

**Ministry of Education**

**Sudbury Catholic District School Board  
Follow-up Report to the Operational  
Review**

**July 2010**

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## 1. Introduction

The Ministry is in the process of conducting Operational Reviews of the 72 district school boards across the province. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources and by the leveraging and sharing of best practices. By identifying opportunities for continual improvement, school board administration and operations will be aligned to support the government's highest priority: student achievement.

In accordance with the stated objectives of the Operational Reviews, the Ministry has also engaged school boards to participate in a status and implementation update as part of the Operational Review cycle. Occurring approximately 12 months after the issuance of the final operational review report, the purpose of the update is to discuss with each school board the progress made in implementing the recommendations contained in the final report. It will also provide school boards with an opportunity to communicate to the Ministry their thoughts on the process, benefits that have been derived, and areas where some adjustments to the process would be beneficial.

As the recommendations vary between school boards, both in terms of quantity and scope, the following criteria were developed to help focus the review team, and the school board, on specific recommendations:

- Is the recommendation linked to the 12 Areas of Opportunity identified in the 2008 Sector Summary Report (seven) and the 2009 Sector Summary Report (five)?
- Does the recommendation represent a move toward more Strategic Planning on the part of Boards?
  - The departments that are responsible for the business functions perform significant activities in support of Student Success. The update should profile whether or not the school board is establishing links between the academic and non-academic functions through its strategic goals and priorities.
- Does the recommendation represent an area of potential risk to the board?
  - As an example, financial systems that are antiquated and require staff with very specialized knowledge could potentially disrupt the operations of the school board should those business skills be lost.
- Is the recommendation deemed to have positive Return on Investment?

- For example, implementation of an attendance management system may have greater potential for savings to the school board than introducing an electronic funds transfer system.
- Does the recommendation reflect updates to the Leading Practices?

For each of the selected recommendations, the school board was asked to provide the following information to the Operational Review team:

- Description of action(s) taken/not taken by the board to address recommendation(s).
- Supporting documentation
- If implemented, describe benefits derived, if possible, and date of implementation.

Details of the prioritization of the recommendations can be found in Appendix A of this report.

The scope of the follow up review also includes high-level consideration of whether the school board demonstrates adoption of those leading practices that were added to the third edition of the Operational Review Guide, released to the sector in September 2009. These were not part of the original review process.

## **2. Status and Implementation Update**

### **Introduction**

The Sudbury Catholic District School Board Operational Review follow-up review took place on April 9, 2010, which was approximately 12 months after the release of the original Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Superintendent of Business and Finance.

### **Summary of Recommendation Status**

The school board has made some progress in implementing the recommendations since the completion of its review in December 2008. Of particular note are the steps taken to move towards a comprehensive attendance management program. The HR department has developed administrative policies and procedures for employee attendance, absence reporting and wellness. The department is aiming to implement a full attendance management program in 2010-11 in a number of pilot locations. The department has also hired the School Boards' Cooperative Inc. to help develop the program.

Following the Operational Review report, management presented the report to the board of trustees.

There were 23 recommendations made in the original report. The Operational Review team focused on 15 of the recommendations in the follow-up review. Eight of the recommendations were from the 12 areas of opportunity identified across the sector in the 2008 and 2009 sector summary reports; five were related to strategic planning; one was identified with positive return on investment and three concerned specific areas of risks. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made some progress on the majority of the recommendations chosen for follow-up.

### 3. Governance and School Board Administration

#### #1 Strategic Planning

Operational Review Recommendation	Implementation Update
The board of trustees, in conjunction with the Director, should develop a multi-year strategic plan that defines key objectives, timelines and performance measures for the entire system. This would provide an overarching framework for the school board to develop an annual BIP, setting the context for school and departmental planning and allowing the Director to report on the achievement of specific outcomes.	Not Implemented

#### #2 Operating Plan

Operational Review Recommendation	Implementation Update
The school board should expand the scope of the BIP to cover all aspects of school board operations, including human resources, financial management and facilities management. The BIP should define in-year initiatives that contribute to the achievement of the longer-term goals and demonstrate the alignment of non-academic departments.	Not Implemented

#### #3 Succession Planning

Operational Review Recommendation	Implementation Update
The Board should establish a formal succession plan to manage the retirements and resignations of key managers/administrators.	In Progress

#### #1 Strategic Planning

Management indicated that the school board administration is planning on updating its strategic priorities in 2010-2011. It was reported that senior staff would be meeting in August 2010 to begin this process.

The school board has not moved ahead with this recommendation partly due to the school board's vacancy of two academic SO positions which are currently being recruited. In addition, the school board has been focused on an extensive Information Technology review which will be completed in May 2010. The school board has also completed an Accommodation Review for the final planning area in the Board.

The school board is encouraged to continue in their process to develop a strategic plan. This will provide direction to all staff on the Board's goals and clear steps towards achieving them.

## **#2 Operating Plan**

Management reported that the operating plan will be developed in conjunction with the strategic plan. It was also reported that the school board will focus on including non-academic priorities in the plan. The school board is encouraged to ensure this is completed as an operating plan will enable all departments to track and report progress on their defined priorities and goals throughout the year.

## **#3 Succession Planning**

Management indicated that it has currently hired a consulting group to work with one of their academic SOs to develop a succession plan. This project has been titled *The Mentorship and Leadership/Succession Planning Project*, .

The goal of this project is for management to begin expanding the succession planning process to include all staff, including non-academic departments. Management currently has elements of an informal succession plan in place for non-academic staff. For example, staff in both the payroll and purchasing areas have received mentorship and training support to become qualified to take over supervisory positions in these respective units.

## 4. Human Resource Management and School Staffing/Allocations

### #1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The HR department should develop an annual departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the HR department. This would enable management to track and report progress of its defined priorities and goals throughout the year.	Not Implemented

### #2 Attendance Management

Operational Review Recommendation	Implementation Update
The HR department should continue developing a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	In Progress

### #1 Annual Departmental Plan

Management reported that the HR departmental plan will be developed once the school board operating plan is in place. Management is encouraged to ensure that a departmental plan is developed, in alignment with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

### #2 Attendance Management

Management reported progress in implementing a formal attendance management program. The HR department has developed administrative policies and procedures for employee attendance, absence reporting and wellness with the intent to implement a full attendance management program in 2010-11. In the interim, the department is focusing on disability management and on attendance support for all its employee groups in two schools. This is currently an expansion of a program that has only been in place for CUPE staff to date. The department has hired the School Boards' Cooperative Inc. to help develop the program.

The department is encouraged to continue developing a comprehensive attendance management program, including policies and procedures to address specific categories

of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.

## 5. Financial Management

### #1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The Business and Finance department should develop a departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the Financial Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.	Not Implemented

### #2 Annual Budget Development Process

Operational Review Recommendation	Implementation Update
Management in the Financial Services branch should consider migrating the department budget input process from a manual to an automated system.	Implemented

### #3 Interim and Annual Financial Reporting

Operational Review Recommendation	Implementation Update
Management should perform a cost-benefit analysis of moving from a customized financial software system to a vendor- supported suite of software applications. This would increase the functionality of the school board's financial system.	In Progress

### #4 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Financial services staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of the Operational Review report. This would simplify communication and increase the Board's focus on key issues during the reporting of year-to-date results.	In Progress

## #5 Internal Audit

Operational Review Recommendation	Implementation Update
<p>Management should consider formalizing the internal audit function. This would include a broader audit of financial and management controls and adherence to board policies.</p> <p>Management could start by identifying options for its mandate and scope and the estimated cost for each option.</p>	In Progress

## #6 Audit Committee

Operational Review Recommendation	Implementation Update
<p>Management and the Board should establish an audit committee. The audit committee should include at least two external members to advise and contribute to its overall effectiveness.</p>	Not Implemented

## #7 Corporate Credit Cards

Operational Review Recommendation	Implementation Update
<p>The Board should review its current policy for the use and distribution of corporate credit cards.</p>	In Progress

## #8 P-Cards

Operational Review Recommendation	Implementation Update
<p>The school board should use PCards for small dollar purchases to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. It should perform an analysis of all credit card expenditures to identify the type and level of spending by individual. It should supplement this with a transaction/spend analysis of purchase orders. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.</p>	Not Implemented

## #1 Annual Departmental Plan

Management reported that the Business and Finance departmental plan will be developed once the school board operating plan is in place. Management is encouraged to ensure that a departmental plan is developed, in alignment with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

## **#2 Annual Budget Development Process**

Management reported that the finance department authorized the facilities and IT department to enter budget information directly into the Financial Management System. This has moved the budget input process from a manual to an automated system.

## **#3 Interim and Annual Financial Reporting**

The school board reported that they are working in partnership with two other Catholic boards in the acquisition of a new financial system to increase the functionality of the school board's financial system. These other boards are Wellington Catholic District School Board and Huron-Superior Catholic District School Board.

To date, an RFI from vendors has been requested. The school board has earmarked funds from reserve funds for the potential acquisition of a new financial management system in the next two years.

## **#4 Interim Financial Reporting**

Management has acknowledged this recommendation and has made progress to implement the recommendation. For example, an interim financial report was provided to the Board for the five month period of September 2009 to January 2010.

Management reported that they will be implementing the full recommendation for interim financial reporting once the Board's audit committee is established. The department is encouraged to continue developing calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.

## **#5 Internal Audit**

The school board reported that they are the host board for the North Bay/Sudbury Internal Audit Region. Under this model, a group of internal auditors will provide this function to eight school boards. A posting for a Regional Internal Audit Manager has been issued and interviews will be conducted shortly.

## **#6 Audit Committee**

Management indicated that it is closely monitoring the Ministry's direction regarding audit committees and will establish an audit committee with external members following the direction of the Ministry of Education. It was reported that an audit committee is scheduled to be established in January 2011.

## **#7 Corporate Credit Cards**

Management indicated that this recommendation is currently in progress. The school board is updating its credit card program with its financial institution. This is of relevance given that a number of staff use credit cards including principals, teachers in high schools, managers and maintenance and trade staff. Trustees also use credit cards.

The school board reported that a large part of this update is focused on ensuring better administrative controls over the issuing/revoking of credit cards as well as changing the credit limits. Management also reported that this will provide the school board with improved reporting capabilities which will permit ease of monitoring and the analysis of spending by individuals, including online invoicing and reconciliation.

## **#8 P-Cards**

As mentioned above, management is currently performing an analysis of all credit card expenditures with the school board's financial institution. Management also reported that they are currently reviewing the school board's supply chain guidelines in light of the new Supply Chain Guidelines 1.0. As part of this review, PCards will be examined.

The school board is encouraged to continue implementing this recommendation to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.

## 6. School Operations and Facilities Management

### #1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The Facilities Services branch should develop a departmental plan that aligns with the objectives of the BIP. The Business and Finance departmental plan should set targets, timelines and assigned responsibilities for key activities within the Facilities Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.	Not Implemented

### #2 Multi-Year Maintenance and Renewal Plan

Operational Review Recommendation	Implementation Update
Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.	Not Implemented

### #1 Annual Departmental Plan

Management reported that the Facilities Services departmental plan will be developed once the school board's operating plan is in place. Management is encouraged to ensure that a departmental plan is developed, in alignment with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

### #2 Multi-Year Maintenance and Renewal Plan

The school board reported that a capital plan will be developed for the next five years. This is being facilitated by the recent completion of the Accommodation Review as part of the last of the Board's planning areas. In line with the capital plan, a multi-year maintenance and renewal plan will also be developed.

Management is encouraged to continue in their efforts to establish a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.

## 7. School Board Adoption of New Leading Practices

The following leading practices were added to the Second Edition of the Operational Review Guide that was released to the sector in September 2008. Some of these leading practices are a result of the observations and learning's during Wave 1 & 2 reviews.

School boards that were reviewed prior to September 2008 were not assessed against the new leading practices identified below. During this follow-up review process, the Operational Review team asked those school boards to comment on the extent to which they demonstrate adoption of these practices.

### Governance and School Board Administration

There were no additions to leading practices under this section.

### HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
The school board maintains appropriate process and systems to monitor staff attendance on a timely basis.	In progress

The school board is currently working on developing a formal attendance management program. Presently, the school board uses an automated call in system.

### Financial Management

New Leading Practice	Adopted?
Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus non- competitive procurement methods.	In progress

The school board reported that it has adopted the first leading practice. The majority of non-grant revenues are through the school board's tuition agreements and rental income which is coordinated through the accounting supervisor and secretary. All EPO grants are tracked separately.

The school board is refreshing its purchasing policy to ensure alignment with the supply chain guidelines. This new procurement policy will include circumstances under which the board will use competitive versus non-competitive procurement methods.

## Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	No
Develop, implement and monitor a security strategy and/or plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	No
Develop, implement and monitor a health strategy and/or plan that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.	No
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i>	Yes
Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes

The school board reported that it is making progress on the leading practices under operations and facilities management.

For example, the school board is currently testing various green products at the school level. Feedback is currently being sought on the projects. A formal green clean program is not in place.

The school board has many components of an Occupational Health and Safety policy; however, it does not have an overarching OHS policy. OHS is currently split between the HR and plant department. A joint OHS committee is in place that conducts formal inspections at the school level on a periodic basis.

The school board has all the major components of a security strategy in place, including an emergency preparedness plan and a violence prevention sub-committee. The school board has not developed an overarching security plan. In the same manner, the school board is currently developing a health strategy.

Management closely monitors the *Ontario Green Energy Act* to determine its implication on the board's construction, acquisition, operation and management of school facilities.

The school board has brought this focus into practice through conversation with its architect in the construction of the new school that is currently being constructed.

Management reported that they give full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces. The school board reported that this has always been part of their process.

## Appendix A – Selection of Recommendations

- **SP** - Strategic Planning (SP)
- **AR** - Areas of Risk Categories
  - AR 1 - Undue reliance on specific human and / or non-human resources
  - AR 2 - Reputational risk in the community from not acting on the recommendation
  - AR 3 - Financial risk impacting school board’s financial position
- **ROI** - Potential for material Return on Investment
- **TAO** - Twelve Areas of Opportunity from 2008 sector report (seven) and the 2009 sector report (five)
- **NLP** – New leading practices introduced in Wave 4 through the Third Edition of the Operational Review Guide.

### Governance and School Board Administration

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	The board of trustees, in conjunction with the Director, should develop a multi-year strategic plan that defines key objectives, timelines and performance measures for the entire system. This would provide an over-arching framework for the school board to develop an annual BIP, setting the context for school and departmental planning and allowing the Director to report on the achievement of specific outcomes.	Yes	SP / TAO
2.	The school board should expand the scope of the BIP to cover all aspects of school board operations, including human resources, financial management and facilities management. The BIP should define in-year initiatives that contribute to the achievement of the longer-term goals and demonstrate the alignment of non-academic departments.	Yes	SP / TAO
3.	The Board should establish a formal succession plan to manage the retirements and resignations of key managers/administrators.	Yes	TAO

## HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	The HR department should develop an annual departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the HR department. This would enable management to track and report progress of its defined priorities and goals throughout the year.	Yes	SP
5.	The HR department should continue developing a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Yes	TAO
6.	Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.	No	
7.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.	No	

## Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
8.	The Business and Finance department should develop a departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the Financial Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.	Yes	SP
9.	The Financial Services branch should document the budget planning process to provide additional transparency for trustees and clarity for staff regarding roles and responsibilities.	No	
10.	Management in the Financial Services branch should consider migrating the department budget input process from a manual to an automated system.	Yes	AR1
11.	Management should perform a cost-benefit analysis of moving from a customized financial software system to a vendor-supported suite of software applications. This would increase the functionality of the school board's financial system.	Yes	AR 1
12.	Financial services staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during the reporting of year-to-date results.	Yes	TAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
13.	Management should consider formalizing the internal audit function. This would include a broader audit of financial and management controls and adherence to board policies. Management could start by identifying options for its mandate and scope and the estimated cost for each option.	Yes	TAO
14.	Management and the Board should establish an audit committee. The audit committee should include at least two external members to advise and contribute to its overall effectiveness.	Yes	TAO
15.	Management should establish an investment policy for approval by the board of trustees. A formal cash management plan and appropriate procedures to manage surplus cash and optimize investment income should be developed.	No	
16.	The Financial Services branch should develop a formal cash flow model to forecast and monitor the school board's cash flow activities. This would allow the school board to identify opportunities to optimize investment income and minimize interest costs.	No	
17.	The school board should review its purchasing policy to determine whether approval limit thresholds are commensurate to job titles/roles. This would ensure alignment with the needs of the school board and consistency with other school boards.	No	
18.	Management should consider mandatory posting of tenders and Requests for Proposals (RFPs) on the electronic advertising bulletin boards, for the widest circulation of its tenders.	No	
19.	The Board should review its current policy for the use and distribution of corporate credit cards.	Yes	AR2
20.	The school board should use PCards for small dollar purchases to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. It should perform an analysis of all credit card expenditures to identify the type and level of spending by individual. It should supplement this with a transaction/spend analysis of purchase orders. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.	Yes	ROI
21.	Finance staff should implement EFT payments to all appropriate suppliers to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.	No	

### School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
22.	The Facilities Services branch should develop a departmental plan that aligns with the objectives of the BIP. The Business and Finance departmental plan should set targets, timelines and assigned	Yes	SP

Ref.	Recommendation	Follow-up Yes/No	Criteria
	responsibilities for key activities within the Facilities Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.		
23.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.	Yes	TAO
24.	The school board should develop an inventory of cleaning tools and custodial equipment.	No	
25.	The school board should ask utility companies to provide consolidated billing in an electronic format.	No	