

# Chapter 6

## Department of Education

### Excellence in Education

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# Department of Education Excellence in Education

## Background

**6.1** On 13 November 1991 the Board of Management approved the “establishment of financial requirements for a commission on Excellence in Education.” This commission also came to be known as the Landry-Downey Commission after the names of its co-chairs, Aldea Landry and James Downey.

**6.2** The Commission was funded jointly by the Department of Education and the Department of Advanced Education and Labour. It carried out its work in two phases, one dealing with the public school system, the other with the post-secondary education system.

**6.3** The Commission received an extensive array of briefs and public presentations. It concluded Phase I on 7 May 1992 with the release of its report *Schools for a New Century*. The report contained forty-two recommendations dealing with the public school system.

**6.4** On 14 September 1992 the government announced its response to the report at a press conference attended by the Premier and the Ministers of Education, Health and Community Services, and Advanced Education and Labour. At that conference, they announced a \$61.1 million program of initiatives responding to *Schools for a New Century*. The program was to take place over a four-year period starting in 1992-93 and ending in 1995-96. The additional funding, as well as certain accounting and audit provisions, had been approved on 2 September 1992 by the Board of Management.

**6.5** This press conference brought additional public exposure to the work of the Commission in this high profile area of the education of our children. The initiatives announced that day involved a sizeable outlay of public funds, increasing the profile and significance of the project. But yet despite this early attention, the program rapidly moved off the main public agenda. In our search of the Hansards, we could find no general reference to Phase I after a statement to the House by the Minister of Education on 11 December 1992.

**6.6** We believe that in order to demonstrate accountability, it is important for the Government to report on the results of its major change initiatives. Excellence in Education is certainly one of those initiatives and

is therefore significant to our client, the Legislative Assembly. Given this, we decided to carry out a value-for-money audit on Phase I of the Excellence in Education (EIE) initiatives in the 1998 audit year.

## Scope

**6.7** The audit covers the recommendations of Phase I (*Schools for a New Century*) of the Commission on Excellence in Education. The primary departments involved are the Department of Education and the Department of Health and Community Services. We have also directed certain of our observations to the Office of the Comptroller given its significant role with the accounting and audit aspects of the EIE program.

**6.8** We had two main audit objectives for this value-for-money audit:

- to determine if the government has adequate systems in place to measure and report on the effectiveness of the Excellence in Education initiatives; and
- to determine whether the government has complied with the accounting and audit provisions established by the Board of Management.

**6.9** We developed criteria for each of these objectives. Our detailed findings are organized by those criteria.

## Results in brief

**6.10** The government response to *Schools for a New Century* was timely and coordinated.

**6.11** In our review of the government's response, we could not determine whether all the recommendations had been accepted.

**6.12** The government has not reported on the effectiveness of the Excellence in Education initiatives to the Legislative Assembly. Extensive evaluation work is underway, however, with the Early Childhood Initiatives (approximately 25% of the original EIE budget).

**6.13** EIE initiatives became part of the participating departments' base budgets after the program terminated on 31 March 1996. Other than the work underway with the ECI, no formal evaluation of effectiveness had been performed prior to establishing the initiatives as regular budget items.

**6.14** In a separate review of the four-year EIE program, the Comptroller concluded that "generally speaking, departments used Excellence in Education funds for purposes intended and were in compliance with Board of Management minute 92.0604."

**6.15** The Comptroller's review noted "when Excellence in Education funds were added to existing programs, the departments did not account for EIE spending separately. Existing programs by

## Adequacy of government's response to EIE recommendations

their very nature contributed to achieving the objectives of the EIE initiative.”

**6.16** Our first criterion dealt with the quality of the government's response to the EIE recommendations. We wanted to determine if the government had prepared a timely, coordinated and complete response to the recommendations in *Schools for a New Century*. In our opinion, an appropriate response would include an implementation strategy assigning responsibility and timelines.

**6.17** Perhaps the easiest way to deal with the adequacy of the response is to look at each aspect of this criterion in some detail. In other words, we want to address the following questions:

- was the response timely;
- was the response coordinated;
- was the response complete; and
- did the response include an implementation strategy assigning responsibility and timelines?

### *Was the response timely?*

**6.18** In our opinion the government responded in a very timely fashion to the EIE recommendations. The Commissioners released *Schools for a New Century* on 7 May 1992. Work on the response began almost immediately. Five days later, on 12 May 1992, the Minister of Education stood in the House to say:

*The work of the commission on primary and secondary education is completed . . . I have already initiated in my Department a thorough analysis of the report, including the cost implications, inherent in the recommendations. . . . the Minister of Finance indicated in his budget address that he will be tabling a supplementary estimate this fall to deal with the report.*

**6.19** On 9 June 1992 the Minister of Education presented his initial response in a Memorandum to the Executive Council. The response included a number of initiatives for immediate implementation. It also identified a number of initiatives for implementation after consultation and study.

**6.20** On 16 July 1992 the Department of Education presented a Multi-year Action Plan to a joint committee of the Policy and Priorities and Board of Management Committees via a second Memorandum to Executive Council. The Multi-year Action Plan outlined 67 proposed actions in response to the EIE report. Further, it provided in an appendix “a prioritized list of initiatives which could be implemented as of September 1992.” This list of 16 initiatives summarized and covered many of the 67 proposed actions. It also provided some initial costing figures.

**6.21** During this same period of time, a task force chaired by Policy Secretariat with representatives from the Departments of Education, Health and Community Services and Income Assistance was also established. This task force had the charge to develop a response to the specific recommendations in *Schools for a New Century* aimed at ensuring that all children enter kindergarten “ready to learn”. In a separate Memorandum to the Executive Council signed by the Ministers and Deputy Ministers of Education, Health and Community Services, and Income Assistance, the government documented five recommended actions to address the so-called school readiness recommendations. Again, preliminary budget figures were established.

**6.22** By 2 September 1992 the budget figures for the EIE initiatives had been firmly established. The Board of Management “agreed to recommend to Executive Council a four year funding plan . . . for the implementation of the government’s response to the Landry-Downey Report on Excellence in Education.” This funding plan called for \$61.7 million to be spent by four different government departments over a four year period. The bulk of the budget went to the Department of Education (\$39.2 million) and the Department of Health and Community Services (\$16.1 million).

**6.23** Less than two weeks later, on 14 September 1992, the government gave its public response at a press conference. The Premier and the Ministers of Education, Health and Community Services, and Advanced Education and Labour all made public statements discussing the various initiatives included in the response. At the conference the government presented cost figures for 15 initiatives in the Department of Education, the Early Childhood Initiatives (ECI) in the Department of Health and Community Services, and two supporting programs in the Department of Advanced Education and Labour (AEL). The total program costs were estimated at \$61.1 million, a slight decrease from \$61.7 million previously approved by Board of Management. (Neither the Department of Education nor the Office of the Comptroller was able to explain this discrepancy.)

**6.24** **In effect, then, one can see that the response was timely. Work began quickly, in May of 1992. And the plan had been established and the funds budgeted by September 1992. This was only four months after the delivery of quite a far-reaching report, and in time for the next immediate academic year beginning in September of 1992.**

***Was the response coordinated?***

**6.25** In our discussions with staff and our review of documentation we found ample evidence that the response was coordinated between the major players. As noted, the response dealing with school readiness was prepared by a task force chaired by Policy Secretariat with representatives from three major departments. The Memoranda to the Executive Council of 9 June 1992 and 16 July 1992 both showed evidence of interdepartmental consultation. A Board of Management Minute and the

public response of September 1992 provided further evidence of a coordinated approach.

***Was the response complete?***

**6.26** This was the most difficult aspect of the criterion to evaluate. The response comprises more than one document or statement. There are three separate memoranda to Executive Council, a Board of Management Minute approving a four-year funding program and a press conference with the announcement of 15 Department of Education Initiatives, the ECI, and two support programs in AEL.

**6.27** Were one to select an “official response”, it would have to be the information released at the press conference. The Minister of Education in a statement to the House on 11 December 1992 stated:

*On September 14, 1992, as you know, the Government announced its response to the Report of the Commission on Excellence in Education indicating a commitment to invest \$61.1 million in the young people of the province.*

**6.28** This makes the firm statement, at least the firmest we have, that the press conference and the listing of initiatives released that day form the official response.

**6.29** In all of this documentation, however, we could find no formal statement on the disposition of all of the 42 recommendations, noting whether or not all recommendations had been accepted, modified, postponed or rejected. There was no document that linked all of the 42 recommendations to the 15 initiatives, the ECI and the supporting programs.

***Were all recommendations covered anyway?***

**6.30** The reader might ask, despite the government’s weaknesses in the areas of cross-referencing, were all the recommendations dealt with anyway? We attempted to answer this question.

**6.31** We tried to cross-reference the various documents to the 42 recommendations. Our goal was to determine if any of the recommendations had been “missed”. In our opinion, 4 of the 42 recommendations in *Schools for a New Century* were not addressed by an action in any of the documents. These recommendations are:

*11. That the faculties of education, arts, and sciences at all New Brunswick universities develop procedures to ensure the effective coordination of teacher education programs, and further that they consider together the best configurations and content of academic courses for those programs.*

*12. That in the light of the almost unanimous judgement of teachers about its value, an extended practicum continue to be a part of pre-service training, and that the universities, the two*

*teachers' associations, and the Department of Education redouble their cooperative efforts to select, encourage, support, and reward effective and conscientious supervising teachers.*

*22. That the provincial government and the teachers' union develop means, including an appropriate process of final offer selection, to reduce the degree of stress and obviate the disruptions created by existing patterns of collective bargaining.*

*41. That all departmental headships, vice-principalships, principalships, and superintendencies become term positions. Those appointed would hold office for a fixed period (we would suggest, for example, three years for department head and five years for a principal), after which a review of performance would be conducted. Reappointment could occur where there was mutual satisfaction. Otherwise, the incumbent would be entitled to resume full-time teaching.*

**6.32** The Department's position is that issues 12, 22, and 41 all relate to collective bargaining and therefore intentions would not be announced prior to the start of the bargaining process. Recommendations 12 and 41 have been implemented in subsequent years through the collective bargaining process. With respect to recommendation 11, the Department had noted in the June 1992 memorandum that it would continue consultation with the universities. Further, the Department has noted it has spent considerable time and effort over the past five years coordinating efforts with universities. Our point, however, is that to some extent these recommendations were left hanging. It is not clear that they were accepted from the outset and that initiatives were put in place to address them.

**6.33** An additional matter is that in some cases the proposed action or issues address only part of a recommendation. Or they do not cover the full intent of the original recommendation. We have analyzed several examples where this is the case and we present them below.

**Recommendations not addressed in full**

*School year*

**6.34** Recommendation 33 contains a number of proposals regarding the school year. For example recommendation 33.1 says:

*That the following statement be adopted: The school year will constitute 200 days, of which a minimum of 190 days of instruction will be scheduled by each board in every school in each school year.*

**6.35** The Department responded to this recommendation as follows: "The Department of Education will study the implications of increasing the length of the school year to 200 days with 190 instructional days." This is quite a bit weaker than original recommendation 33.1. And it ignores the remaining parts of the recommendation:

33.2 *The school year in New Brunswick may not begin before the third week of August and may not end later than June 30. Within these dates each school board will determine when the school year within its jurisdiction will begin and end. Every effort should be made to have the instructional year begin after Labour Day.*

33.3 *Administrative days, professional development days, storm days, marking days, parent-teacher days, and semester turn around days will not count as instructional days.*

33.4 *The organization of the instructional year will be designed to ensure minimum disruption during the year because of professional development in-service, civic or provincial elections, union meetings, etc.*

33.5 *The Department and districts will review the structure and scheduling of the high school semesters to determine the feasibility of completing the first semester to coincide with the Christmas Break.*

**6.36** Discussion with staff in the Department indicated that some of these matters could not be addressed in the proposed actions due to collective bargaining issues.

*School advisory committees*

**6.37** Recommendation 36 says the following:

*That, following consultation with the school boards, the New Brunswick Home and School Association, and Le Comité de Parents du Nouveau-Brunswick, school advisory committees be prescribed by legislation for each school ....*

**6.38** The Department's proposed action stated "the Department of Education will promote the establishment of a School Advisory Committee for the purpose of promoting education and improving the quality of school life." The recommendation does not say "promote". It says, "following consultation .....legislate". In 1996, however, the Department did adopt a stronger position by legislating school advisory committees.

*Females in management*

**6.39** We also wondered if the government had fully responded to recommendation 30. Recommendation 30.3 says:

*that collaboration exist between the Department of Education and the teachers' associations for the implementation of a strategy aimed at preparing female teachers to assume management and administrative positions.*



**6.40** Two proposed actions dealt with various human rights, gender and multi-cultural issues. But they did not specifically address the “implementation of a strategy aimed at preparing female teachers to assume management and administrative positions.”

#### *School boards*

**6.41** Another recommendation that should be examined is recommendation 42:

*That effective steps be taken to strengthen the role and responsibility of school boards in the setting of goals, managing the resources, and assessing the achievements of the schools in their communities, and to create a closer partnership between schools and the communities they serve.*

**6.42** The proposed action that most closely related to this recommendation stated:

*The Department of Education, with the cooperation of the Trustees' Associations, will organize training sessions for school board members to help them develop the attitudes and skills to deal with educational policy matters, to implement such policy and to monitor its performance.*

**6.43** But as can be seen in reviewing its wording, this proposed action did not deal directly with the themes of setting goals, managing resources, assessing achievements and creating closer partnerships. The Department has informed us that “in February 1996 a new governance model was announced. This model will give effort to many aspects of this recommendation.” This new governance model referred to by the Department included the abolition of elected school boards and the establishment of school parent advisory committees, district parent advisory committees, and two provincial boards of education.

#### **Our conclusion in this area**

**6.44** Our research indicates that although a great many of the recommendations are addressed, there is a difficult audit trail in attempting to link the announcements of 14 September 1992 to the original 42 recommendations in *Schools for a New Century*. It appears that some of the recommendations were not dealt with. Others were only partially addressed.

**6.45** This is not a problem in the sense that the government was free to accept or reject any of the recommendations in whole or in part. Indeed, Commissioner James Downey recognized this at the release of the report with the following statement:

*Not all of our recommendations will receive support from all stakeholders, but the substance of our report does not hang or fall on any one recommendation. We attempted a careful*

*balance of measures designed to strengthen the system in a number of places.*

**6.46** But we do believe an explicit statement of acceptance, rejection, or modified acceptance on each of the recommendations would have better served accountability. We believe the government should have prepared a formal statement on the recommendations in a pattern such as follows:

- accepted outright,
- accepted with modification, or
- rejected

**6.47** Further, we believe the government's implementation strategy announced 14 September 1992 would have better served accountability had it linked the initiatives to the recommendations. Had that been done, there would have been a clear representation to the public as to how the government intended to deal with each recommendation. It also would have made it much easier for the government to establish a trail linking the initial aims of the Commission to the outcomes four years later.

#### **Department of Education response**

**6.48** *While the Department's 67 proposed actions did, indeed, cover the vast majority of the 42 recommendations, again we must point out that it would have been impossible to have indicated, at that time, an explicit statement of acceptance, rejection or modification for the recommendations that were subject to the collective bargaining process.*

#### ***Did the response include an implementation strategy assigning responsibility and timelines?***

**6.49** In our opinion, the government clearly assigned responsibility for the various initiatives to the respective departments. By assigning the multi-year budgets to the various initiatives, timelines were also clearly established.

#### **Reporting on progress**

**6.50** Our second criterion noted the government should review and report on its progress with respect to implementing the recommendations in *Schools for a New Century*. Our focus here is on the government's own internal reporting. We concluded that the government has met this criterion in both the Departments of Education and Health and Community Services.

#### ***Internal reporting in the Department of Education***

**6.51** The Department of Education had a variety of internal reporting mechanisms in place. The most complete document we reviewed was a post-program April 1998 update covering all 42 recommendations in *Schools for a New Century*. It covers actions by both the francophone and anglophone sectors of the Department.

**6.52** In the early stages of the EIE program, the Premier appeared to take an intense interest in the progress. He met regularly with the two Deputy Ministers in the Department to discuss progress on the

recommendations. Although most of the information exchanged was verbal, on at least one occasion the Department recorded its progress on the initiatives in a formal document.

**6.53** The Assistant Deputy Minister of Education for the francophone sector required regular formal reporting on EIE. Each of the applicable school districts reported to him on their progress on the EIE initiatives. We were provided with copies of a number of these updates for our file.

**6.54** There does not appear to have been quite so formal a system on the anglophone side. But we were provided with three documents that showed evidence of ongoing monitoring. The first was an *Excellence in Education Internal Evaluation - Fall 1994*. This survey asked what changes had taken place as a result of EIE spending for all 15 initiatives. It also asked the respondents to provide indicators or evidence to support comments given. The second document was an internal *Review of Programs – Enrichment, Tutoring, Learning Disabilities, Behaviour Disorders, Enhancement*. This review covered the period July 1993 to June 1994.

**6.55** The third example was an October 1996 document prepared by an assistant deputy minister. This document outlined the progress on all 42 of the original recommendations.

### *Internal reporting in the Department of Health and Community Services*

**6.56** The Department of Health and Community Services had responsibility for four recommendations or parts of recommendations. The vast majority of the Department's work was in the Early Childhood Initiatives. The Department has developed a sophisticated evaluation approach to measure the impact of ECI. It has also carried out evaluations of its support services to the Department of Education.

### **Reporting on effectiveness**

**6.57** Our first two criteria examined the quality of the government response to the EIE recommendations and the government's own internal reporting on its progress in implementing EIE initiatives. Our third criterion states:

*The Government should perform post-implementation review of the recommendations to determine if the intended results have been achieved.*

**6.58** The fourth criterion is similar:

*The government should report on the effectiveness of the Excellence in Education initiatives to the Legislative Assembly.*

**6.59** The third criterion deals with the need to perform an evaluation. The fourth criterion reflects the importance of reporting such results to the Legislative Assembly, closing the loop on the accountability cycle. They call for reflection on the original objectives of the Excellence in Education

initiatives with some determination or assessment of whether these objectives have been met.

**6.60** Although the two criteria are being looked at jointly, we are dividing the reporting on them here in two sections. One section will deal with the overall thrust of the initiatives of the EIE program; that is, those initiatives largely within the responsibility of the Department of Education. The second will deal with the Early Childhood Initiatives directed by the Department of Health and Community Services.

***Effectiveness reporting by  
the Department of  
Education***

**6.61** Our first task in determining compliance with the criteria was to determine the overall objectives of the various EIE initiatives. We found the following statement by Premier McKenna on 14 September 1992 to be a useful account of the EIE objectives. During this public response to *Schools for a New Century* he stated:

*Our Commission on Excellence in Education put it very well: "The challenge is to cultivate in all children the capacity to think for themselves, to communicate effectively, to know where to find and how to use knowledge, and to develop a pleasure in the arts and sciences that will make them lifelong, adaptable learners." That is our goal, that is our vision. To create an exciting and dynamic learning environment where:*

- *Students want to learn, and are challenged to do their best;*
- *Where teachers are empowered, supported and rewarded; and*
- *Where the community is a real part of the system.*

**6.62** A short time later, the Minister of Education made a similar statement:

*If we can develop and sustain a learning culture that is predicated upon the principle that all students can learn to become more self-reliant, skilled, knowledgeable, and positively motivated persons, then we will have met our objective and we will, in fact, be the best we can be. . . This is my vision for our future and I believe it is a shared vision among many of those in the education community and I would hope, Madame Speaker, among the Members of this House. Having said this, we must now ensure that every initiative that we have introduced will lead to more and better opportunities for youngsters to learn. (Hon. Paul Duffie to House on 11 December 1992)*

**6.63** We have noted that the Department prepared a document in April 1998 covering progress to date on all 42 recommendations in *Schools for a New Century*. We also noted a number of references to various EIE initiatives in our review of the Department's annual reports from 1992-93 to 1995-96. This was particularly the case in the year ended 31 March 1993, the first year of the program. But we could find no

document that evaluated the overall program with respect to its stated objectives.

**6.64** Therefore, in our opinion, these two criteria have not been met for the 15 initiatives in the Department of Education. Staff in the Department expressed the opinion that improvements in educational results would be hard to attribute to any one initiative. Officials believe it would be difficult to separate the results of EIE initiatives from any other initiatives that were underway in the Department at the same time. In addition, certain base data is not available for the pre-EIE period, making it difficult to compare the pre and post EIE results.

### ***Early childhood initiatives***

**6.65** The Department of Health and Community Services has developed a rather sophisticated approach for evaluating the Early Childhood Initiatives. To coordinate this evaluation, an Interdepartmental Working Committee on the Evaluation of School Readiness was established. Members represent various areas of the Department of Health and Community Services and the Department of Education. A formal plan detailing important elements such as goals and objectives, scope of the evaluation, the units of measurement and data sources and collection can be found in the departmental document *Early Childhood Initiatives – Evaluation Planning Document*.

**6.66** The Interdepartmental Working Committee on the Evaluation of School Readiness has defined five questions for study:

- Has pre-natal intervention been effective in enhancing healthy pregnancy outcomes for mothers receiving ECI pre-natal services?
- Have ECI strategies succeeded in bringing about the healthy growth and development of children from birth to age five?
- Have family support services been effective in assisting families of "priority" children to meet their identified needs?
- Have communities been effective in mobilizing resources to remedy the personal and social conditions that place children and their families at risk?
- How effective has the ECI service delivery system been as a process for providing for the needs of "priority" children and their families?

**6.67** The over-reaching goal of the ECI is school readiness. Towards this end the Committee's mandate is as follows:

1. *Acquire literature on school readiness, its definition and measurement.*
2. *Identify the meaning of "readiness" endorsed by both Health & Community Services and Education.*
3. *Identify the best indicators for measuring readiness.*

4. Determine how to link the level of readiness to the impact of ECI in order to determine to what extent ECI has had an effect.
5. Develop a plan and a critical path for acquiring baseline readiness data prior to school entry for the first wave of ECI recipients.

**6.68** In addition to the five questions for study, the evaluation is also expected to address whether ECI has met this overall larger goal - to improve the development of children who are at risk of delay in school readiness. Readiness refers to the holistic development of the child in preparation for entry to the school system.

**6.69** The evaluation process will include four phases. In that sense, it is being developed in an ongoing fashion. Further, our understanding is that the first group for the study is the children born in 1994 at the point that they first enter kindergarten. To paraphrase one official in the Department of Health and Community Services, this will be their first “graduating class.”

**6.70** Given this, it is obviously too early to comment fully on these two criteria for the ECI initiatives. However, we are impressed by the thoroughness of the approach and the level of detail covered in the planning.

**6.71 We recommend that the results of the evaluation of the Early Childhood Initiatives be tabled in the Legislative Assembly.**

## Establishing EIE initiatives as regular budget items

**6.72** The Office of the Comptroller’s special *Excellence in Education Review*, June 1997, discussed various accounting and audit aspects of EIE. The review noted that in 1996 the Excellence in Education budgets became part of the participating departments’ base budgets. The review also stated “these departments continue to fund EIE initiatives.”

**6.73** Our fifth criterion deals with this issue of ongoing funding. It states:

*The process for establishing Excellence in Education initiatives as regular budget items should reflect the results of the government’s reporting on the initiatives’ effectiveness.*

**6.74 This criterion has not been met. Other than the work underway with the ECI (approximately 25% of the EIE funding), no formal evaluation of effectiveness had been performed prior to establishing the initiatives as regular budget items.**

**6.75** We noted in our 1995 audit of the Department of Justice’s enhanced program for Family Support Order Services (FSOS), that the

government placed a so-called “sundown” clause on the initiatives. This required an external program evaluation after a set period of operation to determine the success of the enhanced FSOS. The final evaluation was tabled in the Legislative Assembly and the process was discussed at two different meetings of the Public Accounts Committee.

**6.76** We would have expected to see a similar approach with these EIE initiatives. Perhaps in hindsight the Commissioners should have added a recommendation 43:

That after a period of implementation the government should evaluate the results obtained by its initiatives developed in response to *Schools for a New Century*. The results of the evaluation should be used to determine future directions.

## Accounting and audit requirements

**6.77** Our second audit objective dealt with the accounting and audit provisions established by the Board of Management. The Office of the Comptroller was directed to carry out special audit review procedures. Departments were directed to account for EIE funding separately.

**6.78** In June of 1997 the Office of the Comptroller reported its *Excellence in Education Review*. The review covered EIE spending for the four-year period from 1992-93 to 1995-96. The Comptroller concluded “departments had an estimated surplus of \$3.053 million on the total Excellence in Education budget allocation of \$61,115,000.” And further that “generally speaking, departments used Excellence in Education funds for purposes intended and were in compliance with Board of Management minute 92.0604.” The bulk of the surplus “related to delays in implementing Early Childhood Initiatives programs and a decreased caseload in the Integrated Daycare Program.”

**6.79** We reviewed this report and the Comptroller’s working papers as part of our assignment. We had three audit criteria for this work:

- the Departments of Education, Health and Community Services, and Advanced Education and Labour should account for the Excellence in Education initiatives separately;
- the Office of the Comptroller should establish special audit review procedures to ensure compliance and accountability with Excellence in Education funding; and
- the Office of the Comptroller’s audit results should be reported, and appropriate corrective action should be taken where required.

**6.80** Two of the three criteria for objective two are met. The Comptroller did “establish special audit review procedures to ensure compliance and accountability.” And results were reported to the departments concerned and to the Board of Management. Since the Comptroller’s report contained no recommendations, no corrective action is necessary.

**6.81** The one exception dealt with the Board of Management's direction to account for EIE funds separately. The Comptroller's review stated:

*When Excellence in Education funds were added to existing programs, the departments did not account for EIE spending separately. Existing programs by their very nature contributed to achieving the objectives of the EIE initiative.*

**6.82** The major example occurred with the Department of Health and Community Services' Early Childhood Initiatives, which accounted for over 25% of the EIE spending. Here EIE dollars were added to existing budgets under the Department's Family and Community Services and Public Health Divisions. While we recognize that it may have been more practical to add the EIE funding to existing budgets, this nonetheless conflicts with the explicit direction of the Board of Management. The Board of Management called for separate accounting. Indeed it is quite possible that some of the decision makers at Board of Management gave their approval to the supplementary estimate precisely because they thought it would be accounted for separately. Therefore, we are noting it as a finding. (It should be noted that the Department of Education did account for EIE initiatives separately and reports to us that it continues to do so.)

**6.83** The Comptroller responded:

*Although separate accounting for certain initiatives was not in place in the accounting records of the Province, we were able to satisfy ourselves that the departments used the funding for Excellence in Education Initiatives. For example, where Excellence in Education funds were added to existing programs, we assumed that the existing budget funds were utilized first and only funds spent above this threshold were considered as Excellence in Education expenditures. In addition, the Department of Labour accounted for the positions allocated to the Excellence in Education initiatives.*