

Ministry of Education

**Hamilton-Wentworth 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 Hamilton-Wentworth Catholic District School Board Operational Review follow-up review took place on December 21, 2011. The Deloitte Operational Review team conducted a teleconference with the Director of Education, the Superintendent of Finance & Treasurer. 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 initial review in November 2009. Of particular note is work on banking agreements and procurement procedures as well as the work completed in strategic and departmental planning.

There were 27 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 establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.	In progress

#1 Succession planning

The school board has worked to establish strong succession planning practices for academic staff and is in the process of developing similar processes and practices for non-academic, operational staff. Recent significant staff changes in different departments have provided senior management the opportunity to proactively build teams taking succession planning into account. The school board has yet to develop a formal succession plan for non-academic staff; however, management reports that there is a strong understanding of the career goals and aspirations of all senior staff in operations management roles.

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.	In progress

#2 Formal Discipline and Dismissal Policy

Operational Review Recommendation	Implementation Update
Management should consider developing a formal policy or procedure governing the formal discipline and dismissal of non- academic staff, to ensure consistency and transparency.	In progress

#1 Departmental Plan

The department takes direction and works directly from the school board's strategic plan. HR staff worked with senior administration to develop the strategic plan, which has included all key departmental objectives. For each objective, specific goals, associated strategies, monitoring requirements and measures of success are identified. The school board reports that the central document provides appropriate direction for the department and ensures that HR managers are held accountable for annual goals and objectives. The school board should work to develop stand-alone departmental plans to help ensure guidance and accountability for HR staff.

#2 Formal Discipline and Dismissal Policy

The school board works with progressive discipline principles; however, has yet to establish a formal progressive discipline policy. Management has collected samples of different discipline and dismissal policies from other school boards to better understand sector best practices. The relationship between management and the unions is collaborative and all existing discipline and dismissal procedures are well understood across the school board. Management is encouraged to continue with the development of formal policy or procedure governing the discipline and dismissal of staff, to ensure consistency and transparency at all levels throughout the school board.

5. Financial Management

#1 Departmental Plan

Operational Review Recommendation	Implementation Update
The department should consider developing an annual departmental plan aligned with the annual 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 Risks and Mitigation Strategies

Operational Review Recommendation	Implementation Update
The department should consider consolidating key risks and mitigation strategies into a single risk plan.	In progress

#3 Audit - External Advisors

Operational Review Recommendation	Implementation Update
Management and the board of trustees should consider including external advisors on the Board's audit committee to contribute to committee's effectiveness	Completed

#4 Compare Banking Terms

Operational Review Recommendation	Implementation Update
Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments.	Completed

#5 Purchasing Procedures

Operational Review Recommendation	Implementation Update
The school board is encouraged to formally communicate the Purchasing Procedures and Purchasing Authority policy to staff in order to ensure consistency on the application of the policy among all staff.	Completed

#1 Departmental Plan

The Finance department has developed a departmental plan and has integrated departmental goals and initiatives into the school board's overarching strategic plan. The annual departmental plan clearly indicates accountability for goals and associated timelines when applicable. Management reports an in-depth review of operational practices led to the realignment of some departmental priorities in the development of the departmental plan. Finance managers meet bi-monthly to review the plan and associated timelines.

#2 Risks and Mitigation Strategies

The school board ensures ongoing and appropriate management of finances and associated risks, through internal checks and balances. This includes regular reporting to the Board's Budget Steering Committee. Management reports that the school board is kept well informed of risks inherent in the budgeting process and that these are discussed openly during the budget development process. The school board is encouraged to continue with the stated intention of developing a formalized budget risk plan.

#3 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 selected after advertisements were placed in local newspapers. Seven strong applications were received and the two external members were appointed in January 2011. The first Audit Committee meeting was held in March 2011 and management reports positive results from the introduction of external members.

#4 Compare Banking Terms

The school board has included a full review of banking terms as part of the strategic and multi-year plans for 2013-14. During the 2013-14 school year, the school board will tender its banking services. Management have met with representatives from the school board's existing financial services provider as well as a number of other potential service providers. These meetings have taken place to help the school board ensure that they are currently competitively positioned within the market and that they are receiving comparable rates.

#5 Purchasing Procedures

Management revised purchasing policies and procedures in June 2011 as a result of the Broader Public Service Procurement Directive. The new policies and procedures

have been shared with all impacted staff and special presentations have been made to central school board staff including purchasing, plant, accounts payable, senior administration as well as the principals' group. Ongoing inservicing with staff continues to ensure updated policies and procedures are communicated, understood and followed by staff. Because of the importance of these changes, the Director of Education has taken a direct role in communicating information about the new policies and procedures.

6. School Operations and Facilities Management

#1 Departmental Plan

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

#2 Multi-year Maintenance Plan

Operational Review Recommendation	Implementation Update
In consultation with the board and stakeholders, senior administration should develop and communicate a multi-year maintenance plan. This plan would identify priorities over a three- to five-year period, and commit timelines and funding sources to the project.	Completed

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
The department, working with the senior administration, should formally establish a multi-year energy management plan that incorporates targets and performance measures to track conservation initiatives.	Completed

#1 Departmental Plan

The Plant department has established a departmental plan, ensuring alignment to the over-arching school board strategic plan. Key areas of focus for the department are capital projects, ongoing maintenance/custodial and school renewal. The department submitted the most recent departmental plan to the Board for approval in the spring of 2011. Management is working to support and add to staff capacity to help the department to plan and stay on track.

#2 Multi-year Maintenance Plan

The school board maintains three major multi-year plans that help direct and coordinate maintenance throughout the school board's facilities. The Capital Plan, the Roofing Plan and the Energy Management Plan all feed into the rolling maintenance master plan.

Every year, school principals submit maintenance projects that inform the development of the long-term maintenance plan along with inputs from the other multi-year plans. The full list of maintenance projects to be undertaken in the year is submitted to the Board for information.

#3 Energy Management Plan

Energy management planning has been a focus for the school board in recent years. The development of an Energy Management Plan has helped management focus energy management projects including the development of new energy management initiatives and the tracking of all projects. The school board has worked with a number of third parties to meet green energy requirements. Committees have also been struck internally to help make progress on energy management issues including the Board Social and Ecological Responsibility Committee to help translate energy management efforts into student learning initiatives (95% of schools are certified eco-schools), and a committee on broader energy and environmental issues.

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.	Yes

Roles and responsibilities of senior management and the Board have been updated in line with Bill 177. The Board and key staff groups (senior administration and principals) have received training and information on Bill 177. The Board has a yearly policy review process where each policy is reviewed and updated regularly. Many policy changes resulting from Bill 177 were addressed through the Board's policy review cycle. Management reports an open discussion with the Board on all changes.

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

Historically trustees have played a role in principal, vice-principal and superintendent interviews. Last year this practice changed. Senior Administration conducted the interviews for principals and vice-principals, at both the elementary and secondary level. Senior administration also conducted the interviews for the new position of Assistant Superintendent. Management has yet to interview for the position of Superintendent of

Education. After each interview process, a report was brought to the Board of Trustees (for information) outlining the successful candidates for all positions.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. Management reports a mature employment equity process that has been a standard practice at the school board for a number of years. There has been a significant effort by management to broaden the school board's recruitment pool and improve staff capacity. More positions have been posted externally as well as internal postings in an effort to attract the skill-set needed for the various positions as well as adding new talent to the various departments.

The Chair of the Board has had a long standing practice of involvement in labour negotiations. The Chair, a trustee of 25 years, has traditionally been involved in the latter part of local negotiations with the various union groups. He was invited to be involved in the last two rounds of the PDT for CUPE. For the 2012 round of collective bargaining, the Director of Education has drafted the composition of the local negotiation teams that include superintendents, managers, and principals. Management reports that there are ongoing discussions with the Chair, with whom there is a great deal of trust. Management is encouraged to continue the dialogue with trustees regarding setting the policy framework for negotiations.

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. The school board has ensured that as part of new purchasing policies and procedures, purchasing authorization levels are commensurate to job roles and responsibilities in line with the SCG. Management monitors purchasing for compliance, amounts that trigger mandatory approvals or review are clearly stated within the school board's procedure. The school board is also working with the Ontario Association of School Board Officials (OASBO) to update the employee expense policy, as well as ensure that new policies and procedures are in line with the BPS Procurement and Expense Directive.

Operations and Facilities Management

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

The school board is working to develop an approved facility partnership policy. Senior administration, including the Manager of Planning, are working to formalize the policy and have targeted the spring 2012 policy review as an appropriate opportunity to do so. The school board has long-standing and mature relationship with municipalities as well as a daycare provider that has been a long-term renter of space.

The school board has one internal projects manager to oversee all projects at the school board. Traditionally, the school board used external consultants as project managers but has made the strategic decision to fill this position internally.

The school board uses an independent cost consultant for capital projects and in all instances when needed to meet Ministry requirements. Management suggests that the in some cases these requirements have added extra time pressures to 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 is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board’s multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.	No	
2.	The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.	Yes	AR 1

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
3.	The HR department should consider developing an annual departmental plan aligned with the operating plan and overall	Yes	SP

Ref.	Recommendation	Follow-up Yes/No	Criteria
	strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.		
4.	Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.	No	
5.	Management should consider expanding its evaluation/performance system to include non-academic staff	No	
6.	Management should consider developing a formal policy or procedure governing the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.	Yes	AR 2
7.	Management should consider developing staff satisfaction surveys to include all employee groups. This would improve communication with staff and provide input for professional development plans and HR policy.	No	
8.	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
9.	The department should consider developing an annual departmental plan aligned with the annual 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	SP
10.	Finance management should provide finance policy and awareness, training and skills sessions, for both new and experienced staff. This will ensure clarity and adherence to policies and procedures.	No	
11.	The department should consider consolidating key risks and mitigation strategies into a single risk plan.	Yes	AR 2 / TAO
12.	The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.	No	

Ref.	Recommendation	Follow-up Yes/No	Criteria
13.	The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.	No	
14.	The school board is encouraged to complete and file all financial reports in accordance with established timelines.	No	
15.	Management and the board of trustees should consider including external advisors on the Board's audit committee to contribute to committee's effectiveness.	Yes	AR 2 / TAO
16.	The department is encouraged to develop a cash investment/management process to mitigate any associated budgetary risks and maximize potential returns on idle cash.	No	
17.	Management should periodically report to the board on the performance of the investment activity and the approved investment policy.	No	
18.	Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments	Yes	AR 2
19.	Management should monitor financial risks related to cash/investment management and develop a plan to mitigate associated risks.	No	
20.	The school board is encouraged to formally communicate the Purchasing Procedures and Purchasing Authority policy to staff in order to ensure consistency on the application of the policy among all staff.	Yes	AR 2 / ROI
21.	Management should perform a detailed review of the Board's purchase-to-payment cycle, to validate the process's efficiency and effectiveness opportunities.	No	
22.	Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for the school board that can result in increased process efficiencies.	No	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
23.	The department should consider developing an annual departmental plan aligned with the operating plan and overall	Yes	SP / AR 2

Ref.	Recommendation	Follow-up Yes/No	Criteria
	strategic plan. This will help the department to track and report the progress of its defined priorities and goals throughout the year.		
24.	In consultation with the board and stakeholders, senior administration should develop and communicate a multi-year maintenance plan. This plan would identify priorities over a three- to five-year period, and commit timelines and funding sources to the project.	Yes	SP / AR 2
25.	The plant department should develop and maintain an inventory for its minor capital assets residing at its school and maintenance sites.	No	
26.	The department, working with the senior administration, should formally establish a multi-year energy management plan that incorporates targets and performance measures to track conservation initiatives.	Yes	ROI / AR 2
27.	The department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility.	No	