

Ministry of Education

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

August 2010

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1. Introduction

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

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

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

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

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

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

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

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

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

2. Status and Implementation Update

Introduction

The Huron Superior Catholic District School Board Operational Review follow-up review took place on April 7th 2010, which was approximately twelve months after the release of the original Operational Review report. The Operational Review team conducted a teleconference with the Superintendent of Business Services.

Summary of Recommendation Status

The school board has made significant progress in implementing the recommendations since the completion of its review in January 2009. Of particular note is the Board's new strategic plan, which includes a component for non-academic department annual operating plans. The Board has also adopted an enhanced interim financial report, and has made progress in creating and implementing a formal energy management plan.

Following the operational review report, management presented the report to the board of trustees.

There were 31 recommendations made in the original report. The Operational Review team focused on 16 of the recommendations in the follow-up review. Nine of the recommendations were from the twelve areas of opportunity identified across the sector in the 2008 and 2009 sector reports, two were regarding strategic planning, four concerned specific areas of risks and one related to updates to the new leading practices. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made progress on the majority of the recommendations chosen for follow-up. Only in a small number of cases were recommendations not implemented, and in these cases, the Board is either awaiting further directions from the Ministry or postponing the recommendation due to lack of resources to implement.

3. Governance and School Board Administration

#1 Strategic Planning

Operational Review Recommendation	Implementation Update
The Administrative Council should help the Board develop the school board's strategic directions, to create the foundation for a multi-year strategic plan.	Implemented

#2 Annual Department Plans

Operational Review Recommendation	Implementation Update
The annual Board Improvement Plan should incorporate input from the non-academic departments and be aligned with the school board's multi-year strategic plan. It should include goals that are specific, measurable, achievable, relevant and timely. This will enable the Administrative Council and managers to focus on the planned targets for each priority for the year, develop departmental plans, and support reporting on the school board's accomplishments.	Implemented

#3 Succession Planning

Operational Review Recommendation	Implementation Update
The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level.	Not Implemented

#1 Strategic Planning

Management indicated that the school board administration has made progress in further developing the Board's strategic plan.

In January 2009, administration commenced the process of developing the Board's Strategic Plan. A draft plan was brought to the Board in September 2009 and sent out for consultation to stakeholders including principals, teachers, trustees and parent groups. A final plan was brought to the Board in December 2009 for approval.

Management indicated that the Strategic Plan has assisted both the Board and administration in aligning the operations with the Board Improvement Plan (BIP).

#2 Annual Department Plans

As part of the effort to develop the Board's strategic plan, senior administration has created annual department plans. These department plans were developed based on the priorities of each operating department, and were developed in consultation with staff, management, and other stakeholders. In particular, management ensured that there is alignment between the annual department plans and the Board's strategic plan.

Management believes that this process will enable staff to focus on the planned targets for each priority throughout the year, and provide support for the reporting on the school board's accomplishments.

#3 Succession Planning

Management reported that although the leadership team recognizes the importance of succession planning at the senior administrative level, it has yet to develop a formal, documented succession plan.

Management pointed out that as more and more senior administrators approach retirement age, the Board is seeing an increased need to appropriately and formally document succession at the senior administrative levels. To this end, management will find the opportunity in the future to document a skills inventory, determine skill gaps, and develop a plan to address the skill gaps.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management

Operational Review Recommendation	Implementation Update
The HR department should develop and implement a formal attendance management program.	In progress

#2 Staff Allocation

Operational Review Recommendation	Implementation Update
HR management should establish formal policies and procedures for the staff allocation process based on existing practices.	In progress

#1 Attendance Support

Management reported progress in implementing a formal attendance support program.

The Board commissioned a study on absenteeism due to sick leave based on the last five years and the results are expected within the next few months. Once received, the board will determine what areas need to be focused on. The results will be shared with the various employee groups.

Collaboration with these groups will occur in developing a formal attendance program. This program will be clearly communicated to all employees.

#2 Staff Allocation

Management reported that it is currently in the process of creating formal staff allocation guidelines and procedures. The document is currently in draft format and management expects the document to be presented to Administrative Council for review within the current school year. The document will eventually be reviewed and approved by the Board of Trustees.

Management indicated that the benefit of implementing this recommendation includes reduced probability of errors, availability of up-to-date information for HR and finance functions, lack of duplication of work between various departments and accurate FTE reports for submission to the Ministry.

5. Financial Management

#1 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.	Implemented

#2 Internal Audit

Operational Review Recommendation	Implementation Update
Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.	In Progress

#3 Audit Committee

Operational Review Recommendation	Implementation Update
The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.	Not implemented

#4 School Based Funds

Operational Review Recommendation	Implementation Update
Management should develop a formal policy for the management of school-based funds with mechanisms for monitoring of compliance.	Implemented

#5 Purchasing

Operational Review Recommendation	Implementation Update
Management should conduct a spend analysis of purchases to determine potential benefits of PCards for low-value transactions. Policies and procedures for corporate credit cards and PCards should provide sufficient details on use and safekeeping of the cards. Policies and procedures should	In Progress

Operational Review Recommendation	Implementation Update
be clearly communicated to all card users through regular training and monitoring.	

#6 Electronic Payment System

Operational Review Recommendation	Implementation Update
Management should consider implementing an electronic payment and registration system for its continuing education and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.	Not Implemented

#7 Automated Three-Way Matching

Operational Review Recommendation	Implementation Update
Management should consider implementing an automated three-way matching process using the capacity of the existing financial system.	Implemented

#8 Electronic Funds Transfer

Operational Review Recommendation	Implementation Update
Finance staff should maximize use of EFT payments to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.	Implemented

#1 Interim Financial Reporting

Management has acknowledged this recommendation and has made progress to implement the recommendation.

The Board's Superintendent of Business sits on the Ministry of Education's interim financial reporting committee and is highly aware of the recommendations of the committee. Management indicated that the school board has reviewed the recommendations of the committee and has approved the adoption of the recommended template for all future interim financial reports.

The first report as of November 30, 2009 was presented at the January 2010 Board meeting. The second report as of March 31, 2010 will be presented at the May meeting and the reports will continue as per the schedule attached.

Management indicated that implementing this recommendation will assist the Board in monitoring budgets throughout the year. It will help provide better updates and forecasts for revenues and expenses. The reports will also identify potential budget and forecast risks.

#2 Internal Audit

Management is closely monitoring the Ministry's plans to establish internal audit functions for all school boards throughout the province. The Board is supportive of the Ministry's initiative. Accordingly, management envisions that an internal audit coordinator will be hired by the host Board in each of the regions in the province. Sudbury Catholic District School Board is the host board in the Board's region and management is currently awaiting further information from the host board.

#3 Audit Committee

Management is supportive of the recommendation but pointed out that the Ministry of Education has postponed the implementation of audit committees until January 31, 2011. The Board will comply with Ministry guidelines at that time as per Ministry guidelines.

#4 School Based Funds

The Board has approved a School Funds Policy effective March 25, 2009.

This policy has been developed by a committee comprised of representatives from administration, principals, teachers and school secretaries. The policy has been discussed at a principals' meeting (since the ultimate responsibility for school funds lies with them). The importance of adhering to this policy in safeguarding school funds has been communicated to principals on various occasions.

The business staff will conduct random checks on schools to ensure compliance to policy.

As a result of implementing this recommendation, schools are entrusted with ensuring cash collected is used for the purposes they are intended for. The school funds policy will help ensure the safeguarding of these funds.

#5 Purchasing

Management has decided to adopt the recommendation to conduct a spend analysis of purchases to determine potential benefits of PCards for low value transactions. The implementation plan of this recommendation has been formally included in the Financial

Management Strategic Plan. In terms of timing, management is targeting a completion date of September 30, 2010 to determine outcomes.

#6 Electronic Payment System

Subsequent to the review, management conducted an analysis of the continuing education and community use of facilities programs. The study found that the amount of money collected for continuing education and community use of facilities program are not significant. Due to the many other constraints on time, administration has not considered this recommendation a priority at the present time.

With the implementation of the extended day portion of the Early Learning Program and the collection of fees, this issue will be re-examined in the near future.

#7 Three-way Matching System

Management has implemented a manual three-way matching system.

A new Purchasing Policy was presented to the Board at the April 14, 2010 meeting for approval. The next step is to revise purchasing procedures which will include the implementation of an electronic purchasing system. This system will address the issue of an automated three-way matching system. Management is targeting the completion of this project by September 2011.

#8 Electronic Funds Transfer

An EFT payment system has been implemented. All employees are now been paid by EFT as are the majority of vendors. As vendors are being paid, banking information is being requested so as to make all future payments by EFT.

It is the Board's goal to have all vendors paid by EFT. It is understood that it may not be possible or efficient to pay all payments by EFT. Management indicated that it will analyze whether it is worth the time to get and setup the information for a one-time vendor. Management also indicated that some vendors are not willing to supply their banking information.

Management hopes that paying vendors by EFT reduces the risk of cheques being intercepted and altered.

6. School Operations and Facilities Management

#1 Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board should consider establishing a formal multi- year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	In Progress

#2 Multi-Year Maintenance and Renewal Plan

Operational Review Recommendation	Implementation Update
Management should establish a multi-year maintenance and renewal plan that includes the funding available to support it. This would provide the senior administration, the Board and its stakeholders with a clear forecast of the school board's critical needs over the next several years.	In Progress

#3 Tracking of Major Equipment

Operational Review Recommendation	Implementation Update
Management should develop an inventory of major equipment used by maintenance and custodial staff. Trades employees could work with their supervisors to complete an inventory of their own tools. These measures would increase management confidence that staff are accountable for their use of the school board's assets.	

#1 Energy Management Plan

The Plant Department has established a multi-year energy management plan, which includes measures to be implemented and tools to monitor and manage. The Plan will be implemented in the upcoming school years.

Management anticipates that the Board will eventually compile data for the energy consumption data for Board facilities so that individual facilities may be compared and ranked. This will allow the Board to more effectively allocate resources to those facilities which present the best opportunities to reduce energy consumption.

#2 Multi-Year Maintenance and Renewal Plan

Management indicated that the Board has accepted this recommendation and is making progress in implementing the recommendation. The plant department is currently

drafting the plan, and will have this plan established for the 2010-11 school year and budget.

Management pointed out that there is already an existing annual planning process that largely follows the recommendation. The enhancement will be in extending the planning horizon to several years out. Currently each Fall, principals send in their documented priorities for major maintenance and renewal. The summarized requests are reported to board in March. Management reviews and prioritizes the requests, present the recommendations to Administrative Council, and finally to the Board of Trustees. The recommendations are then matched to funding and finally approved.

#3 Tracking of Major Equipment

Management indicated that the Plant department is in the process of developing an inventory of major equipment. Management is targeting to have the inventory completed within the year.

7. School Board Adoption of New Leading Practices

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

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

Governance and School Board Administration

There were no additions to leading practices under this section.

HR Management and School Staffing/Allocation

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

As mentioned earlier in the report, the school board has made progress in gradually introducing a formal attendance support program.

Financial Management

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

The school board reported that it has already adopted all of these leading practices.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No

New Leading Practice	Adopted?
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor a security strategy and/or plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
Develop, implement and monitor a health strategy and/or plan that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i>	In Progress
Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes

The school board reported that it has already adopted most leading practices under operations and facilities management.

The school has not developed an overarching education environmental policy. With regards to the implementation of a formal green clean program, the school board uses certain certified green clean products but does not have a comprehensive green clean program in place. The school board should review and use the Ministry's Green Clean Program Resource Guide to help develop a formal green clean program.

Management indicated that it will closely monitor the *Ontario Green Energy Act* and determine its implication on the board's construction, acquisition, operation and management of school facilities.

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 Administrative Council should help the Board develop the school board’s strategic directions, to create the foundation for a multi-year strategic plan.	Yes	SP
2.	The annual Board Improvement Plan should incorporate input from the non-academic departments and be aligned with the school board’s multi-year strategic plan. It should include goals that are specific, measurable, achievable, relevant and timely. This will enable the Administrative Council and managers to focus on the planned targets for each priority for the year, develop departmental plans, and support reporting on the school board’s accomplishments.	Yes	SP
3.	The Board should establish a review schedule for its policies and administrative procedures. The frequency of the review cycle should reflect the nature of the specific policy or administrative procedure, with a designated department responsible for monitoring and tracking. This will ensure that key policies and procedures are current.	No	
4.	The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level.	Yes	NLP

Ref.	Recommendation	Follow-up Yes/No	Criteria
5.	Senior administration should revise its organizational chart to clearly identify reporting relationships. The organizational chart should be published on the school board's website.	No	

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
6.	HR management should develop an annual departmental plan aligned to the school board's strategic plan and Board Improvement Plan. The departmental plan should include performance measures and targets for specific goals and priorities, and support annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and support reporting on the department's accomplishments.	No	
7.	HR management should proceed with its plans to formalize recruitment policies and procedures for all staff groups.	No	
8.	HR management should establish a formal policy and procedures for evaluation of principals and vice-principals.	No	
9.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. The existing progressive discipline practices should be formalized and communicated to all staff.	No	
10	The HR department should develop and implement a formal attendance management program.	Yes	TAO
11.	The HR department should consider conducting periodic staff satisfaction surveys across all staff groups. This information, together with input obtained from exit interviews, would highlight potential professional development opportunities and contribute to HR policy development.	No	
12.	HR management should establish formal policies and procedures for the staff allocation process based on existing practices.	Yes	AR

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
13.	The business department should develop an annual plan that includes performance measures and targets for its specific goals and priorities, and supports the annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting the department's accomplishments.	No	

Ref.	Recommendation	Follow-up Yes/No	Criteria
14.	Management should develop an organizational chart to clearly demonstrate the structure of the departments and reporting relationships.	No	
15.	Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.	Yes	TAO
16.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.	Yes	TAO
17.	The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.	Yes	TAO
18.	Management should periodically compare the school board's banking terms and conditions to those of similar school boards to ensure competitive banking terms.	No	
19.	Management should develop a formal policy for the management of school-based funds with mechanisms for monitoring of compliance.	Yes	AR
20.	Management should conduct a spend analysis of purchases to determine potential benefits of PCards for low-value transactions. Policies and procedures for corporate credit cards and PCards should provide sufficient details on use and safekeeping of the cards. Policies and procedures should be clearly communicated to all card users through regular training and monitoring.	Yes	TAO
21.	Management should consider implementing an electronic payment and registration system for its continuing education and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.	Yes	TAO
22.	Management should expand the use of the electronic supplier interface for ordering, processing and payment.	No	
23.	Management should consider implementing an automated three-way matching process using the capacity of the existing financial system.	Yes	TAO
24.	Finance staff should maximize use of EFT payments to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.	Yes	AR

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
25.	Plant management should develop an annual departmental plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned annual reporting on	No	

Ref.	Recommendation	Follow-up Yes/No	Criteria
	achievements. This will enable staff to focus on the targets for each priority throughout the year, and support reporting on the department's accomplishments.		
26.	Plant management should update the organizational chart to clearly show the reporting lines of duty. The chart should be made available to all school board staff.	No	
27.	The school board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	Yes	TAO
28.	Management should establish a multi-year maintenance and renewal plan that includes the funding available to support it. This would provide the senior administration, the Board and its stakeholders with a clear forecast of the school board's critical needs over the next several years.	Yes	TAO
29.	The school board should develop and implement cleaning standards, with periodic site visits and a formal review log.	No	
30	Management should develop an inventory of major equipment used by maintenance and custodial staff. Trades employees could work with their supervisors to complete an inventory of their own tools. These measures would increase management confidence that staff are accountable for their use of the school board's assets.	Yes	AR
31	Based on the existing monitoring of cost and usage of custodial supplies, management should further develop common standards to ensure efficient procurement of custodial products.	No	