

Ministry of Education

**Kawartha Pine Ridge District School
Board**

**Follow-up Report to the Operational
Review**

July 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.

2. Status and Implementation Update

Introduction

The Kawartha Pine Ridge District School Board (KPRDSB) Operational Review follow-up review took place on June 7, 2012, approximately 15 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Superintendent of Business. In advance of the teleconference, the Deloitte team selected recommendations from the Operational Review Report and asked the board to provide an implementation status along with any related supporting material.

Summary of Recommendation Status

The school board has made progress in many of its recommendations since the completion of its original review in March 2011. Of particular note is Kawartha Pine Ridge's continued efforts to improve the efficiency and cost effectiveness of the procure-to-pay process through spend analysis, policy reviews and the implementation of Purchasing Cards (PCards). The school board has also reported benefits from the refinement of their custodial allocation model through working closely with their union and through the implementation of custodial scheduling software.

There were 10 recommendations made in the original report. The Operational Review team focused on 6 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 most of the recommendations chosen for follow-up.

3. Governance and School Board Administration

#1 Governance and School Board Administration

Operational Review Recommendation	Implementation Update
The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and in particular, the Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.	Complete

#1 Governance and School Board Administration

In response to the *Student Achievement and School Board Governance Act, Bill 177*, the school board is in the final stages of developing a Board Policy document on Governance entitled 'Background to Governance'. The document is the result of a review of existing school board governance by-laws and policies and was created through collaboration between senior administration and the Board of Trustees. As part of that process, the board has reviewed The Ontario Public School Boards' Association (OPSBA)'s Trustee Code of Conduct handbook and has considered it as a template for the development of a Trustee induction and orientation guide for KPRDSB. Efforts have also been made to ensure that the guide clearly identifies the role and responsibilities of the Director of Education. Once fully implemented, the 'Background to Governance' will clarify how the Board will fully adopt Bill 177. As with all policies and guides related to governance, the school board will introduce the document to all appropriate stakeholders and will make it available on the school board's public website.

4. Human Resource Management and School Staffing/Allocations

#1 Composition of Interview Panels

Operational Review Recommendation	Implementation Update
The Director of Education should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of Trustees and school board staff. Trustees should provide strategic direction to govern staffing and recruitment. They should not sit on hiring panels, with the exception of hiring the Director of Education.	In Progress

#2 Bargaining Framework

Operational Review Recommendation	Implementation Update
Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.	Incomplete

#1 Composition of Interview Panels

Senior administration has worked closely with HR in the review and update of *Board Policy HR-1.4* regarding the hiring process and composition of interview panels. KPRDSB has also sought and received a legal opinion with regard to Trustee involvement on hiring panels. KPRDSB's final decision supports Trustee involvement in the hiring of senior management staff and Superintendents of Education because the school board considers these roles to be of strategic importance and therefore should not be considered as part of the regular 'day-to-day' operations. However, the school board also did conclude that Trustees should not be involved, as either participants or as observers, in the hiring of Principals, Vice-principals and other staff. Information regarding candidates and appointments for these positions will be brought before the Board of Trustees by senior administration as information only and not as items for approval.

#2 Bargaining Framework

As noted during its original Operational Review, the school board has had a long standing practice of Trustee involvement in labour negotiations. During an in-camera session, the Board of Trustees has traditionally provided senior administration with a framework to define the parameters for collective bargaining. This has typically been limited to bargaining related to the Provincial Discussion Tables (PDT). Under this model, a Trustee attends the negotiation sessions solely as an observer and does not participate directly in negotiations. Management reports that this process and the role of

Trustees in the collective bargaining process has recently been formalized and approved by the Board of Trustees. In this regard, the KPRDSB has decided not to fully adopt the recommendation to remove Trustees from collective bargaining process.

5. Financial Management

#1 Implement Purchase Cards (PCards)

Operational Review Recommendation	Implementation Update
Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCards can reduce the volume of supplier invoices to be processed and increase overall efficiency. Appropriate control procedures would be put in place to support the expanded use of the PCard	Complete

#2 Review of Payment Cycle

Operational Review Recommendation	Implementation Update
Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.	Complete

#1 Implement Purchase Cards (PCards)

The Implementation of PCard's at KPRDSSB began with the Business Services department evaluating the benefits of adopting PCards. The evaluation consisted of analyzing Purchase Order (PO) activities, specifically low dollar spend. The analysis identified that 70% of total discretionary spend was less than \$500. The Business Services Department then conducted a PCard pilot that concluded in January 2012, whereby Senior Administration approved a gradual implementation of PCards followed by a year-end review.

The school board has also initiated a revision to the board's Purchasing Administrative Regulations. Changes will ensure that Supervisory Officer approval is obtained before individual PCards are issued. An agreement has also been signed with U.S. Bank that will provide the PCards for roll-out across the school board.

Although the school board reports that most schools are hesitant to use P-cards, they expect that the Maintenance Department will be the first department to fully adopt the use of PCards as early as June 2012.

The department has also entered discussions with a large office supplies vendor regarding the use of a single PCard to purchase from the vendor's on-line catalogue. This method of PCard usage, commonly called "PCard ghosting" is expected to be deployed to schools for the purchase of school supplies.

Overall, the school board expects the implementation of PCards to yield significant benefits such as a reduction of low dollar value Purchase Orders, a reduction of standing Purchase Orders and streamline some parts of the procurement process.

#2 Review of Payment Cycle

As part of the school board's examination of the payment cycle, a decision was made to implement on-line receiving. The Purchasing Department and the IT Department have completed the configuration of the Receiving module as part of the school board's existing financial system. System functionality is currently being tested through a summer pilot and lessons learned will be incorporated into the strategy for rolling out the enhancement to all departments in Fall 2012.

In order to further improve the receiving process, senior administration has also entered into discussions with a large office supplies vendor with the intention of strengthening the vendor's provision of receipt of goods verification.

Finally the school board has modified their purchasing policy and systems to ensure that any purchase for either IT equipment, licenses or software, facilities contracts, construction payment certificates or any purchases in excess of \$5,000 has department head authorization before being dispatched. The school board has also put in place a policy to conduct 3-way matching on those items to ensure the procurement and delivery cycle is complete before making any payments on material items.

Although the school board is not currently performing 3-way matching on all purchases, it has conducted a spend analysis and has put a policy and procedures in place that it feels is appropriate to provide sufficient internal controls for material purchases.

6. School Operations and Facilities Management

#1 Develop Allocation model for custodial staff

Operational Review Recommendation	Implementation Update
The school board should develop an allocation model for custodial staff, and compare it with those of other school boards, to ensure the optimization of staff and consideration of various factors.	Complete

#1 Develop Allocation Model for Custodial Staff

The Operations and Facilities Department has fully adopted this recommendation and as a result, a timetable scheduling and work plan program has been implemented to help standardize custodial staff allocation.

Through the use of this system, senior administration is able to identify unique building and room characteristics that are factored into the calculation of custodial workloads. The system also allows management the flexibility to make changes as soon as these characteristics changes or as employee limitations are changed. The school board feels that these two pieces of functionality has helped increase buy-in from staff.

Management is also satisfied with the system because it provides them with the ability to standardize productivity across the school board, generate measurable standards to adapt to changes in staffing levels, and support quality targets by providing the information required to conduct standardized cleaning audits.

Senior administration has also made note that timetable scheduling and work plans for caretakers are now more efficient and easier to create. KPRDSB has reported that overall, there has been a reduction in the custodial budget due to efficiencies gained with the new system and changes to the allocation model.

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)

Governance and School Board Administration

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and in particular, the Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.	Yes	AR2

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
2.	The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic direction to govern staffing and recruitment. They should not sit on hiring panels, with the exception of hiring the Director of Education.	Yes	AR2
3.	Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.	Yes	AR2

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.	No	
5.	Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.	No	
6.	Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCards can reduce the volume of supplier invoices to be processed and increase overall efficiency. Appropriate control procedures would be put in place to support the expanded use of the PCard.	Yes	TAO/R OI
7.	Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.	Yes	TAO/R OI

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
8.	The school board should develop an allocation model for custodial staff, and compare it with those of other school boards, to ensure the optimization of staff and consideration of various factors.	Yes	TAO/S P
9.	The school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.	No	
10.	The school board should develop an overarching security strategy and plan reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements for both students and all staff groups.	No	