

**Ministry of Education**

**Waterloo Catholic 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 Waterloo Catholic District School Board Operational Review follow-up review took place on June 25<sup>th</sup> 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 made significant progress in implementing the majority of the recommendations since the completion of its review in June 2008. Of particular note are the steps taken to move towards a comprehensive attendance management program.

The Board has approved the purchase and implementation of attendance data management software, and hired an additional staff member to focus on attendance management issues. Other notable progress include a realignment of the roles and responsibilities within Business Services and Facility Services departments.

Following the operational review report, management presented the report to the Board of Trustees. The recommendations from the report were also posted on the website.

There were 15 recommendations made in the original report. The Operational Review team focused on eight of the recommendations in the follow-up review. Five of the recommendations were from the seven areas of opportunity identified across the sector in the 2008 sector report, and three concern specific areas of risks. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made some progress on nearly all of the recommendations chosen for follow-up. In the case of the recommendation to implement a multi-year maintenance and renewal plan, management indicated that it will start implementation as soon as details of the recent energy grant announcement are received.

There were no recommendations which senior administration has chosen not to accept and implement.

### 3. Governance and School Board Administration

#### #1 Restructuring of Roles and Responsibilities

Operational Review Recommendation	Implementation Update
The director should proceed with restructuring of responsibilities of the facilities department at the appropriate time.	Implemented

#### #1 Restructuring of Roles and Responsibilities

The Board has fully implemented the recommendation to proceed with restructuring the responsibilities of the facilities department.

In particular, Facility Services was assigned to the portfolio of the Superintendent of Business and Financial Services effective August 1, 2009. The Superintendent of Business, the Superintendent of Human Resources and Facility Services and the Senior Manager of Facility Services have developed and are implementing a transition plan that has included joint development of the 2009-2010 Facility Services budget. The transition and handover of responsibilities will be complete by August 1, 2009.

When implemented the areas reporting to the Superintendent of Business will include all facility and capital functions.

Management anticipates that the restructuring will lead to improved transparency and coordinated decision-making and planning as it relates to both capital and renewal revenue.

## 4. Human Resource Management and School Staffing/Allocations

### #1 Organization Roles and Responsibilities

Operational Review Recommendation	Implementation Update
HR should review current roles and responsibilities in concert with the respective departments, to determine who should be responsible for critical functions relating to staff allocation, budgeting and monitoring and other corporate data management functions.	Implemented

### #2 Attendance Management

Operational Review Recommendation	Implementation Update
Management should continue to compile timely attendance data to establish a performance baseline for absenteeism. This will enable the Board to devise strategies to improve attendance management and reduce absenteeism costs.	In Progress

### #1 Organization Roles and Responsibilities

In response to the operational review, the HR department has undergone a significant realignment of responsibilities in an effort to clarify the department's roles and responsibilities, including the following:

- Budget development process for 2009-2010, was transferred to Business Services.
- Elementary enrolment reports and small classroom size report transferred to Academic Superintendent for 2009.
- One person dedicated to analyzing and monitoring the Benefits Budgets and programs effective September 2008.
- Semi annual benefit billing process has moved to Business Services effective January 2009.
- Retirement gratuity letters and payment transferred to Business Services effective January 2009.
- Assessment and Admissions Officer position aligned with Business Services effective September 2010.

- Benefit premium renewals and contract process being moved to Business Services effective September 2009.

Management indicated that the movement of these responsibilities will align business operations with the Business Department which will ensure a clear division of responsibilities, alignment with the business function of the Board and ensure that revenue and expenditures are aligned Board wide.

## **#2 Attendance Management**

Management reported significant progress in implementing a formal attendance management program.

The school board requested the services of an outside consultant to assist the school board to implement an attendance management. Sick leave data for the 2007-2008 school year was gathered and sent to the consultant for analysis. The results have not been made available yet at the point of the follow-up.

The school board has also signed a licensing agreement with an attendance data tracking software company to utilize their product to track incident reports, WSIB absences and other records of absence. This software will feed the data directly to the outside consultant for annual analysis. The startup date for the software is September 2009.

Furthermore, the HR department added an additional staff member to the department per the recommendations of the outside consultant to focus on Total Absence Management. This was implemented in October 2008.

Finally, internal transfers and promotions to PASS employee group are screened for patterns of chronic absenteeism practices.

Management indicated that these initiatives will assist the school board in gaining a greater understanding of the school board's absenteeism patterns which in turn will allow for more accurate cost predictions and monitoring reports. Management's ultimate goal is to reduce absenteeism and its related costs to the school board.

## 5. Financial Management

### #1 Interim Financial Reporting

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

### #2 Audit Committee

Operational Review Recommendation	Implementation Update
The Board should consider establishing a standalone audit committee. Management and the Board should also consider expanding the membership of the audit committee to include external members as advisors who would contribute to the committee's accountability.	In Progress

### #3 Capital Liquidity

Operational Review Recommendation	Implementation Update
Senior board staff, especially senior finance staff, should continue to place top priority on a plan to resolve capital debt obligations. The Board should not proceed with any new capital projects until the existing funding support for its debt obligations is resolved.	Implemented

### #1 Interim Financial Reporting

This recommendation was implemented as of March 2009. Management undertook an extensive study on interim financial reporting within the board, at other boards and also looked at sector specific standards. New reports with the amended format were drafted and circulated for comment. The new reports with modifications were adopted and are now in use. They are presented to the board on a quarterly basis.

The Senior Business Official is also a member of the Ministry's Interim Financial Reporting Committee. Any recommendations coming out of that group will be reviewed and adopted as necessary.

Management reported that Trustees find reports are now understandable and are useful.

## **#2 Audit Committee**

The school board has adopted the recommendation and has struck an official audit committee. During the committee's first year of operation, the full Board of Trustees will act as a committee-as-the-whole. In the upcoming school year, the committee will become a stand-alone committee with the membership narrowed down to three trustees plus community members.

The terms of reference and mandate for the committee has been approved and signed by the Board of Trustees. An advertisement for three community members was approved by the committee to be released. The plan is to have the community members terms begin their terms in September 2009.

The resources for the audit committee include the Director of Education, Superintendent of Business and the Internal Audit Officer.

Furthermore, management indicated that the school board's audit plan for the current year and next year have been approved for the internal auditor.

In terms of benefits, management reported that this recommendation has led to an increased system awareness of the internal auditor and external auditor roles. Management also indicated that benefits will be realized in coming years once the committee is more operational and community members have been named.

## **#3 Capital Liquidity**

Since the operational review, management has completed the Ministry's Capital Liquidity Template and the Ministry has approved the template. The completed template has provided sufficient information for Management and the Ministry to jointly agree on a debt reduction strategy.

In addition, management has followed the recommendation not to embark on any new capital projects until previous funding support for debt obligations were resolved. Management indicated that all new projects subsequent to the operational review will be approved by the Ministry prior to embarking on them.

Management reported that these measures have helped the school board attain more certainty around funding for capital transactions.

## 6. School Operations and Facilities Management

### #1 Multi-Year Maintenance and Renewal Plan

Operational Review Recommendation	Implementation Update
Management should consider expanding its annual maintenance and renewal plan to a multi-year format. The plan should include an analysis of the funding available to support the plan. This would provide a clear forecast of the Board's critical needs over the next several years.	Not Implemented

### #2 Energy Management Plan

Operational Review Recommendation	Implementation Update
Management should proceed with the development of the energy management plan, and consider expanding it to a multi-year plan. The plan would reflect any significant initiatives (including EcoSchools if adopted) and should incorporate performance measures to demonstrate the results of conservation initiatives. Management should assess the need for a dedicated staff resource to manage this important area.	In Progress

### #1 Multi-Year Maintenance and Renewal Plan

Management indicated that it supports the recommendation to expand its annual maintenance and renewal plan to a multi-year format, and to include an analysis of the funding available to the plan.

Due to the recent energy grant announcement the facilities department is rebuilding the school board's forecast of renewal work. At this time no forecast is available for review.

Management anticipates that as the Board works through its renewal forecast in response to the energy grant announcement, it will be better positioned to fully implement the recommendation.

### #2 Energy Management

Management has completed a detailed audit of the school board's energy use, which includes an evaluation of the trend for the past three years. This work, which includes a facility-level utility data audit and the development of an energy conservation plan, has led management to identify poor performing schools. Internal "walk through" audits were scheduled to begin July 13, 2009.

Management indicated that the implementation date is planned for January 2010. Management believes that the starting point to energy conservation is understanding how energy is being used and how fast.

## 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

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. For example, it has produced has a multi-year strategic plan, a copy of which was provided during the original operational review. Management has also established policies and procedures for all functions, including a process to ensure that these policies are up-to-date and relevant.

One area of focus is around succession planning for senior administrative staff. The school board does not currently have a formal staff succession plan. Management indicated that they would appreciate support from the sector to help them improve 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.	In progress

New Leading Practice	Adopted?
Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes.	Yes
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes

As mentioned earlier in the report, the school board has made significant progress in gradually introducing a formal attendance management program.

As originally reported in the operational review, the school board has appropriate systems in place to track an approved level of staff by HR and Finance.

## 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 school board has accepted the recommendation to consider inviting external members as advisors to serve on the audit committee.

## 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
1.	The director should proceed with restructuring of responsibilities of the facilities department at the appropriate time.	Y	AR1

### HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	HR should review current roles and responsibilities in concert with the respective departments, to determine who should be responsible for critical functions relating to staff allocation, budgeting and monitoring and other corporate data management functions.	Y	AR1
3.	Management should continue to compile timely attendance data to establish a performance baseline for absenteeism. This will enable the Board to devise strategies to improve attendance management and reduce absenteeism costs.	Y	SAO
4.	Management should continue to expand the current employee appraisal system to all staff. The Board should consider developing	N	

Ref.	Recommendation	Follow-up Yes/No	Criteria
	a policy governing the appraisal system to complement the procedures that will eventually be developed. A periodic report summarizing the status of the process and the timelines for completion would inform senior administration as HR proceeds.		

## Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
5.	Management should consider providing an expanded level of interim financial reporting, as in the format suggested in section 4.3 of this report. This would improve understanding of the year-to-date results.	Y	SAO
6.	As the role of the internal auditor matures, it would be more appropriate for the internal auditor to formally report to the Board's audit committee.	N	
7.	The Board should consider establishing a standalone audit committee. Management and the Board should also consider expanding the membership of the audit committee to include external members as advisors who would contribute to the committee's accountability.	Y	SAO
8.	Management should develop an investment policy that complies with the Education Act.	N	
9.	Senior board staff, especially senior finance staff, should continue to place top priority on a plan to resolve capital debt obligations. The Board should not proceed with any new capital projects until the existing funding support for its debt obligations is resolved.	Y	AR3
10.	The Board should proceed with its plans to identify and conduct a return on investment analysis for an electronic registration and payment system for the continuing education and facilities rental programs. In doing so, management should review existing electronic solutions at several other school boards.	N	

## School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
11.	Management should complete plans to establish consistent maintenance standards, particularly for major equipment, for all facilities within the Board. Management should ensure that results are measured, monitored and reported on annually.	N	
12.	Management should consider expanding its annual maintenance and renewal plan to a multi-year format. The plan should include an analysis of the funding available to support the plan. This would provide a clear forecast of the Board's critical needs over the next several years.	Y	SAO
13.	Management should dedicate resources to ensure that the data contained in the Board's ReCAPP database is continuously updated, for more effective maintenance and renewal planning.	N	
14.	Management should proceed with the development of the energy management plan, and consider expanding it to a multi-year plan. The plan would reflect any significant initiatives (including EcoSchools if adopted) and should incorporate performance measures to demonstrate the results of conservation initiatives. Management should assess the need for a dedicated staff resource to manage this important area.	Y	SAO
15.	The facility services department should complete their planned digital drawing conversion project. This will ensure that the Board has accurate digital floor and site plans for each facility.	N	