

Ministry of Education

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

August 2009

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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 8 to 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 7 Areas of Opportunity identified in the August 2007 Sector Summary Report?
- 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 second edition of the Operational Review Guide, released to the sector in September 2008. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Ottawa Catholic District School Board Operational Review follow-up took place on June 24th, 2009 which was approximately twelve months after the release of the original Operational Review report. The Operational Review team conducted a teleconference with the Director of Education, the Superintendent of Finance and Administration, the Superintendent of Human Resources, and the Superintendent of Planning and Facilities.

Summary of Recommendation Status

Following receipt of the Operational Review report, it was submitted to the Board of Trustees. The report was also posted on the school board's website.

The school board has taken a number of positive steps since the completion of its review in October 2007.

Of particular note is the succession plan the Director has developed. The plan includes the development of eligibility lists for all principal, vice principal and administrative positions, which creates a pool of qualified individuals ready to take on leadership positions. The school board also provides on-site leadership development, and has a repository of courses individuals can access. Individuals who are being groomed for leadership positions within the senior administration group are also invited to observe senior administration meetings to ensure a smooth transition once they formally move into their new role. Once a year the Director also hosts a Director's Forum where people who are interested in staff development and leadership positions can attend a social event with other senior administration in attendance who are available for any questions, as well as to discuss the process for development.

The school board has also developed an exemplary process in terms of stakeholder communications which has resulted in a very strong partnership between the Board of Trustees, the parents association, and senior administration. This is as a result of the Director meeting with the parents association once a month, where the Board of Trustees are also in attendance; and a meeting with the chair of the parents association once a week. Every 5 weeks there is also a breakfast meeting with members of the board of trustees, the Director, the Deputy Director, and the chair of the parents association to share any concerns and discuss school matters.

There were 8 recommendations made in the operational review report. The operational review team focused on 5 of the recommendation in the follow-up review. Three of the recommendations relate to the seven areas of opportunity identified in the 2007-08

Summary Report, one is in the area of strategic planning, and one is in the area of potential for material return on investment.

Three of the recommendations also represent new leading practices introduced in Wave 3 through the Second Edition of the Operational Review Guide. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made some progress on all of the recommendations chosen for follow-up. Two recommendations have not been acted on. One is the establishment of an internal audit committee, and the second is adding external members to the audit committee. Both are pending new guidelines currently under development by the Ministry.

3. Governance and School Board Administration

No recommendations for follow-up.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| Management should continue efforts to address teacher absenteeism by incorporating lessons learned from its success with non-teaching groups and through the development of strategies, policies and procedures in concert with teacher associations. | Implemented |

#1 Attendance Management

The Board's approach to attendance management has been to create an Attendance Incentive-Pilot Project. In the most recent round of contract negotiations, the Board's negotiations committee successfully negotiated the following Letter of Understanding which provides a monetary incentive to teachers using five or less sick days per school year.

For the term of this agreement, teachers who use five days or less of sick leave in any school year shall be paid a bonus day of pay based on the current occasional teacher rate. The Bonus will be paid on the 1st day of October of the new school year following the year in which the bonus was earned. Teachers retiring and/or leaving the Board at the end of a school year and having met the requirements outlined above will also be eligible for the bonus.

The Board expects to realize an overall net reduction in sick leave replacement costs. An accurate estimation of the net annual cost savings will only be possible after experiencing a full year after the implementation and communication of plan details to union membership.

5. Financial Management

#1 Development and Reporting of Annual Goals and Priorities

| Operational Review Recommendation | Implementation Update |
|--|-----------------------|
| The finance department plan should proceed with its plan to adopt the new template and approach for its annual plan. This will ensure consistency with the other departments and demonstrate alignment to the school system's goals. | Implemented |

#2 Internal Audit Function

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| Management and the Board should consider establishing an internal audit function. Management could start by identifying options for the internal audit's mandate and scope, and the estimated annual cost of each option. Management's proactive assessment of needs and cost would be a useful first step. | Not Implemented |

#3 Audit Committee

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| Management and the Board should consider expanding the membership of the Audit Committee to include external members as advisors where there are gaps in technical expertise. | Not Implemented |

#1 Development and Reporting of Annual Goals and Priorities

At the time of the operational review, finance staff were in the preliminary stages of reformatting their annual plan using the Board's new standard template and approach referred to as 'Department Improvement Plans/Planning'.

The Finance department has since conducted the necessary departmental planning meetings, reviews and discussions over the period October 2008-January 2009. As of February 2009 all Finance and Purchasing & Administrative Services departmental plans have been completed using the new template and approvals obtained in accordance with established procedures. The new departmental plan is aligned with the Board Improvement Plan.

The annual departmental plans detail departmental goals, strategies for achieving the stated goals, indicators of success, timelines and assigned responsibilities for the implementation of strategies.

Reported benefits from implementing this recommendation include consistency with other departmental and the ability to demonstrate alignment to the board improvement plan.

#2 Internal Audit Function

Senior administration considered this recommendation and has deferred it pending the review and consideration of further Ministry directives concerning this matter.

The ministry's direction on internal auditing in school boards continues to evolve. The school board is encouraged to further enhance its internal audit capabilities once there is a clear boundary on the scope of the function and the associated delivery / funding model.

#3 Audit Committee

The Ottawa Catholic School Board has a formal Audit Committee established and actively operating since 2001. Past and present audit committee members include accounting/financial expertise and as such an expansion of the audit committee membership to include external members is not considered necessary at this time.

The school board is cognizant however of the Ministry's announcement that Boards are encouraged to establish audit committees with external representation, and as such, the school board has deferred any decision regarding this recommendation pending the review and consideration of further Ministry directives concerning this matter.

6. School Operations and Facilities Management

#1 Work Order System

| Operational Review Recommendation | Implementation Update |
|---|-----------------------|
| The Board should consider leveraging the data in its work order system to perform cost analysis of the maintenance activities performed by both internal and external suppliers. This will allow the Board, over time, to develop a clearer understanding of maintenance productivity, efficiency, and effectiveness. | Implemented |

#1 Work Order System

In response to this recommendation, a number of new systems and process improvements are being progressively introduced. To ensure effective maintenance service delivery and enable management review of the system wide maintenance cost effectiveness, the following reporting was introduced in the 2008/09 school year:

1. Monthly Reporting: a staff technician workload and productivity report will provide a system wide overview of the maintenance performance activity within the schools. Accountability indicators include trade to trade workload comparisons to establish benchmark performance criteria by trade; overall status of outstanding work; and average response times by trade type. A similar report is being established for maintenance work performed by outside service firms. This includes entering the labour hours and labour rates for services firms into the work order completion information. This improvement will enable value based comparisons and assessments to be made on the hours expended on service work by using service firms versus the use of staff technicians.

A detailed staff workload report by month is also generated to monitor the month to month changes in staff technician's productivity, costs and workload.

2. Quarterly reporting has also been introduced showing the work order details and costs by school which facilitates the assessment of costs by school, productivity by location and the re-alignment of resources where required.
3. An annual summary of maintenance costs by school location is generated on a school year calendar basis. This report provides maintenance costs on a cost per square foot for all schools. The report for 2007/08 was provided during the follow up call.

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.

Some 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 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 school board's governance model clearly delineates the division of duties between the board of trustees and the director of education. The board has established clearly defined duties and responsibilities to support an effective working relationship. | Yes |
| The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning. | No |
| The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the board. Policies are posted on the board's web site. | Yes |
| The director has established a formal succession plan to manage retirements and resignations of key managers/ administrators. | Yes |

The school board reported that it had already adopted many of these leading practices, or making progress on them in the upcoming school year. For example, the Board's governance structure clearly delineates the roles and responsibilities of the Board of Trustees from the Senior Management Team. The structure is founded on the principle that the Board of Trustees is responsible for setting and maintaining policy, while the administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities. To ensure a clear understanding of trustee roles and responsibilities, the Board has a comprehensive trustee and superintendent orientation process.

The school board also has an established and formal staff succession, which has been cited as an exemplary practice. Each year, the Director develops eligibility lists for all administrative positions, which creates a pool of people from which he can pull from, as well as provide leadership training to. The Director also hosts a Director's Forum every year for people who are interested in staff development and leadership positions.

The school board currently develops an extensive annual plan in consultation with key stakeholders, but has not developed a multi-year plan. This is something the school board will adopt in the coming school year.

HR Management and School Staffing/Allocation

| New Leading Practice | Adopted? |
|---|----------|
| Management periodically reports on the effectiveness of the attendance management process/ programs to senior management and the board. | Yes |
| Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes. | Yes |
| Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff. | Yes |

The school board reported that it had already adopted many of these leading practices, or making progress on them in the upcoming school year. For example, in conjunction with the unions, the school board has developed an attendance incentive pilot program that will be implemented in the 09-10 school year. Periodic reporting to senior management and the board will take place during the course of the pilot program.

The school board has developed an extensive staff/ professional development program, and all staff and professional development has been brought under the HR department as of August 2009. This is allowing the department to run professional development programs on site for both academic and non-academic staff. The school board's staff and professional development programs have been cited as a best practice.

Financial Management

| New Leading Practice | Adopted? |
|--|----------|
| Management completes and files all financial reports in accordance with established timelines. | Yes |
| The board has an audit committee with external members as advisors. | No |
| The external auditor's planning and annual reports are presented to the board's audit committee, and any recommendations are acted upon by management. | Yes |
| Management performs regular cash/funding forecasting to ensure the board's debt service can be met to maturity. | Yes |
| Management ensures adequate controls are in place to safeguard non-school board funds and coordinate the annual reporting of revenues and expenditures from schools and school councils. | Yes |
| Purchasing Managers monitor and ensure compliance with the board's procurement policies and procedures. | Yes |

The school board reported it has already adopted many of these leading practices. For example, the school board performs regular cash/funding forecasting to ensure that the board's debt service costs can be met to maturity through the extensive cash management system. This is also reported on in the fall report to the Board.

The school board also ensures adequate controls are in place to safeguard non-school board funds through current policies and procedures on the use of non-school board funds. The school board also audits 16 schools a year to ensure accountability.

Compliance with the school board's procurement policies and procedures is monitored during standard monitoring and controls as part of the approvals process. In addition all payments over \$1000.00 need approval from the manager of purchasing as part of a school board pilot program.

One leading practice that has not been adopted is the addition of an external member to the audit committee.

Operations and Facilities Management

| New Leading Practice | Adopted? |
|---|----------|
| Process exists to monitor new legislation and regulations and implement necessary changes. | Yes |
| Operations management follows Ministry guidelines, policy and legislation on healthy schools. | Yes |

The school board reported it has already adopted many of these leading practices. The Director monitors new policies sent by the Ministry and forwards to the appropriate superintendent for action and follow-up. The superintendent of Planning and Facilities Department then assigns it to a staff member and tracks implementation.

The school board also follows Ministry guidelines, policy and legislation on healthy schools. A number of individual schools have also partnered up with has partnered with Ottawa Public Health (OPH) in the Healthy Active Schools Program. Healthy Active Schools (HAS) which is designed to promote healthy, active living, and create healthy school environments.

Appendix A – Selection of Recommendations

- **SP** - Strategic Planning
- **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
- **SAO** - Seven Areas of Opportunity from 2008 sector report
- **NLP** – New leading practices introduced in Wave 3 through the Second Edition of the Operational Review Guide.

Governance and School Board Administration

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|----------------|---------------------|----------|
| | None. | | |

HR Management and School Staffing/Allocation

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|---|---------------------|-------------|
| 1. | The HR Department organizational charts should be posted on the Board’s web site so that they are publicly available. | No | |
| 2. | Management should continue efforts to address teacher absenteeism by incorporating lessons learned from its success with non-teaching groups and through the development of strategies, policies and procedures in concert with the teacher association. | Yes | SAO/ NLP |
| 3. | The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This can provide management with valuable input to develop effective HR policies and contribute to professional development initiatives. | No | |

Financial Management

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|--|------------------|-------------|
| 4. | The Finance department should proceed with its plan to adopt the new template and approach for its annual plan. This will ensure consistency with the other departments and demonstrate alignment to the school system's goals. | Yes | SP |
| 5. | Management and the Board should consider establishing an internal audit function. Management could start by identifying options for the internal audit's mandate and scope, and the estimated annual cost of each option. Management's proactive assessment of need and cost would be a useful first step. | Yes | SAO/ NLP |
| 6. | Management and the Board should consider expanding the membership of the Audit Committee to include external members as advisors for areas where there are gaps in technical expertise. | Yes | SAO/ NLP |
| 7. | Finance staff should implement the Electronic Funds Transfer method of payment to as many suppliers as appropriate, in order to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. | No | |

Operations and Facilities Management

| Ref. | Recommendation | Follow-up Yes/No | Criteria |
|------|--|------------------|----------|
| 8. | The Board should consider leveraging the data in its work order system to perform cost analysis of the maintenance activities performed by both internal resources and external suppliers. This will allow the Board, over time, to develop a clearer understanding of maintenance productivity, efficiency and effectiveness. | Yes | ROI |