

Ministry of Education

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

July 2009

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1. Introduction

The Ministry is in the process of conducting Operational Reviews of the 72 district school boards across the province. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources and by the leveraging and sharing of best practices. By identifying opportunities for continual improvement, school board administration and operations will be aligned to support the government's highest priority: student achievement.

In accordance with the stated objectives of the Operational Reviews, the Ministry has also engaged school boards to participate in a status and implementation update as part of the Operational Review cycle. Occurring approximately 8 to 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 7 Areas of Opportunity identified in the August 2007 Sector Summary Report?
- 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 second edition of the Operational Review Guide, released to the sector in September 2008. These were not part of the original review process.

2. Status and Implementation Update

Introduction

The Simcoe County District School Board Operational Review follow-up review took place on June 8th 2009, which was approximately twelve months after the release of the original Operational Review report. The Operational Review team conducted a teleconference with the Superintendent of Business and other senior administrative staff.

Summary of Recommendation Status

The school board has accepted all of the recommendations and made significant progress in implementing these recommendations.

Management indicated that they have adopted a new format for interim financial reporting as recommended in the operational review, which provides additional meaning and clarity for readers of the reports. Also, there have been improvements to the capital planning process, as well as a more rigorous procedure to ensure the integrity of data within ReCAPP and other capital management databases.

Following receipt of the operational review report, management presented the report to the Board of Trustees.

There were 14 recommendations made in the original report. The Operational Review Team focused on 10 of the recommendations in the follow-up review. Five of the recommendations relate to the seven areas of opportunity identified in the 2007-08 Summary Report, three were related to strategic planning and the remaining two were regarding specific risk areas. The selected recommendations and the corresponding criteria are listed in Appendix A.

Overall, senior administration has either implemented or has made some progress on all of the recommendations chosen for follow-up. There were no recommendations which senior administration has chosen not to accept and implement.

3. Governance and School Board Administration

#1 Development and Reporting of Annual Goals and Priorities

Operational Review Recommendation	Implementation Update
<p>In order to enhance the system plan, the Board should review all indicators of success to ensure that all potentially measurable indicators are identified with specific performance measures. This will improve the measurement of progress in a more specific, quantifiable fashion. The Board should also consider reducing the number of “lead responsables”, (the staff responsible for the specific area of the plan), to ensure that clear accountability can be assigned to specific individuals.</p>	<p>Implemented</p>

#2 Policy Refresh Cycle

Operational Review Recommendation	Implementation Update
<p>The Board should establish a pre-determined refresh cycle for each policy and its related procedures. Each refresh cycle should reflect the nature of the specific policy, and should be assigned to a designated department for tracking purposes.</p>	<p>Implemented</p>

#1 Development and Reporting of Annual Goals and Priorities

Senior administration has accepted the recommendation and has started to focus on ensuring all indicators of success mentioned in the school board’s system plan contain specific performance measures, where applicable.

Management acknowledged that in cases where the priority is broadly defined, it is more difficult to define specific performance measures. For priority areas that are more easily supported by data and other measurable measures, the board has already ensured that that specific performance measures are available.

Furthermore, senior administration has ensured that wherever possible, each priority is led by a specific individual. This practice has been carried out by individual departments in their annual planning activities as well.

#2 Policy Refresh Cycle

The Board has established a continuous Policy Review Committee in response to the recommendation in the Operational Review. The Policy Review Committee has been given the mandate to present an annual plan for policy review in September of each

year. The Policy Review Committee is also responsible for developing a plan for new policies as required.

The Policy Review Committee is comprised of five trustees, the Vice-Chair of the Board and an additional member who is appointed by the Board. The Committee is chaired by the Vice-Chair of the Board or designate.

4. Human Resource Management and School Staffing/Allocations

No recommendations have been selected for follow-up under the Human Resource Management function.

5. Financial Management

#1 Development and Reporting of Annual Goals and Priorities

Operational Review Recommendation	Implementation Update
<p>The department should consider expanding its annual plan to include specific performance measures, timelines and responsibilities to improve accountability for the outcomes. This would provide senior administration with a broader perspective of the challenges the department faces and how the plan aligns with the Board's goals. The department would report annually to senior administration on its accomplishments against the plan.</p>	<p>In Progress</p>

#2 Interim Financial Reporting

Operational Review Recommendation	Implementation Update
<p>Management should consider enhancing the interim financial reports with a comparison of current and expected levels of year-to-date expenditures, based on historical averages, prior year's experience or the number of staff and pays processed to date. In addition, the Board should consider updating the structure and/or format of its interim report to better align with the Board's budget structure/format. This will assist the reader to better relate the interim financial status against the budget.</p>	<p>Implemented</p>

#3 Internal Audit Function

Operational Review Recommendation	Implementation Update
<p>Management and the Board should consider establishing a formal internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.</p>	<p>In Progress</p>

#4 Establishment of Audit Committee

Operational Review Recommendation	Implementation Update
<p>Management and the Board should establish an audit committee. The membership of the audit committee would include at least two external members to act as advisors and contribute to the committee's accountability.</p>	<p>Implemented</p>

#1 Development and Reporting of Annual Goals and Priorities

Management has accepted the recommendation to expand its annual plan to include specific performance measures, timelines and responsibilities to improve accountability for the outcomes.

The department's annual plan will be formalized for the 2009-2010 fiscal year to communicate alignment with the Board's strategic objectives and the Board Improvement Plan. It will describe ownership, responsibility, timelines and quantifiable indicators for the stated activities.

#2 Interim Financial Reporting

After the operational review, management decided to restate the 2008-2009 Budget as approved by the Board in June of that year. This restated budget's format was then carried over and used for the interim financial report to the Board in November, February, May and August of that year. The report included an "Expected % of Budget Spent" column as suggested by the Operational Review.

In addition, the interim financial report aligns to the board's budget structure/format and includes capital and Good Places to Learn expenditures, permanent staff complement and targeted funding expenditures.

Management indicated that Trustees welcomed the change and found the new reporting format more meaningful and easier to understand.

#3 Internal Audit Function

Management indicated that it is aware of the Ministry's announcement to support boards establish audit committees and an internal audit function. The board is anticipating an announcement of the board's allocation and expectations for the use of this funding. Pending the announcement, management indicated that it will proceed to implement the recommendation.

#4 Audit Committee

The Board recognizes the need and benefit of an audit committee and has decided to implement the recommendation to establish a stand-alone audit committee with external members.

As far back as October 17, 2007 the Central Services Standing Committee of the school board has tabled a recommendation that the Board establish an audit committee. However, the motion was not approved by the Board at that point.

The Board approved a motion to establish an audit committee. The audit committee function would be established as a separately constituted meeting to be held prior to or following the Finance Standing Committee meeting. This committee would assume the role and mandate of an audit committee comprising of three members selected from the Board of Trustees.

In September 2008 a new committee structure was introduced. The audit sub-committee is composed of three trustees, the superintendent of business services and two community members. The first meeting of the committee was held in May 2009.

6. School Operations and Facilities Management

#1 Annual Department Goals and Priorities

Operational Review Recommendation	Implementation Update
Management should consider enhancing the facilities services planning document, by identifying performance measures for each task, reducing the number of stakeholders identified as “lead responsible”, and setting specific timelines for monitoring and reporting.	Implemented

#2 Multi-Year Maintenance and Renewal Plan

Operational Review Recommendation	Implementation Update
Management should consider developing a multi-year maintenance and renewal plan of say 3 to 5 years that includes the available funding. This would provide a clear forecast of the Board’s critical needs over the next several years.	In Progress

#3 Energy Management Plan

Operational Review Recommendation	Implementation Update
The Board should accelerate the completion of its multi-year energy management plan. The plan should identify measurable and quantifiable energy baselines and savings targets by facility, to enable reporting. The plan should also identify any energy management investments and sources of funding.	In Progress

#4 Capital Planning

Operational Review Recommendation	Implementation Update
Management should complete the planned comprehensive update of its current capital commitments and future requirements. This would also include an assessment of the funding to support the existing debt service costs, and a projection of funding sources to support the Board’s future capital and facility renewal requirements.	Implemented

#1 Annual Department Goals and Priorities

Facility Services manager has met with the Superintendent of Facility Services to identify measurable goals and objectives for each of their respective portfolios. A Facility Services Action Plan was developed for 2008-2009.

All strategies and indicators of success in the plan were designed to be specific as to the lead responsibilities, performance measures, and detailed timelines in order to facilitate an annual report on progress made against the plan.

The monitoring and reporting of progress was discussed with the Superintendent of Facility Services every two to three months as part of each manager's performance appraisal process.

#2 Multi-Year Maintenance and Renewal Plan

Management responded to the recommendation first of all by identify all required maintenance/renewal events for the next 5 years utilizing the Tactical Planning Window in ReCAPP.

Subsequently, management created a rolling 5 year renewal plan matching highest overall needs and priorities with anticipated Annual Renewal and Good Places to Learn funding.

A process was then established to review the 5 year plan annually to verify identified priorities based on asset condition audits, revising proposed timing of scheduled replacement as required. Also, staff annually create a proposed renewal plan for that given budget year matching highest priorities with actual available funding.

Furthermore, the RECAPP database of building component condition is being kept current through annual third party inspections on a 3 year cycle – i.e. each year 1/3 of the schools are inspected, the 10 year component condition assessed, and the RECAPP database updated.

Management has also taken advantage of its newly implemented Computerized Maintenance Management System (CMMS) software to track maintenance costs arising from work orders, and identify high cost maintenance items for potential replacement/renewal.

Using RECAPP and CMMS to identify needs, as well as the identified backlog of program and functional renewal requests, known life safety and regulatory requirements, ODA/accessibility needs, and energy conservation initiatives are then assessed for relative priority.

A proposed 5 year renewal plan is then developed considering identified relative priorities and assumed available funding over the next 5 years.

The first 5 year plan will be developed in conjunction with the development of the 2009-2010 proposed annual renewal plan.

#3 Energy Management Plan

Management has developed a multi-year Energy Management Plan, for implementation in September 2009. The Plan would establish measurable and quantifiable energy baselines, and set savings targets. It would also identify strategies for further savings and promote these strategies to all schools.

As of the time of the follow-up, the development of the Energy Management Action Plan is in progress, as the Board moves forward in a number of areas of technical initiatives/strategies as well as behavioural modification actions.

A number of energy conservation technical measures have been implemented over the past few years. These include BAS installations/modifications, high efficiency boiler replacements and building envelope improvements (roofing, window replacement).

Building energy performance data is being collected and analyzed on these buildings to assess the relative success of the technical measure implementation. Measures which show a high level of energy performance improvement will continue to be implemented in future projects. The reduction in gas consumption over the past couple of years is believed to be attributed in part to the implementation of these measures. Data analysis will be used to verify this.

Eco-schools has been implemented in 6 schools in 2009. It is proposed to have an additional 20 schools enrolled in Eco-schools in 2010, with a longer range plan to have all schools working towards Eco-schools certification within 4-5 years.

The school board is now fully enrolled in the CSBSA (Catholic School Boards Services Association) for the purpose of electricity procurement, providing for better electricity rates due to being part of a large purchasing consortium.

Also, the school board is now also an active member on the Ontario Education Collaborative Marketplace (OECM) Energy Advisory Panel to develop a sourcing strategy for the procurement of natural gas for Ontario colleges, universities and school boards. An RFP for the procurement of natural gas will be issued in March, leading to anticipated savings in the cost of natural gas.

Finally, the Board installed new energy management software. This software provides improved auditing and reporting features and is able to generate school-by-school

energy performance reporting. Graphical reports will be sent to the schools, indicating the relative energy performances of all schools, including consumption of electricity, natural gas, heating oil and water. Schools will be able to view their own energy performance as well as that of other schools. FS staff will be able to use this data to identify better performing schools, and identify opportunities for savings at lower performing schools.

#4 Capital Planning

The Capital Planning Process has evolved through 2008 with submissions of growth schools, additions, PTR and a further submission of Capital Priorities Projects that were provided to the Ministry in October 31, 2008. This submission included growth, additions, PTR business cases and other types of capital projects.

Implementation of new templates and through the capital planning website tool, has incorporated a direct link to ascertain available funding to support financial service requirements. Property and Planning staff work closely with finance and construction to determine the best practice for funding new capital projects being submitted through Business Cases.

Duties within the Property and Planning Department have been realigned to maximize efficiency and effectiveness given a varied and large workload. The department has been assigned into Land Use, Policy, Capital Plan, Program and GIS priorities to better meet the needs of the Capital Plan Process, along with ARCs, EDCs, and so forth.

The Board approved the school board's Priority Capital Projects in October 2008 and submitted the plan to the Ministry through the Capital Plan Website. The Board approved its Capital Plan in December 2008 and included submissions of the Priority Capital Projects and further projects that included growth schools, additions, PCS, PTR and attendance area reviews that commenced in early 2009.

The capital planning website tool is updated on a regular basis as projects are proposed as business cases and as projects proceed.

7. School Board Adoption of New Leading Practices

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

School boards that were reviewed prior to September 2008 were not assessed against the new leading practices identified below. During this follow-up review process, the Operational Review team asked those school boards to comment on the extent to which they demonstrate adoption of these practices.

Governance and School Board Administration

New Leading Practice	Adopted?
The school board's governance model clearly delineates the division of duties between the board of trustees and the director of education. The board has established clearly defined duties and responsibilities to support an effective working relationship.	Yes
The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the board. Policies are posted on the board's web site.	Yes
The director has established a formal succession plan to manage retirements and resignations of key managers/ administrators.	No

Management indicated that the school board has already adopted many of these leading practices. For example, it has produced has a multi-year strategic plan, a copy of which was provided during the original operational review. Management has also established policies and procedures for all functions, including a process to ensure that these policies are up-to-date and relevant.

One area of focus is around succession planning for senior administrative staff. The school board does not currently have a formal staff succession plan. Management indicated that they would appreciate support from the sector to help them improve in this regard.

HR Management and School Staffing/Allocation

New Leading Practice	Adopted?
Management periodically reports on the effectiveness of the attendance management process/ programs to senior management and the board.	Yes

New Leading Practice	Adopted?
Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes.	Yes
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes

The HR department has been implementing the above leading practices.

Financial Management

New Leading Practice	Adopted?
Management completes and files all financial reports in accordance with established timelines.	Yes
The board has an audit committee with external members as advisors.	Yes
The external auditor's planning and annual reports are presented to the board's audit committee, and any recommendations are acted upon by management.	Yes
Management performs regular cash/funding forecasting to ensure the board's debt service can be met to maturity.	Yes
Management ensures adequate controls are in place to safeguard non-school board funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes
Purchasing Managers monitor and ensure compliance with the board's procurement policies and procedures.	Yes

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

Operations and Facilities Management

New Leading Practice	Adopted?
Process exists to monitor new legislation and regulations and implement necessary changes.	Yes
Operations management follows Ministry guidelines, policy and legislation on healthy schools.	Yes

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

Appendix A – Selection of Recommendations

- **SP** - Strategic Planning
- **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
- **SAO** - Seven Areas of Opportunity from 2008 sector report
- **NLP** – New leading practices introduced in Wave 3 through the Second Edition of the Operational Review Guide.

Governance and School Board Administration

Ref.	Recommendation	Follow-up Yes/No	Criteria
1.	In order to enhance the system plan, the Board should review all indicators of success to ensure that all potentially measurable indicators are identified with specific performance measures. This will improve the measurement of progress in a more specific, quantifiable fashion. The Board should also consider reducing the number of “lead responsables”, (the staff responsible for the specific area of the plan), to ensure that clear accountability can be assigned to specific individuals.	Y	SP
2.	1. The Board should establish a pre-determined refresh cycle for each policy and its related procedures. Each refresh cycle should reflect the nature of the specific policy, and should be assigned to a designated department for tracking purposes.	Y	AR2

HR Management and School Staffing/Allocation

Ref.	Recommendation	Follow-up Yes/No	Criteria
3.	Management is encouraged to continue with the implementation of the board- wide employee appraisal system. Management should consider developing a board policy governing the appraisal system, to complement the procedures that will eventually be developed. A periodic report on the status of the staff groups in process and timelines for completion would be useful for Executive Council.	N	
4.	The HR department should consider conducting periodic staff satisfaction surveys to better monitor the developmental needs of all staff groups. Management should continue with their plans to implement confidential exit interviews with staff that leave the Board.	N	

Financial Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
5.	The department should consider expanding its annual plan to include specific performance measures, timelines and responsibilities to improve accountability for the outcomes. This would provide senior administration with a broader perspective of the challenges the department faces and how the plan aligns with the Board's goals. The department would report annually to senior administration on its accomplishments against the plan.	Y	SP
6.	Management should consider enhancing the interim financial reports with a comparison of current and expected levels of year-to-date expenditures, based on historical averages, prior year's experience or the number of staff and pays processed to date. In addition, the Board should consider updating the structure and/or format of its interim report to better align with the Board's budget structure/format. This will assist the reader to better relate the interim financial status against the budget.	Y	SAO
7.	Management and the Board should consider establishing a formal internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.	Y	SAO
8.	Management and the Board should establish an audit committee. The membership of the audit committee would include at least two	Y	SAO

Ref.	Recommendation	Follow-up Yes/No	Criteria
	external members to act as advisors and contribute to the committee's accountability.		
9.	The Board has identified Electronic Funds Transfer (EFT) as a priority to be implemented in the Finance department. Management should proceed with its plan.	N	

School Operations and Facilities Management

Ref.	Recommendation	Follow-up Yes/No	Criteria
10.	Management should consider enhancing the facilities services planning document, by identifying performance measures for each task, reducing the number of stakeholders identified as "lead responsible", and setting specific timelines for monitoring and reporting.	Y	SP
11.	Management should consider developing a multi-year maintenance and renewal plan of say 3 to 5 years that includes the available funding. This would provide a clear forecast of the Board's critical needs over the next several years.	Y	SAO
12.	The Board should accelerate the completion of its multi-year energy management plan. The plan should identify measurable and quantifiable energy baselines and savings targets by facility, to enable reporting. The plan should also identify any energy management investments and sources of funding.	Y	SAO
13.	Management should expand its energy consumption reporting capabilities to enable school-by-school monitoring. The Board could also examine ways to fully consolidate its utility billings across its facilities. This enhanced reporting would enable the board to budget energy expenditures at a more detailed level, track consumption and identify opportunities for further savings.	N	
14.	Management should complete the planned comprehensive update of its current capital commitments and future requirements. This would also include an assessment of the funding to support the existing debt service costs, and a projection of funding sources to support the Board's future capital and facility renewal requirements.	Y	AR3