

Ministry of Education

**Trillium Lakelands 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 Trillium Lakelands District School Board Operational Review follow-up review took place on July 13th 2009, which was approximately twelve months after the release of the original Operational Review report. The Operational Review team conducted a teleconference with the Superintendent of Business and other senior administrative staff.

Summary of Recommendation Status

The school board has accepted all of the recommendations and made significant progress in implementing these recommendations.

Management indicated that they have introduced a new format for interim financial reporting that provides additional meaning and clarity for readers of the reports. The Board has also finalized and rolled out its Attendance Support Policy and Procedures, as recommended by the Operational Review.

Following receipt of the operational review report, management presented the report to the Board of Trustees. The results of the operational review were posted on the Board's web site.

There were 14 recommendations made in the original report. The Operational Review Team focused on nine of the recommendations in the follow-up review. Eight of the recommendations relate to the seven areas of opportunity identified in the 2007-08 Summary Report, and one was related to strategic planning. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made progress on the all of the recommendations chosen for follow-up. There were no recommendations where senior administration has chosen not to accept or implement.

3. Governance and School Board Administration

There were no recommendations for the Governance and School Board Administration function from the operational review.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management

Operational Review Recommendation	Implementation Update
The HR department is in the final stages of developing comprehensive Attendance Support Policy and Procedures. To enhance operational efficiencies and effectiveness, the Board should finalize and implement this important initiative.	In Progress

#1 Attendance Management

Management has accepted the recommendation and has made significant progress to implement this leading practice.

The Board formally approved its Attendance Support policy in February 2008. Senior Administration has implemented a communication program to help disseminate the key messages and principles of the Attendance Support policy. These measures include posting relevant documents on the board's intranet and teacher support software, a new information brochure for new employees, and training for supervisors. Implementation of the Attendance Support Program is ongoing and the full program will be rolled out this coming school year.

It should also be noted that the school board engaged the services of a third party consultant to study various aspects of its attendance support program. These include a sick leave utilization study, which give management a snapshot of how the board is comparing against 30 other boards regarding the use of sick leave. The board also uses the Return to Work and Wellness services of the third party consultant.

Management indicated that it hopes to see a trend towards improved attendance rates at all staff levels. Management has seen positive results already amongst the teacher staff group.

5. Financial Management

#1 Development and Reporting of Annual Goals and Priorities

Operational Review Recommendation	Implementation Update
The finance department should consider establishing an annual financial management business plan, to provide details of its goals and priorities with respect to its primary functions. The plan would provide the Senior Administration with information on the department's priorities and demonstrate how its activities are aligned with the Board's Strategic Directions.	Implemented

#2 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Finance staff should consider providing an expanded level of interim reporting as in the format suggested in section 4.3 of this report. This would improve understanding of the financial reporting of the year-to-date results.	Implemented

#3 Internal Audit Function

Operational Review Recommendation	Implementation Update
Management and the Board should consider the establishment of an Internal Audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.	In Progress

#4 Establishment of 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 who would contribute to the Committee's accountability.	In Progress

#1 Development and Reporting of Annual Goals and Priorities

Management has accepted the recommendation and has introduced a number of new measures. The Finance department has developed a formal mission statement that summarizes the it's roles and responsibilities.

The department has also developed an annual department plan that outlines its priorities and targets for the year. The department plan is reviewed on a bi-annual basis, and receives input from the Board's Executive Council and Board of Trustees.

Management indicated that it took the successful approach from the HR department and further developed it based on the needs of the Finance function. This has been implemented since the fall of 2008, and has proven to be very useful in sharing and communicating the achievements and progress of the function.

#2 Interim Financial Reporting

The Board has made significant progress in the establishment of an enhanced interim financial report. Management has implemented a new quarterly interim report that includes an expanded narrative to the Board, with detailed explanations of any variances noted in the budget.

Management indicated that the new interim financial reports improved accountability and transparency, and also ensured that those who were unable to attend the meeting in person are able to keep up to date on the financial situation of the board.

#3 Internal Audit Function

Management has been monitoring the Ministry's announcement to support boards establish audit committees and an internal audit function. The board is anticipating an announcement of the board's allocation and expectations for the use of this funding.

In the meantime, the Board has conducted several internal audit tasks in the school funds and enrolment areas. For example, the board has formal requirements to conduct school funds audits whenever there is a change in school principals (requirement under the evaluation of principals).

#4 Audit Committee

The Board has accepted the recommendation and has made progress in implementing the leading practice.

Following the operational review, the Board approved a motion to add one external member to the Audit Committee. The Board has advertised in local newspapers and expects to see a response. Once a suitable candidate is selected, the Board will have completed this recommendation, likely before the end of this year.

Management indicated that the Board is aware of the Ministry working group on Audit Committees, and closely monitors the progress of the working group.

6. School Operations and Facilities Management

#1 Annual Department Goals and Priorities

Operational Review Recommendation	Implementation Update
The department should consider establishing an annual business plan to provide the Senior Administration with information on priorities and demonstrate how the department activities align with the Board's Strategic Directions.	Implemented

#2 Multi-Year Maintenance and Renewal Plan

Operational Review Recommendation	Implementation Update
Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the Senior Administration and the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.	In Progress

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
The Board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the Board.	In Progress

#4 Energy Consumption

Operational Review Recommendation	Implementation Update
The Board should use the energy consumption data provided by its utility companies, to better track and monitor energy consumption patterns by facility and independent of pricing influences. This would enable the Plant department to set benchmarks to determine energy consumption and related cost savings from the EcoSchools program and any other initiatives. The data collection would help establish the energy management plan.	In Progress

#1 Annual Department Goals and Priorities

Management has accepted the recommendation and has worked with Finance to develop enhancements to its annual department planning process.

The Facilities department has developed a formal mission statement that summarizes its roles and responsibilities.

The department has also developed an annual department plan that outlines its priorities and targets for the year. The department plan is reviewed on a bi-annual basis, and receives input from the Board's Executive Council and Board of Trustees.

Management indicated that it took the successful approach from the HR department and further developed it based on the needs of the Facilities function.

#2 Multi-Year Maintenance and Renewal Plan

Senior administration has expanded the board's maintenance and renewal plan according to the guidelines described in the operational review recommendation.

The Facilities department has established procedures to consult with school principals, head custodians, maintenance supervisor to identify upcoming maintenance and renewal needs. These needs are then matched against the cost of the work and available funding to develop a prioritized listing.

The prioritized listing is maintained in a worksheet and carried forward historically and extends for more than 3 years. The summary is maintained on an ongoing basis, and is reported to Executive Council and the Board periodically.

Management indicated that this procedure has helped enhance transparency and accountability. The Board has been successful so far in maintaining an appropriate level of expectations with internal stakeholders.

#3 Energy Management Plan

The Board has made initial plans to development a multi-year energy management strategy. The full implementation of the recommendation is contingent upon the Board being able to obtain detailed energy consumption data, with which management can measure, track and monitor over time.

In conjunction with recommendation #4 under Facilities management, senior administration is working towards this objective through participation in the Utilities Consumption Database project.

Once management is able to obtain the initial baseline of energy consumption data, it will proceed with establishing a long-term energy management strategy that includes measureable performance goals and objectives.

#4 Energy Consumption

The Board has been involved in the development of the Ministry supported Utilities Consumption Database project.

Management indicated that the board will sign-on to the project and working with the contractor once the pilot phase has been complete. The Board plans to obtain an initial two years worth of utilities consumption data.

This project will enable management to track oil, water, propane consumption.

7. School Board Adoption of New Leading Practices

The following leading practices were added to the Second Edition of the Operational Review Guide for District School Boards 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 operational reviews.

School boards that were reviewed prior to September 2008 were not assessed against the new leading practices identified below. During this follow-up review process, the Operational Review team asked those school boards to comment on the extent to which they demonstrate adoption of these practices.

Governance and School Board Administration

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.	Yes
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.	No

Management indicated that the school board has already adopted many of these leading practices.

The only new leading practice that have not been fully adopted relate to succession planning. The Board acknowledges the need to establish a formal succession plan, in view of pending retirements at the senior level. Senior administration indicated that it would look to other boards, as well as the Ministry, for guidance and support in this regard.

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

New Leading Practice	Adopted?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes

The HR department has been implementing the above leading practices.

Management is particularly supportive of the inclusion of the attendance management program as a leading practice, and has taken steps to ensure that it is fully adopting this leading practice, as previously described in the report.

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.	Yes
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 that it has already adopted all of these leading practices. The invitation of external members to the Audit Committee is well underway. This topic has already been previously discussed in this report.

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 that it has already adopted these leading practices.

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 is in the final stages of developing comprehensive Attendance Support Policy and Procedures. To enhance operational efficiencies and effectiveness, the Board should finalize and implement this important initiative.	Y	SAO

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The finance department should consider establishing an annual financial management business plan, to provide details of its goals and priorities with respect to its primary functions. The plan would provide the Senior Administration with information on the department's priorities and demonstrate how its activities are aligned with the Board's Strategic Directions.	Y	SP
3.	Finance staff should consider adjusting the budget for "other board revenues" to more accurately reflect actual amounts when the annual budget is prepared. The result would be clear financial expectations and a corresponding change in the planned use of the Board's reserves.	N	
4	Finance staff should consider providing an expanded level of interim reporting as in the format suggested in section 4.3 of this report. This would improve understanding of the financial reporting of the year-to-date results.	Y	SAO
5	Management and the Board should consider the establishment of an Internal Audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.	Y	SAO
6.	Management and the Board should consider expanding the membership of the Audit Committee, to include external members as advisors who would contribute to the Committee's accountability.	Y	SAO
7.	Finance staff should consider comparing the terms and conditions of banking relationships to those of other boards, to benchmark the key financial terms received and ensure the best possible arrangements.	N	
8.	Finance staff should consider expanding the use of Purchase Cards (PCards) to appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the expanded use of the PCard.	N	
9.	1. Finance staff should implement EFT payments to all suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.	N	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
10.	The department should consider establishing an annual business plan to provide the Senior Administration with information on priorities and demonstrate how the department activities align with the Board's Strategic Directions.	Y	SAO
11.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the Senior Administration and the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.	Y	SAO
12.	The Board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the Board.	Y	SAO
13.	The Board should use the energy consumption data provided by its utility companies, to better track and monitor energy consumption patterns by facility and independent of pricing influences. This would enable the Plant department to set benchmarks to determine energy consumption and related cost savings from the EcoSchools program and any other initiatives. The data collection would help establish the energy management plan.	Y	SAO
14.	Management should develop a more comprehensive 10 year capital plan to give the Board a better understanding of short and long term facility requirements and a related funding plan. The ReCAPP database should also be updated, as it will contribute to the analysis of the renewal requirements over the 10 year period. The plan would also incorporate the impact of declining enrolment, and present options to address the ongoing facility needs of the Board.	N	