

Ministry of Education

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

October 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 Renfrew County District School Board Operational Review follow-up review took place on May 2, 2012, approximately 14 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 back in November 2011. Of particular note is the ongoing efforts of senior management and the Board of Trustees to update governance policies to better align with Bill 177. In addition, the school board is continuing its efforts to strengthen its Attendance Management Program.

There were 25 recommendations made in the original report. The Operational Review team focused on 13 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 Formal Governance Policy

Operational Review Recommendation	Implementation Update
<p>The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities of the school board, trustees, Board chair and Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act, Bill 177</i> including a code of conduct for school board trustees.</p>	In progress

#2 Annual Operational Plan

Operational Review Recommendation	Implementation Update
<p>The school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non- academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.</p>	Completed

#1 Formal Governance Policy

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 on Governance as a result of a review of existing board governance by-laws and policies. As part of that process, an ad hoc committee was formed and tasked with reviewing the additions and amendments made to the OPSBA (Ontario Public Schools Board's Association) Trustee Code of Conduct Handbook. The intention of the review was to identify the latest elements provided by OPSBA that would best reflect the school board's current mission, vision and values. Now that the review is complete, Senior Administration, subject to the Board's cyclical policy review, has just been approved to draft a Board Policy on Governance that clearly delineates the division of duties and responsibilities of the Board of Trustees, the Chair of the Board and Director of Education.

In addition to reviewing the existing governance by-laws and policies, the Board of Trustees together with Senior Administration has begun to realign the type and number of its legacy committees to reflect the actual work that needs to be done at the school board as well as the governance model being used. Senior Administration reported that this exercise has already resulted in more streamlined working sessions, decision-making and reporting.

The school board is encouraged to continue working towards the full adoption of Bill 177 through its policy refresh cycle in order to clearly delineate the division of duties and responsibilities between the Board of Trustees and the Director of Education. Once complete, the formal Governance Policy should be communicated to all stakeholders and made available on the school board's public website, as currently planned.

#2 Annual Operating Plan

The school board has taken significant steps towards the development of an Annual Operating Plan. These efforts were initiated by the Director of Education and Senior Administration and included internal consultations with Department heads, Superintendents and other internal stakeholders. The results of these consultations yielded the development of a standard planning template and process. The Annual Operating Plan for the 2012-13 school year is based on that process and template, and outlines current-year goals and objectives, describing measurable targets, timelines, key owners and status.

It has been reported by the Senior Administration that having all key initiatives in a single document has simplified the collaboration process within and across administrative and academic departments. Maintaining key initiatives in one main document has also allowed for easier reporting to the Board. The Annual Operating Plan is now aligned to the Board's multi-year strategic plan and has been provided and approved by the Joint Committee. Furthermore, the Annual Operating Plan is currently being managed and tracked on the school board's intranet portal, allowing access for review by Management and Department heads.

4. Human Resource Management and School Staffing/Allocations

#1 Annual Department Plan

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

#2 Attendance Management Program

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.	Completed

#3 Compliance audit of Insurance carrier

Operational Review Recommendation	Implementation Update
Management should consider conducting compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.	In Progress

#1 Annual Department Plan

The HR Department planning cycle takes its direction from the newly revised annual operating planning process and templates. Once the departmental-level templates were established, HR Department managers met with staff several times over the course of a few months to select key projects which would support the needs of the department and the school board at large, as well as align with the key initiatives reflected in the board-wide Annual Operating Plan.

The Annual Department Plan is aligned with the format of the Annual Operating Plan in that it identifies the multi-year objective, the related key initiative with respect to the HR Department, the owner of the initiative, significant milestones, timelines and status.

Status is maintained through a detailed spreadsheet that is hosted on the school board's internal shared file system.

#2 Attendance Management Program

Acting on previous recommendations, where reporting of absences was an issue, the school board has made significant progress in the area of attendance support and has completed the implementation of an attendance support program. Senior administration has reactivated and extended their PARTNER (Prevention/wellness management, Attendance management, Roles and Responsibilities, Timelines of absence management, Non-discriminatory program, Evidence provided, Return to work and accommodation) program which is a centrally controlled program focused on supporting employee attendance across all employee groups. Originally the program was supporting only some employee groups. The objectives of the PARTNER program are stated as to promote an atmosphere that encourages a positive attitude towards the importance of good attendance and wellness in the workplace and to provide assistance to employees that may require help to improve their attendance records.

The school board has also noted that the Disability/Wellness Coordinator has met with Principals, Supervisors and all union leaders to review the program and expectations. Supervisors are in the process of reviewing absences for employees for feedback before letters and meetings with employees are set up for the groups who had previously not been supported by the program. A dedicated resource has been hired to manage and report on attendance as of November 2011. By having a dedicated resource, the school board feels that the attendance management program will be better able to provide timely and accurate reporting of absenteeism to on-site personnel for follow-up as well as provide the ability to benchmark absenteeism by employee group and absence averages.

#3 Compliance Audit of Insurance Carrier

The auditing of the school board's employee benefits plans is considered to be still in progress. The school board has identified that the Benefits function is fragmented across multiple departments and should be simplified and centralized before conducting an audit. The Benefits function is currently placed under Corporate Services with future plans for a dedicated Finance Officer of Benefits and Payroll to manage all benefits in June 2012. The school board has discussed the audit of insurance plans and will carry out the audit once the reorganization of the Benefits and other related functions is completed. The school board has also moved forward and consulted with other school board to obtain a better idea of jurisdictional best practices in this area while reviewing findings from the Council of Senior Business Officials (COSBO) committee to obtain a better informed perspective on the benefits audit process.

Once Management has undertaken a complete review of its benefits plan, the results of this review may require a complete reorganization which the school board has identified as a future consideration. The school board is encouraged to continue in its efforts to

conduct benefit compliance audits of its insurance carriers, once the organizational structure has been solidified.

5. Financial Management

#1 Annual Department Plan

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

#2 Document Annual budget development process

Operational Review Recommendation	Implementation Update
Management should document the annual budget development process to enhance transparency for participating superintendents/managers, and encourage internal discussion between departments in the development of the annual budget.	In Progress

#3 Enhance Reporting process

Operational Review Recommendation	Implementation Update
Management should consider enhancing the process of reporting on the school board's budget risks using the suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks periodically and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.	In Progress

#4 Recruiting External Advisors for Audit Committee

Operational Review Recommendation	Implementation Update
The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.	Completed

#5 Implementation of PCards

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

#6 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.	In Progress

#1 Annual Department Plan

The Finance Department is currently working to complete their Annual Department Plan. As Management works to complete the implementation of this recommendation, it has noted that previously the Finance Departments Annual Plan has worked as a measurement tool for all initiatives as it encapsulates budget and timelines. The school board reports that the current version of the draft Departmental Plan is aligned with the goals in the Multi-year Strategic Plan and parallels the Annual Operating Plan. The school board is encouraged to finalize its annual Finance Department Plan.

#2 Document Annual budget development process

As the school board works to implement several other recommendations such as developing an Annual Operating Plan and a Multi-year Strategic Multi-year Plan, the school board has been adopting the practice of documenting all key standard operating procedures.

The school board has also noted that, in general, the implementation of Operational Review recommendations has provided a focus for the school board to refine areas in need of improvement. In addition, the implementation process has initiated a consultative process whereby Finance is now engaging other Departments to identify areas for cost savings as well as areas for revenue generation. The school board is encouraged to finalize documenting its annual budget development process as it will add an additional level of transparency and will help to clarify expectations from all groups, as well as promote broader awareness of the budget development process.

#3 Enhance Reporting Process

Management has indicated that measures to enhance the reporting process for budget development will be added to the next school year's work plan. Currently, the school board projects risk within every part of the annual budget development process.

The school board is encouraged to finalize implementing this recommendation as it will provide trustees and other stakeholders with a better understanding of the nature and impacts any budget risks and what mitigation strategies could be put in place.

#4 Recruiting External Advisors for Audit Committee

Recruitment for external advisors is complete and the school board currently has three external advisors seated on its Audit Committee including a Chartered Accountant, a Lawyer and a former Board member.

#5 Implementation of Purchase Cards (PCards)

The Implementation of PCards usage is currently in progress. The school board has just recently retendered its banking services and plans to implement PCards were part of that tender. Regardless of who the successful proponent is, Management plans to conduct a PCard pilot program with one or several schools in their nearby area as soon as a final contract is signed with the successful proponent of the tender.

#6 Review of Payment Cycle

The school board has reviewed three-way as well as the cost benefit analysis of implementing three-way matching. The school board has decided to use three-way matching only for purchase orders with costs totalling over \$5,000. Following the review of this option, Management will continue to monitor risks and the need for three-way matching based on the results of a regional audit. Senior administration is constantly seeking input from across the school board from staff and stakeholders on available opportunities to input efficiency measures and find cost savings.

6. School Operations and Facilities Management

#1 Develop Annual Plan

Operational Review Recommendation	Implementation Update
The plant department should consider developing an annual department plan aligned with the school board's 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.	Complete

#2 Develop a Multi-Year Energy Management Plan

Operational Review Recommendation	Implementation Update
Using energy consumption data, 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.	Complete

#1 Develop Annual Plan

The school board has completed the School Operations and Facilities Annual Department Plan. The plan includes key initiatives, deadlines for completion and staff assigned to the initiative. However, the plan is not strictly constrained to the following school year, but it also identifies larger projects with a 5 to 10 year time horizons. The plan was completed as a result of a thorough analysis of the Department's needs, building upon data from previous years and aligning with the Annual Operating Plan and the long-term Strategic Plan.

#2 Develop a Multi-Year Energy Management Plan

The department has developed an energy management plan that identifies key initiatives, timelines and responsibilities. The Plan's first initiative is to ensure that an accurate dataset exists in order to set an energy consumption baseline for all schools. Once the data has been cleansed, it will be uploaded to the Ministry of Education's Utility Consumption Database. The utility will then become the primary source for helping school board management monitor energy usage and savings against the plan.

As part of the planning process, the school board has engaged 'Direct Energy' to consult on actual energy usage and compare these levels to desirable targets in the future. As part of their long-term energy consumption reduction targets, the school board also maintains a strict policy governing the procurement of energy efficient appliances, fixtures and products.

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 of the school board, trustees, Board chair and 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 including a code of conduct for school board trustees.	Yes	AR2
2.	The school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.	Yes	TAO / SP
3.	Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and the annual operational plan, once it is developed.	No	

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
4.	The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report on the progress of its defined priorities and goals throughout the year.	Yes	TAO / SP
5.	Trustees should provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.	No	
6.	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
7.	Management should consider conducting compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.	Yes	TAO / AR3
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 finance department should consider developing an annual department plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.	Yes	TAO / SP
10.	Management should document the annual budget development process to enhance transparency for participating superintendents/managers, and encourage internal discussion between departments in the development of the annual budget.	Yes	ROI / AR2
11.	Management should consider enhancing the process of reporting on the school board's budget risks using the suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks periodically and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.	Yes	ROI / AR3

Ref.	Recommendation	Follow-up Yes/No	Criteria
12.	The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC).	No	
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.	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	
15.	Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and 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	
16.	The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.	Yes	TAO
17.	The school board should establish an investment policy. Management should periodically report to the Board on the performance of any investment activity, including when there are no investment activity and the reasons for not investing, in accordance with the approved investment policy.	No	
18.	Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed. Appropriate control policies and procedures would be put in place to support the expanded use of the PCard.	Yes	TAO / ROI
19.	Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.	Yes	TAO / ROI

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
20.	The plant department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic directions. This will enable the department to	Yes	TAO / SP

Ref.	Recommendation	Follow-up Yes/No	Criteria
	track and report the progress of its defined priorities and goals throughout the year.		
21.	The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.	No	
22.	Using energy consumption data, 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.	Yes	TAO / ROI
23.	The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements for both students and all employee groups.	No	
24.	The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements for both students and all employee groups.	No	
25.	The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.	No	