, noting that educators must "understand and deal with as many of the child's challenges by age eight and have the job essentially done by age twelve." In other words, there is a relatively small window of opportunity to help improve student achievement. Therefore, it is important that the Secretariat's interventions be timely and that it develop—and ensure that school boards deliver—effective improvement programs to increase student achievement during those crucial years. To be able to do so, the Secretariat must know which program initiatives work best and which should be modified or eliminated.

Government guidelines for transfer-payment accountability require that ministries have the oversight capacity to ensure that recipients (in this case, the school boards) are using the funds for the intended purpose and achieving the desired results. Appropriate oversight would include communication with the school boards on a regular basis, ongoing monitoring to ensure that objectives are achieved (including receiving reports from school boards), and taking corrective action when necessary. The school boards we visited had not carried out sufficient assessments of secretariat initiatives and how these contributed toward improving student achievement. Although the Ontario Focused Intervention Partnership (OFIP) program is assessed annually, a more complete

assessment of its other initiatives would help the Secretariat demonstrate the effectiveness of all its programs. As a result, we questioned whether the Secretariat or school boards have adequate information to know whether secretariat resources are being directed to the program initiatives that provide the most benefit.

The Ministry informed us that it was difficult to evaluate each program individually, that it is the sum effect of all its programs that contributes to student achievement, and that a number of strategies have been pursued to support learning. The Ministry informed us that, for instance, it has achieved two consecutive four-year collective agreements between school boards and their staff. As well, and in contrast to the \$288 million the Secretariat has spent on its programs over the last five years, \$1.4 billion has been spent on the Primary Class Size Reduction program over that time period. The Ministry advised us that during 2008/09, the original goal for this program was achieved, with 90% of kindergarten to grade 3 classes having 20 or fewer students and all primary classes having 23 or fewer students.

While acknowledging the Ministry's position, we still believe that it would be useful to identify which programs and initiatives work—and do not work as well—in schools. Surveys, focus groups, and even anecdotal evidence may be useful in determining the effectiveness of initiatives, highlighting best practices, and disseminating these practices throughout the province's school boards.

Program Funding

Funding for the Secretariat's programs is allocated to school boards. We reviewed how funding was allocated for six secretariat programs and found that funding for Tutors in the Classroom was allocated on the basis of need and that a set amount was provided for each school for Schools on the Move. However, over \$200 million had been spent on the other four programs over the last five years, and either the funding was based on average daily

student enrolment or the Secretariat could not fully explain the method it used to allocate funding.

Funding that is based on average daily enrolment, as opposed to relative need, does not focus scarce resources on the highest priorities that have been identified by assessments such as EQAO testing, nor does it target funding to low-performing schools or boards. This method of funding also does not sufficiently account for the fact that some schools have either students who are more challenging to educate than others or just a much higher percentage of students who need additional help.

One of the programs for which the Secretariat could not fully explain its funding method was the Ontario Focused Intervention Partnership. Our review indicated that funds were allocated partly on the basis of enrolment and partly on the basis of schools' needs, but the Secretariat could not explain the rationale for much of the program's funding. Funding for school boards with 1,000 students or more ranged from \$13 to \$83 per student. The board with the greatest number of schools designated as low-performing (75 schools where less than half the students achieved the provincial standard) received funding of only \$17 per student while several boards with no schools designated as low-performing received twice this amount per student. Such inequities are partly due to the fact that a major portion of Ontario Focused Intervention Partnership funding is based on prior years' allocations, with annual additions for new funding. Under such circumstances, inequities can develop and become more evident over time.

Government accountability guidelines for transfer payments stipulate that agreements for funding should include specific, measurable results for the initiative being funded and should also indicate reporting requirements. School boards should therefore be required to report on the use of funds and the results achieved. We noted that not all school boards submitted reports to the Secretariat and that there was little follow-up to obtain these reports. From our review of the reports that were submitted by school boards, we noted that the financial and

outcome information they provided was insufficient for the Secretariat to know whether funds were spent for their intended purpose, whether there were any unspent funds, or whether the outcomes of the funding were achieved. During the 2008/09 fiscal year, the Secretariat began to recover unspent funds by reducing the current year's grants, but this was possible for only those school boards that reported spending by program initiative.

Use of Financial Agents

In some cases, the Secretariat uses financial agents to act as distributors of ministry funds to third parties or other school boards. These agents include the Council of Directors of Education (CODE) and a number of school boards, and are collectively referred to as “banker boards.” Our review of these financial arrangements generally indicated that proper accountability measures to effectively monitor the banker boards and ensure that government funds were being spent appropriately were not in place. Specifically, our concerns included:

- Since the 2004/05 fiscal year, the Secretariat has paid banker boards \$1.1 million in administrative fees. We calculated the amount of the fees paid compared to the amount of the contracts and found that, although administration fees averaged about 13%, some fees were substantially more and appeared excessive. We also questioned the need for administrative fees if the Secretariat instead made all its payments directly to school boards.
- Since the 2004/05 fiscal year, often near year-end, the Secretariat has advanced funds to banker boards without specifying their purpose or its expectation that the funds be transferred to recipient boards on a timely basis. As a result, some of the funds have remained unspent over a number of years. Figure 3 shows a list of unspent funds at CODE and at the school board that received the greatest amount of advanced funding.

- We noted the contracts between the Secretariat and CODE and the banker boards that we reviewed were vague. They did not contain specific requirements such as the purpose of the funds advanced, the specific measurable deliverables, and the time frame of the contract. Without a properly constituted agreement, it is difficult for the Secretariat to ensure that funding expectations and obligations are fulfilled.
- Because the Secretariat had poor financial records and controls, it could not provide us with a list of the total funds on deposit with various banker boards. However, we were able to determine that one board was the Secretariat's main distributor of funds to the other boards. Our review of the largest banker board showed that, of the \$22 million advanced to the board, the Secretariat had information on how only \$5.8 million had been spent. The Secretariat could not provide us with documentation showing that it had approved payments or where the remaining balance had been spent. We contacted the board and were provided with a list of the fund recipients, but we could not determine whether the funds disbursed were used for the intended purpose.
- The Secretariat did not properly monitor the use of funds at CODE. Because the Secretariat either did not maintain proper financial records or had only limited documentation, we selected a sample of 16 payments CODE

Figure 3: Funds Unspent by Two Banker Boards

Source of data: Council of Directors of Education and York Region District School Board

Fiscal Year	Funds Advanced	Funds Unspent at Year End (Cumulative)
2004/05	8,343,699	8,090,537
2005/06	26,400,000	26,133,689
2006/07	15,500,000	29,060,115
2007/08	4,927,149	18,126,319
2008/09	1,350,000	12,126,811

had made to determine whether the expenditures were supported by documentation. We obtained this information directly from CODE and found that of the 16 disbursements (totalling \$555,000), only two of them were made under a letter of agreement, contract, or proposal, and only four payments were supported by invoices. We were not able to match \$108,000 of the total \$555,000 in payments to specific funding proposals. Furthermore, we reviewed expenditure documentation for 86 proposals that had been approved for funding, and found that the Secretariat could provide information to support only \$18 million in expenditures out of a total of \$24 million paid out by CODE.

The Secretariat needs to implement proper financial controls, maintain complete financial records, and put better monitoring procedures into place. As well, the Secretariat should reconsider the need to pre-flow funds to banker school boards.

RECOMMENDATION 3

To ensure that student achievement initiatives are effective and that limited resources are used appropriately, the Literacy and Numeracy Secretariat should:

- formally evaluate how well all its program initiatives contribute to improving student achievement, and modify or eliminate the less effective initiatives;
- ensure that its program funds are allocated to the areas of greatest need;
- ensure that program funds are being spent for the intended purpose;
- ensure that expenditures made by the Council of Directors of Education are appropriately approved and supported; and
- reconsider pre-flowing funds to “banker” school boards.

MINISTRY RESPONSE

The Ministry agrees with the recommendation.

To assess the effectiveness of the Ministry’s overall strategy to improve student achievement, an external review by a leading Canadian research company was commissioned. The report noted that “over its brief history, the Secretariat has had a major and primarily positive impact on Ontario’s education system.” In addition, the most recent annual evaluation of the Ontario Focused Intervention Program (OFIP) demonstrates that OFIP schools achieved improvements in student achievement that were at least double the improvements observed in schools in general. A current analysis of the impact of the School Effectiveness Review program indicates that schools involved in district effectiveness reviews achieved greater gains than did schools in general. The Ministry will develop a schedule to review its current programs over a three-year period.

Funding decisions within specific programs are made in accordance with several factors: enrollment, number of low-performing schools, geographic and distance factors, as well as the readiness of a board or school to implement the changes needed. For example, one northern board covering a large geographic area, with 1,357 students, received \$112,585 in funding, or \$83 per student, while a board in the south with more than 240,000 students received more than \$4 million, or \$17 per student. The Ministry accepts that it needs to be more transparent and document its funding decisions for each of its program areas.

The Ministry also acknowledges that improved monitoring of the use of funding by boards would better inform decision-making. During the 2008/09 school year, boards were required to report spending by program and funding allocation and provide feedback on the implementation and impact of the various

initiatives. The Ministry will review and improve this process and its documentation. Since the audit, the Ministry has received documentation that supports the full amount paid out by the Council of Directors of Education. The Ministry will assess its use of lead boards as well as review and improve its financial oversight procedures and documentation with respect to its financial agents to be in accordance with the government's Transfer Payment Accountability Directive.

CONSISTENCY OF STUDENT ASSESSMENTS

In the elementary education system, a number of student assessments are made throughout the school year. Of all these assessments, the only ones that parents generally see are report card marks and the EQAO test scores for grades 3 and 6. It is important that the information provided by these assessments is relatively consistent. In our 2003 audit of Curriculum Development and Implementation, we noted that one possible method of measuring consistency in student assessment for some subjects is to compare report card marks to EQAO scores. We recommended that the Ministry implement procedures to monitor and report on consistency in the student assessment practices used in the province. Comparing report card marks to the EQAO scores could highlight areas that the Ministry or EQAO may need to address, identify students who need to be followed up on, and assist in planning. A more in-depth review may reveal individual schools, classes, or students that may be outliers.

During our current audit, we noted that the Ministry did not have procedures in place to assess the consistency between report card marks and EQAO scores. From our visits to school boards, we noted that some boards do compare the marks with the scores. However, such comparison is mainly left up

to school principals and teachers to do when planning and developing strategies for helping students improve overall achievement.

At each school board we visited, we did our own comparison of the report card marks—for reading, writing, and mathematics—to EQAO scores (of an average of 22,500 students in grades 3 and 6). Figure 4 shows our analysis of the last two years for both grades.

Approximately half of the student report card marks for both years matched EQAO scores. An additional 43% of report card marks were within plus or minus one assessment level of the EQAO scores. We also noted that in both years over twice as many report card marks exceeded EQAO results than fell short of them—31% of report card marks were higher than the EQAO result while 15% of report card marks were lower. We believe that the Ministry should conduct a similar comparative analysis and ensure that school boards follow up on significant differences. For instance, the fact that the EQAO score of 4% of students bears no resemblance to their report card mark could indicate issues requiring teacher training on curriculum expectations and what student work at each achievement level should look like.

Figure 4: EQAO Scores Compared to Report Card Marks (%) for the Schools We Visited

Source of data: Education Quality and Accountability Office, and Ministry of Education

	2006/07	2007/08
scores equal report-card grade level	53.2	53.6
discrepancy of one grade level	43.0	42.9
discrepancy greater than one grade level	3.8	3.5
Total	100.0	100.0

RECOMMENDATION 4

To help ensure that students are being assessed in a consistent way, the Ministry of Education should monitor the results from different types

of assessment, especially those from report cards and Education Quality and Accountability Office (EQAO) tests, to identify any major discrepancies for follow-up.

MINISTRY RESPONSE

The Ministry agrees with this recommendation. Over the past three years, the Ministry has worked with school boards to develop the technical capacity to gather student and school data to permit analysis. The Ministry now holds student report card data over several years and is in a position to undertake a study of student report card and EQAO results to determine the degree of comparability between the two indicators and to identify appropriate areas for follow-up. In early October, the Ministry issued a competitive tender to initiate this study.

At present, in boards where there is a significant gap between report-card and EQAO results, the results are examined at the school level by teachers and principals. There could be a number of reasons for this gap, including differences between the two assessment processes and specific circumstances pertaining to the student and family. Such situations are most effectively assessed in the classroom, where the needs of individual students can be addressed.

ONTARIO STATISTICAL NEIGHBOURS INFORMATION SYSTEM

The Ontario Statistical Neighbours is an information system for analyzing school performance, demographics, and school program information. The information in the system comes from three main sources: Statistics Canada (2006 Census data), the Ministry of Education, and the EQAO. All publicly funded schools in the province with elementary enrolment are included in the database. It is intended to help the Secretariat with its strategic planning and to help identify similar schools to

facilitate the sharing of best practices. It supports strategic planning, capacity building, and program development, and provides data to help schools and boards make decisions based on research and evaluation. Ontario Statistical Neighbours does not rank schools, nor does it identify any specific individual, student, teacher, or principal.

This system provides the Secretariat with useful information for decision-making and monitoring. For example, the Secretariat can relate school performance information with contextual data, such as the percentage of students living in low-income households, students whose first language learned at home is different from their language of instruction, and students with special education needs.

Eight elementary school principals whom we interviewed told us that information from Ontario Statistical Neighbours is useful for planning and for developing school improvement plans and strategies for improving student achievement. However, the principals' use of the tool was infrequent because the principals did not have direct access to the system—instead, they had to go through the time-consuming process of getting the information from their student achievement officers.

We noted that a number of school boards have therefore developed their own systems to gather information that is similar to that found in Ontario Statistical Neighbours. In our view, given that there are 72 school boards in the province, enabling school boards to have direct access to Ontario Statistical Neighbours for planning purposes could be more economical than the boards having to develop and maintain individual systems.

RECOMMENDATION 5

To ensure that all school boards and schools can obtain useful and relevant information to develop strategies for improving student achievement, the Ministry of Education should consider granting them direct access to the Ontario Statistical Neighbours information system. This would be more cost-effective than

school boards having to develop and maintain their own systems.

MINISTRY RESPONSE

The Ministry agrees with this recommendation. For the past two years, school boards have been able to access the Ontario Statistical Neighbours database by contacting the Ministry. Surveys and focus groups with school board senior staff and principals have informed the Ministry that the database would be very useful to superintendents of schools and of some interest to principals. As a result, the Ministry has been working for the past year to develop an online version of the database that would give school boards direct access to the information.