

Ministry of Education

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

October 2011

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1. Introduction

The Ministry is in the final stages 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 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 Niagara Catholic District School Board Operational Review follow-up review took place on June 28, 2011, approximately 16 months after the release of the initial Operational Review report. The Deloitte Operational Review team conducted a teleconference with the Superintendent of Business & Financial Services. 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 significant progress in implementing the recommendations since the completion of its original review in February 2010. Of particular note is the implementation of departmental plans and the full adoption of procurement policy recommendations.

Following the Operational Review, management reported to the Board regarding the findings of the Operational Review report. The executive summary of the report was shared with the public through a public report to the Board, which is currently available on the school board's website.

There were twenty-six recommendations made in the original report. The Operational Review team focused on fourteen 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

No recommendations

4. Human Resource Management and School Staffing/Allocations

#1 Attendance Support

Operational Review Recommendation	Implementation Update
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.	In progress

#2 Report on Attendance Support

Operational Review Recommendation	Implementation Update
Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	In progress

#3 Staff Planning and Allocation

Operational Review Recommendation	Implementation Update
The school board should develop policies and procedures to govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	In progress

#1 Attendance Support

The school board is working to complete a comprehensive attendance support program with implementation taking place in September 2012. Management reported that they already receive comprehensive reports on attendance from the HR department. It is reported school board staff are familiar and comfortable working with attendance support processes. The school board has met with a third party provider on the topic of attendance support and is working to engage a third party to develop a stronger methodology regarding attendance support to address short term absences as well as the root causes of long term attendance issues. The school board intends to fully integrate the new attendance support program with existing attendance systems and processes already in place.

#2 Report on Attendance Support

Management reported that they already receive comprehensive reports on attendance from the HR department. The school board intends to report information on attendance support and disability management to the Board after the new attendance support program is implemented. The Board has been kept up-to-date on the ongoing considerations and development of the attendance support program.

#3 Staff Planning and Allocation

The school board is working to develop a policy and associated procedures to govern the development of an annual staffing plan and allocation process as part of the 2011-2012 System Priorities document. The target completion date is October 2011.

As work progresses on the policies and formalized procedures, management has begun to report to the Board. This information is broken down by school and function. The Board is kept informed on allocation details during budget discussions and staff provide comparisons on the previous year's staffing numbers to the Board.

5. Financial Management

#1 Annual Departmental Plan

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

#2 Risk Management

Operational Review Recommendation	Implementation Update
The school board should consider consolidating key risks and mitigation strategies into a single risk plan	Completed

#3 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

#4 Internal Audit Plans

Operational Review Recommendation	Implementation Update
Management should ensure the internal and external audit plans are clearly documented and acted upon by senior management	In progress

#5 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

#6 Review Supply Chain and Procurement Policies

Operational Review Recommendation	Implementation Update
The school board should review existing supply chain and procurement policies, ensuring they are communicated to staff with purchasing authority and are periodically reviewed and updated.	Completed

#7 Competitive Versus Non-competitive Procurement

Operational Review Recommendation	Implementation Update
Management is encouraged to develop procurement policies that clearly outline circumstances under which the board will use competitive versus non-competitive procurement methods.	Completed

#8 Purchasing Authorization Levels

Operational Review Recommendation	Implementation Update
Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate to job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.	Completed

#9 Electronic Fund Transfers

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

#1 Annual Departmental Plan

The school board has completed the “Vision 2020” process and has begun to update department specific planning documents. The Vision 2020 Strategic Plan specifies a long term vision and the main strategic direction of the school board. The Finance department has decided to focus on 2-4 priorities that are aligned directly with the multi-year strategic plan. The department’s plan is iterative in nature and will be updated throughout the school year. Management has suggested that updates to the current departmental plan are a work in progress and that senior staff intend to fully expand on and add defined priorities, targets and areas of responsibilities going forward as new iterations of departmental plans are developed.

#2 Risk Management

As part of the 2011-12 budgeting process, the school board has compiled and considered a comprehensive list of budget risks. Budget risk discussions take place at both the senior administration and Board levels. The use of risk planning has permitted a clearer understanding regarding potential in-year budget variations and the options that exist to mitigate these risks. Through the use of these risk plans, senior staff are able to better address and plan for possible scenarios and mitigation strategies.

#3 Internal Audit Function

In accordance with the provisions mandated by the Ministry of Education, the school board has created an internal audit function. Internal audit meetings have already taken place in March and June of 2011. The next internal audit meeting is planned for September 2011.

#4 Internal Audit Plans

The development of internal audit plans is underway. Internal audit plans will be presented to the Audit Committee by the Regional Internal Audit Team (RIAT) in September 2011. School board staff are working with audit committee members to ensure the plans are prepared by the September deadline. The school board is encouraged to continue to work with the Regional Internal Audit Team to ensure full implementation of this recommendation.

#5 Audit – External Advisors

In compliance with the Audit Committee Regulation that came into effect in September 2010 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.

The school board received 8 applications for the two positions on the Audit Committee, and nearly all candidates were interviewed. Both new members have business backgrounds and the school board reported that the committee is functioning well.

#6 Review Supply Chain and Procurement Policies

The school board has reviewed their existing supply chain and procurement policies and have established a new Purchasing Policy. The new policy was approved by the Board in February 2011 and is in accordance with all directives issued by the Ministry of Education and the Supply Chain Guideline v1.0. The school board is currently monitoring to ensure all purchases are done in compliance with the new policy. Monitoring is done through the purchasing department which ensures each tender is completed in accordance to procurement procedures and approved standards. The

school board is also working with new and longstanding vendors to educate and share the new changes and requirements. The department is also providing professional development to staff on the new purchasing policy and procurement requirements.

The school board should ensure they are also in compliance with the new *Broader Public Sector (BPS) Accountability Act, 2010*, which brings new rules and higher accountability standards for designated broader public sector organizations. The Act includes sections that provide authority to the Management Board of Cabinet to issue directives to designated BPS organizations in the areas of procurement and expenses. The BPS Accountability Act, the new BPS Procurement Directive and the BPS Expenses Directive are now available to school boards. The school board should become familiar with these documents, note any differences from the Supply Chain Guideline and begin planning for compliance with both directives.

#7 Competitive Versus Non-competitive Procurement

The school board's new procurement policy states clear language and expectations regarding the use of competitive versus non-competitive procurement practices. The school board has trained the appropriate staff on competitive and non-competitive procurement practices and has also implemented a series of forms such as templates and checklists to help ensure that staff make the appropriate purchasing choices. One of these templates includes a form required for emergency purchasing which requires the Director's signature for approval. The school board has shown significant improvement in this regard.

#8 Purchasing Authorization Levels

Guidelines have been developed to ensure purchasing authorization levels are commensurate to job roles and responsibilities. The levels have been set and are monitored for compliance by a supervisor or a department head. The guidelines have been adopted in Board policy and they are communicated during board-wide training sessions. The school board focuses training on the principal and vice principal group, who are most directly impacted by the policy.

#9 Electronic Fund Transfers

The school board is currently using Electronic Fund Transfers (EFTs) for employee payroll. The Financial Services department is planning to use EFT in other manners in the future such as using EFT for incoming payments to the school board. The expansion of the EFT program has been postponed due to staffing changes at the school board.

Management is encouraged to revisit and continue plans to expand EFT functionality once there is the capacity to do so.

6. School Operations and Facilities Management

#1 Annual Departmental Plan

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

#2 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.	In progress

#1 Annual Departmental Plan

The Plant Services Department's goals are aligned with the annual priorities of the school board. The department is working to build further detail into its departmental plan to make it a stand-alone document which will provide direction for the entire department on a yearly basis. Timelines and responsibilities have been included in the departmental plan and management suggests that periodic reporting will be done on the plan throughout the school year. The department is encouraged to finalize its departmental plan.

#2 Energy Management Plan

The school board is working to establish a multi-year energy management plan that will identify specific energy saving measures to be implemented and tools to measure and monitor improvements. Currently, there are numerous individual energy management projects underway at sites across the school board. However, there is no plan in place to guide or provide strategic direction when it comes to all of the school board's energy management initiatives. The school board is working with a local software firm to develop energy management software to track, analyze and compare energy consumption across all of the school board's sites and facilities. This software will in turn help provide data and benchmarks for the energy management plan. The school board maintains a longstanding relationship with the local software developer and suggests that they have a strong understanding of the school board's needs and requirements when it comes to energy management. The school board is encouraged

to continue with its efforts to develop an energy management plan. Once a plan is in place, the school board should report on progress made against the plan and any savings from conservations initiatives to the Board.

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. Management has worked with trustees to implement new practices that align with Bill 177 requirements. Management reports progress in the adoption of new practices and a collaborative working relationship with trustees.

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	Yes

The school board has recognized the implications of Bill 177 and has stated that trustees no longer sit on hiring panels.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff.

The school board had recently completed an update of hiring process to ensure transparency and fairness. The school board uses Ministry funds to help increase awareness of diversity issues within the school board and to provide diversity training and professional development for senior staff and trustees. The school board uses these funds to help pay for a consultant who works on equity and inclusion programs and initiatives for the school board. The school board is currently working to establish a voluntary self identification survey within the student population. The survey has been piloted in 6 schools and will be rolled out across system in October 2011. Management suggests that they will consider adapting the survey for staff self identification in the future.

Labour negotiations are driven by the school board's collective agreements and bargaining parameters, frameworks and guidelines are provided by the Board. Trustees have not traditionally played a role in labour negotiations, and there is no indication that management expects this to change in the future.

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 also established an associated procurement code of ethics which has been tailored to be an overarching code of ethics for all staff at the school board. This code of ethics will be released in the fall of 2011.

The school board's policies and procedures clearly articulate levels of purchasing authorization that are commensurate to job roles and all related responsibilities. The school board should ensure that the purchasing authorization levels and job roles and responsibilities are monitored for compliance by a supervisor or department head.

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 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 has an approved facility partnership policy and has agreements with most of the municipalities within the region. Agreements between the school board and municipalities govern the use of swimming pools, sports fields and other recreational spaces. Many of these agreements are a result of long-term local partnerships. There is ongoing work with municipalities to ensure appropriate use of facilities and that operating costs are recovered, where possible.

Management has an effective process in place to monitor and control construction project costs, in line with Ministry requirements. The school board employs project managers that are assigned to manage a multi-year plan of all major renewal and new construction projects.

The school board has retained an independent cost consultant for past capital projects, which have provided mixed results. School board staff work with cost consultant estimates and use them to help make informed decisions. The school board has found that cost consultant recommendations vary from project to project and as such, cost consultant recommendations and estimates are considered by staff along with other internal cost estimates.

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
	No recommendations		

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.	No	
2.	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 / AR3
3.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.	Yes	TAO / AR3

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	Management should implement an approved pay equity plan, which is reviewed periodically and amended as necessary.	No	
5.	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	
6.	The school board should develop policies and procedures to govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	Yes	AR2 / ROI

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
7.	The department should consider developing an annual departmental plan aligned with the school board's annual operating plan and overall strategic direction. This action will enable the department to track and report the progress of its defined priorities and goals throughout the year	Yes	SP
8.	The school board should consider consolidating key risks and mitigation strategies into a single risk plan.	Yes	ROI
9.	Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.	Yes	TAO
10.	Management should ensure the internal and external audit plans are clearly documented and acted upon by senior management.	Yes	AR2 / TAO
11.	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.	Yes	AR2 / ROI / TAO
12.	Cash management activities should be consolidated with a single institution.	No	
13.	Management should periodically report to the Board on the performance of the investment activity, including not investing and the reason as to why, in accordance with the approved investment policy in accordance with the Education Act.	No	
14.	Management should monitor financial risks related to cash/investment management and develop a plan to mitigate associated risks.	No	
15.	The school board should review existing supply chain and procurement policies, ensuring they are communicated to staff	Yes	AR2 / ROI

Ref.	Recommendation	Follow-up Yes/No	Criteria
	with purchasing authority and are periodically reviewed and updated.		
16.	Management is encouraged to develop procurement policies that clearly outline circumstances under which the board will use competitiv versus non-competitive procurement methods.	e Yes	AR2 / ROI
17.	Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate to job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.	Yes	AR2 / ROI
18.	Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.	Yes	ROI

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
19.	The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year	Yes	SP
20.	The department is encouraged to develop a green clean pilot program as a first step towards full implementation of a formal green clean program	No	
21.	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
22.	The school board should enhance its procurement policy to support energy management goals.	No	
23.	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	
24.	The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.	No	
25.	The department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility.	No	
26.	The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.	No	