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2009: SB 26

MEMORANDUM TO: Directors of Education

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: July 6, 2009

SUBJECT: **2008-09 Operational Review Update**

In follow up to memorandum 2008: SB 32, dated November 4, 2008, I am pleased to provide you with an update on the Operational Review initiative and the direction the Ministry will take over the coming year.

As you are aware, Operational Reviews are providing opportunities for the Ministry and school boards to work together to build management capacity, ensure efficient stewardship of resources, share best practices and identify ways for continuous improvement. The reviews are focused on board operations in four functional areas: governance and school board administration; human resource management and school staffing/allocation; financial management; school operations and facilities management.

As we conclude Wave III, I would like to take this opportunity to thank the boards who were reviewed in 2008-09; their professionalism and commitment to this process ensured that the reviews provided value to their organizations and will be useful as they continue work towards improving student success.

PROGRESS

During the course of 2008-09, the Ministry completed Operational Reviews of 16 school boards, and this included reviews of 6 French-Language School Boards. This builds on the 14 school boards that were reviewed in 2007-08, and brings the total number of reviewed boards to 30. As has been our experience in the past, the reviews found that there was generally significant adoption of the leading practices by boards, although the level and nature of leading practice adoption varied across the sector. Detailed reports from all reviewed sites will be available online at <http://sbsb.edu.gov.on.ca/> by the end of the summer. The findings from the 2008-09 reviews will also be summarized in the 2008-09 Sector Summary Report, which will be released in September 2009.

As per my communication to the sector on May 27, 2009, the Ministry has begun the process of conducting follow-up reviews of boards. Over the course of the summer, the Operational Review Team will complete follow-up reviews of 14 school boards, and the

details and findings of these reviews will be summarized in the 2008-09 Sector Summary Report. To reiterate what was communicated to the sector in May, the purpose of the follow-up reviews is:

- To clarify what action has occurred within the school board, in response to the recommendations contained in the Operational Review report;
- To identify areas where additional Ministry support is needed to enhance the capacity of school boards to adopt the leading practices; and,
- To provide the Ministry with valuable feedback on the process, and help inform future policy decisions relative to the Operational Reviews.

In an effort to reduce the amount of additional work that this process may create, the review team has established a set of criteria through which a board's recommendations will be filtered for follow-up. While this does not reduce the importance or relevance of the recommendations included in the report, it does allow the team to focus on those recommendations which are most pertinent to school board operations. The criteria the review team is using to filter recommendations for follow-up are:

- 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;
 - o 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;
 - o 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;
 - o 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.

This last point recognizes the fact that the Leading Practices were updated following Wave I and II, and will be updated further to reflect policy changes and the experiences of the review team in 2008-09.

It is our intention that these follow-up reviews will continue into the fall of 2009, and boards can expect to be contacted regarding their follow-up review approximately one year after their Operational Review debrief. As with the Operational Reviews, reports from the follow-up reviews will be posted to the School Business Support Branch website once they are complete.

SECTOR SUMMARY REPORT FOR 2008-09

In September 2008 the Ministry released a Sector Summary Report which highlighted the findings from the first 14 reviews. This report provided examples of boards who had demonstrated significant adoption of the leading practices, as well as 7 areas of opportunity that were consistent across the sector. Since then, the Ministry, in cooperation with the sector, has made progress on a number of the identified areas.

While the 2008-09 Sector Summary Report will include a more detailed summary of progress made to date, some of the highlights from the past year include:

- Release of the School Board Governance Report in April 2009 which addresses, among other items, the development of strategic plans for Ontario School Boards;
- The completion of an attendance management study by Deloitte LLP. This report was completed in January 2009 and is available on the School Business Support Branch (SBSB) website;
- The establishment of an Interim Financial Reporting Committee. The mandate of this committee was to develop a common reporting template for the sector and to recommend an interim financial reporting schedule. This project is nearing completion, and the report and template will be available on the SBSB website in the fall;
- The announcement, as part of the 2009-10 GSN, that the government will be providing an additional \$5M in funding to support the enhancement of internal audit functions across the sector; and,
- The release of the Supply Chain Guidelines in April 2009 which, among other things, are intended to increase the capacity for all school boards to undertake strategic sourcing, e-enabling procurement processes and strengthen procurement guidelines and policies across the sector.

OPERATIONAL REVIEW SCHEDULE FOR 2009-10

As we complete another successful school year, our focus shifts towards 2009-10 and the schedule of Operational Reviews to be completed. Over the past two years the Operational Review team has gained valuable experience which has helped us to refine our practice, and in 2009-10 the Ministry plans to conduct 30 Operational Reviews; this includes Operational Reviews of the remaining 6 French-Language School Boards. The on-site work will begin in September and will continue until all debriefs have been completed in June 2010.

The school boards that have been identified for review in 2009-10, as well as the planned date for their review, are attached in Appendix A.

PROCESS ENHANCEMENTS FOR 2009-10

Over the course of the summer, the Operational Review team will be working to make enhancements to the tools and processes used for the Operational Reviews. Below is a summary of the work that is currently underway:

- As was the case after Waves I and II of the Operational Reviews, the review

team will be making some enhancements to the *Operational Review Guide*. Although the overall design of the guide will remain unchanged, it is anticipated that it will include modest revisions to the leading practices based on the direction set out in the Governance Review Report and the Supply Chain Guidelines, as an example. Enhancements will also be made based on the observations and findings of Wave III.

- In recognition of the fact that the Operational Reviews require significant up-front work on behalf of school board staff, the review team will be re-visiting the information request that is sent to boards prior to the Operational Review. It is our intention that by narrowing the focus of the data request, this will reduce the amount of time required by staff to complete the task and will increase the efficiency of the analysis conducted by the review team.

Prior to the release of these documents, the Ministry will be consulting with the Operational Review Advisory Committee, which includes representation from the Council of Senior Business Officials (COSBO) and the Council of Ontario Directors of Education (CODE), as well as staff from the Ministry's Internal Audit branch. A similar discussion will be sought with the Operational Review Reference Group whose representation includes the four trustee associations. This will ensure that our revised products continue to provide value for the sector as a whole, while supporting the overall objectives of the Operational Review process.

Should you have any questions regarding the Operational Review process, please contact either Bill Coleman at 416-212-3180 (Bill.Coleman@ontario.ca) or Nick Landry at 416-325-2719 (Nicholas.Landry@ontario.ca).

Thank you and I look forward to continuing to work with you on this important initiative.



Cheri Hayward
Director
School Business Support Branch

cc: Senior Business Officials
Review Teams

Appendix A

Boards Scheduled for Review in 2009-10

<i>Board</i>	<i>Review Date (Week of)</i>
CSDC des Grandes Rivières	September 7, 2009
Keewatin-Patricia DSB	September 14, 2009
Thunder Bay Catholic DSB	September 14, 2009
CSD du Centre Sud-Ouest	September 21, 2009
Bluewater DSB	October 5, 2009
Bruce-Grey Catholic DSB	October 5, 2009
CSDC de l'Est Ontarien	October 5, 2009
CSDC du Centre-Sud	October 19, 2009
Wellington Catholic DSB	October 26, 2009
Greater Essex County DSB	October 26, 2009
CSD des écoles catholiques du Sud-Ouest	November 2, 2009
Halton Catholic DSB	November 16, 2009
Hamilton-Wentworth Catholic DSB	November 16, 2009
CSDC du Centre-Est de l'Ontario	November 16, 2009
Dufferin-Peel Catholic DSB	December 7, 2009
Peel DSB	December 7, 2009
Upper Grand DSB	January 11, 2010
DSB of Niagara	January 11, 2010
Catholic DSB of Eastern Ontario	February 1, 2010
Hastings and Prince Edward DSB	February 1, 2010
Niagara Catholic DSB	February 22, 2010
St. Clair Catholic DSB	February 22, 2010
Algonquin and Lakeshore Catholic DSB	March 15, 2010
Huron-Perth Catholic DSB	March 15, 2010
Northeastern Catholic DSB	April 5, 2010
DSB Ontario North East	April 5, 2010
Upper Canada DSB	April 26, 2010
Superior North Catholic	April 26, 2010
Nipissing-Parry Sound Catholic DSB	May 17, 2010
Kenora Catholic DSB	May 17, 2010