

A bussing employee of the Board is in a conflict of interest in that the employee has been awarded bussing contracts totalling \$85,544, for the period September 2002 to June 2003, of which only \$43,555 was awarded through a public tender process.

The Board did not always do a good job monitoring payments under tendered contracts. We identified 5 instances of overpayments totalling \$10,958. In one of these instances the Board paid \$2,300 for a computer which it did not receive. We also identified 2 instances of underpayments totalling \$1,837.

The Board's 4 executive staff each receives a mileage allowance of \$252 (800 Kms @ 31.5 cents) per month without any supporting documentation. The allowance is provided in lieu of claims for local travel; however, this practice is not consistent with Government's travel policies. Three of the 4 individuals also receive a car allowance of \$85 per month and all 4 are reimbursed at 31.5 cents per kilometre in accordance with Government policy for travel outside the Corner Brook area including Pasadena and Benoit's Cove.

Travel claims do not always have complete documentation to support the amounts claimed. We identified 10 instances where travel claims did not have all of the required documentation. We also identified 3 instances where one Board member and two teaching staff received duplicate payments totalling \$476 for travel claims - once by the Board and again by another entity.

2.8 Lewisporte/Gander School Board

District #6 - Lewisporte/Gander School Board has the fourth largest student population of the 11 school boards in the Province. For the 2002-03 school year the Board provided an educational program to 7,756 students living in 104 communities through 33 schools located in an area from Norris Arm in Notre Dame Bay to Charlottetown, Bonavista Bay.

At 30 June 2003, the Board had a total accumulated deficit of \$16.1 million. The Board has incurred annual operating deficits in three of its six complete fiscal years of operation since it was created in 1997; however, it has never requested prior approval of the Minister of Education as required by the *Schools Act, 1997*.

The Board is paying its four executive personnel a total of \$37,381 annually in excess of the pay rates approved by Government. Furthermore, although all employment contracts of Board executives are required to have the written approval of the Minister of Education, the four contracts submitted to the Department were never approved by the Minister. As a result, the Board is not in compliance with the *Schools Act, 1997* and is utilizing funds designated for other purposes to top-up executive salaries.

The Board entered into financing lease arrangements relating to photocopiers without the prior approval of the Minister of Education as required by the *Schools Act, 1997*. These lease payments will total approximately \$710,000 over a five year period. The Board also violated the *Schools Act, 1997* in that it did not obtain the prior approval of the Minister of Education when it entered into an agreement to share costs with the Roman Catholic Episcopal Corporation for the demolition of a vacant school owned by the Corporation. The Board proceeded contrary to the position of the Department. The Board's share of the demolition cost was \$92,450.

The Board is contravening the *Public Tender Act* in that it does not always call public tenders for purchases greater than \$10,000 and it does not always obtain either three quotes or establish a fair and reasonable price for purchases \$10,000 and less. Furthermore, the Board is not complying with the *Public Tender Act* in that it does not notify the Minister of Government Services and, therefore, the House of Assembly of any public tender exceptions such as sole source or emergency purchases.

Two of the Board's vehicles were available for the use of two management staff on a 24 hour basis; however, no logs were being maintained to determine the extent of any personal use. Furthermore, neither of these 2 vehicles have markings to identify them as Board-owned vehicles.

2.9 Monitoring School Boards

In 1996 the school system in the Province was reorganized with the dissolution of 27 church run school boards and the creation of 10 new English language school boards and 1 French language school board.