

Ministry of Education

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

May 2011

Table of Contents

1. Introduction	1
2. Status and Implementation Update	3
Introduction	3
Summary of Recommendation Status	3
3. Governance and School Board Administration.....	4
#1 Operating Plan.....	4
#2 Succession Plan	4
4. Human Resource Management and School Staffing/Allocations	5
#1 Departmental Plan	5
#2 Attendance Management.....	6
#3 Report to the Board on Attendance Management.....	6
#4 Compliance Audits of Insurance Carrier	6
5. Financial Management.....	7
#1 Annual Departmental Plan.....	7
#2 Interim Financial Reporting	8
#3 Audit Committee	8
#4 PCards.....	8
6. School Operations and Facilities Management.....	10
#1 Annual Departmental Plan	10
#2 Work Order System	10
7. School Board Adoption of New Leading Practices	11
Governance and School Board Administration	11
HR Management and School Staffing/Allocation	11
Financial Management	13
Operations and Facilities Management	13
Appendix A – Selection of Recommendations	15

1. Introduction

The Ministry is in the final stages 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 fourth edition of the Operational Review Guide, released to the sector in September 2010. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Thunder Bay Catholic District School Board Operational Review follow-up review took place on February 9, 2011, approximately 15 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Director of Education, Associate Director and Superintendent of Business & Corporate Services, the Manager of Financial & Accounting Services, Manager of Employee Services and other supporting staff. In advance of the teleconference, the Deloitte team selected several key recommendations from the Operation 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 significant progress in implementing the recommendations since the completion of its review in September 2010. Of particular note is the creation of a formal annual operating plan with supporting departmental plans, a detailed compliance audit of the school board's insurance carrier and ongoing work towards implementation of a PCard system.

There were 26 recommendations made in the original report. The Operational Review team focused on 12 of the recommendations in the follow-up review. The opportunities presented a cross section of strategic planning initiatives, some from 12 areas of opportunity identified in the sector reports as well as those that were of specific risks to the Thunder Bay Catholic DSB. The selected recommendations and the corresponding criteria are listed in Appendix A.

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

3. Governance and School Board Administration

#1 Operating Plan

Operational Review Recommendation	Implementation Update
The school board is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.	Completed

#2 Succession Plan

Operational Review Recommendation	Implementation Update
The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.	Not complete

#1 Operating Plan

The school board's multi-year strategic plan is supported by an annual operating plan that includes components for both academic and non-academic departments. The operating plan was initially developed by the respective superintendents and managers, approved by the Director and executive committee and finally sent to the Board for information. The school board has also developed departmental plans that are taken directly from the school board-wide operating plan. The school board will revisit the strategic plan in 2012 when the current strategic plan expires. The process will be driven by the Director of Education and will likely include direct input from the Board of Trustees.

#2 Succession Plan

The school board has developed a publicly available policy, *Selection of Leadership Personnel*, Policy # 800, which addresses leadership staffing needs. Supporting manuals and handbooks have been developed and are retained internally. The handbook is updated when required. There are plans to include an add-on that discusses and shows (through the use of process flow charts), the procedure for placement of principals and vice-principals.

4. Human Resource Management and School Staffing/Allocations

#1 Departmental Plan

Operational Review Recommendation	Implementation Update
The Employee Services department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Completed

#2 Attendance Management

Operational Review Recommendation	Implementation Update
The department should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	In progress

#3 Report to the Board on Attendance Management

Operational Review Recommendation	Implementation Update
Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	In progress

#4 Compliance Audits of Insurance Carrier

Operational Review Recommendation	Implementation Update
Management should consider conducting compliance audits 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.	Completed

#1 Departmental Plan

The HR department maintains a departmental plan. Management reports that plans have been consistent and understood year-over-year by management and staff, but are now required to create an official departmental plan. The plan is updated as initiatives

are completed or worked on to show changes and progression of each goal. The department intends to refresh the departmental plan once the strategic plan and board-wide operating plan are refreshed. The department might consider enhancing the plan to include items such as designated responsibilities and timelines.

#2 Attendance Management

Management reported progress in moving towards the implementation of a formal attendance support program. The program has been identified as a departmental priority. However, other priorities have taken precedence over the past year including the implementation of major IT systems. The school board has fully developed its disability support program, which is a precursor to the implementation of the attendance support program. Management has had initial conversations with the union groups to discuss and show them the initial details of the proposed attendance support plan.

#3 Report to the Board on Attendance Management

The school board intends to report information on the attendance support management program to the Board regularly, once the program is implemented. Management currently reports to the Board and has done so throughout the development of the program, especially regarding issues that might have an impact on labour relations.

#4 Compliance Audits of Insurance Carrier

The school board has developed procedures to manage its benefit plans and has conducted a compliance audit of the school board's insurance carrier. The May 2010, third party report did not find any material variances in the carriers records and history of payments.

5. Financial Management

#1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The department should consider developing an annual departmental plan aligned with the annual operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Completed

#2 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.	Completed

#3 Audit Committee

Operational Review Recommendation	Implementation Update
Management and the board of trustees should consider formalizing an audit committee that includes external advisors to contribute to the finance audit committee's effectiveness.	Completed

#4 PCards

Operational Review Recommendation	Implementation Update
Management should investigate the use of PCards to use for small purchases, to reduce the volume of supplier invoices processed by accounting. To that end, it should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits that maintain budgetary control while managing volume of invoices.	In progress

#1 Annual Departmental Plan

Similar to the HR department, the finance department now maintains a departmental plan. The departmental plan uses the same structure as all other departmental plans. Similarly, the department intends to refresh the plan annually. The department might

consider enhancing the plan to include items such as designated responsibilities and timelines.

#2 Interim Financial Reporting

Management is in the process of adopting the recommendations regarding interim financial reporting in full. The department provides monthly financial updates comparing budgeted expenditures and commitments to actual. Reports are prepared for each department and these reports permit finance to closely track the details of school board spending and ongoing budget position. In early 2010, the Board approved revisions to the Budget Policy to incorporate the recommendations of the IFRC committee. As a result, budget status reports are provided to the Board three times annually as per the IFRC recommendations. The department compares spending to the previous year during internal budget preparations, but reports to the Board do not include calendarization of accounts, comparing year-over-year figures. However, management has adopted the dashboard financial report recommended by the IFRC committee.

Enhancements should include calendarized reporting with historical expenditures as a benchmark for comparison. Ensuring financial reports provide the same periodic details as the previous year will allow the school board to benchmark against itself. This benchmarking will ensure a clearer picture as to the school board's financial performance year-over-year. Information on the IFRC report and templates is available on the School Business Support Branch website at <https://sbsb.edu.gov.on.ca>. Staff should also ensure interim financial statements are formally approved and signed off by senior management, to ensure the integrity of financial reporting.

#3 Audit Committee

The Audit Committee Regulation came into full effect in September 2010 and requires the establishment of audit committees that include external members. The school board has adopted this recommendation in full and has appointed two external members to the Board Audit Committee. Management reported that advertisements were placed in local newspapers and on the school board website. School board management also leveraged personal and professional networks to help promote interest in the position and help increase the number of candidate applications.

#4 PCards

The school board is in the early stages of piloting its PCard program. A provider has been selected and management is awaiting the arrival of the physical cards so that they can undertake the official pilot program. It is reported that staff are interested in the roll-out of the program and are optimistic that the PCards might help make purchasing,

particularly online or from the US, more efficient. The school board is encouraged to continue with its PCard efforts and fully implement a PCard program.

6. School Operations and Facilities Management

#1 Annual Departmental Plan

Operational Review Recommendation	Implementation Update
The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Completed

#2 Work Order System

Operational Review Recommendation	Implementation Update
The school board should consider developing an automated work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years and support project estimates and evaluations to ensure the most effective use of resources.	In progress

#1 Annual Departmental Plan

Like other departments, the plant department now maintains a departmental plan with a similar layout and format to those of other departmental plans. Along with the other departments, the plant department intends to refresh the departmental plan once the strategic plan and the board-wide operating plan are refreshed. The department might consider enhancing the plan to include items such as designated responsibilities and timelines.

#2 Work Order System

The school board is in the process of considering the implementation of an automated work order system. Management is examining work order systems in place at other school boards of similar sizes to determine industry best practices and is working to determine their own detailed system requirements. It was reported that a formal RFP process will be used to choose the best possible vendor within the coming months.

7. School Board Adoption of New Leading Practices

The following leading practices were added to the Fourth Edition of the Operational Review Guide that was released to the sector. Some of these leading practices are a result of the observations and learning from earlier waves of reviews.

School boards that were reviewed prior to September 2010 were not assessed against the new leading practices identified below. During this follow-up review process, the Operational Review team asked those school boards to comment on the extent to which they demonstrate adoption of these practices.

Governance and School Board Administration

New Leading Practice	Adopted?
The governance model reflects the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act</i> , Bill 177.	In progress

The school board is currently working to update and refresh its policies and procedures. However, it has not fully incorporated all the key elements of the *Student Achievement and School Board Governance Act*, Bill 177 into school board policy. Bill 177, which came into effect on December 15, 2009, clarifies in legislation the roles and responsibilities of school boards, trustees, Board chairs and Directors of Education. The school board should review its governance model and update it to reflect the roles and responsibilities mandated by Bill 177. The Ministry would provide any additional support in this area at the request of the school board.

It was noted during the course of the follow-up interview that there is a current level of Board of Trustee involvement in the operational aspects of the school board. For example, there is long-standing trustee involvement in the hiring of school board staff other than the Director of Education. The school board has scheduled a presentation from a third party facilitator to help trustees better understand the new changes and requirements of Bill 177. The presentation will focus on the roles and responsibilities of the Board and the Director of Education (as required by Bill 177) to support effective governance. In this regard, the school board should continue to move forward with its planned refresh of policies and procedures in line with Bill 177.

HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
Trustees do not sit on hiring panels (exception hiring the director of education) but provide policies to govern staffing and recruitment.	No
Processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion	In progress

New Leading Practice	Adopted?
and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools.	
Trustees provide the school board’s policy and priority framework within which bargaining takes place	Yes
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Trustees currently sit as members of interview panels for the hiring of all staff in positions superior to and including principals. This practice does not align to Bill 177. As such, 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. They should not sit on hiring panels, with the exception of the hiring of the Director of Education.

In addition, principal allocations are approved by the Board and in practice, this should only be taken to the Board for information. The school board should continue to work towards developing 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 *Student Achievement and School Board Governance Act*, Bill 177. The training presentation that has been set up by the board to bring in a third party facilitator should help trustees better understand the new changes and requirements of Bill 177 as well as their roles and responsibilities.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. The school board has identified and has made school board staff available to members of minority communities within the school board jurisdiction. This outreach program hopes to build stronger ties with groups and provide for a more diverse representation of identified minority groups within the school board staff. The school board has also recently reviewed their recruitment tool and is now using web based programs for supply teachers.

Trustees do provide the school board’s policy and priority framework within which bargaining takes place. Management reported that trustees did sit on labour negotiations committees in the past (most recently ten years ago). However, trustees do not currently sit on negotiating committees and have processes in place to that ensure that they are able to set the framework that bargaining takes place within.

The school board's staff allocation model is governed by collective agreements and relevant provincial legislation. The school board maintains documented procedures that ensure that the staffing allocation process meets and is aligned to the Ministry parameters and formulas and does not cause an over budget situation.

Financial Management

New Leading Practice	Adopted?
The established policies and procedures that govern all aspects of supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency purchases, comply with the Supply Chain Guideline (SCG) v.1.0.	Yes

The school board has developed procurement guidelines that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) 1.0. Management is in the process of ensuring policy and procedural alignment with the Broader Public Sector (BPS) procurement directive.

Operations and Facilities Management

New Leading Practice	Adopted?
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 has an approved facility partnership policy.	Yes
A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation.	Yes
An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.	Yes

The school board evaluates other available spaces prior to undertaking any new school construction or renewal projects. At present, the school board is almost at full capacity and is evaluating school spaces for early learning programs. Some programs take place offsite in rented space to meet the specialized demands of specific students.

Management recognizes that due to declining enrolment, it is possible that programs using leased space might someday be brought into school board facilities. The school board approved a Facility Partnership Policy in 2010.

Management has an effective process in place to monitor and control construction project costs, in line with Ministry requirements. Standard practice is that all renewal projects are managed by a project manager. A major capital campaign undertaken in 2005 used dedicated project managers for each separate project. Beginning in 2008, a cost consultant was retained on all major capital projects to help ensure efficient pricing and to oversee cost estimates for a capital project.

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 school board is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board’s multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.	Yes	SP/ TAO
2.	The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.	Yes	SP/ TAO
3.	The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.	No	

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	The ES department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Yes	SP/ TAO
5.	The ES department should consider developing processes to monitor ES policy compliance, and develop measures to build staff capacity in understanding ES policies and administrative procedures	No	
6.	The ES department should consider providing regularly scheduled ES policy awareness, training, and education sessions to build staff capacity in understanding HR policies and administrative procedures.	No	
7.	The department should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Yes	SP/ ROI
8.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	Yes	TAO
9.	Management should consider conducting compliance audits 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.	Yes	SP/ ROI
10.	Management should consider developing a formal policy or process governing the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.	No	
11.	Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff, and provide input for professional development plans and ES policy.	No	
12.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for ES policy, as well as process and program improvement.	No	
13.	Management is encouraged to develop a formal staffing allocation policy to ensure the best utilization of staff.	No	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
14.	The department should consider developing an annual departmental plan aligned with the annual operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Yes	SP/ TAO
15.	The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.	Yes	TAO
16.	Management should continue to participate in the emerging Ministry direction to establish regional models for internal audit across the school board sector.	No	
17.	Management and the board of trustees should consider formalizing an audit committee that includes external advisors to contribute to the finance audit committee's effectiveness.	Yes	TAO
18.	Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments.	No	
19.	Management should investigate the use of PCards to use for small purchases, to reduce the volume of supplier invoices processed by accounting. To that end, it should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits that maintain budgetary control while managing volume of invoices.	Yes	ROI
20.	Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for the school board that can result in increased process efficiencies.	No	
21.	Management is encouraged to explore additional Electronic Funds Transfer opportunities with all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.	No	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
22.	The department should consider developing an annual departmental plan aligned with the operating plan and overall	Yes	SP/ TAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
	strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.		
23.	The school board should consider developing an automated work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years and support project estimates and evaluations to ensure the most effective use of resources.	Yes	AR1
24.	The school board should include a formal clause in the procurement policy that all new equipment must be energy efficient.	No	
25.	The Board should develop an overarching environmental policy that addresses both environmental education and responsible management. It was reported that the Board is looking at setting up an environmental committee, which would be a good first step.	No	
26.	Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption	No	