

Ministry of Education

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

February 2012

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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 Huron-Perth Catholic District School Board Operational Review follow-up review took place on October 28, 2011, approximately 16 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 June 2010. Of particular note are the steps taken to implement an attendance support program, strengthening the audit function of the school board, and establishing formal programs for green clean and energy management.

There were 27 recommendations made in the original report. The Operational Review team focused on 13 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 Huron-Perth 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 Policy Review

Operational Review Recommendation	Implementation Update
The school board should continue with its intention to establish a formal policy review schedule to ensure that all policies are reviewed periodically.	Implemented

#1 Policy Review

In line with Bill 177, Trustees focus on policy development and the creation of a formal policy review schedule. The Board has established a formal policy review schedule to ensure that all policies are reviewed periodically. The Board has also established a new policy specifically for policy development and review.

On an annual basis, the Board goes through the list of policies and determines whether each policy requires a detailed update for the current year. A schedule is then established which lists all the policies up for review for the year. This is seen as instrumental in supporting the Board of Trustee's focus on policy development and policy improvement across the school board.

4. Human Resource Management and School Staffing/Allocations

#1 Annual Operating Plan

Operational Review Recommendation	Implementation Update
The HR department's annual planning should be enhanced by establishing an annual departmental operating plan. The plan should include specific and measurable targets and indicators, and assign responsibilities and timelines for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In the development of the annual department operating plan, management should ensure alignment with the school board's annual operating plan.	In Progress

#2 Performance Appraisal

Operational Review Recommendation	Implementation Update
The HR department should build on the generic guidelines for performance evaluation of all staff groups and continue developing formal procedures for performance appraisal of each staff group. The procedures should include standard templates and supporting materials to be used by supervisors conducting performance appraisal.	In Progress

#3 Attendance Support

Operational Review Recommendation	Implementation Update
Management should continue identifying options for the development of a comprehensive attendance support program.	In Progress

#4 Benefits Management

Operational Review Recommendation	Implementation Update
Management should conduct independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.	In Progress

#1 Annual Planning

The HR department is comprised of a small number of staff who are currently working towards establishing a formal annual plan by identifying a list of priorities to focus on

during the current school year. At present, the HR department has not formally identified formal targets, timelines or specific owners for the department's initiatives. This is due to the relatively small number of staff available to finalize the departmental planning while supporting a large volume of HR tasks for the school board as well as for the Ministry.

Management indicated that full adoption of this recommendation will occur over the next school year.

#2 Performance Appraisal

The HR department has made good progress in developing formal performance appraisal guidelines for all staff groups. At present, standardized evaluation documents and procedures are already in place. The HR department is focusing on identifying gaps in documentation and developing clearer guidelines for supervisory staff of non-teaching personnel. The HR department should continue to finalize formal performance appraisal guidelines and procedures for all staff groups as well as supporting materials for supervisors conducting performance evaluations.

#3 Attendance Support

The school board has made progress in the area of attendance support. Working jointly with School Boards' Co-operative Inc. (SBCI), the school board has developed a Disability Management Program to ensure that staff on disability leave are able to return to work as early and successfully as possible. The school board has also developed standard operating procedures to track and identify attendance trends.

The school board has adopted a gradual approach in implementing the attendance support program to ensure collaboration with the union groups. The school board believes that the early stages of implementation have been favourable with the various groups and that key metrics such as costs associated with sick leave have been improving.

The school board plans to analyze the attendance data collected over the first year of the program's existence. Senior administration indicated that data trends and patterns are being synthesized and analyzed.

A formalized attendance support program will help to ensure that the school board maintains appropriate policies, procedures and systems to monitor staff attendance on a timely basis to minimize the cost of absenteeism. The school board should continue to finalize their formal attendance support program and for HR to periodically report on the effectiveness of the attendance support program to senior management and the Board.

The school board is encouraged to look at the *Leading Practices in Attendance Support for Ontario School Boards* report which was released by the COSBO Effectiveness and

Efficiency (E&E) Committee if they haven't done so already. This report is available on the School Business Support Branch website at <https://sbsb.edu.gov.on.ca>.

#4 Benefits Management

The school board plans to undertake a request for proposals (RFP) to invite qualified vendors to bid on a refresh of the school board's benefit plans in the near future.

However, the school board has determined that given the small size of benefits claims made each year by school board employees, the cost of doing a full benefits audit is not beneficial at this time. Management reports that the cost of a full audit would exceed any potential savings identified through an audit. As such, management indicated that there are no plans at present to conduct an independent compliance audit of the school board's insurance carrier even though the benefits of such an audit were acknowledged and recognized.

5. Financial Management

#1 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.	Implemented

#2 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

#3 Internal Audit

Operational Review Recommendation	Implementation Update
Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.	Implemented

4 Audit Committee

Operational Review Recommendation	Implementation Update
Management and the board of trustees should consider establishing an audit committee that includes external advisors, in accordance with the Ministry's emerging direction on internal audit.	Implemented

#1 Interim Financial Reporting

The school board has established a formal approval process for interim financial statements and has implemented a formal sign-off process for interim financial statements by senior management. Under the process, the draft interim financial statement is first reviewed by the finance department manager and then submitted to Executive Council for sign-off before being received by the Board.

The format of the interim financial statement has also been updated to be aligned with the recommendations of the Interim Financial Reporting Committee (IFRC).

#2 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.

It should be noted that the budget risk management plan is separate from the work being done by the Internal Audit function and the Regional Internal Audit Team (RIAT), although the efforts are complementary in nature. The Finance department intends to work closely with the Internal Audit function and the Region Internal Audit Team to establish an enterprise risk assessment and risk management plan. The risk assessment plan will identify and document 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.

#3 Internal Audit

The school board has established an internal audit function through its participation in the Western Ontario RIAT. School boards in the region have hired an internal audit manager and are in the process of conducting risk assessments.

The risk assessments cover six areas that will form the basis of the internal and external audit plan for the coming year. The six areas include: Instruction and Schools, Business Services, Facilities, Human Resources, Information Technology & Communications, and Transportation.

#4 Audit Committee

The school board formally established an Audit Committee comprised of two external members. The newly established Audit Committee has selected its chair person, 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.

6. School Operations and Facilities Management

#1 Green Clean Program

Operational Review Recommendation	Implementation Update
The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.	Implemented

#2 Work Order Management

Operational Review Recommendation	Implementation Update
The school board should consider establishing an automated (computerized) work-order system to process records and monitor and evaluate projects, ensuring the effective use of resources. As a starting point, management could examine work-order systems used by other school boards.	In Progress

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
Using the results of the energy audits, 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.	In Progress

#4 Consolidated Utilities Billing

Operational Review Recommendation	Implementation Update
The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.	In Progress

#1 Green Clean Program

The school board has fully embraced this recommendation and has established a formal “Clean and Green Program”. The objectives of the program include:

1. The use of high quality, safe, effective, environmentally preferred products.
2. Green clean standard operating procedures manual.
3. A green clean site plan which aligns the principals of the green clean standard operating procedures manual with specific site needs in conjunction with custodial supply vendors.
4. Records of cleaning chemicals, supplies and equipment for each site to be kept with MSDS at all sites.
5. Equipment maintenance logs.
6. Training records to be maintained at the Board Office which will track participation of all custodians in training.
7. Regularly documented review of cleaning activities which will be a cooperative effort between administration and custodial staff. Reviews may take the form of site visits with custodial supply vendors.
8. Comprehensive communication program which will demonstrate senior management support for the green clean initiative and the long-term approach recognizing the evolutionary nature of green cleaning and need for continuous promotion.

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 a formal part of the Environmental Stewardship Policy.

#2 Work Order Management

The school board is currently reviewing several computerized work order systems for consideration in 2012. The Facilities department is working closely with the Community Use of Schools department to select the appropriate module and features that best match the school board’s needs. The school board is seeking solutions that gives staff members and school-based staff the ability to access work order information and data in real time via the Internet.

The school board should continue in its effort to establish an automated (computerized) work order system to process records and monitor and evaluate projects, ensuring the effective use of resources.

#3 Energy Management Plan

The school board recently completed a draft energy management strategy document, and is planning to formally adopt the program in 2012. The purpose of the plan is to reduce energy and water consumption at all sites in order to reduce the school board's carbon footprint. This plan will guide the operations of the school board to achieve the highest standards in energy efficiency, water conservation and environmental stewardship without sacrificing the comfort or economic security of the learning environment.

The specific targets of the plan are to:

1. Establish an energy performance baseline using the September 1, 2009 – August 21, 2010 school year;
2. Reduce energy consumption by 2% by the end of 2011-2012 school year; and
3. Maintain and/or continue to reduce the achieved level of consumption for the foreseeable future.

The plan also includes formal descriptions of implementation considerations, monitoring protocols, tracking and reporting, as well as recognition for achievement.

Management should provide formal reporting to the Board on the energy conservation projects and as well as any savings achieved against the multi-year energy management plan, once it is finalized.

The school board should also use the Ministry's Utility Consumption Database (UCD) as a tool to help establish base-level data, track energy consumption, and help identify school board facilities and sites with potential energy management savings.

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

#4 Consolidated Billing

The school board has worked with utilities suppliers to increase the proportion of bills that are invoiced electronically and in a consolidated fashion. While some progress has been made, the school board has been constrained by local utilities that are not able to provide consolidated electronic data. The school board indicated that it will continue to push for increased adoption of consolidated data from its suppliers.

The plant department is encouraged to continue to work with its major utility providers to consolidate the billing for all school board facilities and sites to one periodic invoice per utility, where feasible.

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.

The board also has processes in place to identify and remove discriminatory biases and systemic barriers in staffing decisions. 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 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 is prepared to make further amendments to its supply chain policies, procedures and processes to ensure compliance to the new Broader Public Sector (BPS) Procurement Directive, released in April 2011. The school board currently does not have a purchasing department. However to comply with the SCG and the new BPS Directive, a staff member in the Business department has been designated to oversee the procurement process. As new purchasing requirements are released to the sector, they are compared against the new policy to ensure compliance.

Since the Operational Review, the school supplies tender was conducted using the SCG as a reference. The template that was created will be used for any upcoming tenders that the school board plans to release. 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
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.	No

The school board has developed an approved facility partnership policy. The Facility Partnership Policy states that the purpose is: *To provide the procedures for the Huron-Perth Catholic District School Board school and community partners to share facilities to the benefit of the Board, the students and the community.*

The Facilities department reported that due to the small size of the school board and the lack of ongoing construction projects, it has not engaged the services of a dedicated project manager. However, the school board's manager of plant and the senior business official act as project managers and are 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 department will consider the use of professional project managers in the future depending on the size and complexity of future projects.

The school board has not retained the services of an independent cost consultant for school construction projects in the past. 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 Yes/No	Criteria
1.	The school board should continue with its intention to establish a formal policy review schedule to ensure that all policies are reviewed periodically.	Y	AR2

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The HR department’s annual planning should be enhanced by establishing an annual departmental operating plan. The plan should include specific and measurable targets and indicators, and assign responsibilities and timelines for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In the development of the annual department operating plan, management should ensure alignment with the school board’s annual operating plan.	Y	SP

Ref.	Recommendation	Follow-up Yes/No	Criteria
3.	The HR department should build on the generic guidelines for performance evaluation of all staff groups and continue developing formal procedures for performance appraisal of each staff group. The procedures should include standard templates and supporting materials to be used by supervisors conducting performance appraisal.	Y	TAO
4.	Management should continue identifying options for the development of a comprehensive attendance support program.	Y	TAO
5.	Management should conduct independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.	Y	TAO

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
6.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.	Y	AR2
7.	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	TAO
8.	Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.	Y	TAO
9.	Management and the board of trustees should consider establishing an audit committee that includes external advisors, in accordance with the Ministry's emerging direction on internal audit.	Y	TAO

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
10.	The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.	Y	TAO
11.	The school board should consider establishing an automated (computerized) work-order system to process records and monitor and	Y	ROI

Ref.	Recommendation	Follow-up Yes/No	Criteria
	evaluate projects, ensuring the effective use of resources. As a starting point, management could examine work-order systems used by other school boards.		
12.	Using the results of the energy audits, 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
13.	The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.	Y	TAO