

Ministry of Education

**Conseil scolaire de district du Nord-
Est de l'Ontario
Follow-up Report to the Operational
Review**

July 2011

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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 to 18 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 and fourth editions of the Operational Review Guide. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Conseil scolaire de district du Nord-Est de l'Ontario Operational Review follow-up took place on March 2, 2011, which was approximately 18 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with school board senior administration, specifically the SBO and Director of Education.

Summary of Recommendation Status

The school board has made progress in implementing the recommendations since the completion of its Operational Review in July 2009. Of particular note are the steps taken to develop a comprehensive multi-year strategic plan. This plan includes both academic and non-academic components, and sub-divides each goal into concrete timelines and results that need to be achieved.

Following the release of the Operational Review report, management presented the report to the Board of Trustees (the Board). There were 13 recommendations made in the original report. The Operational Review team focused on 11 of the recommendations in the follow-up review. Six of the recommendations were from the 12 areas of opportunity identified across the sector in the 2008 and 2009 sector reports; one related to strategic planning; two were identified with having a positive return on investment; and two concerned specific areas of risks. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

The school board reported that the Operational Review process was a positive experience. Management reported that the Operational Review recommendations have helped them determine what areas to focus their efforts on; however, they noted that the realities of small boards should be taken into consideration when reviewing them as part of the follow-up process.

3. Governance and School Board Administration

#1 Development of the School Board’s Strategic Direction and the Annual Board Improvement Plan

Operational Review Recommendation	Implementation Update
The board of trustees, with the assistance of the Director of Education, should prepare a multi-year plan that includes primary objectives, timetables and performance measures. This would guide the Board’s annual plan, individual school plans and departmental plans, and enable the Director of Education to report on the success of the Board’s initiatives.	Implemented

#1 Development of the School Board’s Strategic Direction and the Annual Board Improvement Plan

Management recognized the importance of developing a strategic multi-year plan as one of their first implementation points after the Operational Review. This plan, which covers the span of 2010-2013, was developed in November 2009, precipitated by a new Director having joined the Board. The multi-year strategic plan includes both academic and non-academic components to it. It breaks down each goal into concrete timelines and results that need to be achieved.

This plan was approved in January 2010 by the Executive Committee, and is going forward for approval by the Board of Trustees in March 2011. The Executive Committee is encouraged to bring the plan forward for formal approval by the Board of Trustees.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management Processes/Programs

Operational Review Recommendation	Implementation Update
The department should develop 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.	In Progress

#2 Management of Board's Benefit Plans

Operational Review Recommendation	Implementation Update
Management should conduct periodic audits of the insurance company that manages the school board's medical and dental claims (administrative services only), in order to ensure that claims from the Board are processed according to the plan's terms and conditions.	In Progress

#1 Attendance Management

Management is working toward developing an attendance support program to help track attendance and disability management; however, given the other priorities they face, this leading practice is not considered a priority at the moment. Management reported that it is difficult to move forward on this recommendation due to the lack of human resources staff available and as a result have not developed a comprehensive attendance support program.

However, the school board has moved forward with a number of processes that track absences and provide alerts to management if an individual has been away for a consecutive period of time. HR attends all meetings with management when discussing an attendance problem with an employee. In addition, management is also using its SAP system to pull reports that are used to report back to the Board.

The department should continue in its efforts to develop a comprehensive attendance support program, including policies and procedures to address specific categories of absenteeism.

#2 Management of Board's Benefit Plans

The school board does not presently have a process to ensure the school board's medical and dental claims (administrative services only) are audited by a third party. Management has approached the school board's insurance carrier on behalf of all

French-language school boards to request a letter that states that their internal processes are adequate. At present, HR and finance currently meet two to three times a year to review all claims that are processed by school board employees.

Management reported that due to limited resources, this leading practice is not currently a priority for them. Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.

5. Financial Management

#1 Internal Audit Function

Operational Review Recommendation	Implementation Update
<p>Management should consider formalizing an 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 the mandate and scope of this function and the estimated cost for each option.</p>	In Progress

#2 Audit Committee

Operational Review Recommendation	Implementation Update
<p>Management and the board of trustees should consider including external advisors to contribute to the effectiveness of the finance committee with a mandate to conduct internal auditing.</p>	Complete

#3 EFT Payments

Operational Review Recommendation	Implementation Update
<p>Finance staff should implement EFT payments for all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capability when tendering banking services in the near future.</p>	Complete

#1 Internal Audit Function

With the release of the 2009-10 Grants for Student Needs (GSN), the Ministry announced funding to establish audit committees and internal audit functions. Since the initial announcement of this funding, the Ministry has developed a number of audit function supports including a regional audit initiative. The school board is participating in this initiative, which provides funding for some dedicated internal audit staff for the eight regions in the province, in line with the new Audit Committee Regulation. All of the 12 French-language school boards are a part of the same region.

The Audit Committee Regulation came into effect in September 2010 and required the establishment of audit committees in school boards by January 31, 2011. The regulation sets out the following major aspects:

- appointment process for members
- requirement for external member participation
- term of appointment
- duties and powers of the committee
- reporting requirements
- deadline for the first audit committee meeting (March 31, 2011)

As part of this initiative, a regional internal audit manager is selected and will submit a summary of the audit plan (current year work schedule and multi-year plan), staffing plan and budget for the following fiscal year to the Director of Education, the Senior Business Official and audit committee of the Board.

Management indicated that it is currently participating and closely monitoring the Ministry's direction regarding the provision of internal audit services on a regional shared services model, in conjunction with several other French-language school boards.

#2 Audit Committee

The school board reported that they have recruited two external members to their audit committee and these individuals have already been formally appointed to the committee. The school board reported that their success was based on personal networks as opposed to a general recruitment notice.

The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams and the development of a risk assessment to establish priority areas for internal audit activities. The school board should also work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee.

#3 EFT Payments

The school board currently has implemented electronic funds transfers with the majority of its suppliers (approximately 70%). However, there are many suppliers who are not able to use EFTs since not all regions in the North are equipped with such capabilities. At the time of the Operational Review, the school board's bank did not offer EFTs. This

has since changed and the school board requests that suppliers use EFT when possible.

6. School Operations and Facilities Management

#1 Development of Annual/Multi-Year Maintenance Plan

Operational Review Recommendation	Implementation Update
The Board should consider developing a three- to five-year preventive maintenance plan that includes a financing plan. This would enable the Board to forecast critical needs to be addressed in the upcoming years.	In Progress

#2 Standardization of Cleaning and Maintenance Supplies

Operational Review Recommendation	Implementation Update
The Board should consider developing procedures to track its inventory and maintain a database on the age, location and state of the equipment.	Not In Progress

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
The Board should develop a system-wide, multi-year energy management plan, with appropriate consumption reduction targets. The Board should also ensure that it has tracking mechanisms in place to monitor consumption and energy costs for periodic reporting to the individual schools, the administrative council and the board of trustees.	In Progress

#4 Consolidated Billing

Operational Review Recommendation	Implementation Update
Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption, and reduce the workload in the accounts payable department.	Not In Progress

#5 Tracking and Reporting Energy Conservation

Operational Review Recommendation	Implementation Update
As part its energy conservation planning, management should investigate the costs/benefits of implementing a more sophisticated building automation	Implemented

Operational Review Recommendation	Implementation Update
system to track and remotely control energy consumption in individual schools.	

#1 Development of an Annual/Multi-Year Maintenance Plan

The department has not begun work on developing a multi-year maintenance plan due to a lack of human resources. The school board reported that they are hiring a new individual in the summer of 2011 who will have responsibility for implementing this recommendation.

The school board is encouraged to prioritize the development a three- to five-year preventive maintenance plan that includes a financing plan. This would enable the Board to forecast critical needs to be addressed in the upcoming years.

#2 Standardization of Cleaning and Maintenance Supplies

The department has not created any procedures to track its inventory and maintain a database on the age, location and state of the equipment. The school board reported that they do not have the resources to move forward with this leading practice.

The school board is encouraged to develop procedures to track its inventory and maintain a database on the age, location and state of the equipment.

#3 Energy Management Plan

The department has enlisted the help of an external firm to conduct an energy audit of the school board. As part of this audit, the company will be looking at the use of energy in each school and identify a means to calculate and report on consumption. The school board also reported that the provincial Utility Consumption Database has helped them manage total consumption per school.

The school board should continue to expand existing energy management initiatives currently in place, and establish a system-wide, multi-year energy management plan, with appropriate consumption reduction targets.

#4 Consolidated Billing

The school board currently receives all of its utility bills by mail. Due to their current financial system, management reported that the automatic bill payment does not provide any economic advantages. The school board reported that they have no plans to move forward with this recommendation.

The school board is encouraged to continue its work in this area and to implement consolidated billing for all the school board's sites and facilities, where feasible.

#5 Tracking and Reporting Energy Conservation

The school board reported that they currently have a building automation system to track and remotely control energy consumption in all individual schools.

7. School Board Adoption of New Leading Practices

The following leading practices were added or amended for the third and fourth editions of the Operational Review Guide that were released to the sector. Some of these leading practices are a result of the observations and learning from earlier waves of reviews.

School boards that were reviewed prior to September 2009 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 school boards demonstrate adoption of these practices.

Governance and School Board Administration

New Leading Practice	Adopted?
The governance model reflects the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act, Bill 177</i> .	Yes

The school board has implemented this leading practice. The school board has developed an orientation for all new trustees to ensure they understand their new role. The school board reported that Bill 177 will have a direct impact on all policies that are in place, and will require a substantive education of all new trustees and a re-education of past trustees.

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
Trustees do not sit on hiring panels (exception hiring the director of education) but provide policies to govern staffing and recruitment.	No
Processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools.	Yes
Trustees provide the school board's policy and priority framework within which bargaining takes place.	Yes

The school board has begun work in the area of attendance management; however, management reported that they do not have sufficient human resources staff to implement as comprehensive attendance management program at this time.

The school board reported that trustees are currently involved in the development of policies governing staffing and hiring. They are also involved in the hiring of principals and superintendents alongside the Director of Education. However, in light of Bill 177, the Board is looking at revising its policies in this regard but has not made any revisions to its policy to date.

The school board has a policy on discrimination and harassment in place that ensures the selection and hiring of staff is non-discriminatory. In addition, HR oversees all hiring to ensure that business units follow these procedures.

The Council has no policy and priority framework within which bargaining takes place but before each negotiation administration gets a clear mandate from the Board. Provincial priorities are identified by the 12 French-language boards through various groups and local priorities are identified by management and subsequently validated and approved by the Board.

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.	Yes
The established policies and procedures that govern all aspects of supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency purchases), comply with the Supply Chain Guideline (SCG) v.1.0.	Yes
In line with the SCG, purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	Yes

The school board has ensured that adequate measures are in place by senior administration to safeguard non-grant revenues. The banking system of schools is subject to annual audit by the internal audit officer and the SBO.

The school board reported that given their limited resources, this is not an easy leading practice to put in place.

The school board has implemented the Supply Chain Guideline (SCG) recommendations by creating a new procurement policy titled 'Guidelines for Supply Chain' to include all mandatory elements such as a supply chain code of ethics and the criteria required to conduct non-competitive procurement.

As part of this review the school board also reviewed their purchase and bidding policy to ensure alignment with the SCG.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Environmental Education Policy.	In progress
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflect the school board's occupational health and safety policies and administrative procedures and ensure the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
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.	Yes
Develop, implement and monitor a health strategy and/or plan that reflect the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.	Yes
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
The school board has an approved facility partnership policy.	Yes
A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation.	In progress
An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.	No
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 in the planning stages of developing a formal green clean program as part of its overarching Environmental Education Policy.

The school board has an Occupational Health and Safety (OHS) program which has been in effect for several years. The school board also works closely with a number of health and security associations to ensure their policy stays relevant and up to date.

The school board has all the major components of a security strategy in place, and is in line with Bill 168 and 157.

The department has created a health strategy policy and is also working on a wellness program for employees. The school board reported that for the past two years, the Human Resources department has developed and mailed health-related newsletters to schools. In addition, all support staff have received training on wellness at a symposium in November of last year.

Management closely monitors the *Ontario Green Energy Act* and ensures its principles are used in the board's construction, acquisition, operation and management of school facilities. The board mentioned that there is currently no activity under construction or acquiring of new buildings that they are pursuing.

Management reported that a facility partnership policy does exist that outlines sharing between other school boards. The board has several partnerships with several neighboring Catholic boards and several schools are shared with the English-language boards. However, the Board reported that they are facing issues with the facility partnership policy in that there are challenges working with coterminous school boards in requiring additional space. The school board reported that there are particular challenges regarding the provisions of the 1998 agreements on the division of assets and liabilities approved by the Boards and required by the Ministry for improving education which are often not interpreted the same way by school boards, leading to confusion in the field.

The school board reported that the supervision of projects is done internally and processes are in place to review changes plans during a construction project for the approval level. The school board reported that they will have a project manager to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals on hand for any future projects.

Management reported they give full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces. Management reported that this type of partnership is particularly relevant in the North.

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, with the assistance of the Director of Education, should prepare a multi-year plan that includes primary objectives, timetables and performance measures. This would guide the Board’s annual plan, individual school plans and departmental plans, and enable the Director of Education to report on the success of the Board’s initiatives.	Yes	SP / TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The department should develop 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.	Yes	ROI/T AO
3.	Management should conduct periodic audits of the insurance company that manages the school board’s medical and dental claims	Yes	TAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
	(administrative services only), in order to ensure that claims from the Board are processed according to the plan's terms and conditions.		
4.	Management should develop a formal plan for conducting exit interviews. Like staff surveys, these interviews will provide input for HR policy and process and program improvement.	No	
5.	The Board should compare its staffing costs with those of other similar school boards. This would provide insight into the competitiveness of the Board's job offers.	No	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
6.	Management should consider formalizing an 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 the mandate and scope of this function and the estimated cost for each option.	Yes	TAO
7.	Management and the board of trustees should consider including external advisors to contribute to the efficiency of the finance committee in charge of internal auditing.	Yes	TAO
8.	Finance staff should implement EFT payments for all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capability when tendering banking services in the near future.	Yes	AR3

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
9.	The Board should consider developing a three- to five-year preventive maintenance plan that includes a financing plan. This would enable the Board to forecast critical needs to be addressed in the upcoming years.	Yes	TAO
10.	The Board should consider developing procedures to track its inventory and maintain a database on the age, location and state of the equipment.	Yes	ROI

Ref.	Recommendation	Follow-up Yes/No	Criteria
11.	The Board should develop a system-wide, multi-year energy management plan, with appropriate consumption reduction targets. The Board should also ensure that it has tracking mechanisms in place to monitor consumption and energy costs for periodic reporting to the individual schools, the administrative council and the board of trustees.	Yes	ROI/ TOA / AR3
12.	Management should ask the utility companies to provide consolidated billing in electronic format. This would support more efficient monitoring and forecasting of energy consumption, and reduce the workload in the accounts payable department.	Yes	AR1
13.	As part of its energy conservation planning, management should investigate the costs/benefits of implementing a more sophisticated building automation system to track and remotely control energy consumption in individual schools.	Yes	AR1