

Ministry of Education

**Algonquin and Lakeshore Catholic
District School Board
Follow-up Report to the Operational
Review**

January 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.

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 fourth edition of the Operational Review Guide, released to the sector in September 2010. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Algonquin and Lakeshore Catholic District School Board Operational Review follow-up review took place on October 25, 2011, approximately 16 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Director of Education, the Superintendent of Finance and Business Services, the Manager of Human Resources and the Controller of Plant and Planning Services. In advance of the teleconference, the Deloitte team selected 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 significant progress in implementing the recommendations since the completion of its original review in March 2010. Of particular note is work on energy management plans as well as work towards succession planning and attendance support.

There were 21 recommendations made in the original report. The Operational Review team focused on 11 of the recommendations in the follow-up review. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either fully implemented or has made significant progress on all of the recommendations chosen for follow-up.

3. Governance and School Board Administration

#1 Succession planning

Operational Review Recommendation	Implementation Update
The school board should expand the process in place for succession planning, and develop a formal plan which includes key management positions in non-academic functions.	In progress

#1 Succession planning

The school board has taken steps toward fully implementing a succession plan that considers both key management positions and non-academic functions. A five-step plan has been outlined and reviewed by trustees. Steps taken so far include the identification of key management positions and updating of associated job descriptions. The school board has recently entered into a partnership agreement with St. Lawrence College, which is offering a professional development program: “Leadership for Management and Supervisors”.

The school board is working to link succession planning, professional development and job performance to provide an inclusive and well-rounded employee program. As the school board works through succession planning, management intends to adapt staffing models and job descriptions as required. Management will work to identify key competencies for positions which will help succession planning efforts move forward.

4. Human Resource Management and School Staffing/Allocations

#1 Departmental Plan

Operational Review Recommendation	Implementation Update
The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Completed

#2 Evaluation / Performance System

Operational Review Recommendation	Implementation Update
Management should consider expanding its evaluation/performance system to include non-academic staff.	In progress

#3 Monitor Staff Attendance

Operational Review Recommendation	Implementation Update
The school board should maintain appropriate processes and systems to monitor staff attendance on a timely basis.	Completed

#4 Attendance Support Program

Operational Review Recommendation	Implementation Update
Management should continue to develop a comprehensive attendance support program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.	In progress

#1 Departmental Plan

The department successfully completes the departmental planning process yearly. Two departmental plans have been completed since the original Operational Review. The yearly departmental planning process begins in January and is aligned with the school board budgeting process. At an HR team planning session, the previous year's plan is examined and considerations are identified for the upcoming year. Medium or long-term priorities are identified including Ministry or legislative requirements. Once priorities are

established, departmental teams assign details for each priority. A draft plan is submitted to Finance for consideration in budget preparations. Finance approves the departmental budget. A finalized yearly plan is presented and formalized at the September staff meeting.

Management suggests the departmental planning process provides an opportunity for the department to work together to determine its direction as a team. It is suggested that stated goals and objectives permit the department to coalesce and work towards common goals. Progress against the departmental plan is reviewed monthly at departmental meetings.

#2 Evaluation / Performance System

Management is working to implement an evaluation/performance appraisal system for all staff. The school board has existing or draft performance appraisal systems in place for most staff groups including support staff, employees included in the CUPE bargaining unit, new staff who are working through their probationary period, and other employee groups.

There is a commonly shared understanding on the part of management and unions regarding the requirement for and the value of performance appraisal systems. When employees have poor performance, there is an obvious and pressing need for performance appraisals. However, when there is not that pressing need and the employee is performing well, management reports that some supervisory staff place less emphasis on performance appraisals. Management is working with supervisory staff to shift the focus of performance appraisals to support employee growth. Another challenge suggested in the roll-out of a full performance appraisal process for all staff is the increased time commitment placed on supervisors. Staff performance appraisals are used broadly across the department and contribute to setting employee professional development objectives and training.

The school board has made significant progress and should continue working towards introducing the planned performance appraisal process for all employees.

#3 Monitor Staff Attendance

The school board has adopted this recommendation in full due to the purchase of an attendance management software module. The school board has an Attendance Support Officer in the HR department who is responsible for managing the attendance management module and absence and attendance issues. The new module allows management to draw attendance data when issues are recognized or flagged by staff.

The school board is also working to implement an automated call-out system that will help provide increased accuracy in the reporting of absences. The program is due to be fully implemented in February 2012.

#4 Attendance Support Program

Management reports ongoing progress in the development of a comprehensive Attendance Support Program; work has been ongoing for the past two years. HR management have worked with the school board's Attendance Support Officer to communicate the intentions of the Attendance Support Program to senior management, trustees and administration. Draft policies and administrative procedures were developed in February 2011. The school board is in the process of employee consultations regarding the Attendance Support Program to help ensure buy-in with different staff groups.

As a first step of the roll-out of the Attendance Support Program, the school board updated its Disability Management Program. By working with external providers to ensure that appropriate support is given to employees with disability requirements, management assures its Disability Management Programs will complement the full Attendance Support Program planned for roll-out in early 2012. Management suggests having an Attendance Support Officer as a designated resource responsible for the attendance support effort was crucial to the success thus far. The Attendance Support Officer provides for a single point of contact and one person to be held accountable for driving the process forward.

5. Financial Management

#1 Internal Audit Function

Operational Review Recommendation	Implementation Update
Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.	Completed

#2 Audit – External Advisors

Operational Review Recommendation	Implementation Update
Management and the board of trustees should consider establishing an audit committee that includes external advisors in accordance with the Ministry's emerging direction on internal audit.	Completed

#3 PCards

Operational Review Recommendation	Implementation Update
Department staff should consider implementing the use of Purchase Cards (PCards). PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the use of PCards.	In progress

#4 Electronic Fund Transfers

Operational Review Recommendation	Implementation Update
Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.	Completed

#1 Internal Audit Function

The school board has in accordance with the provisions mandated by the Ministry of Education, established an internal audit function as part of the Eastern (Ottawa) Region. Management reports that they expect some process improvements and changes to internal procedures as a result from the audit process. The school board's five-year audit plan has been approved by the Board's Audit Committee as well as by trustees.

#2 Audit – External Advisors

In compliance with the Audit Committee Regulation which requires the establishment of audit committees in school boards by January 31, 2011, the school board has appointed two external advisors to its Audit Committee. Management reports two qualified individuals were appointed. Advertisements were placed in four local papers and on the school board's website. Four applications were received one of which was able to stand for further consideration. Management then worked to secure further interest through personal networks and in turn received interest from appropriate and qualified candidates.

#3 PCards

Management indicated intentions to address the PCard recommendation, and did initially plan a PCard pilot for the 2011-12 school year. A staff committee, composed of potential PCard users, was struck to help move the initiative forward and promote buy-in from staff groups. The pilot project has, however, been put on hold. Procurement staff have been required to focus attention on other priorities and thus plans are in place to continue with the PCard pilot at a later date. Management should continue to ensure continued consideration of possible PCard implementation and ensure the completion of the pilot project.

#4 Electronic Fund Transfers

Management suggests 70 per cent of vendor payments are made through EFTs, and many of the remaining 30 per cent of transactions are with small vendors or vendors that are used infrequently. The school board does actively encourage vendors to adopt EFTs, and should continue to do so. Future requirements of tenders and RFPs will require vendors to accept EFT payments.

6. School Operations and Facilities Management

#1 Energy Management Plan

Operational Review Recommendation	Implementation Update
The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Completed

#2 Consolidated Billing

Operational Review Recommendation	Implementation Update
Management should work with the utility companies to obtain consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.	In progress

#1 Energy Management Plan

Energy management planning has been included in the school board's updated Strategic Plan. The school board has also created the Environmental Management Advisory Committee to oversee the energy management plan and related initiatives. The committee consists of plant as well as program staff who review capital investment as well as environmental programs. The plant department engaged an external provider to complete energy audits on all facilities to set a baseline level at which energy consumption and management could be measured. Additionally, the school board is working with a third party to manage the implementation of energy management measures for new renovation projects. The school board reports work has commenced on 130 energy management projects and that energy savings will be monitored for detailed return on investments.

#2 Consolidated Billing

Plant and Planning Services receives energy consumption data electronically through the Ministry's Utility Consumption Database (UCD). That data is consolidated from utility company submissions. The plant department is encouraged to continue to work with its major utility providers to consolidate billings for all school board facilities and sites to one periodic invoice per utility.

7. School Board Adoption of New Leading Practices

The following leading practices were added or amended for the fourth edition of the Operational Review Guide that was 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 2010 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 governance model reflects the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act</i> , Bill 177.	In progress

The school board has updated its roles and responsibilities as mandated by Bill 177 and continues to work with trustees on the full adoption of requirements. Management reports it is an ongoing process to address leading practices related to Bill 177.

HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
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	In Progress

Trustees have in the past been party to the hiring process of supervisory officers. It is understood on the part of the Board and senior administration that continued review and dialogue will occur with respect to this area.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. Senior staff are responsible for ensuring compliance with the accessibility standards that are being phased in under the *Accessibility for Ontarians with Disabilities Act*. The school board also works with external groups such as the Ontario Education

Services Corporation to ensure their procedures are up-to-date and in line with best practices.

During past negotiations, a trustee representative took part as an observer in OECTA (Ontario English Catholic Teachers' Association) negotiations and management suggests the Board has indicated a desire to continue this practice during the next round of negotiations. Management feels the trustee presence as an observer can be beneficial when management is reporting back to the full Board. This will be an area for continued dialogue.

Financial Management

New Leading Practice	Adopted?
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 adopted and maintains procurement guidelines that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) v1.0. Management reports a working group has been formed to further analyze guidelines as requirements change and to ensure ongoing compliance.

The school board closely monitors budget spending thresholds and ensures appropriate purchasing procedures are being followed. A master list of all budget holders and their associated purchasing authority is kept up-to-date. Dollar restrictions ensure spending is kept within assigned budgets. The financial management system monitors for dollar restrictions and will automatically redirect requisitions into an "Over Budget Buyers basket" if there are insufficient funds available.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has an approved facility partnership policy.	Yes
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.	Yes
An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the	Yes

New Leading Practice	Adopted?
school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.	

The school board has an approved facility partnership policy that is managed by the Community Use of Schools Coordinator. Management reports there is ongoing outreach to educate and inform community partners regarding the changing nature of the relationship and expectations between the school board and community partners.

The school board employs an internal Capital Projects Manager who has a long standing history with the school board. He manages all capital projects and ensures timelines and budgets are met.

The school board has retained an independent cost consultant for past capital projects, to help align community expectations of projects with cost realities. The practice of using cost consultant continues today; however, the school board's long-standing relationship with architectural firms and local contractors provides an accurate picture of true project cost. Management reports that although there is a practice at the school board to use cost consultants, dating back to before they were required, this practice has in some cases put extra time pressures on projects, adding extra layers of administration for little perceived benefit.

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 expand the process in place for succession planning, and develop a formal plan which includes key management positions in non-academic functions.	Yes	TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Yes	TAO
3.	Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.	No	
4.	Management should consider expanding its evaluation/performance system to include non-academic staff.	Yes	TAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
5.	Management should consider developing a formal policy or procedure for the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.	No	
6.	The school board should maintain appropriate processes and systems to monitor staff attendance on a timely basis.	Yes	TAO
7.	Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.	Yes	TAO / ROI
8.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	No	
9.	Management should consider developing staff satisfaction surveys, which would include all employee groups. This would improve communication with staff and provide input for professional development plans and HR policy.	No	
10.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.	No	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
11.	Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.	Yes	TAO / ROI
12.	When the school board establishes an internal audit function, it should ensure that any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.	No	
13.	Management and the board of trustees should consider establishing an audit committee that includes external advisors in accordance with emerging Ministry direction.	Yes	TAO / AR2
14.	Department staff should consider implementing the use of Purchase Cards (PCards). PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the use of PCards.	Yes	TAO / ROI

Ref.	Recommendation	Follow-up Yes/No	Criteria
15.	Management should continue to explore Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.	Yes	TAO / ROI

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
16.	The school board should establish cleaning standards across its school sites to ensure consistency in service levels and monitoring.	No	
17.	The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes	TAO / ROI
18.	Successful conservation techniques used by the school board should be communicated across all schools and with other school boards to enhance recognition of energy management across the system once a program has been developed.	No	
19.	Management should provide formal annual reporting to the board of trustees on the conservation savings achieved against the plan once it has been developed.	No	
20.	Management should work with the utility companies to obtain consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.	Yes	ROI
21.	The school board should develop an approved annual and multi-year capital plan that includes the related funding plan.	No	