

Ministry of Education

**Greater Essex County District School
Board
Follow-up Report to the Operational
Review**

May 2011

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1. Introduction

The Ministry is in the final stages 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 fourth edition of the Operational Review Guide, released to the sector in September 2010. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Greater Essex County District School Board Operational Review follow-up review took place on February 15, 2011, approximately 13 months after the release of the initial Operational Review report in January 2010. The Deloitte Operational Review team conducted a teleconference with the Director, Superintendent of Business, Superintendent of Human Resources, and the Manager of Financial Services. In advance of the teleconference, the Deloitte team selected several key recommendations from the Operation Review Report and asked the board to provide an implementation status along with any related supporting material.

Summary of Recommendation Status

The school board has made significant progress in implementing the recommendations since the completion of its initial review in October 2009. Of particular note are the steps taken to implement a succession plan, a documented annual budget development process as well as a review of the school board's purchase-to-payment cycle and three-way matching processes.

Following the Operational Review, management reported to the Board regarding the findings of the Operational Review report. The report was shared at a public meeting, open to parents, stakeholders and members of the press. The Board has not posted the report on its website.

There were 19 recommendations made in the original report. The Operational Review team focused on 12 of the recommendations in the follow-up review. The opportunities presented a cross section of strategic planning initiatives, some from 12 areas of opportunity identified in the sector reports, as well as those that were of specific risks to the Greater Essex County DSB. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

3. Governance and School Board Administration

#1 Annual Operating Plan

Operational Review Recommendation	Implementation Update
The school board is encouraged to develop a formal annual operating plan to cover all of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.	In progress

#2 Succession Planning

Operational Review Recommendation	Implementation Update
The school board should expand its formal succession plan to include key management positions in non-academic functions. Currently the board has a leadership development program in place to support succession planning for academic staff, as outlined by the Ministry's Ontario Leadership Strategy.	Completed

#1 Annual Operating Plan

The school board is in the midst of a strategic planning exercise with the new Board of Trustees (the Board) elected in the fall of 2010. The strategic planning session has been rescheduled to April 2011. The strategic planning process will produce core strategies from which senior administration will develop an annual board-wide operating plan. This high level operating plan will include input from the various departments of the school board. Once the operating plan has been completed, these departments will develop their own separate departmental plans. Departmental plans, once developed, will be revisited semi-annually in January and June of each year. As part of the strategic planning process, trustees have received training on *Student Achievement and School Board Governance Act*, Bill 177 and the importance of strategic planning.

#2 Succession Planning

The school board has established plans and processes to address succession planning for both academic and non-academic staff. The school board is taking significant steps in developing a succession plans and leadership development programs to support succession plans. Non-academic staff, teaching staff and principals all take part in and receive structured in-house training to prepare themselves for promotion. Staff also have access to funds for training outside of the school board as part of the succession plan.

This includes tuition reimbursements of 50 percent for work related courses, including supervisory officer training.

4. Human Resource Management and School Staffing/Allocations

#1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The HR department should consider developing an annual departmental plan aligned 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.	In progress

#2 Attendance Support and Disability Management

Operational Review Recommendation	Implementation Update
The department should continue with the implementation of their 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

#3 Report on Attendance Support and Disability Management

Operational Review Recommendation	Implementation Update
Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	Completed

#1 Annual Departmental Plan

The HR department ensures ongoing tracking of departmental responsibilities and is waiting for the upcoming Board driven strategic planning process to fully develop its departmental plan. Once priorities have been set at the Board level, departments will be asked to establish departmental plans that support both the board-wide annual operational plan as well as the multi-year strategic plan. The department should be prepared to document its activities and processes when required as part of the overarching strategic planning process that is planned for the spring of 2011. The departmental plan should outline each departmental initiative and the high-level strategic goal to which they are associated, as well as key personnel, action steps, timelines, budget and status for each initiative.

#2 Attendance Support and Disability Management

The school board has recently implemented a disability management program. Following the full implementation of the disability management program the school board will roll out the related Attendance Support Program. This program is due for release in September 2011. The disability management program was developed in partnership with a third party provider and in consultation with a broad range of stakeholders. The committee that directed the development of the disability management program included, but was not limited to representatives from both secondary and elementary principal and vice-principal groups, representatives from all union groups, as well as other stakeholders. The disability management program includes a related school board administrative procedure, an employee health program, and a standard medical certificate template required from all staff when taking medical or sick leave. The knowledge gained and lessons learned during the first full review of the disability management program planned for June 2011, will be used to tailor the attendance support program.

Related to the attendance support program are wellness programs already launched at the school board. These include a very successful smoking cessation program. Management suggests that they will include definitions of culpable and non-culpable absenteeism as well define patterns of absenteeism within the new attendance support program and related procedures. It was also noted that there will be training for principals and vice-principals to assist them in their efforts to support staff with respect to the new program and its enforcement.

#3 Report on Attendance Support and Disability Management

The school board reports information on attendance support and disability management progress to the Board. Management reports that the Board is actively interested in these programs and that staff regularly provide reports to the Board for information. The Board was kept up-to-date over the course of the multi-year development of the disability management program, particularly discussions and issues related to labour relations.

5. Financial Management

#1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The department should consider developing an annual departmental plan aligned 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.	In progress

#2 Budget Development Process

Operational Review Recommendation	Implementation Update
Management is encouraged to document the annual budget development process, to enhance its transparency for participating Superintendents/ managers, and encourage internal discussion between departments in the development of the annual budget.	Complete

#3 Audit – External Advisors

Operational Review Recommendation	Implementation Update
Management and the board of trustees should add external advisors to the Audit Committee to contribute to the committee’s effectiveness.	Complete

#4 Three-way Matching

Operational Review Recommendation	Implementation Update
Management should perform a detailed review of the school board’s purchase-to-payment cycle, specifically three-way matching, which is currently limited to only those purchases over \$3000.	Complete

#1 Annual Departmental Plan

The Finance department ensures ongoing tracking of departmental responsibilities and they are waiting for the upcoming Board driven strategic planning process in order to fully develop its departmental plan. Once priorities have been set at the Board level, departments will be asked to establish departmental plans that align to both the board-wide annual operational plan as well as the multi-year strategic plan. The department

should be prepared to document its activities and processes as part of the overarching strategic planning process that is targeted for the spring of 2011. The departmental plan should outline each departmental initiative and the high-level strategic goal to which they are associated, as well as key personnel, action steps, timelines, budget and status for each initiative.

#2 Budget Development Process

The school board maintains a centrally led annual budget development process that is consistent year-to-year and that is now documented in an official budget development process document. The document gives a full year schedule and outlines required steps, associated dates and individual responsibilities. The budget development process begins with working draft spreadsheets distributed to all departmental managers for input. This information is compared to the previous year's budget and monthly actuals.

From this input, the final budget draft is built. The final document is also distributed to all staff so that the budget development process is clear and individuals understand their responsibility for specific tasks.

#3 Audit – External Advisors

The school board has appointed two external advisors to its committee and are in full compliance with the Audit Committee Regulation that came into full effect in September 2010. The school board received applications from the public as well as from solicited colleagues of senior staff. Four candidates were qualified and interviewed, from which two were selected and are now participants to the school board's audit process.

#4 Three-way Matching

The school board has made significant changes to its purchase-to-payment cycle since the original Operational Review. Staff completed a detailed review of the purchase-to-payment cycle including an analysis of purchase orders (POs) below \$1500, between \$1500 - \$3000 and above \$3000. It was determined using a cost benefit analysis that three-way matching should be applied to purchases above \$1500. Of the schools sampled, the majority of invoices paid were for amounts below \$1500. It was determined that it would be cost prohibitive to enforce full three-way matching below \$1500 and that the current processes of ensuring negative confirmation mitigated risks to an appropriate level. These changes will be implemented and will be translated into official Board policy along with the anticipated changes as a result of the Broader Public Service Procurement Directive in the spring of 2011.

6. School Operations and Facilities Management

#1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The department should consider developing an annual departmental plan aligned 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.	In progress

#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. The department is also encouraged to link the annual and multi-year maintenance plan to the departmental plan once the latter has been formalized.	Completed

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Completed

#1 Annual Departmental Plan

The Facility Services department ensures ongoing tracking of departmental responsibilities and they are waiting for the upcoming Board driven strategic planning process in order to fully develop its departmental plan. Once priorities have been set at the Board level departments will be asked to establish departmental plans that align to both the board-wide annual operational plan as well as the multi-year strategic plan. The department should be prepared to document its activities and processes when required to as part of the overarching strategic planning process that is scheduled for the spring of 2011. The Facility Services departmental plan should outline each departmental initiative and the high-level strategic goal to which they are associated, as well as key personnel, action steps, timelines, budget and status for each initiative.

#2 Multi-year Maintenance and Renewal plan

The department has developed a multi-year maintenance and renewal plan, which tracks yearly renewal projects. In order to develop this five year plan, the department has assessed major building systems, including science labs, HVAC equipment, roofs, pavement, and other systems to determine a list of priority projects. The plan provides a summary of each assessment, including priorities, and specific dollar amounts of each individual maintenance and renewal project(s). Projects that are not funded or completed are carried over to the following year's budget for approval. In addition to the multi-year plan, each school is allocated funds annually for minor capital upgrades. This includes approximately \$5500 for secondary schools and approximately \$3500 for elementary schools.

#3 Energy Management Plan

The school board has established a multi-year energy management plan that identifies specific energy saving measures to be implemented, including the tools to measure and monitor the improvements. The school board engaged a third party provider to perform energy audits of each school facility. The provider produced a report which outlined potential energy opportunities for each facility, including costs and the associated time period for a return on investment. This energy audit report was utilized by the Board to develop the multi-year plan. In addition, the Facility Services department is reorganizing positions and responsibilities in order to better enable staff to implement and manage the new energy management plan. Supporting the plan is a new consolidated utilities billing system for all school board facilities. This system allows the department to track all utility consumption and will allow greater opportunity for timely monitoring and the calculation of energy payback periods for each of the energy upgrade strategies.

7. School Board Adoption of New Leading Practices

The following leading practices were added to the Fourth Edition of the Operational Review Guide that was 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 2010 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

New Leading Practice	Adopted?
The governance model reflects the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.	In progress

Required changes to school board's governance model have been made clear to trustees and senior administrative staff. Prior to the release of the Student Achievement and School Board Governance Act, Bill 177, the school board rewrote its bylaws in early 2010. The school board had been provided with a draft of the Bill and as such changes were made to comply with the new governance model. Management reports that trustees are overall clear on the new changes and are supportive. This awareness is in part due to in-house and provincial training on Bill 177 that the Board has received. Key members of the Board will be discussing the process to ensure changes are made regarding the new governance model, including the removal of trustees from hiring panels with the exception of the hiring of the Director of Education.

HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
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 staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

In accordance to Bill 177, the school board recognizes that trustees should not sit on staff hiring panels with the exception of the hiring of the Director of Education. At present, trustees do sit on hiring panels for the Director and Superintendent positions only. Trustees have received training on the new regulation and are aware of these new requirements. It was reported that this change, the removal of trustees from the superintendent hiring panel, will be part of the discussion during the strategic planning process planned for spring 2011.

The school board ensures processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. A diversity officer supports all departments and liaises with community stakeholders on behalf of the school board. The diversity officer facilitates training for administrators, HR staff and teachers who have roles as trainers on various diversity issues. The school board is finding challenges in attracting specific groups to their staff, not necessarily only minority groups. Management reports that this may be due to the cyclical nature of university graduating classes, suggesting that in years past, there have been similar shortages of other specific groups. As in the past, the school board is currently taking measures to encourage and champion diversity. There is currently a program where principals are able to identify secondary students who are part of these specific minorities and encourage them to consider post secondary education. Superintendents also play a role and hold community sessions to encourage individuals to pursue post secondary education.

Trustees do not directly participate in labour negotiations but do support the school board with policies and a priority framework within which bargaining takes place. There is ongoing communication between management and trustees during labour negotiations, with regular communication between the Director, Chair and Vice-Chair.

The school board's staff allocation model is governed by collective agreements and relevant provincial legislation. The process is based on a number of factors, including enrolment projections, student need, class size caps, alignment with collective agreements, resources and program needs. The school board's staffing process is centrally coordinated and includes ongoing conversations with unions. Management develops templates and spreadsheets to assign allocations to elementary and secondary teacher groups. Once allocations have been determined, two principal staffing committees coordinate the staffing process. A representative group is selected from elementary principals and all secondary principals take part in staffing.

Superintendents with responsibility for staffing are also present at the allocation meetings and report back to Director's Council.

Financial Management

New Leading Practice	Adopted?
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 adopted and maintains procurement guidelines that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) 1.0. All staff groups were educated on the guidelines and there is currently ongoing training on the new Broader Public Sector Supply Chain Directive, including staff participation in training and webinars. The school board has recently updated its purchasing/procurement administrative procedures. The document clearly articulates levels of purchasing authorizations that are commensurate to job roles and all related responsibilities.

Operations and Facilities Management

New Leading Practice	Adopted?
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 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.	Yes
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.	Yes

The school board evaluates other available spaces prior to initiating new school construction or renovations. The school board is in declining enrolment where all new construction or renovations are weighed carefully. Where space is unsuitable or cost prohibitive to retrofit, the school board considers consolidating existing facilities in order to ensure that students and staff have access to adequate facilities and spaces. The school board does rent some facilities for students who must function outside of the normal secondary school system. The school board has an approved facilities

partnership policy and rents space to childcare groups, health centres. The school board also has partnership agreements with multiple municipalities for shared spaces and facilities such as gymnasiums and libraries.

Management has an effective process in place to monitor and control construction project costs, in line with Ministry requirements. Standard practice is that all renewal projects are managed internally. The school board has recently retained a project manager for new major school construction projects.

A cost consultant was recently retained to help ensure efficient pricing on the school board's newest school facility. The cost consultant is supported by a staff member who holds a professional engineer degree. The school board reported that the consultant helped the board obtain the most appropriate cost estimates.

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 school board is encouraged to develop a formal annual operating plan to cover all of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board’s multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.	Yes	SP/ TAO
2.	The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.	No	
3.	The school board should expand its formal succession plan to include key management positions in non-academic functions. Currently the board has a leadership development program in place to support succession planning for academic staff, as outlined by the Ministry’s Ontario Leadership Strategy.	Yes	TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	The HR department should consider developing an annual departmental plan aligned 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.	Yes	SP/ TAO
5.	The department should continue with the implementation of their 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	TAO/ ROI
6.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	Yes	TAO

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
7.	The department should consider developing an annual departmental plan aligned 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.	Yes	SP/ TAO
8.	Management is encouraged to document the annual budget development process, to enhance its transparency for participating Superintendents/ managers, and encourage internal discussion between departments in the development of the annual budget.	Yes	SP
9.	Management should continue to participate in the emerging Ministry direction to establish regional models for internal audit across the school board sector.	No	
10.	Management and the board of trustees should add external advisors to the Audit Committee to contribute to the committee's effectiveness.	Yes	TAO
11.	Management should periodically report to the Board on the performance of the investment activity, including not investing and the reason as to why, in accordance with the approved investment policy in accordance with the Education Act.	No	AR3
12.	Management should perform a detailed review of the school board's purchase-to-payment cycle, specifically three-way matching, which is currently limited to only those purchases over \$3000.	Yes	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
13.	The department should consider developing an annual departmental plan aligned 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.	Yes	SP/ TAO
14.	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. The department is also encouraged to link the annual and multi-year maintenance plan to the departmental plan once the latter has been formalized.	Yes	SP/ TAO/ ROI
15.	The department is encouraged to develop a green clean pilot program as a first step towards full implementation of a formal green clean program.	Yes	No
16.	The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No	TAO
17.	Management should provide formal annual reporting to the board of trustees on the conservation savings achieved against the plan once it has been developed.	No	
18.	The school board should add language to their procurement policy to support that where feasible, all new equipment will have an appropriate energy efficiency rating.	No	
19.	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.	No	