

Ministry of Education

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

September 2011

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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 also provides 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 Toronto District School Board Operational Review follow-up review took place on June 29, 2011, approximately 12 months after the release of the initial Operational Review report. The PricewaterhouseCoopers Operational Review team conducted a meeting with senior administrative officials of the school board. In advance of the meeting, the PricewaterhouseCoopers team selected several key 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 significant progress in implementing the recommendations since the completion of its original Operational Review in April 2010. Of particular note are the steps taken to implement an attendance support program, and enhance the interim financial reporting processes and multi-year maintenance plans.

Following the Operational Review, management reported the findings of the Operational Review report to the Board of Trustees.

There were 28 recommendations made in the original report. The Operational Review team focused on 14 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 Toronto District School Board. 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 all of the recommendations chosen for follow-up.

3. Governance and School Board Administration

#1 Governance Model

Operational Review Recommendation	Implementation Update
<p>The Board, supported by school board administration, should review the Board's governance principles to establish a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. In line with provisions of Bill 177 which was passed in December 2009, Board members should carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the Act and entrust the implementation of Board policy and the day-to-day management of the school board to the Director of Education.</p>	<p>In Progress</p>

#2 Strategic Planning

Operational Review Recommendation	Implementation Update
<p>Following the upcoming municipal election in 2010 and in line with provisions of Bill 177, the Board should finalize the establishment of a multi-year strategic plan. In the development of the multi-year strategic plan the Board should build on the preliminary strategic direction, Vision of Hope, set by the Director of Education in 2009.</p>	<p>Implemented</p>

#3 Annual Operating Plan

Operational Review Recommendation	Implementation Update
<p>Once the Board establishes a multi-year strategic plan, the Director of Education and senior administration should develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, and relevant. The departments of the school board should develop annual operating plans aligned with the overall annual operating plan of the school board.</p>	<p>In Progress</p>

#4 Organizational Structure

Operational Review Recommendation	Implementation Update
<p>The provisions of Bill 177 require that every board should develop and maintain policies and organizational structures that promote student</p>	<p>Implemented</p>

Operational Review Recommendation	Implementation Update
achievement and well-being and ensure effective stewardship of the board's resources. The school board should finalize the reorganization process and establish an organization structure that would support the strategic direction of the Board. The organization structure should be documented in the organization chart and published on the school board's website.	

#1 Governance Model

The Board has reviewed its governance principles following the Organizational Meeting of the Board in December 2010. Trustees were provided with an in-service session by external legal counsel as part of their orientation activities.

In addition, the Conduct and Ethics Committee has recommended that the Board's Governance Procedure P075 with regard to the Code of Conduct and Ethics for Trustees be reviewed to ensure compliance with Bill 177. Policy P075 outlines individual trustee commitments to carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the *Education Act*.

However, the Board has not yet documented a formal governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. The Board is encouraged to formally document its governance framework or model, particularly the manner in which the Board of Trustees entrusts the implementation of Board policy and the day-to-day management of the school board to the Director of Education, in accordance to Bill 177.

#2 Strategic Planning

The Director of Education released a document entitled "A Vision of Hope" in 2009 to serve as a preliminary strategic plan during the first year of the Director's mandate.

Since then the Director has worked with the Board to further develop the school board's multi-year strategic plan. A five-year strategic plan was approved by the Board on June 22, 2011. The Board's Strategic Directions for 2011-2015 are:

1. Make every school an effective school.
2. Build leadership within a culture of adaptability, openness and resilience.
3. Form strong and effective relationships and partnerships.
4. Build environmentally sustainable schools that inspire teaching and learning.
5. Identify disadvantage and intervene effectively.

Developed with broad public input, these Directions provide a comprehensive vision to guide the Board's decision-making. The first phase of an extensive consultation process sought the views of students, staff and community stakeholders on the critical areas of focus for 2011-15. Shaped by this input and by the results of a comprehensive environmental scan, trustees and senior staff then identified the key preliminary themes. More consultations followed as Action Teams met over several months to crystallize these into the final five Strategic Directions.

#3 Annual Operating Plan

The various academic and administrative service areas have maintained annual operating plans that referenced the previous version of the Board's multi-year strategic plan. With the approval of the Board's new Strategic Directions, the various service areas will begin a process in the fall of 2011 to develop new annual operating plans outlining their goals and priorities that are aligned with the new Board Strategic Directions.

#4 Organizational Structure

The Director of Education has implemented an organizational structure in 2010. Under the new structure, the responsibilities for academic and operations are each headed by a Deputy Director.

The Deputy Director – Academic oversees school improvement, information technology, program support and focused intervention, special education, section programs, teach and learning, inclusive schools and futuristic schools. The Deputy Director – Operations oversees employee services, business services, facility services, strategy and planning, enrolment, strategic building and renewal, communications and public affairs, and board services.

The updated organizational structure has been formally documented in an organizational chart and posted on the school board's website.

4. Human Resource Management and School Staffing/Allocations

#1 Performance Appraisal

Operational Review Recommendation	Implementation Update
The school board should finalize the establishment of a formal performance review process for all staff groups. Management should continue to track performance appraisals and ensure that performance appraisals are conducted within established review cycles.	In Progress

#2 Attendance Management

Operational Review Recommendation	Implementation Update
Management should establish a formal attendance management program.	In Progress

#3 Pay Equity

Operational Review Recommendation	Implementation Update
Management should finalize the pay equity plans for all employee groups of the school board.	In Progress

#1 Performance Appraisal

The school board has established formal performance appraisal processes for teachers, principals, vice-principals and all schedule II employees. Performance appraisal tools and processes are in development for other employee groups.

Since the Operational Review, the HR department has expanded a position to include responsibility to develop, implement, track and administer performance management for all support staff (unionized and non-union).

#2 Attendance Management

The school board has worked on a number of initiatives as part of its overall strategy for attendance management. These include work to improve processes for employees requiring accommodations in order to return to work and reducing occurrences of lost time work accidents and injuries.

The school board notes that attendance management is a highly sensitive issue among some employee groups, and indicated that progress in this area must be achieved in a careful and measured manner.

Since the Operational Review, the school board has developed return to work/accommodation processes for secondary teachers. Tracking and documentation instruments are still in development. The process for return to work/accommodation for certain union groups is still in progress.

#3 Pay Equity

Since the Operational Review, the HR department has finalized some but not all of the school board's pay equity plans. The key tasks include developing tools for data collection and job evaluation, actual data collection and job evaluation, and negotiations on both historical and go-forward data.

The school board is encouraged to continue implementing its plan to finalize pay equity plans for all of its staff groups.

5. Financial Management

#1 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and consider enhancing the school board's current interim financial reporting format to more consistently match the IFRC guidelines. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.	Implemented

#2 Internal Audit

Operational Review Recommendation	Implementation Update
Management should proceed with its intention to establish an internal audit function giving due consideration to the new Ministry direction on internal audit.	In Progress

#3 Audit Committee

Operational Review Recommendation	Implementation Update
Management and the board of trustees should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction on internal audit.	Implemented

#1 Interim Financial Reporting

The Finance department presented the IFRC recommendations to the Board's Administrative, Finance and Accountability Committee. The Finance department proposed which of the IFRC recommendations should be adopted.

Once the Board had been briefed on the IFRC recommendations and had approved the Finance department's recommendations to update the interim financial report format, the Finance department proceeded to implement the changes. The revised interim financial report format has been in place since 2010.

#2 Internal Audit

The school board has established an internal audit function through its participation in the regional internal audit initiative. School board staff have worked with the Ministry's Regional Internal Audit Team to implement the internal audit program.

The Board is currently awaiting details of the internal audit plan to be released. Once the internal audit plan is received, staff will make recommendations regarding the internal audit function.

#3 Audit Committee

The Board formally recruited external members for the Audit Committee. The newly expanded Audit Committee was established in January 2011 and has selected its chairperson, formally described the duties of the Audit Committee, met with the school board's external auditor, and reviewed the regional internal audit team's initial reports to the Board.

6. School Operations and Facilities Management

#1 Multi-Year Maintenance Plan

Operational Review Recommendation	Implementation Update
Using a consultative process, senior administration should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.	Implemented

#2 Energy Management Strategy

Operational Review Recommendation	Implementation Update
Management should proceed with its intention to report annually on the conservation savings achieved against the targets and goals identified in the school board's Go Green: Climate Change Action Plan.	In Progress

#3 Capital Plan

Operational Review Recommendation	Implementation Update
Management should continue to implement its plan to eliminate the capital deficit, including accommodation reviews and disposition of surplus property. The school board should establish a multi-year capital plan which would incorporate all aspects of the existing school board's strategic accommodation planning including <i>Better Schools, Brighter Futures and the Built Environment Strategy</i> .	Implemented

#1 Multi-Year Maintenance Plan

The Facilities function has developed a multi-year plan for major maintenance and renewal projects. Each year, the school board undertakes a variety of projects varying in size and scope funded from GPL and Renewal grants. Projects are identified and prioritized within GPL and Renewal funding to address upgrades of major building infrastructure such as roofs, windows, boilers, chillers and electrical systems and other building components.

#2 Energy Management Plan

The school board's overarching energy management plan, *Go Green: Climate Change Action Plan*, includes annual targets for energy conservation. These targets were

adopted by the school board in February 2010. Staff report annually on the targets by system, quadrant, family and school.

The Facilities function will formally present its first annual report on energy conservation targets in the fall of 2011.

#3 Capital Plan

A five-year capital building program was approved by the Board in June 2010, with a strategy to clear the budget deficit. A Long-Term Capital Plan was also completed in January 2011. Staff conducted a series of information sessions with trustees.

In addition, the Facilities function is in the process of refreshing the school board's program space requirements. A new Central Accommodation Team will be established to manage space requirements. Management expects to announce the next round of Pupil Accommodation Reviews later in 2011, and to commence the reviews in 2012.

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 Student Achievement and School Board Governance Act, Bill 177.	Yes

The board has updated its governance model to ensure that it reflects the roles and responsibilities mandated by Bill 177 after a thorough review process. The Board is encouraged to document its governance model in a stand-alone policy to communicate the contents to the Board's internal and external stakeholders.

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 and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools.	Yes
Trustees provide the school board's policy and priority framework within which bargaining takes place.	Yes

Trustees participate in the hiring panels for the recruitment of Supervising Officers. The Board's policy for Supervisory Officer Selection (P055) explicitly indicates that "Trustees shall be involved in assessing eligible applicants including the interviews to determine the qualified applicant pool. The local trustee(s) shall participate in an interview when a specific portfolio is identified." The Board is encouraged to review and update its policy for Supervisory Officer Selection and ensure that it is aligned with the leading practice.

The board has formal processes in place to identify and remove discriminatory biases and systemic barriers in staffing decisions. There is in-service on this topic to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and succession planning processes. The board's current policies and practices also adhere to these principles.

The Board of Trustees provides the school board with a policy and priority framework for bargaining. In line with Bill 177, trustees do not have a direct role in labour negotiations. Trustees should continue to provide the school board's policy and priority framework within which bargaining takes place and should not play a direct role in future negotiations.

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
In line with the SCG, purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	Yes

The school board is in compliance with SCG v1.0 and is prepared to make further amendments to its supply chain policies, procedures and processes to ensure compliance to the new Broader Public Sector (BPS) Procurement Directive, released in April 2011. The Board has updated its Purchasing Policy (P017) in May 2011 to reflect the changes required by the BPS Procurement Directive.

Senior administration reported that all purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head. The purchasing department conducts a final check on all purchases.

In addition, schools are required to submit a list of authorized purchases each year. The listing includes the names, title and sample signatures of authorized purchasers so that the purchasing department has a point of reference.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has an approved facility partnership policy.	Yes

New Leading Practice	Adopted?
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 has a Facility Partnership Policy which addresses facility partnerships at the board. The board has relatively scarce surplus space and there are not a lot of opportunities for facility partnerships.

The Facilities department has dedicated project managers to oversee major construction and maintenance projects. The role of the project manager is to be the single point of contact for individual, large-scale construction and maintenance projects. This individual is responsible for overseeing and monitoring the progress of the project, working with the architect and general contractor to ensure the on-time and on-budget delivery of each project.

The school board has retained the services of an independent cost consultant for school construction projects in the past and for current projects as well. The decision of whether a cost consultant is retained depends on the size and complexity of the project. For major construction projects, the school board has engaged the services of cost consultants to obtain a third-party perspective on the financial proposals from vendors, and to track and monitor developments in the market.

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 5 through the Fourth Edition of the Operational Review Guide.

Governance and School Board Administration

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	The Board, supported by school board administration, should review the Board’s governance principles to establish a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. In line with provisions of Bill 177 which was passed in December 2009, Board members should carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the Act and entrust the implementation of Board policy and the day-to-day management of the school board to the Director of Education.	Yes	NLP
2.	Following the upcoming municipal election in 2010 and in line with provisions of Bill 177, the Board should finalize the establishment of a multi-year strategic plan. In the development of the multi-year strategic plan the Board should build on the preliminary strategic direction, <i>Vision of Hope</i> , set by the Director of Education in 2009.	Yes	NLP
3.	Once the Board establishes a multi-year strategic plan, the Director of Education and senior administration should develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan should be aligned with the Board’s multi-year strategic plan and have goals	Yes	SP

Ref.	Recommendation	Follow-up Yes/No	Criteria
	that are specific, measurable, achievable, and relevant. The departments of the school board should develop annual operating plans aligned with the overall annual operating plan of the school board.		
4.	The provisions of Bill 177 require that every board should develop and maintain policies and organizational structures that promote student achievement and well-being and ensure effective stewardship of the board's resources. The school board should finalize the reorganization process and establish an organization structure that would support the strategic direction of the Board. The organization structure should be documented in the organization chart and published on the school board's website.	Yes	NLP

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
5.	The school board should finalize the establishment of a formal performance review process for all staff groups. Management should continue to track performance appraisals and ensure that performance appraisals are conducted within established review cycles.	Yes	SP
6.	Management should establish a formal attendance management program.	Yes	TAO
7.	Management should finalize the pay equity plans for all employee groups of the school board.	Yes	AR3

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
8.	Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and consider enhancing the school board's current interim financial reporting format to more consistently match the IFRC guidelines. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.	Yes	AR3

Ref.	Recommendation	Follow-up Yes/No	Criteria
9.	Management should proceed with its intention to establish an internal audit function giving due consideration to the new Ministry direction on internal audit.	Yes	NLP
10.	Management and the board of trustees should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction on internal audit.	Yes	NLP

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
11.	Using a consultative process, senior administration should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.	Yes	TAO
12.	Management should proceed with its intention to report annually on the conservation savings achieved against the targets and goals identified in the school board's Go Green: Climate Change Action Plan.	Yes	NLP
13.	Management should continue to implement its plan to eliminate the capital deficit, including accommodation reviews and disposition of surplus property. The school board should establish a multi-year capital plan which would incorporate all aspects of the existing school board's strategic accommodation planning including <i>Better Schools, Brighter Futures and the Built Environment Strategy</i> .	Yes	AR2