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2010: SB 43

MEMORANDUM TO: Directors of Education

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: September 16, 2010

SUBJECT: **2010-11 Operational Review Update**

Operational Reviews continue to provide school boards with opportunities to build management capacity, ensure efficient stewardship of resources, share best practices and identify ways for continuous improvement.

As we wrap up Wave IV, I would like to take this opportunity to thank the school boards that we reviewed in 2009-10. With 31 field visits, this was our busiest year to date. We greatly appreciated the support we received from boards as their commitment to this process ensured the reviews provided value as they continue to work towards improving student achievement.

In April in SB Memo 21, I shared our plans for the 2010-11 Operational Reviews and the direction the Ministry is taking over the coming year. I am pleased to provide you with a further update.

Our Progress

Our focus for Wave V will be to visit the remaining 11 school boards (see Appendix A), which will bring the total number of completed Operational Reviews to 72 boards.

Wave V will also include 38 follow-up reviews. The purpose of the follow-up review is to clarify what action has been taken in response to the recommendations outlined in the initial Operational Review report. School boards can expect to be contacted regarding their follow-up review approximately 12 to 18 months after the release of the Operational Review final report (see Appendix B). As with the Operational Reviews, reports from the follow-up reviews are posted on the School Business Support Branch website once they are completed and translated.

Key Findings Based on the 2009-10 Operational Reviews

At the conclusion of previous Waves of the Operational Reviews, we have released a sector summary report. The *Summary Reports of School Board Operational Reviews for 2007-08 and 2008-09* detail key findings based on the four functional areas reviewed, identify common areas of improvement across the sector and emerging improvement opportunities. Both of the summary reports continue to be relevant today and are consistent with the findings from the 2009-10 reviews. Instead of releasing another sector report at this time, we have decided to highlight a few key findings from 2009-10 below and focus on the development of a final report, which will reflect on the progress made as a result of this and other related initiatives.

In 2009-10, the review teams noted that there continues to be significant progress being made on the improvement opportunities identified in both sector reports. I have highlighted four of those areas below:

(1) Strategic Planning and Annual Operating Plans

This area of opportunity was identified in our first sector summary report. By the time we issued our second summary report, we noted that many senior management teams had contacted other school boards to identify current practices regarding the establishment of strategic directions and the development of annual operating plans.

School boards that made early progress in strategic planning are well-positioned to establish a multi-year plan as required by the *Student Achievement and School Board Governance Act* (Bill 177) that came into force on December 15, 2009. This requirement ensures that school board multi-year plans will have the following goals:

- promote student achievement and well-being
- ensure effective stewardship of board's resources
- deliver effective and appropriate education programs to students

While school boards continue to make strategic planning a priority, many have not yet developed annual operating plans and departmental plans. A school board's annual operating plan, covering all academic and non-academic departments, provides the basis for an understanding of the current year goals/priorities driving the annual budget development and reporting process.

A sound and complete planning process should include all three levels of planning:

- strategic planning to provide a framework for all subsequent planning and resource allocation
- annual operating plans to outline the current year goals/priorities
- departmental plans to ensure that specific functional areas undergo a planning process to determine staff priorities and how to align these goals with the school board's overall operating plan and the framework established through the strategic plan.

(2) Attendance Support Programs

This was another improvement opportunity that was first identified in 2007-08. In our second summary report, it was noted that school boards have been highly supportive of the group of recommendations in this area, and most have begun taking steps to implement them. This finding is consistent with the observations made during the reviews that took place last year.

Many school boards are aware of the resource released by the *Ontario Association of School Business Officials Report on Leading Practices in Attendance Support for Ontario School Boards*. The review teams have noted that despite the willingness of school boards to move towards adoption of this leading practice, the implementation of an Attendance Support Program requires a focused and long-term approach. Some school boards are at the initial stage of discussing the intentions of this type of program with their stakeholders. In other cases, school boards are further along and have begun the process of developing related policy, guidelines and processes to support an overall program focused on improving employee attendance and well-being. Despite the incremental and deliberate progress in this area, continued focus on attendance support should remain a priority across the sector, especially given the high costs associated with absenteeism.

(3) Procurement

Procurement was recognized as both an improvement opportunity and an emerging area in the sector reports. School boards are operating in a business environment with increasing scrutiny of procurement practices. The master Transfer Payment Agreement between the Ministry and school boards (updated June 1, 2009) states that all school boards should continue to comply with all requirements in policies, directives and guidelines of the Government of Ontario. This requirement includes the Supply Chain Guideline.

By March 31, 2010 school boards were expected to have aligned their code of ethics and procurement policies with the OntarioBuys' Supply Chain Guideline Version 1.0. We are very pleased with the progress that many school boards have already made. The review teams found that while many school boards had procurement policies and procedures in place, the requirement to comply with the Supply Chain Guideline has helped boards revisit and strengthen their policies and procedures in this area.

(4) Energy Management

Energy management was first identified as an improvement opportunity in 2007-08. The summary report noted that school boards have implemented numerous energy management initiatives. These initiatives typically include upgrading lighting/boiler/HVAC equipment, or the installation of remote control systems for temperature control. While a few boards have started to consider implementing formal multi-year energy management plans, relatively few have done so. This is typically due to the lack of sophisticated systems to collect and analyze detailed energy consumption data at a facility-level, and to establish baseline data with consideration for external factors. These findings are consistent with the review teams' observations during the 2009-10 Operational Review field visits.

We recognize that the Utility Consumption Database, currently being developed for all school boards, will be a very valuable tool to align with the anticipated compliance reporting under the *Green Energy Act*.

We look forward to providing more information on these and other findings in our final Operational Review report.

Operational Review Guide Updates

Each year, we review the *Operational Review Guide for District School Boards* to ensure our leading practices reflect policy changes and new directives.

The most significant changes in our new edition of the Guide were made as result of the introduction of the *Student Achievement and School Board Governance Act* (Bill 177). The changes to the Governance and School Board Administration and Human Resources sections of the Guide are now aligned and consistent with Bill 177. The review teams noted from the field visits conducted last year that there was already a significant shift in the sector in terms of understanding roles and responsibilities of trustees, the director of education and senior staff at school boards.

We have also taken steps to align the Operational Review Guide with *Ontario's Equity and Inclusive Education Strategy, 2009* and the *Equity and Inclusive Education in Ontario Schools: Guidelines for Policy Development and Implementation, 2009*. Further, the Guide now reflects updates in Capital Planning including the impact of early learning and updates in the areas of capital project delivery and custodial and maintenance.

While the review teams have noted a significant shift in the sector as school boards prepare for the introduction of the Regional Audit Models, we recognize that this remains an area of transition for the sector. We have not changed our audit leading practices as they are consistent with the emerging Ministry direction and, for the remaining reviews, we are interested in learning more about existing approaches to strengthening corporate governance and accountability across the sector.

The following five new leading practices have been added to the fourth edition of the Operational Review Guide:

Staff Recruitment / Hiring (page 14)

Processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools.

Labour Relations (page 14)

Trustees provide the school board's policy and priority framework within which bargaining takes place.

Development of Annual and Multi-Year Capital Plans (page 42)

The school board has an approved facility partnership policy.

Monitoring and Reporting on Progress of Construction Projects (page 44)

A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation.

An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options

to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.

Next Steps

We continue to be impressed by the incredible level of enthusiasm and support for this initiative. Many school boards have mentioned that they have begun working on areas of improvement immediately following the field visits. While we will have fewer field visits this year, we will be significantly increasing the number of follow-up reviews we conduct with boards. If you have already had your follow-up, you know that this is a far less rigorous process, but no less important. The follow-ups help us to further gauge the important work that is being done across the sector to meet the leading practices. We have included a schedule for the follow-up reviews to give you time to begin planning for this activity. I encourage you to reflect on your school board goals and priorities and how the Operational Review teams' recommendations have guided your work during the course of the year.

Over the next few months, the review teams will begin compiling key findings and observations in order to draft a final report. This report will reflect on the progress made in the sector since the Operational Reviews were first launched in 2007.

As the Operational Review process draws to a close, we are beginning to think about the Ministry's next steps to further support school boards in building management capacity. We would like to get your feedback on both the initial Operational Review process and future considerations.

SBSB Website

We continue to update the School Business Support Branch website to include the school board reports (i.e. operational review and follow-up reports) and tools (i.e. Operational Review Guide). Detailed information is available online at <https://sbsb.edu.gov.on.ca/>.

Should you have any questions regarding the Operational Review process or its supporting tools and documentation, please contact either Lorraine Smith at 416-325-2719 or e-mail (Lorraine.Smith@ontario.ca) or Miranda Bisnauth at 416-314-3465 or e-mail (Miranda.Bisnauth@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

Appendix A

Boards Schedule for Review in 2010-11

Board	Review Date (Week of)
Superior-Greenstone DSB	September 20, 2010
Rainbow DSB	September 27, 2010
Renfrew County Catholic DSB	October 18, 2010
Renfrew County DSB	November 1, 2010
Simcoe Muskoka Catholic DSB	November 15, 2010
Kawartha Pine Ridge DSB	November 29, 2010
Grand Erie DSB	December 13, 2010
Limestone DSB	January 10, 2011
York Region DSB	January 31, 2011
Toronto Catholic DSB	March 21, 2011
York Catholic DSB	April 25, 2011

Appendix B

Boards Schedule for Follow-Up Reviews in 2010-11

Follow-Up Review by Boards	Review Date (Month of)
Waterloo Region DSB	October 2010
CSD catholique Franco-Nord	October 2010
CSD catholique des Aurores boréales	December 2010
CSD du Nord-Est de l'Ontario	January 2011
CSD catholique du Nouvel-Ontario	January 2011
Conseil des écoles publiques de l'Est de l'Ontario	January 2011
CSD du Grand Nord de l'Ontario	January 2011
Keewatin-Patricia DSB	February 2011
Bruce-Grey Catholic DSB	February 2011
CSD catholique des Grandes Rivières	February 2011
CSD catholique de l'Est ontarien	February 2011
CSD des écoles catholiques du Sud-Ouest	February 2011
Wellington Catholic DSB	February 2011
Dufferin-Peel Catholic DSB	February 2011
Thunder Bay Catholic DSB	February 2011
Bluewater DSB	February 2011
Greater Essex County DSB	February 2011
Peel DSB	February 2011
Toronto DSB	May 2011
Upper Grand DSB	May 2011
Catholic DSB of Eastern Ontario	May 2011
DSB of Niagara	May 2011
Hastings and Prince Edward DSB	May 2011
Niagara Catholic DSB	May 2011
CSD du Centre Sud-Ouest	May 2011
CSD catholique Centre-Sud	June 2011
Huron-Perth Catholic DSB	September 2011

Hamilton-Wentworth Catholic DSB	September 2011
Algonquin and Lakeshore Catholic DSB	September 2011
Northeastern Catholic DSB	September 2011
St. Clair Catholic DSB	September 2011
DSB Ontario North East	September 2011
CSD catholique du Centre-Est de l'Ontario	September 2011
Upper Canada DSB	October 2011
Superior North Catholic DSB	October 2011
Nipissing-Parry Sound Catholic DSB	October 2011
Kenora Catholic DSB	October 2011
Halton Catholic DSB	November 2011