

Ministry of Education

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

October 2012

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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 will also provide school boards with an opportunity to communicate to the Ministry their thoughts on the process, benefits that have been derived, and areas where some adjustments to the process would be beneficial.

As the recommendations vary between school boards, both in terms of quantity and scope, the following criteria were developed to help focus the review team, and the school board, on specific recommendations:

- Is the recommendation linked to the 12 Areas of Opportunity identified in the 2008 Sector Summary Report (seven) and the 2009 Sector Summary Report (five)?
- Does the recommendation represent a move toward more Strategic Planning on the part of Boards?
- The departments that are responsible for the business functions perform significant activities in support of Student Success. The update should profile whether or not the school board is establishing links between the academic and non-academic functions through its strategic goals and priorities.
- Does the recommendation represent an area of potential risk to the board?
- As an example, financial systems that are antiquated and require staff with very specialized knowledge could potentially disrupt the operations of the school board should those business skills be lost.
- Is the recommendation deemed to have positive Return on Investment?

- For example, implementation of an attendance management system may have greater potential for savings to the school board than introducing an electronic funds transfer system.
- Does the recommendation reflect updates to the Leading Practices?

For each of the selected recommendations, the school board was asked to provide the following information to the Operational Review team:

- Description of action(s) taken/not taken by the board to address recommendation(s).
- Supporting documentation
- If implemented, describe benefits derived, if possible, and date of implementation.

Details of the prioritization of the recommendations can be found in Appendix A of this report.

2. Status and Implementation Update

Introduction

The York Region District School Board (YRDSB) Operational Review follow-up review took place on June 18, 2012, approximately 13 months after the release of the initial Operational Review Report. The PricewaterhouseCoopers Operational Review team conducted a teleconference with senior administrators of the school board. In advance of the teleconference, the PricewaterhouseCoopers team selected several key recommendations from the Operational Review Report and asked the school board to provide an implementation status along with any related supporting material.

Summary of Recommendation Status

The school board has made progress in implementing the recommendations since the completion of its original Operational Review in July 2011. Of particular note are the steps taken to strengthen the school board's annual operating planning capabilities, the performance appraisal process for all employees, and the multi-year energy management plan.

There were 18 recommendations made in the original report. The Operational Review team focused on 9 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 Operational Review sector reports as well as those that were of specific risk to the York Region District School Board. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has implemented or has made progress on many of the recommendations chosen for follow-up.

3. Governance and School Board Administration

1. Annual Operating Plan

Operational Review Recommendation	Implementation Update
Building on its experience in the development of annual operating plans, the school board should continue to finalize its annual operating plan. The annual operating plan should be aligned with the school board's multi-year plan and incorporate both academic and non-academic departments.	Implemented

1 Annual Operating Plan

At the time of the Operational Review, the Board of Trustees (the Board) was in the process of developing its multi-year strategic plan. As such, the school board had not developed an annual operating plan which would be aligned with the strategic plan and incorporated both academic and non-academic departments. Since then, the Board's multi-year strategic plan had been completed, and an annual operating plan has been developed to align with the multi-year strategic plan.

The Director of Education has approved the annual operating plan developed for the school board's key functional areas. Each operating plan describes the key operational initiatives for the current year, what actions need to be carried and how success will be measured. At the end of each year, the Board will be able to evaluate what is needed to keep moving in the right direction with the multi-year strategic plan as the guide. The operating plan aligns with the Board's multi-year strategic plan, incorporates both academic and non-academic departments, and contains goals that are specific, measurable, achievable, relevant and timely.

4. Human Resource Management and School Staffing/Allocations

1. Recruitment

Operational Review Recommendation	Implementation Update
The Director of Education should review hiring policies and procedures to clarify the role of trustees and school board staff in hiring of superintendents. In line with Bill 177, trustees should provide strategic policies to govern staffing and recruitment and should not sit on hiring or selection panels, with the exception of hiring the Director of Education.	Not Implemented

2. Performance Appraisal

Operational Review Recommendation	Implementation Update
HR management should continue <i>developing</i> formal employee evaluation/performance policies and procedures for all staff groups.	Implemented

3. Attendance Support

Operational Review Recommendation	Implementation Update
Management should report on the effectiveness of the attendance support process/programs periodically to the Board.	In Progress

1. Recruitment

The school board has a historical practice of including trustees on the hiring panels in the recruitment of many levels of school staff.

After the Operational Review was completed, the school board reviewed its recruitment and hiring processes with the intention of clarifying the roles of trustees and school board staff. After reviewing the existing processes and referencing relevant policies, the Board decided that no changes in policies and procedures were necessary.

As a result, trustees continue to sit on hiring panels of school staff beyond the hiring of the Director of Education. Due to the large size and diversity of the applicant demographics, the school board maintains a regular pool of potential candidates for consideration. A selection committee for superintendents, which is comprised of the Director, three Associate Directors, and three Trustees, is responsible for naming the pool of eligible candidates for superintendent positions. The selection committee is involved with interviewing candidates and making a selection from the eligible pool of

candidates. The actual appointment of a superintendant is the sole responsibility of the Director of Education. The Board receives the appointment as information only.

2. Performance Appraisal

The school board has fully implemented the recommendation to establish a formal performance appraisal system for all employees. Each employee is now subject to a cyclical performance appraisal process. All processes are fully documented and available for reference. The school board ensures that staff received appropriate communication about the purpose and objectives of the performance appraisal program.

3. Attendance Support

The school board has implemented an attendance support program. The school board administration tracks key attendance support metrics including attendance rates by staff category, and is able to monitor the effectiveness of the attendance support program over time. Senior administration receives regular reports on attendance issues. Trustees are aware of attendance matters and attendance rates, but do not receive formal reports from management regarding the effectiveness of the school board's attendance management programs.

Senior administration intends to provide the Board of Trustees with updates on the attendance support metrics in the near future and is encouraged to do so. This will help the Board understand any board-wide attendance issues and success or opportunities of improvement for the program.

5. Financial Management

1. Budget Risk Management

Operational Review Recommendation	Implementation Update
Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.	In Progress

2. Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Management should take into account the recommendations made by the Interim Financial Reporting Committee (IFRC) on the format and frequency of interim financial reporting to the Board. Management should discuss with trustees how the existing format of interim financial reports can be enhanced to align with IFRC recommendations.	Not Implemented

3. Purchasing Policy

Operational Review Recommendation	Implementation Update
In order to align the school board's purchasing policy and procedures with the Supply Chain Guideline and BPS Procurement Directive, management should include a statement outlining circumstances under which the school board will use competitive versus non-competitive procurement methods and should include detailed thresholds for competitive purchasing in the revised policy and procedures.	Implemented

1. Budget Risk Management

The Finance Department has continued to provide senior administration and the Board with timely updates on risks that may impact the school board's budget. Senior administration pointed out that the Board has traditionally been able to achieve balanced budgets with a low risk of deficit. Budget risks are verbally identified and discussed with the Board regularly and on a timely basis.

At this point, the school board has not created a formal budget risk assessment report in the format that was suggested in the Operational Review.

The school board is encouraged to formally implement this recommendation as it will provide trustees and other stakeholders with a better understanding of the nature and impacts of any budget risks and what mitigation strategies could be put in place.

2. Interim Financial Reporting

The Finance Department has reviewed the recommendations of the Interim Financial Reporting Committee (IFRC) and initiated discussions with the Board regarding how to improve the content and format of the interim financial reports. After consulting with the Board Chair and the Audit Committee, the finance department concluded that there are no concerns with the current format and no change in reporting content is therefore required. In particular, the recommendation to highlight enrolment projection variances as part of the interim financial report was deemed unnecessary.

The school board should still continue to consider using the recommended IFRC reporting format in the future which would provide trustees with financial information that they should be aware of. The IFRC templates have been used across the province as a way to continuously improve transparency and accountability to stakeholders.

3. Purchasing Policy

The Board's updated purchasing policy is compliant with the Supply Chain Guideline and BPS Procurement Directive. The revised policy and procedures includes a section outlining circumstances under which the school board will use competitive versus non-competitive procurement methods.

When supplies and services that are acquired on behalf of the school board are expected to exceed specific estimated dollar thresholds, a competitive bid process is to be followed. The purchasing supervisor will issue the competitive bid document on behalf of the school or department, who will provide the written details of the purchase request.

6. School Operations and Facilities Management

1. Multi-Year Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, the energy management plan should include the Plant Services department's relevant policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with the department's milestones, roles, responsibilities and budgets with a process for ensuring community support.	Implemented

2. Facility Partnership Policy

Operational Review Recommendation	Implementation Update
The school board should finalize the establishment of the Facility Partnership Policy.	Implemented

1. Multi-year Energy Management Plan

The Plant Services Department submitted a formal Energy and Environmental Services Report to the Board on January 10, 2011. The report provided trustees and supervisory officers with a summary of the Energy and Environmental Service's major projects and achievements identified and implemented during the 2009-10 school year. The report includes specific measurable metrics on consumption and expenditures for major utility categories.

The Plant Services department intends to continue providing detailed annual reports to share with the school board and its stakeholders to identify current Energy and Environmental Services initiatives, activities, and research, in addition to raising awareness of the rationale behind project identification and selection. In line with the upcoming requirements of the Green Energy Act, the department should rename or formalize their current report into an Energy Conservation and Demand Management Plan in the near future.

2. Facility Partnership Policy

The Board approved policy No. 422: "Encouraging Facility Partnerships" in January 2011. The policy states that the Board "endorses and encourages facility partnerships with eligible partners that meet the Board's partnership criteria, in both new and existing

schools, with the intent of improving services available to students, strengthening the relationships between the Board and the public, maximizing the use of public infrastructure, and providing a foundation for improved service delivery for communities through stronger links among programs and services.”

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)

Governance and School Board Administration

No.	Recommendation	Follow-up Yes/No	Criteria
1.	Building on its experience in the development of annual operating plans, the school board should continue to finalize its annual operating plan. The annual operating plan should be aligned with the school board’s multi-year plan and incorporate both academic and non-academic departments.	Yes	SP
2.	The school board should post its organizational chart on the school board’s website.	No	
3.	The school board should develop and communicate a formal succession plan for key management positions to ensure business continuity.	No	

Human Resources Management and School Staffing/Allocation

No.	Recommendation	Follow-up Yes/No	Criteria
4.	The Director of Education should review hiring policies and procedures to clarify the role of trustees and school board staff in hiring of superintendents. In line with Bill 177, trustees should provide strategic policies to govern staffing	Yes	TAO

No.	Recommendation	Follow-up Yes/No	Criteria
	and recruitment and should not sit on hiring or selection panels, with the exception of hiring the Director of Education.		
5.	HR management should continue developing formal employee evaluation/performance policies and procedures for all staff groups.	Yes	TAO
6.	Management should report on the effectiveness of the attendance support process/programs periodically to the Board.	Yes	ROI
7.	Management should conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider establishing formal procedures for conducting exit interviews.	No	
8.	Management should periodically report on the actual allocation of staff, compared to the original approved allocation plan and budget including reports on FTEs by function, department and program, and actual versus budget. Management should consider the format for reporting on actual staff allocation recommended by the Interim Financial Reporting Committee (IFRC).	No	

Financial Management

No.	Recommendation	Follow-up Yes/No	Criteria
9.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.	Yes	TAO
10.	Management should take into account the recommendations made by the Interim Financial Reporting Committee (IFRC) on the format and frequency of interim financial reporting to the Board. Management should discuss with trustees how the existing format of interim financial reports can be enhanced to align with IFRC recommendations.	Yes	TAO
11.	The school board should establish a formal investment policy and procedures. Management should periodically	No	

No.	Recommendation	Follow-up Yes/No	Criteria
	report to the Board on the performance of the investment activity in accordance with the investment policy.		
12.	In order to align the school board's purchasing policy and procedures with the Supply Chain Guideline and BPS Procurement Directive, management should include a statement outlining circumstances under which the school board will use competitive versus non- competitive procurement methods and should include detailed thresholds for competitive purchasing in the revised policy and procedures.	Yes	TAO
13.	Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.	No	

School Operations and Facilities Management

No.	Recommendation	Follow-up Yes/No	Criteria
14.	The school board should formalize the green clean initiatives in a formal green clean program aligned with the components identified in the Ministry's Green Clean Program Resource Guide.	No	
15.	The school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, the energy management plan should include the Plant Services department's relevant policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with the department's milestones, roles, responsibilities and budgets with a process for ensuring community support.	Yes	TAO
16.	Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures.	No	
17.	Once a formal energy management plan is in place, management should provide formal annual reporting on	No	

No.	Recommendation	Follow-up Yes/No	Criteria
	the conservation savings achieved against the multi-year energy management plan.		
18.	The school board should finalize the establishment of the Facility Partnership Policy.	Yes	TAO