

**Ministry of Education**

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

**March 2012**

**Table of Contents**

- 1. Introduction ..... 1**
- 2. Status and Implementation Update ..... 3**
  - Introduction ..... 3
  - Summary of Recommendation Status ..... 3
- 3. Governance and School Board Administration..... 4**
  - #1 Governance Model ..... 4
  - #2 Annual Operating Plan..... 4
- 4. Human Resource Management and School Staffing/Allocations ..... 6**
  - #1 Pay Equity ..... 6
- 5. Financial Management..... 7**
  - #1 Budget Risk Management ..... 7
  - #2 Internal Audit..... 8
  - #3 Audit Committee ..... 8
- 6. School Operations and Facilities Management..... 9**
  - #1 Annual Operating Plan..... 10
  - #2 Green Clean Program..... 10
  - #3 Multi-Year Maintenance Plan..... 10
  - #4 Energy Management Plan ..... 10
- 7. School Board Adoption of New Leading Practices ..... 12**
  - Governance and School Board Administration ..... 12
  - HR Management and School Staffing/Allocation ..... 12
  - Financial Management ..... 13
  - Operations and Facilities Management ..... 13
- Appendix A – Selection of Recommendations ..... 15**

## 1. Introduction

The Ministry has conducted 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 Halton Catholic District School Board Operational Review follow-up review took place on October 25, 2011, approximately 10 months after the release of the initial Operational Review report. The PricewaterhouseCoopers Operational Review team conducted a teleconference with senior administrators of the school board. In advance of the teleconference, the PricewaterhouseCoopers team selected several key recommendations from the Operational Review Report and asked the school board to provide an implementation status along with any related supporting material.

### **Summary of Recommendation Status**

The school board has made good progress in implementing the recommendations since the completion of its original Operational Review in December 2010. Of particular note are the steps taken to reach pay equity agreements with all staff groups, strengthening the audit function of the school board, and establishing documented annual operating plans.

There were 20 recommendations made in the original report. The Operational Review team focused on 10 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 Operational Review sector reports as well as those that were of specific risk to the Halton Catholic District School Board. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

### 3. Governance and School Board Administration

#### #1 Governance Model

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| The school board should clearly delineate the division of duties and responsibilities between the board of trustees and the Director of Education. The roles and responsibilities of the Director of Education and the Board of Trustees should be documented in the Board’s policies. | Implemented           |

#### #2 Annual Operating Plan

| Operational Review Recommendation   | Implementation Update |
|---|-----------------------|
| Management should further enhance the school board’s annual operating planning process by formalizing goals/priorities, incorporating both academic and non-academic departments. The annual operating plan should be aligned with the Board’s multi-year strategic plan and contain goals that are specific, measurable, achievable, relevant, and timely. | Implemented           |

#### #1 Governance Model

The Board has revised its governance policy which clearly delineates the role of Trustees from the Director of Education. The Trustee Code of Conduct (I-36) further *“provides Trustees with direction and guidelines for their conduct and role in board governance as a member of the Halton Catholic District School Board.”*

The Board’s by-laws clearly state that the *“duties of the Halton Catholic District School Board and its Trustees shall be the duties as defined in the Education Act and in the Regulations of Ontario; the By-Laws, Policies and Procedures, Mission and Vision Statement of the Halton Catholic District School Board; and the declaration of Office.”*

Finally, there is a newly established Policy Committee, which is mandated to oversee the governance policy.

#### #2 Annual Operating Plan

The Board established a multi-year strategic plan, which outlines the strategic direction of the Board over several years. The multi-year strategic plan serves as the basis for departments to establish annual operating plans, which articulate the priorities under various functions within a one-year planning horizon. The specific annual priorities, and other initiatives and activities undertaken by staff in support of the Board’s strategic directions are detailed in a series of comprehensive action plans or operational plans,

which are developed by staff, led by the senior administrative team, and subsequently presented for the information of Trustees. The budget developed for the approval of the

Board reflects the identified system priorities. Progress reports are provided to the Board at regular intervals throughout the school year, reporting action, progress, and indicators of success tied to each of these system priorities. The school board's annual operating plan covers both academic and support functions of the school board.

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

### #1 Pay Equity

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| The school board should finalize the establishment of the pay equity agreement for the ESL/LINC group. | Implemented           |

### #1 Pay Equity

The HR department concluded its review of pay equity cases with the ESL/LINC group and reached a formal agreement as of October 6, 2011. All of the school board's pay equity agreements are now being maintained.

## 5. Financial Management

### #1 Budget Risk Management

| Operational Review Recommendation   | Implementation Update |
|---|-----------------------|
| Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels. | Implemented           |

### #2 Internal Audit

| Operational Review Recommendation   | Implementation Update |
|---|-----------------------|
| Management should proceed with its intention to establish an internal audit function, giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector. | Implemented           |

### # 3 Audit Committee

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| The school board should proceed with its intention to establish an audit committee that includes external advisors in accordance with emerging Ministry direction. | Implemented           |

### #1 Budget Risk Management

The finance department has initiated the process of formally reporting on the school board's budget risks on a regular basis. A formal risk management plan describes the key risks faced by the school board and also includes mitigation strategies to contain the risk of spending beyond budgeted levels. The plan is reviewed and updated periodically.

The finance department has incorporated the budget risk management process as part of the school board's internal audit plan. The finance department worked closely with the Internal Audit function and the Region Internal Audit Team (RAIT) to establish an enterprise risk assessment and risk management plan. The risk assessment plan identifies and documents all significant risks during the budget planning process. Senior administration expects to continue to report on the progress of the budget risk mitigation plan throughout the school year and in upcoming years.

## **#2 Internal Audit**

The school board has established an internal audit function through its participation in the West of Central RIAT. School boards in the region have hired an internal audit manager and have completed initial risk assessments. In 2011, there were three internal audit meetings and the internal audit plan focused on budgeting, financial reporting and attendance management as key areas.

The school board reported that the regional internal audit model has been functioning well and as planned. The school board plans to conduct an annual self-assessment to determine the ongoing effectiveness of the internal audit model.

## **#3 Audit Committee**

The school board formally established an Audit Committee comprised of two external members. The newly established Audit Committee has selected its chairperson, formally described the duties of the Audit Committee, met with the school board's external auditor and met with the RIAT. The Audit Committee has also received training and has reviewed the Ministry's guidelines on external audit committee members.

The school board underwent an extensive interview process to select the external members from a pool of 30 initial applicants. The school board plans to conduct an annual self-assessment to determine the ongoing effectiveness of the external auditors' roles and responsibilities.

## 6. School Operations and Facilities Management

### #1 Annual Operating Plan

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| <p>The Facility Management Services department should enhance its annual operating planning by establishing specific and measurable goals and indicators of success. For each goal and initiative, the department should also identify implementation timelines and accountability of specific department staff. This would enable management to monitor and periodically report on progress in implementing the plan.</p> | <p>Implemented</p>    |

### #2 Green Clean

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| <p>The school board should use the Ministry's Green Clean Program Resource Guide to formalize its green clean program.</p> | <p>Implemented</p>    |

### #3 Multi-Year Maintenance Plan

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| <p>Using a consultative process, management should formalize a multi-year plan for major maintenance and renewal projects.</p> <p>The plan should address the school board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.</p> | <p>In Progress</p>    |

### #4 Energy Management Plan

| Operational Review Recommendation  | Implementation Update |
|--|-----------------------|
| <p>Using energy consumption data, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation.</p> <p>The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.</p> | <p>In Progress</p>    |

## **#1 Annual Operating Plan**

The facilities department has developed goals and priorities using the Board Strategic Plan as the foundation. These goals and priorities are developed on an annual basis and identify the operating priorities for each year. The priorities are fed into a system operating plan, which is subject to review and updated on a regular basis. Trustees also receive updates for information purposes.

## **#2 Green Clean Program**

The school board has reviewed the Ministry's Green Clean Program Resource Guide to formalize its green clean program. The school board participated in the pilot program sponsored by the Ministry, and has built upon the findings of the pilot and the guide. The school board is now using 100% certified green clean products.

The school board has also formally adopted a policy for Environmental Stewardship as recommended by the Ministry's Green Clean Program Resource Guide. The Green Clean Program is not explicitly mentioned as a formal part of the Board's Environmental Stewardship Policy. The school board is encouraged to update its Environmental Stewardship policy to include a statement regarding the school board's successful green clean program and how the Board intends to continually support this program through policy.

## **#3 Multi-Year Maintenance Plan**

The school board is participating in the first wave of the Altus upgrade of ReCAPP (now TCPS™). The facilities department plans to use the new version of facilities management software to augment its internal facilities data, which is up to date. Once that is accomplished, the facilities department plans to generate appropriate reports to the Board to report on project status for a longer planning horizon that is currently practiced.

## **#4 Energy Management Plan**

The school board has made progress in implementing various energy management retrofits and upgrades, and is involved with many energy conservation projects. The facilities department had been monitoring energy consumption since the 1990s and publishes an annual report on cost savings. Recently, the school board introduced a zero footprint initiative. There are energy consumption baselines, which have been tracked for at least a decade and these are reviewed on an annual basis.

The school has yet to draft a formal, publicly accessible energy management strategy document, and does not have plans to adopt a formal energy management plan that includes targets, metrics and regular public reporting.

The school board is encouraged to continue with its efforts to finalize its energy management plan and to formally adopt the energy management strategy across the entire system. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should also include short-term and long-term opportunities with milestones, roles, responsibilities, budgets and a process for ensuring community support.

As part of the new regulations of the *Green Energy Act*, there are new energy consumption reporting requirements which the school board should become familiar with. These requirements could be found in the following link: [http://www.e-laws.gov.on.ca/html/source/regs/english/2011/elaws\\_src\\_regs\\_r11397\\_e.htm](http://www.e-laws.gov.on.ca/html/source/regs/english/2011/elaws_src_regs_r11397_e.htm)

## 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. | Yes      |

The board has adopted a governance model that fully reflects the roles and responsibilities mandated by Bill 177. There is delineation of roles and responsibilities between the Board of Trustees and senior administration.

Trustees have attended the training sessions on the governance model as set out in Bill 177.

### 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.  | Yes      |
| 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      |

Trustees provide general policy direction to govern the staffing and recruitment for staff, and do not actively participate on hiring panels with the exception of the hiring of the Director of Education. For senior positions, the Director of Education may set up a hiring panel of staff and may, at his discretion, invite the Board to participate as observers.

Ultimately, hiring decisions for staff are made by the Director of Education.

The school board also has processes in place to identify and remove discriminatory biases and systemic barriers in staffing decisions. The school board has a dedicated Equity Officer to oversee compliance of the Board’s policies regarding equity. There is training on this topic to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and any career development processes. The board’s current hiring and recruitment policies and practices also adhere to these principles. While adhering to any collective agreements in place, the school board’s considers all applicants with the necessary skills and qualifications. The demographics within the school board’s jurisdiction would suggest that the Board’s staffing efforts are in line with the diversity offered by the school board’s communities.

Trustees do not actively participate in collective bargaining or engage in negotiations with unions. The Board provides policy and a priority framework within which bargaining takes place, but refrains from directly participating in bargaining and negotiations.

### 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 is in compliance with the Supply Chain Guideline (SCG) v1.0 and the newer Broader Public Sector (BPS) Procurement Directive, released in April 2011. The school board is also aware of the BPS Expenses Directive and is planning to update its expenses policy and procedures to be in compliance using the *BPS Expenses Directive Implementation Guide* as a resource.

Senior administration reported that purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance. The school board should ensure that all purchasing authorization levels as well as all procurement policies and procedures are reviewed to ensure compliance with the new BPS Procurement Directive.

### Operations and Facilities Management

| New Leading Practice  | Adopted? |
|---|----------|
| The school board has an approved facility partnership policy. | Yes      |

| New Leading Practice   | Adopted? |
|--|----------|
| 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 has developed an approved facility partnership policy. The Policy states that *“the Board recognizes the importance of fostering cooperation with community organizations and recognizes a certain commitment to the community regarding the use of school facilities.”*

The Facilities department reported that all major construction projects have a dedicated project manager who is in charge of all construction project management related issues. Construction contractors also report to these project managers on the progress, change orders or any issues related to the projects.

The school board has not retained the services of an independent cost consultant for repeat designs of school construction projects. For new designs, the school board engages the services of an independent cost consultant. The decision of whether a cost consultant is retained depends on the size and complexity of the project. If the school board undertakes large and relatively costly projects in the future, the school board is encouraged to consider using the services of an independent cost consultant who would be able to provide a third-party perspective on the financial proposals from vendors and track and monitor developments in the market.

## 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 5 through the Fourth Edition of the Operational Review Guide.

### Governance and School Board Administration

| Ref. | Recommendation  | Follow-up<br>Yes/No | Criteria |
|------|---|---------------------|----------|
| 1.   | The school board should clearly delineate the division of duties and responsibilities between the board of trustees and the Director of Education. The roles and responsibilities of the Director of Education and the Board of Trustees should be documented in the Board’s policies.  | Y                   | NLP      |
| 2.   | Management should further enhance the school board’s annual operating planning process by formalizing goals/priorities, incorporating both academic and non-academic departments. The annual operating plan should be aligned with the Board’s multi-year strategic plan and contain goals that are specific, measurable, achievable, relevant, and timely. | Y                   | TAO      |
| 3    | The school board should continue to align its leadership development programs and activities with the Ministry’s leadership initiatives. It should develop a formal succession and talent development plan for key management positions in all academic and non-academic areas.   | N                   |          |

## HR Management and School Staffing/Allocation

| Ref. | Recommendation   | Follow-up<br>Yes/No | Criteria |
|------|--|---------------------|----------|
| 4.   | The school board should finalize the establishment of the pay equity agreement for the ESL/LINC group. | Y                   | AR3      |

## Financial Management

| Ref. | Recommendation  | Follow-up<br>Yes/No | Criteria |
|------|---|---------------------|----------|
| 5.   | Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels. | Y                   | NLP      |
| 6.   | Management should proceed with its intention to establish an internal audit function, giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.   | Y                   | TAO      |
| 7.   | Once the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are acted upon by management.   | N                   |          |
| 8.   | The school board should proceed with its intention to establish an audit committee that includes external advisors in accordance with emerging Ministry direction.  | Y                   | TAO      |
| 9.   | The school board should establish an investment policy. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.  | N                   |          |
| 10.  | The school board should finalize the implementation of EFTs with all its vendors.   | N                   |          |

## School Operations and Facilities Management

| Ref. | Recommendation  | Follow-up<br>Yes/No | Criteria |
|------|---|---------------------|----------|
| 11.  | The Facility Management Services department should enhance its annual operating planning by establishing specific and measurable goals and indicators of success. For each goal and initiative, the department should also identify implementation timelines and accountability of specific department staff. This would enable | Y                   | SP       |

| Ref. | Recommendation   | Follow-up<br>Yes/No | Criteria |
|------|--|---------------------|----------|
|      | management to monitor and periodically report on progress in implementing the plan.  |                     |          |
| 12.  | The school board should use the Ministry's Green Clean Program Resource Guide to formalize its green clean program.  | Y                   | NLP      |
| 13.  | Using a consultative process, management should formalize a multi- year plan for major maintenance and renewal projects. The plan should address the school board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.  | Y                   | TAO      |
| 14.  | Using energy consumption data, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support. | Y                   | TAO      |
| 15.  | Once the formal energy management plan is established, the school board should continue to ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.   | N                   |          |
| 16.  | Management should provide formal annual reporting on the conservation savings achieved against the plan.   | N                   |          |
| 17.  | Successful energy conservation initiatives currently implemented by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system. The Environmental Sustainability Officer could facilitate such sharing of information through regular publications and reports using the school board's website and other media.   | N                   |          |
| 18.  | As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.  | N                   |          |
| 19.  | The school board should identify opportunities for consolidated billing from utilities.  | N                   |          |
| 20.  | The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee  | N                   |          |

| Ref. | Recommendation  | Follow-up<br>Yes/No | Criteria |
|------|---|---------------------|----------|
|      | groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally. |                     |          |