

Ministry of Education

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

August 2010

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 Recruiting	5
#2 Performance Appraisals	6
#3 Attendance Support	6
#4 Benefits Carrier Compliance Audits	6
5. Financial Management.....	7
#1 Interim Financial Reporting.....	7
#2 Three Way Matching.....	7
6. School Operations and Facilities Management.....	8
#1 Work Order Management	8
#2 Energy Management Plan	8
7. School Board Adoption of New Leading Practices.....	9
Governance and School Board Administration	9
HR Management and School Staffing/Allocation	9
Financial Management	9
Operations and Facilities Management	10
Appendix A – Selection of Recommendations	11

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 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 Halton District School Board Operational Review follow-up review took place on June 29th 2010, which was approximately twelve months after the release of the original Operational Review report. The Operational Review team conducted a teleconference with the Superintendent of Business Services.

Summary of Recommendation Status

The school board has made significant progress in implementing the recommendations since the completion of its review in April 2009. Of particular note is the Board's decision to budget for a new position in the area of energy management. The Board has also implemented a work order system through purchased software which manages work orders for maintenance jobs.

Following the Operational Review report, management presented the report to the board of trustees.

There were 20 recommendations made in the original report. The Operational Review team focused on nine of the recommendations in the follow-up review. Six of the recommendations selected for follow-up review were from the twelve areas of opportunity identified across the sector in the 2008 and 2009 sector reports, two concerned specific areas of risks and one related to updates to opportunities for return on investment. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made progress on the majority of the recommendations chosen for follow-up. The only recommendation the board was unable to proceed with is in implementing an automated three-way matching process. In this case, the board is constrained by the capability of the financial information system software which lacks the feature to implement automated three-way match.

3. Governance and School Board Administration

#1 Succession Planning

Operational Review Recommendation	Implementation Update
The school board should develop a formal succession plan to manage changes in senior management positions.	Implemented

#1 Succession Planning

The Director of Education has accepted the recommendation to develop a formal succession plan to manage changes in senior management positions. Based on the guidance provided in the Operational Review leading practices, the Director has requested all Superintendents to formally create a succession plan for each department. The manager or head of each department is responsible for identifying a back-up or alternate individual for continuity purposes.

Furthermore, the Board is in the process of hiring a new Director of Education. The Board of Trustees is also closely monitoring any intentions to retire among senior administrators.

4. Human Resource Management and School Staffing/Allocations

#1 Recruiting

Operational Review Recommendation	Implementation Update
Management should establish formal hiring and recruitment policies and procedures for all staff groups. Existing hiring and recruitment practices should be formalized and communicated to staff involved in hiring and recruitment.	In Progress

#2 Performance Appraisals

Operational Review Recommendation	Implementation Update
Management should establish cycles for performance appraisals for non-teaching staff, and establish formal procedures for the performance appraisal of principals and vice- principals.	In Progress

#3 Attendance Management

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

#4 Benefits Carrier Audit

Operational Review Recommendation	Implementation Update
Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.	Implemented

#1 Recruiting

Management has initiated the process to establish formal hiring and recruitment policies and procedures for all staff groups. The Executive Officer of Human Resources has set up a task force to systematically review the current recruiting practices of all staff groups, beginning with the principal and vice principal staff group.

It is anticipated that once the recruiting policies and procedures have been established, the documents will be reviewed and approved by the Board of Trustees and subsequently communicated to all staff.

#2 Performance Appraisals

Management indicated that the board has completed formal procedures for the Vice Principal staff group since receiving the recommendation from the Operational Review.

HR is working towards reviewing and ensuring consistency of performance appraisal procedures for all non-teaching staff by the start of the next school year.

#3 Attendance Support

The Board has engaged School Board Cooperative Inc. to conduct a needs assessment and study the impact of absenteeism at the board. The board recognizes the importance of establishing a full time position to oversee the board's activities on attendance support, and has included a new attendance support coordinator position for the 2011 budget.

The attendance support coordinator's responsibilities include setting structured targets and goals for individual staff groups. Based on preliminary business case assessments, management believes that the investment of approximately \$100,000 in the new position will translate potentially into \$500,000 in savings through reductions in absenteeism and overtime pay.

#4 Benefits Carrier Compliance Audits

Management has contracted School Boards Cooperative Inc. to review the board's benefit claim procedures, and to conduct audits of benefit claims made by employees.

The board is currently focusing on prescription medication, dental and primary claim categories.

5. Financial Management

#1 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would further simplify communication and increase the Board's focus on key issues during year-to-date reporting.	Implemented

#2 Three Way Matching

Operational Review Recommendation	Implementation Update
Management should implement an automated three-way matching process using the capacity of the new financial system.	Not Implemented

#1 Interim Financial Reporting

Management indicated that it has started to expand the level of interim reporting. After reviewing the recommendations from the IFRC, management determined that it will adopt certain key elements immediately. In particular, management has started incorporating enrolment and staffing changes into the interim financial report.

Later on the board plans to evaluate other changes to the interim financial report.

#2 Three Way Matching

The board remains constrained by the software platform used for financial reporting. BAS2000, the board's financial reporting system, does not have the ability to implement automated three-way matching process.

In particular, receipts and invoices are not matched in the system. Management has evaluated other possible solutions but has yet to find an approach that does not require the board to revamp its financial reporting system.

Management indicated that the coterminous Catholic district school board, as well as a large number of other boards that uses BAS2000 are reporting similar challenges.

6. School Operations and Facilities Management

#1 Work Order Management

Operational Review Recommendation	Implementation Update
Management should develop a work-order system to record, monitor, and evaluate projects, ensuring the effective use of resources.	In Progress

#2 Energy Management Plan

Operational Review Recommendation	Implementation Update
With support from the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	In Progress

#1 Work Order Management

The plant department has purchased a software package to help the board keep track of and manage work orders for maintenance jobs. Plant Department staff are currently working with IT support to implement the *Work Tech* package.

Management expects the system to be ready by the Fall of 2010.

#2 Energy Management Plan

The position of Energy and Environment Coordinator has been included in the 2010 budget. The board is currently planning to fill the position by the end of September 2010. The position's mandate is to establish an energy management plan as recommended by the Operational Review, and will include responsibility for measuring and tracking energy conservation metrics, as well as establishing a long-term strategy for energy conservation.

7. School Board Adoption of New Leading Practices

The following leading practices were added to the Second Edition of the Operational Review Guide that was released to the sector in September 2008. Some of these leading practices are a result of the observations and learning's during Wave 1 & 2 reviews.

School boards that were reviewed prior to September 2008 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

There were no additions to leading practices under this section.

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	No

The board currently has systems in place to track staff attendance numbers. However, the board still needs to develop appropriate processes to track, monitor and report on attendance support targets overtime, and to produce information for management decision making purposes.

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.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus non- competitive procurement methods.	Yes

The school board reported that it has already adopted all of these leading practices.

Operations and Facilities Management

New Leading Practice	Adopted?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	Yes
Develop, implement and monitor an occupational health and safety strategy and/or plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
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 reflects 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
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 has already adopted all of these leading practices.

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.	Senior administration should publish the organizational chart on the school board's website.	No	
2.	The school board should develop a formal succession plan to manage changes in senior management positions.	Yes	TAO

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
3.	The HR department should develop an annual departmental plan that aligns with the objectives in the school board's operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.	No	
4.	Management should establish formal hiring and recruitment policies and procedures for all staff groups. Existing hiring and recruitment	Yes	AR

Ref.	Recommendation	Follow-up Yes/No	Criteria
	practices should be formalized and communicated to staff involved in hiring and recruitment.		
5.	Management should establish cycles for performance appraisals for non-teaching staff, and establish formal procedures for the performance appraisal of principals and vice-principals.	Yes	TAO
6.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.	No	
7.	The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.	Yes	TAO
8.	Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.	Yes	TAO
9.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.	No	
10.	Management should conduct 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.	The business services department should develop an annual departmental plan that aligns with the objectives in the school board's annual operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.	No	
12.	Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would further simplify communication and increase the Board's focus on key issues during year-to-date reporting.	Yes	TAO
13.	Management should implement the electronic supplier interface for ordering, processing and payment.	No	

Ref.	Recommendation	Follow-up Yes/No	Criteria
14.	Management should implement an electronic payment and registration system for community use of facilities programs.	No	
15.	Management should implement an automated three-way matching process using the capacity of the new financial system.	Yes	AR

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
16.	Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.	No	
17.	The school board should continue revising its cleaning standards which will enable management to monitor, manage and report on cleanliness levels on a regularly.	No	
18.	Management should develop a work-order system to record, monitor, and evaluate projects, ensuring the effective use of resources.	Yes	ROI
19.	With support from the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.	Yes	TAO
20.	Management should continue discussions with the utilities regarding consolidated billing for all school board facilities.	No	