

Ministry of Education

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

March 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.

2. Status and Implementation Update

Introduction

The Rainbow District School Board Operational Review follow-up review took place on February 24, 2012, approximately 13 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Director of Education and Superintendent of Business. In advance of the teleconference, the Deloitte team selected recommendations from the Operational Review Report and asked the board to provide an implementation status along with any related supporting material.

Summary of Recommendation Status

The school board has made progress in many of its recommendations since the completion of its original review in November 2011. Of particular note are the ongoing efforts of management working with the Board to bring governance practices in line with Bill 177. In addition, Finance has completely adopted three of four recommendations chosen for follow-up and is working to implement the fourth one.

There were 27 recommendations made in the original report. The Operational Review team focused on 11 of the recommendations in the follow-up review. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

3. Governance and School Board Administration

#1 Formal Governance Policy

Operational Review Recommendation	Implementation Update
<p>The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and the Director of Education.</p> <p>The school board's governance model should reflect the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act, Bill 177</i>.</p>	<p>In progress</p>

#2 Succession Plan

Operational Review Recommendation	Implementation Update
<p>The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions and would help build and sustain leadership capacity.</p>	<p>In progress</p>

#1 Formal Governance Policy

In response to the *Student Achievement and School Board Governance Act, Bill 177*, the school board is in the process of reviewing governance by-laws to ensure alignment.

Management suggests senior administration is working closely with the Board to help ensure current governance practices comply with the expectations of Bill 177.

The Director and the Chair of the Board are exploring opportunities to engage a facilitator to assist the Board through a review of current, non-compliant practices including the involvement of the Board in the approval of school board procedures. The Board should provide policy direction; however, it is the role of the Director of Education to oversee the operations of the school board including the development of procedures. The school board is encouraged to continue working towards the full adoption of Bill 177 and to clearly delineate the division of duties and responsibilities between the Board of Trustees and the Director of Education.

#2 Succession Plan

The school board has taken significant steps towards the development of a formal succession plan. Many components of a succession plan are in place including a 'Just-

in-Time' mentorship program for Vice-Principals and Future Leaders professional development program for non-teaching staff. Administration has raised the challenge of succession planning in small boards while at the same time does recognize its importance. The school board is encouraged to continue with the efforts underway to further develop a more robust succession plan.

4. Human Resource Management and School Staffing/Allocations

#1 Composition of Interview Panels

Operational Review Recommendation	Implementation Update
The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.	In progress

#2 Bargaining Framework

Operational Review Recommendation	Implementation Update
Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.	In progress

#3 Performance Appraisal

Operational Review Recommendation	Implementation Update
The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.	Completed

#1 Composition of Interview Panels

The school board has made some progress drawing down the number of trustees directly involved in interview panels from four to one. Senior administration reports, in alignment with the expectations of Bill 177, trustees no longer have a say in where principals are placed within the system. It is, however, standard and a continued practice that one trustee will sit on interview panels. Trustees should only have direct involvement interviews in the case of the search for a new Director.

#2 Bargaining Framework

The Board has had a long standing practice of direct involvement in labour negotiations. Trustees continue to maintain a Board negotiating committee. Management reports the Chair of this committee has indicated a willingness to reconsider trustee involvement in

negotiations and that this is a significant move forward to bring the school board in line with Bill 177.

#3 Performance Appraisal

The school board has adopted the recommendation to conduct formal employee performance appraisals. The superintendents' performance appraisal process is in line with the Ontario Leadership Framework guidelines and the Board has established a performance appraisal procedure for the Director of Education. Through the help of a facilitator, the procedure was developed in the early fall of 2011 and first implemented in November 2011. The policy and associated procedure was formally passed by the Board on February 14, 2012.

5. Financial Management

#1 Budget Risks

Operational Review Recommendation	Implementation Update
Management should consider enhancing the process of reporting on the school board's budget risks. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.	In progress

#2 Internal Audit

Operational Review Recommendation	Implementation Update
The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.	Completed

#3 Investment Policy

Operational Review Recommendation	Implementation Update
The school board should establish an investment policy. Management should periodically report to the Board on the performance of investments and explain its decisions (including not investing), in accordance with the investment policy.	Completed

#4 Electronic Supplier Interface

Operational Review Recommendation	Implementation Update
Management should implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for increased process efficiencies.	Completed

#1 Budget Risks

Management takes into consideration the recommendations of the initial Operational Review report and ensures awareness and monitoring of major budget risks. Reports are provided on risks including enrolment variations etc. and help inform the budget process. The school board has not, however, included summarized information on budget risks as part of the budget briefing to the Board. Management continues to be

actively aware of all major budget risks and takes active consideration during the budget process.

#2 Internal Audit

The school board has in accordance with the provisions mandated by the Ministry of Education established an audit committee. Management reports that through external advertising they have appointed two highly qualified external members to the committee.

#3 Investment Policy

The school board has adopted practices that ensure ongoing and up-to-date monitoring of investments. Management staff are required to periodically review and assess potential investments and actively consider options. The school board reports that current investment rates are competitive with other comparable options.

#4 Electronic Supplier Interface

The school board reports that electronic supplier interface is used for ordering, process and payment of the majority of purchasing. Management reports that there are ongoing improvements to different supplier interfaces. Some suppliers that the school board engages electronically through web portals include: Grand and Toy, Chapters, Amazon, Staples, CDW, Future Shop, Best Buy and Tiger Direct. PCards are used at each supplier, the payment of which is tied into the school board's accounts payable module.

6. School Operations and Facilities Management

#1 Cleaning Standards

Operational Review Recommendation	Implementation Update
The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.	Completed

#2 Allocation Model

Operational Review Recommendation	Implementation Update
The school board should develop an allocation model for custodial staff, and compare it to other school boards to ensure the optimization staff and consideration of various factors.	In progress

#1 Cleaning Standards

The school board has formalized consistent cleaning standards for all schools and school board facilities. Detailed cleaning timeframes, a Quality Control Inspection Checklist and an expanded Facilities Operations Inspection Checklist have all been developed and have helped ensure there are now consistent custodial cleaning standards used across the school board.

#2 Allocation Model

The allocation model for custodial staff is being developed. Changes in the school board (e.g.: full-day kindergarten) are impacting and changing the requirements for custodial usage. Management reports that there are multiple factors being considered in the development of the custodial staffing model including grounds types and layout, cleaning timeframes, square footage and layout of building. Management reports that the allocation model should be developed by June 2013. The school board is encouraged to continue their efforts and to fully implement the custodial allocation model as planned.

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)

Governance and School Board Administration

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and the Director of Education. The school board’s governance model should reflect the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act, Bill 177</i> .	Yes	TAO
2.	Management should post a departmental organization chart on the school board’s website.	No	
3.	The school board should establish a formal succession plan which includes plans for senior staff in both academic and non-academic functions to help build and sustain leadership capacity.	Yes	AR 1/ AR 2

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.	No	
5.	The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the	Yes	AR 2

Ref.	Recommendation	Follow-up Yes/No	Criteria
	roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.		
6.	Management should document its current hiring practices and continue to work to harmonize them across departments.	No	
7.	Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.	Yes	AR 2
8.	The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.	Yes	AR 2
9.	Management should periodically report to the Board and senior management on the effectiveness of its attendance support program.	No	
10.	Management should continue with its plan to conduct a compliance audit of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.	No	
11.	Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.	No	
12.	Management should consider conducting exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement.	No	
13.	The school board should implement policies and procedures that outline the annual staffing plan and allocation process and reflect the priorities of the Board and Ministry initiatives.	No	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
14.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.	No	
15.	Management should consider enhancing the process of reporting on the school board's budget risks. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.	Yes	ROI

Ref.	Recommendation	Follow-up Yes/No	Criteria
16.	The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC).	No	
17.	The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.	No	
18.	Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.	No	
19.	Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.	No	
20.	The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.	Yes	AR 1 / AR2
21.	The school board should establish an investment policy. Management should periodically report to the Board on the performance of investments and explain its decisions (including not investing), in accordance with the investment policy.	Yes	ROI
22.	Management should implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for increased process efficiencies.	Yes	TAO / ROI
23.	Management should continue to explore additional Electronic Fund Transfer (EFT) opportunities to maximize efficiencies.	No	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
24.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the plant department and lines of reporting.	No	
25.	The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also	Yes	AR 2

Ref.	Recommendation	Follow-up Yes/No	Criteria
	report to senior administration on the results of the compliance reviews.		
26.	The school board should develop an allocation model for custodial staff, and compare it to other school boards to ensure the optimization staff and consideration of various factors.	Yes	ROI
27.	The school board should consider establishing an integrated health plan/strategy, to reflect the existing policies and procedures for students and employee groups and to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.	No	