

Ministry of Education

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

August 2010

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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 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 support 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 third edition of the Operational Review Guide, released to the sector in September 2009. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Windsor-Essex Catholic District School Board Operational Review follow-up review took place on August 4th 2010, 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 Services.

Summary of Recommendation Status

The school board has made some progress in implementing the recommendations since the completion of its review in July 2009. Of particular note is the Board's decision to complete compliance audits of its benefits management carrier. The Board has also requested a report from its external auditor and acted upon its recommendations.

Following the Operational Review report, management presented the report to the board of trustees.

There were 33 recommendations made in the original report. The Operational Review team focused on 12 of the recommendations in the follow-up review. Nine of the 12 recommendations selected for the follow-up review were from the twelve areas of opportunity identified across the sector in the 2008 and 2009 sector reports, two concerned specific areas of risks and one related to updates to opportunities for return on investment. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has made progress on the majority of the recommendations chosen for follow-up. There are, however, a notable number of recommendations yet to be implemented. In some cases, as in the examples of the energy management plan, the reasons cited were related to lack of time and resources. In the case of an attendance support program, the board was concerned about resistance from the local union groups.

3. Governance and School Board Administration

#1 Governance Model

Operational Review Recommendation	Implementation Update
The school board should finalize its governance model by clearly delineating the division of duties between the board of trustees and the Director of Education. The governance process including clearly defined duties and responsibilities should be documented in Board's policies.	In Progress

#2 Succession Planning

Operational Review Recommendation	Implementation Update
The school board has informal planning processes and employee development programs to ensure leadership continuity and support succession planning at all levels of administration. However, the school board should develop a formal succession plan to manage departures of key staff.	In Progress

#1 Governance Model

The Board has adopted this recommendation. Since its Operational Review, the Board has drafted policies to respond to Bill 177. The policies include guiding principles and clearer definitions on the roles of the Board of Trustees, the Director of Education and the board administration.

Subsequently, the Board revised its board by-laws to reflect these policies.

The status of the policies and the by-laws are currently in draft form. The draft documents are fully ready to be implemented and formalized before the election of new trustees later in 2010.

#2 Succession Planning

Management indicated that the board has made significant changes at the senior staff level over the past three to four years. There is also a new Director of Education. As such, the Board as a whole is very cognizant of the importance of succession planning.

The new Director of Education has verbally presented his succession plan in the last board meeting. All superintendents also described the succession plans for their respective departments. These discussions are now being deliberated by the board over the summer of 2010.

The board is targeting September 2010 to submit a formal succession plan. The succession plan will include both academic and administrative areas, and will describe key positions below the Director of Education. In particular, the succession plan will include the names of back-ups for purposes of business continuity.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management

Operational Review Recommendation	Implementation Update
The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Not Implemented

#2 Benefit Carrier Compliance Audit

Operational Review Recommendation	Implementation Update
Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.	Implemented

#1 Attendance Support

The Board of Trustees has decided not to adopt this recommendation. Management indicated that although trustees recognize the potential need and benefits of a comprehensive attendance support program, there is considerable reluctance from the labour relations groups of the board. Trustees are very concerned that the unions will resist the recommendation.

In addition, there are differing perspectives within management regarding the benefits of an attendance support program. There is no consensus on the matter within senior management.

Nevertheless, management has retained a dedicated staff person to review ongoing attendance issues and to analyze any underlying trends.

#2 Benefit Carrier Compliance Audit

The board has retained its benefits management consultant to conduct benefit claims audits. The results indicate that the claims process is robust and there are very few minor anomalies that require follow-up.

5. Financial Management

#1 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.	Not Implemented

#2 Internal Audit

Operational Review Recommendation	Implementation Update
Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.	In Progress

#3 Audit Committee

Operational Review Recommendation	Implementation Update
The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.	In Progress

#4 External Audit Report

Operational Review Recommendation	Implementation Update
The school board should ensure that the external auditors provide a report with audit findings, and that any recommendations are acted upon by management.	Implemented

#1 Interim Financial Reporting

Management has not been able to implement this recommendation yet. Since the Operational Review, the board has been working closely with the Ministry regarding its budget situation. The discussions with the Ministry contributed to the board being able to eliminate its accumulated deficit, as well as resolving its capital deficit situation.

As part of the budget deficit discussions, and for a variety of reasons beyond the scope of this follow-up report, management has had to restate the board's financial statements for the 2007/08, 2008/09 and 2009/10 school years.

The restatement effort took considerable time and resources from the finance department. As a result, management has not had the time to implement the recommendation to enhance the interim financial report. Management indicated that it intends to implement the recommendation for the next fiscal year, during which it is anticipating a budget surplus situation.

#2 Internal Audit

The board is participating in the Ministry sponsored regional internal audit shared services program. The region's lead board is the Thames Valley District School Board. Management indicated that the region will hire an internal audit manager who will supervise between four to five internal auditors.

The hiring of the internal audit manager has taken longer than expected. There is currently no fixed timeline for the full implementation of the shared service. Once the internal audit manager has been hired, the board expects a more rapid implementation of this recommendation.

#3 Audit Committee

The board's audit committee is currently comprised of three board trustees. The Board of Trustees has decided to proceed with implementing this recommendation despite some internal concern amongst trustees.

The board has contacted the Ministry to obtain terms of reference and parameters for the external audit committee members. Once the terms of reference has been confirmed, the board will be advertising for suitable candidates.

The board is also considering implementing this recommendation through exchanges with other school boards. In this scenario, boards will exchange members from the board or administration to sit on each other's audit committee. At least one of the external audit committee members will be from the private sector under this scenario.

#4 External Audit Report

Management reviewed this recommendation with the board's external auditor subsequent to the Operational Review. In response, the external auditor provided a report with audit findings, as well as recommendations to address any concerns arising from the audit. The report was provided to management in November 2009.

6. School Operations and Facilities Management

#1 Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	Not Implemented

#2 Energy Consumption Tracking

Operational Review Recommendation	Implementation Update
Management should track energy consumption/expenditure data at the facility level. The tracking and analysis of energy consumption data provided by its utility companies will enable management to better track and monitor energy consumption patterns by facility. It will also contribute to further development of the energy management plan and enable formal annual reporting on the conservation savings.	Not Implemented

#3 Construction Management Policy

Operational Review Recommendation	Implementation Update
As part of establishing standard policy and procedures to rationalize construction projects, the school board should consider construction costs and design standards adopted by other school boards.	In Progress

#4 Construction Project Management

Operational Review Recommendation	Implementation Update
Management should establish a project management process, to monitor and control construction projects and their costs.	In Progress

#1 Energy Management Plan

Management indicated that the board has not created an overall energy management plan. Although the board is able to monitor consumption at a high level, management has not set measurable targets and incorporated them as part of the energy plan.

Management has indicated that the lack of time and resources is the primary reason for not making progress on this recommendation.

#2 Energy Consumption tracking

Management has not made progress on this recommendation. The Facilities department indicated that local utility companies have not been able to provide local facility-based metering and consumption data.

#3 Construction Management Policy

The board has accepted this recommendation. Management indicated that it is awaiting guidelines from the Ministry regarding capital management. Management is aware of the contents of the draft guidelines and believes that the guidelines are aligned with this recommendation.

Management noted that it intends to adopt this recommendation during the next major capital project.

#4 Construction Project Management

Management indicated that it will consult with various stakeholders on how to improve its project management processes in order to better monitor and control future construction projects and costs.

Management noted that it intends to adopt this recommendation during the next major capital project.

7. School Board Adoption of New Leading Practices

The following leading practices were added to the Second Edition of the Operational Review Guide that was released to the sector in September 2008. Some of these leading practices are a result of the observations and learning's during Wave 1 & 2 reviews.

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

There were no additions to leading practices under this section.

HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
The school board maintains appropriate process and systems to monitor staff attendance on a timely basis	No

The board currently has systems in place to track staff attendance numbers. However, the board still needs to develop appropriate processes to track, monitor and report on attendance support targets overtime, and to produce information for management decision making purposes.

Financial Management

New Leading Practice	Adopted?
Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus non- competitive procurement methods.	Yes

The school board reported that it has already adopted all of these leading practices.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor a security strategy and/or plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
Develop, implement and monitor a health strategy and/or plan that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i>	Yes
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 reported that it has already adopted most of these leading practices. Regarding the formal green clean program, the board has been using certified green clean products for quite some time already. However it has not implemented a comprehensive green clean program that ensures continuity and has the ability to report on results. The school board should review and use the Ministry's Green Clean Program Resource Guide to help develop a formal green clean program.

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 should finalize its governance model by clearly delineating the division of duties between the board of trustees and the Director of Education. The governance process including clearly defined duties and responsibilities should be documented in Board’s policies.	Yes	TAO
2.	The Board should ensure that priorities, particularly in the area of governance, are established for the development of the Board’s policies and that all policies are reviewed according to the policy review cycle.	No	
3.	The school board has informal planning processes and employee development programs to ensure leadership continuity and support succession planning at all levels of administration. However, the school board should develop a formal succession plan to manage departures of key staff.	Yes	TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.	No	
5.	The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Yes	TAO
6.	The HR department should periodically report on the effectiveness of the attendance management process/programs to senior management and the Board.	No	
7.	Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.	Yes	TAO
8.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.	No	
9.	Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.	No	
10.	Management should compare its staffing costs and funding models with similar school boards to ensure efficient use of resources.	No	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
11.	Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.	Yes	TAO
12.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.	Yes	TAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
13.	As part of the internal auditor's mandate, the school board should establish and document audit plans. Management should follow up and act upon internal audit report recommendations.	No	
14.	The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.	Yes	TAO
15.	Management should ensure that all financial reports are completed and filed in accordance with established timelines.	No	
16.	The school board should ensure that the external auditors provide a report with audit findings, and that any recommendations are acted upon by management.	Yes	AR
17.	While the school board currently does not have investments, management should consider establishing an investment policy and periodically reporting to the board on the performance of the investment activity	No	
18.	The school board should compare its banking terms and conditions to those of similar school boards.	No	
19.	Management should tender its banking services with the view to consolidating all cash management activities with a single financial institution.	No	
20.	Management should consider implementing an electronic payment and registration system for permitting of facilities and continuing education. In doing so, management should continue reviewing the existing solutions in place at the local municipality and other school boards.	No	
21.	Management should consider implementing the electronic supplier interface for ordering, processing and payment.	No	
22.	Management should implement electronic funds transfers (EFT) for vendor payments. The use of EFT would build efficiency by simplifying and automating the payment process.	Yes	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
23.	Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable	No	

Ref.	Recommendation	Follow-up Yes/No	Criteria
	management to track and report progress of its defined priorities and goals throughout the year.		
24.	The school board should consider enhancing its custodial staffing model by including additional factors such as the use of portable classrooms and facilities with the view to further streamlining custodial staffing. Management should also consider placing employees on modified work schedules. As a starting point, the school board should consider conducting a comparison of its staff allocation model with other school boards.	No	
25.	Management should ensure implementation of a web based computerized maintenance system which would enable management, among other functions, to automatically generate track and log facility work orders. The school board should also maintain accurate and up- to-date Information within the ReCAPP database.	No	
26.	The school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	Yes	TAO
27.	Management should track energy consumption/expenditure data at the facility level. The tracking and analysis of energy consumption data provided by its utility companies will enable management to better track and monitor energy consumption patterns by facility. It will also contribute to further development of the energy management plan and enable formal annual reporting on the conservation savings.	Yes	TAO
28.	Management should consider obtaining consolidated billing for all school board facilities from each utility.	No	
29.	Management should maintain accurate up-to-date data within the ReCAPP database to support capital planning.	No	
30.	Management should establish cost-effective practices in the design and construction of facilities including cost-effective designs, standard footprints, and energy conservation.	No	
31.	As part of establishing standard policy and procedures to rationalize construction projects, the school board should consider construction costs and design standards adopted by other school boards.	Yes	ROI
32.	Management should establish a project management process, to monitor and control construction projects and their costs.	Yes	AR
33.	Management should maintain an approved list of contractors, architects, and related professionals. The list should be evaluated and updated in five-year cycles.	No	