

Ministry of Education

**Near North 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 Near North District School Board Operational Review follow-up review took place on January 18th 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 September 2008. Of particular note are the steps taken to move towards a comprehensive attendance support program. The Board intends to fully implement the attendance support recommendation and has made plans to pilot the SmartFindExpress attendance support software at four pilot school locations.

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

There were 28 recommendations made in the original report. The Operational Review team focused on 13 of the recommendations in the follow-up review. Eight of the recommendations selected for follow-up review were from the 12 areas of opportunity identified across the sector in the 2008 and 2009 sector reports, two were regarding strategic planning, two were identified with positive return on investment and one concerned specific areas of risks. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

3. Governance and School Board Administration

#1 Strategic Planning

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| Management should continue to develop the Board's strategic plan to provide a framework for annual planning. | In Progress |

#2 Annual Department Plans

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| Senior administration should develop annual improvement plans for non-academic departments, and incorporate them into the Board Improvement Plan. The Board Improvement Plan should be aligned with the board's multi-year strategic plan, and have goals that are specific, measurable, achievable, relevant and timely. This will enable the senior administration and 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. | In Progress |

#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. | In Progress |

#1 Strategic Planning

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

In July 2009, after consultation with school board staff and stakeholders, the Director identified four primary focus areas for the strategic plan:

- Excellence in creating a culture of caring;
- Excellence in teaching and learning;
- Excellence in information and educational technology; and

- Excellence in human and physical resources.

The Board of Trustees convened a special session to review and discuss each of the four primary focus areas for the strategic plan. In November 2009, the school board presented a draft strategic plan.

Management indicated that the draft strategic plan is currently being reviewed by the Board of Trustees and will need endorsement by the Board before posting the final plan on the board's website.

#2 Annual Department Plans

Management reported that the process for developing annual department plans has been updated to reflect the four primary focus areas identified for the board strategic plan.

All departments, including academic and non-academic areas, are required to submit an annual department plan that aligns explicitly to the four primary focus areas of the board strategic plan. Each department manager has been asked to identify department goals with a planning horizon of up to five years. In addition, each department plans need to identify projects and initiatives for implementation – these plans need to be supported by goals that are specific, measurable, achievable, relevant and timely.

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

#3 Succession Planning

Management indicated that it has made significant process and is now actively working on the school board administration's succession plan.

In November 2009, school board administration convened a series of succession planning meetings specifically for academic staff who are pursuing their supervisory officer (SO) papers. The meetings included round table discussions of time frames, process and goal setting exercises for participants.

Management intends to expand the succession planning process to include all staff, including non-academic departments. Management believes that by identifying back-up arrangements for senior staff, the school board will address the business continuity planning aspects of succession planning as identified in the operational review recommendation.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| The HR department should proceed with its plans (as approved by the executive council) to develop and implement a formal attendance support program, based on advice by external consultants. | In Progress |

#2 Benefits Management

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| HR management should conduct independent compliance audits of the school board's insurance carrier periodically, to ensure adherence to the benefit plans terms and conditions. | Not Implemented |

#1 Attendance Support

Management reported progress in implementing a formal attendance support program.

The school board purchased SmartFindExpress automated attendance support software to track and monitor attendance data. A software pilot program is being planned at four schools – two elementary and two secondary successfully – in March of 2010. As part of the roll out of SmartFindExpress, the school board will be able to offer a phone-guided attendance tracking system, as well as automatic dispatching of supply teachers.

Management indicated that it is currently developing a comprehensive listing of absence codes for tracking purposes. Once the system has been fully tested and the absence codes have been finalized, management plans to configure and run regular management reports to monitor attendance in all staff categories.

#2 Benefits Management

Management reported that it accepts the recommendation to conduct independent compliance audits of the school board's insurance carrier. However, the school board has not implemented this recommendation due to a shortage of time and resources. The school board intends to survey how other boards are adopting this leading practice and will implement the recommendation when more time and resources are available.

5. Financial Management

#1 Interim Financial Reporting

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| The interim financial reporting to management and the Board is comprehensive in the detail and analysis provided. It should be enhanced by providing an expected level of expenditures for each category based on historical data, or, in the case of salaries and benefits, the number of staff and pays processed to date. | In Progress |

#2 Audit Committee

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| Membership of 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 |

#3 Internal Audit Plan

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| Management should implement its intention to prepare a multi- year internal audit plan. The plan should be consistent with the mandate of the internal auditor, as described in the internal audit charter. | Not Implemented |

#4 Procurement Practices

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

#1 Interim Financial Reporting

Management has acknowledged this recommendation and has made progress to implement the recommendation. Management indicated that the school board has reviewed the recommendations of the Interim Financial Reporting Committee (IFRC) and may potentially identify some improvements in the existing format of interim financial reporting to the Board.

The Finance department is currently conducting a needs assessment to determine the features to be included in a revised interim financial report. Once the needs assessment has been completed, management will revise the format of the interim financial report.

#2 Audit Committee

The recommendation to expand the membership of the audit committee to include at least two external members has been presented to the Board of Trustees. After reviewing the recommendation, the Board of Trustees decided not to approve the implementation of this recommendation. The main considerations of the Board of Trustees included the availability of local candidates to serve in the capacity of an audit committee member, and also the perception that the current *status quo* is functioning appropriately.

#3 Internal Audit Mandate

Management has not implemented the recommendation to revise the current, limited mandate of its internal audit function.

Management indicated that it is closely monitoring the Ministry's direction regarding the provision of internal audit services on a regional shared services basis in conjunction with several other district school boards. Once the implications of the regional shared services internal audit model become clear, management intends to modify the internal audit mandate of the school board, if necessary.

#4 Procurement

Management indicated that it has made significant progress in implementing automated three-way matching of invoices by the end of the 2009-10 school year.

The school board's financial system already has a purchase order (PO) feature. To enable the three-way matching functionality, the school board needs to implement the invoicing and receipting features. The finance department is currently working with the IT department to enable the electronic-receiving module within the school board's financial information system.

Once the module has been tested and ready to "go live", management will implement a comprehensive training program for all staff.

6. School Operations and Facilities Management

#1 Multi-Year Maintenance and Renewal Plan

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| Management should establish a multi-year maintenance and renewal plan which 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 |

#2 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 the strategic direction of the school board. | In Progress |

#3 Tracking of Energy Consumption and Expenditures

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| Management should carefully consider returning to the practice of recording and tracking energy consumption/expenditure data at the facility level. | In Progress |

#4 Consolidated Utility Billings

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| The school board should examine ways to fully consolidate its utility billings across its facilities. This will enable management to better track and monitor energy consumption patterns, and provide formal annual reporting on the conservation savings. | In Progress |

#1 Multi-Year Maintenance and Renewal Plan

Management indicated that the development of a multi-year maintenance and renewal plan has been identified as a priority in the board's strategic plan.

The school board currently has an annual forecast of renewal needs. Management reported that this annual plan will be expanded to a multi-year forecast. The multi-year

maintenance and renewal plan will also include an accompanying budget to support the funding requirements of the plan.

#2 Energy Management

Management is preparing an Energy Management Plan that will describe the school board's energy management activities.

Management noted that the Ministry's support in funding energy management programs has enabled the school board to conduct comprehensive energy audits of school facilities. The energy audits are currently in progress and once completed, will identify priority areas for improvement. Management intends to use the results of the energy audit to establish a baseline for the long-term multi-year energy management plan.

#3 Tracking of Energy Consumption and Expenditures

Management indicated that the school board is supportive of the Ministry's Utility Consumption Database (UCB) initiative and has established an agreement with its utility agent to source the school board's consumption data to the UCB.

The school board plans to participate in "wave nine" of the UCB initiative. Once the UCB is online for the school board, management believes it will address the operational review's recommendation regarding the tracking of energy consumption and expenditures.

#4 Consolidated Utility Billings

Management has accepted this recommendation and is currently working with its energy advisors to determine practical ways to consolidated utility billings.

Management believes that once implemented, this recommendation will help streamline its ability to collect and monitor utility consumption and expenditure data.

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. Once the SmartFindExpress software has been successfully piloted and rolled out, the school board will have fully adopted this new leading practice.

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 |
| 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. | Management should continue to develop the Board’s strategic plan to provide a framework for annual planning. | Y | SP |
| 2. | Senior administration should develop annual improvement plans for non-academic departments, and incorporate them into the Board Improvement Plan. The Board Improvement Plan should be aligned with the board’s multi-year strategic plan, and have goals that are specific, measurable, achievable, relevant and timely. This will enable the senior administration and 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. | Y | SP |
| 3. | The Board should improve compliance with its policy review cycle. At a minimum, management should also indicate the last review/revised date for all policies, to demonstrate compliance. Management should also establish a pre-defined review schedule for its administrative guidelines. | N | |
| 4. | The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level. | Y | TAO |

HR Management and School Staffing/Allocation

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|--|------------------|----------|
| 5. | The HR department should develop an annual plan aligned to the school board's strategic plan. The departmental plan should include performance measures and targets for specific goals and priorities, and complete the planned 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. | N | |
| 6. | HR management should proceed with its plans to release administrative guidelines regarding disciplinary issues and provide awareness training for all staff. | N | |
| 7. | The HR department should proceed with its plans (as approved by the executive council) to develop and implement a formal attendance support program, based on advice by external consultants. | Y | TAO |
| 8. | The HR department should proceed with its plans to implement an information management system to facilitate monitoring of its attendance data. This will also allow formal trend analysis and assessment in the future. | N | |
| 9. | HR management should conduct independent compliance audits of the school board's insurance carrier periodically, to ensure adherence to the benefit plans terms and conditions. | Y | TAO |
| 10. | The HR department should consider conducting exit interviews. | N | |

Financial Management

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|---|------------------|----------|
| 11. | The finance department should develop an annual plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned 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 on the department's accomplishments. | N | |
| 12. | The interim financial reporting to management and the Board is comprehensive in the detail and analysis provided. It should be enhanced by providing an expected level of expenditures for each category based on historical data, or, in the case of salaries and benefits, the number of staff and pays processed to date. | Y | TAO |

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|---|------------------|----------|
| 13. | Membership of 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. | Y | TAO |
| 14. | Management should implement its intention to prepare a multi-year internal audit plan. The plan should be consistent with the mandate of the internal auditor, as described in the internal audit charter. | Y | TAO |
| 15. | 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. | N | |
| 16. | Management should determine the feasibility and requirements to implement an electronic supplier interface for ordering, processing and payment. | N | |
| 17. | Management should consider implementing an automated three-way matching process using the capacity of the existing financial system. | Y | AR |
| 18. | 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. | N | |

School Operations and Facilities Management

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|--|------------------|----------|
| 19. | The plant department should proceed to develop an annual plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned 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 on the department's accomplishments. | N | |
| 20. | The school board should proceed with its initiative to develop cleaning standards. Management should ensure that these standards are implemented effectively, through periodic site visits and maintenance of a proper review log. | N | |
| 21. | Management should consider reviewing its custodial allocation formula, and include additional factors that could affect the allocation outcome. These factors should be reviewed and adjusted | N | |

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|---|------------------|----------|
| | annually to reflect changes during the year. The formula should also account for any regulatory or Ministry requirements. | | |
| 22. | Management should establish a multi-year maintenance and renewal plan which 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. | Y | TAO |
| 23. | 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. | N | |
| 24. | Based on the assessment of cost and usage of custodial supplies, management should further develop common standards to ensure efficient procurement. | N | |
| 25. | Management should consider developing a business case to implement an automated (electronic) work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders. | N | |
| 26. | The school board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the school board. | Y | TAO |
| 27. | Management should carefully consider returning to the practice of recording and tracking energy consumption/expenditure data at the facility level. | Y | ROI |
| 28. | The school board should examine ways to fully consolidate its utility billings across its facilities. This will enable management to better track and monitor energy consumption patterns, and provide formal annual reporting on the conservation savings. | Y | ROI |