

Ministry of Education

**Conseil scolaire de district catholique
Aurores Boréales
Follow-up Report to the Operational
Review**

May 2011

Table of Contents

- 1. Introduction 1**
- 2. Status and Implementation Update 3**
 - Introduction 3
 - Summary of Recommendation Status 3
- 3. Governance and School Board Administration..... 4**
 - #1 Succession Planning 4
- 4. Human Resource Management and School Staffing/Allocations 5**
 - #1 Attendance Management..... 5
- 5. Financial Management..... 6**
 - #1 Internal Audit Function 6
 - #2 Audit Committee 7
- 6. School Operations and Facilities Management..... 8**
 - #1 Standardization of Cleaning and Maintenance Supplies..... 8
 - #2 Energy Management Plan 9
 - #3 Consolidated Billing 9
 - #4 Tracking and Reporting Energy Conservation 9
- 7. School Board Adoption of New Leading Practices 10**
 - Governance and School Board Administration 10
 - HR Management and School Staffing/Allocation 10
 - Financial Management 11
 - Operations and Facilities Management 12
- Appendix A – Selection of Recommendations 15**

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 to 18 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.

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 Conseil scolaire de district catholique Aurores Boreales Operational Review follow-up took place on December 20, 2010, which was approximately 18 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with school board senior administration, specifically the Senior Business Official (SBO) and the Director of Education.

Summary of Recommendation Status

The school board has made progress in implementing the recommendations since the completion of its Operational Review in April 2009. Of particular note are the steps taken to develop a comprehensive succession plan. This plan includes strategies the school board has developed to ensure leadership training, including formal and informal professional development and learning opportunities.

Following the release of the Operational Review report, management presented the report to the Board of Trustees (the Board). There were 10 recommendations made in the original report. The Operational Review team focused on 8 of the recommendations in the follow-up review, some of which aligned into more than one category. Three of the recommendations were from the 12 areas of opportunity identified across the sector in the 2008 and 2009 sector reports; one related to strategic planning; four were identified with having a positive return on investment; and three concerned specific areas of risks. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, the school board's senior administration has either implemented or has made some progress on the majority of the recommendations chosen for follow-up.

The school board reported that the Operational Review process was a very positive experience and were proud of the progress they had made since their review over a year ago. Management reported that the Operational Review recommendations have helped them determine what areas to focus their efforts on.

3. Governance and School Board Administration

#1 Succession Planning

Operational Review Recommendation	Implementation Update
The school board should implement a formal succession plan to manage the retirements and resignations of key managers/administrators.	Implemented

#1 Succession Planning

Management recognized the importance of succession planning as one of their first implementation after the Operational Review and have created a formal succession plan. Given the small size of the school board, the succession plan lists the individuals who are within range of retiring and have created a rating scale to determine if there is chance of them departing earlier than their planned retirement date.

The succession plan goes on to describe strategies that they have developed to ensure leadership training, including formal and informal professional development and learning opportunities. The school board is also facilitating informal job shadowing positions to encourage leadership growth in certain areas. For example, in the case of the SBO, the school board created a finance officer position in 2008 and is currently training that individual SBO duties.

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Management Processes/Programs

Operational Review Recommendation	Implementation Update
The department should develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	In Progress

#1 Attendance Management

Management is working towards developing an attendance support program to help track attendance and disability management. Management reported that it is difficult to move forward on this recommendation due to a lack of additional human resources staff and as a result have not developed a full and comprehensive attendance support program. However, the school board has utilized the use of technology and has implemented an attendance management system that tracks absences and provides alerts if someone is absent for more than 4 consecutive days. There are a number of additional rules which have been added into the system such as alerts for staff that require a medical note for sick leave. The program also allows the staff to create reports periodically, individual or by group, which are used to report back to the Board on.

Management reported that this system has been useful to track attendance. The department should continue in its efforts to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism.

5. Financial Management

#1 Internal Audit Function

Operational Review Recommendation	Implementation Update
<p>Management should consider formalizing an internal audit function. This would include a broader audit of financial and management controls and adherence to board policies.</p> <p>Management could start by identifying options for the mandate and scope of this function and the estimated cost for each option.</p>	<p>In Progress</p>

#2 Audit Committee

Operational Review Recommendation	Implementation Update
<p>Management and the board of trustees should consider including external advisors to contribute to the efficiency of the finance committee in charge of internal auditing.</p>	<p>In Progress</p>

#1 Internal Audit Function

With the release of the 2009-10 Grants for Student Needs (GSN), the Ministry announced funding to establish audit committees and internal audit functions. Since the initial announcement of this funding, the Ministry has developed a number of audit function supports including a regional audit initiative. The school board is participating in this initiative, which provides funding for some dedicated internal audit staff for the eight regions in the province, in line with the new Audit Committee Regulation. All of the 12 French-language school boards are a part of the same region.

The Audit Committee Regulation came into effect in September 2010 and requires the establishment of audit committees in school boards by January 31, 2011, following the fall trustee elections. The regulation sets out the following major aspects:

- appointment process for members
- requirement for external member participation
- term of appointment
- duties and powers of the committee
- reporting requirements

- deadline for the first audit committee meeting (March 31, 2011)

As part of this initiative, a regional internal audit manager is selected and will submit a summary of the audit plan (current year work schedule and multi-year plan), staffing plan and budget for the following fiscal year to the Director of Education, the Senior Business Official and audit committee of the Board.

Management indicated that it is currently participating and closely monitoring the Ministry's direction regarding the provision of internal audit services on a regional shared services model, in conjunction with several other French district school boards.

Management has also reported that they have created an internal audit committee in December 2010. This committee is composed of 5 members and reports directly to the Board of Trustees. The 5 members include the SBO, 2 members of the finance department, and 2 members of the Board of Trustees.

#2 Audit Committee

The school board is currently in the process of recruiting external members for its audit committee. The school board reported that they have posted advertisements on the school board's external website, as well as through various regional French media outlets. The school board reported that they have had no success to date in recruiting external members.

The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams and the development of a risk assessment to establish priority areas for internal audit activities. The school board should also work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee.

6. School Operations and Facilities Management

#1 Standardization of Cleaning and Maintenance Supplies

Operational Review Recommendation	Implementation Update
The Board should consider developing procedures to track its inventory and maintain a database on the age, location and state of the equipment.	In Progress

#2 Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board should develop a system-wide, multi-year energy management plan that includes consumption reduction targets. The Board should also ensure that it has tracking mechanisms in place to monitor consumption and energy costs for periodic reporting to the individual schools, the management council and the board of trustees.	Implemented

#3 Consolidated Billing

Operational Review Recommendation	Implementation Update
Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption, and reduce the workload in the accounts payable department.	In Progress

#4 Tracking and Reporting Energy Conservation

Operational Review Recommendation	Implementation Update
As part its energy conservation planning, management should investigate the costs/benefits of implementing a more sophisticated building automation system to track and remotely control energy consumption in individual schools.	Implemented

#1 Standardization of Cleaning and Maintenance Supplies

The department is currently reviewing various options for a management procedure on maintenance supplies in schools which would help ensure that purchased maintenance supplies and equipment are tracked and maintained to remain effective and efficient.

The school board will be conducting an analysis of all their equipment in the spring of 2011 and are on target for implementing procedures to track inventory by September 2011. The school board is encouraged to continue to develop and implement a management procedure for maintenance supplies in schools.

#2 Energy Management Plan

The department has created a multi-year energy plan. This plan began with the department conducting an audit of their schools. As part of this audit, the school board looked at the use of energy in each school. Following the audit, the school board has installed an automatic server that will help them control energy consumption in the schools. This has currently been done at 7 of the Board's 10 schools, with 2 others being done by the end of 2011-12. The school board reported that the last school is shared with another school board and management is currently in discussion with them to move towards installing the same system in this school.

The school board reported that projections show an energy consumption decrease of between 12-15% by 2012-13.

#3 Consolidated Billing

The school board currently receives all of its utility bills by mail. However, payments are paid electronically. The school board reported that their automatic bill payment does not provide any economic advantages. The school board reported that this process will be updated once a new financial system is in place. The school board is encouraged to continue its work in this area and to implement consolidated billing for all the school board's sites and facilities, where feasible.

#4 Tracking and Reporting Energy Conservation

The school board has begun a variety of projects under the heading of 'Eco-Energy' during the summer of 2010 to ensure a reduction or conservation of energy. These include the purchase of a server that allows the school board the ability to monitor daily consumption in schools, the installation of a modernized automated management system in 5 schools and the installation of a new heating system in 2 schools. The school board is currently replacing lights in its schools and installing motion detectors in 3 schools. Approximately 60% of the water systems were replaced and the department is currently changing their maintenance products in order to reduce packaging, dilution process and water usage. They were also able to reduce their energy usage by 20% with the projects implemented during the summer.

The school board also reported that the provincial initiative (Managingenergy.com) has helped them manage total consumption per school.

7. School Board Adoption of New Leading Practices

The following leading practices were added or amended for the Third and Fourth Editions of the Operational Review Guide that were released to the sector. Some of these leading practices are a result of the observations and learning from earlier waves of reviews.

School boards that were reviewed prior to September 2009 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 school boards demonstrate adoption of these practices.

Governance and School Board Administration

There were no additions to leading practices under this section.

New Leading Practice	Adopted?
The governance model reflects the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.	Yes

The school board have been working to update and revise their governance model to reflect Bill 177. Some of the actions taken by the school board and Board of trustees to implement this leading practice include participation in a basic training on governance prepared in collaboration with provincial associations (March 26, 2011) where elected members and senior management of the Council will participate; the launch of the new multi-year planning (2011-2015) in June 2011; and an amendment to the policy review cycle for the academic year 2011-12 to harmonize policies with the new requirements.

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	In progress
Trustees do not sit on hiring panels (exception hiring the director of education) but provide policies to govern staffing and recruitment.	Yes
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.	Yes
Trustees provide the school board's policy and priority framework within which bargaining takes place.	Yes

The school board relies on an automated process to help them track attendance. Management reported that they do not have sufficient human resources staff to implement a full and comprehensive attendance management program at this time.

The school board reported that no trustees currently sit on their hiring committees, with the exception of the hiring of the Director of Education.

The school board implemented a policy on discrimination and harassment in 2002 which has been periodically revised. In addition, the school board also adopted a new policy entitled "Equity and Inclusive Education". It stipulates that the school board provide an environment for learning and work that supports and promotes diversity. The school board uses various means of recruitment including recruitment websites that have a national reach.

The school Board reported that Trustees do not participate in labour negotiations.

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.	In Progress
Approved procurement policies clearly outline circumstances under which the board will use competitive versus non- competitive procurement methods.	Yes
The established policies and procedures that govern all aspects of supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency purchases, comply with the Supply Chain Guideline (SCG) v.1.0.	Yes
In line with the SCG, purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	Yes

The school board has created a new directive for all schools to record all non-grant revenues. Management also reported that they have installed a central information system that will allow them to automatically reconcile non-grant revenue. The system will be implemented by June 2011.

The school board has implemented the Supply Chain Guideline (SCG) recommendations by refreshing their procurement policy to include all mandatory elements such as the supply chain code of ethics and the criteria required to conduct non-competitive procurement. This new document was presented to the Board of Trustees in January 2011.

As part of this review the school board also reviewed their purchase and bidding policy to ensure alignment with the SCG. Some of the major elements of this policy directive include:

- Section 5: Guidelines;
- Section 6: Code of Ethics;
- Section 10: Procedure for purchase of \$1,001 to \$ 5 000;
- Section 11: Over \$ 5001 to \$50 000 ;
- Section 15: Purchasing emergency;
- Section 18: Orders offer permanent or open orders.

According to the Section 4.15 of the school board’s policy, the budget holder is the person responsible for authorizing purchases of goods and services, within the limits permitted by the Council, the budgets of service or school it administers, and to ensure compliance with policy and administrative direction of the Council on purchases.

According to the section on Internal Controls - "Signing Authority and Approval", every position of responsibility has a limited amount of authority. For example, one needs the direction of service to authorize purchases between\$ 25 000 to \$ 10 000 and the school services coordinator for maintenance up to\$5,000. In addition, only the Director of Education and director of the finance department may authorize a delegation of signing authority and approval.

The computerized procurement system also contains limitations that prevent any one individual person from overstepping its authority. The limitations of the computer system are the responsibility of one person (Finance Officer).

Any issuance of cheques in excess of \$500 is visually verified by the Finance Officer. The report is verified with supporting documentation of sources.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Environmental Education Policy.	In progress
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflect the school board’s occupational health and safety policies and administrative procedures and ensure the school board is in compliance with associated occupational health and safety statutory requirements.	Yes

New Leading Practice	Adopted?
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 reflect 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
The school board has an approved facility partnership policy.	In Progress
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.	No
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.	No
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 is making progress on the leading practices under operations and facilities management.

For example, the school board has moved forward towards buying green clean products only. The school board reported that they have partnered in a joint arrangement with their co-terminous English boards in the purchase of green clean products since September 2010. The school board should continue in its efforts to implement green clean products in its schools and facilities. Management should review and use the Ministry's Green Clean Program Resource Guide to help develop a formal green clean program which will help ensure continuity of Environmental priorities and help the school board report on the results of the program. A copy of this guide is available on the School Business Support Branch website at <https://sbsb.edu.gov.on.ca>.

The school board has an Occupational Health and Safety (OHS) program which has been in effect for several years. The school board also has several OHS directives and strategies in place that align with an overarching school board OHS policy.

The school board has all the major components of a security strategy in place, through policies and directives which fall under a consolidated code of conduct. The school board also has a security committee in place. This committee is responsible for

conducting periodic audits of the school facilities to ensure they are compliant with regulatory standards. Results are published on the school board's intranet via a web interface directly linked to the auditor's tools. The department also generates reports based on these audits which are reviewed by the administrative committee. The school board reported they refreshed their policy to ensure it is in compliance with the new regulations and laws around bullying.

The department has created a health strategy/policy. It was reported that health and well-being is a significant component of the maintenance health, safety and security department. The school board periodically sends the students a survey to complete regarding safety in the schools. The results have demonstrated that the students feel the schools provide a safe environment. School principals receive training for health, well-being and safety.

Management closely monitors the *Ontario Green Energy Act* and ensures its principles are used in the board's construction, acquisition, operation and management of school facilities. The board mentioned that currently there no capital or construction projects underway and the school board is not acquiring any new buildings.

Management reported that a facility partnership policy has been drafted and is being presented at the next meeting of the Policy Committee. Management should ensure that the policy and the supporting procedures are finalized.

The school board reported that since they do not have any major capital projects in progress (the last major project was completed in 2006-07), they do not have a project manager or an independent cost consultant retained at the school board. Management plans to utilize both a project manager and an independent cost consultant for future capital projects.

Management reported they give full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.

Management reported that this is particularly the case in the North-West, and has resulted in a situation where the school board shares several schools with other school boards in their area.

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 implement a formal succession plan to manage the retirements and resignations of key managers/administrators.	Yes	SP / TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The department should develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Yes	ROI/T AO

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
3.	Management should consider formalizing an internal audit function. This would include a broader audit of financial and management controls and adherence to board policies. Management could start by identifying options for the mandate and scope of this function and the estimated cost for each option.	Yes	AR3
4.	Management and the board of trustees should consider including external advisors to contribute to the efficiency of the finance committee in charge of internal auditing.	Yes	TAO
5.	Management should periodically review the school board's banking relationship, and consider tendering these services to ensure competitive rates and financial terms.	No	
6.	Finance staff should implement electronic funds transfers (EFT) payments for all appropriate suppliers, to gain greater efficiency and reduce the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capability when tendering banking services in the near future.	No	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
7.	The Board should consider developing procedures to track its inventory and maintain a database on the age, location and state of the equipment.	Yes	ROI
8.	The school board should develop a system-wide, multi-year energy management plan that includes consumption reduction targets. The Board should also ensure that it has tracking mechanisms in place to monitor consumption and energy costs for periodic reporting to the individual schools, the management council and the board of trustees.	Yes	ROI
9.	Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption, and reduce the workload in the accounts payable department.	Yes	ROI/ TOA / AR3
10.	As part its energy conservation planning, management should investigate the costs/benefits of implementing a more	Yes	AR1

Ref.	Recommendation	Follow-up Yes/No	Criteria
	sophisticated building automation system to track and remotely control energy consumption in individual schools.		