

2007: SB 34

MEMORANDUM TO: Directors of Education

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: December 19, 2007

SUBJECT: **Operational Reviews of District School Boards**

I am writing to provide you with information about the Operational Reviews, an important initiative undertaken in partnership between the Ministry and school boards to strengthen business practices and management capacity over the next three years.

Please find attached a copy of the document, *Operational Review Guide* for Ontario District School Boards, which provides more detail.

OVERVIEW

The Operational Review process builds on our shared commitment to student success. School boards across the province are already doing excellent work to deliver the best educational programs and services possible to all of Ontario's elementary and secondary students.

Strengthening operational business practices will increase the effectiveness, efficiency, transparency and responsiveness of Ontario's publicly funded education. Operational Reviews will engage your and other school boards in a review of business practices, financial commitments, and measures to enhance accountability. The information gained from the Reviews will become the foundation for developing standards of "best practice".

The scope of the Operational Review consists of the following functional areas that have been divided into key processes and activities that are detailed in the attached Operational Review Guide:

- Governance and Board Administration;
- Human Resource Management and School Staffing;
- Financial Management; and
- School Board Operations and Facilities.

Taking into consideration the unique characteristics of each school board, the specific purpose of an Operational Review is to:

1. Strengthen management capacity in school boards through the development of recommendations that support improvement in non-academic operations;
2. Highlight to the sector and school board communities existing successful business practices currently being utilized by school boards;
3. Leverage “Best Practices” across the education sector;
4. Provide support and assistance to ensure that school boards are financially healthy, well managed, and positioned to direct optimum levels of resources to support the priority of student success; and
5. Provide the Ministry with important input on DSB capacity / capabilities for consideration in the ongoing development of policy and funding mechanisms.

OPERATIONAL REVIEW TEAMS

The School Business Support Branch leads the Operational Review initiative. To ensure that the reviews are conducted in an objective manner, the Ministry has formed two Operational Review Teams. The role of the teams is to leverage the expertise of industry professionals and consulting firms in evaluating the specific design of the review process and to conduct the reviews with the school boards. The firms of Deloitte & Touche LLP and PricewaterhouseCoopers Inc. will conduct the reviews.

DEVELOPMENT OF REVIEW METHODOLOGY

The methodology to be used in the conduct of the reviews was developed by the Operational Review Teams. The methodology was summarized in a draft “Operational Review Guide” that was shared with a number of stakeholder groups. A significant element of the methodology was the establishment of ‘leading practices’ for each of the areas under review, which will serve as the basis of the Review Teams’ assessment of the management practices followed by school boards.

This methodology also reflects advice from the education sector. This input has been invaluable in helping to focus the scope, design and methodology of the reviews. Consultation included:

1. An *Advisory Committee* that provided comprehensive guidance and direction from the sector in the development of review scope, review tools, and review process. Membership included representation from the Council of Senior Business Officials (COSBO) and the Council of Ontario Directors of Education (CODE), as well as ministry staff including Internal Audit.
2. A *Reference Group* that addressed trustee associations’ desire to support and be involved in the Operational Review process. Representation from all four trustee groups – both staff and elected representation – were brought together in early September to review the draft Operational Review Guide for input; to be updated on the pilot process; and to be consulted on roll-out of the process.

3. Presentations by the School Business Support Branch (SBSB) to seek input throughout the development phase from a wide group of sector stakeholders including Ontario Association of School Business Officials (OASBO), Council of Senior Business Officials (COSBO), Directors Associations (English and French), and all Trustee Associations.

Pilot reviews involving four District School Boards were conducted during the summer. The objective of the pilot reviews was to test the relevancy, functionality, and appropriateness of the *Operational Review Guide* and toolsets to ensure that these resources enhanced understanding of the process, covered all areas of the review, and identified any procedural or design gaps. The participating Boards reflect the diversity of Ontario school boards and included:

- a) Conseil des Écoles Catholiques de Langue Française du Centre-Est
- b) York Catholic District School Board
- c) District School Board of Niagara
- d) Rainy River District School Board

A guiding principle throughout the review process, for the Ministry and Operational Review Teams, will be to continue engaging our stakeholders.

APPROACH

The Operational Review approach is that, on average, the end-to-end process will take approximately eight weeks, comprised of three weeks of Pre-Fieldwork, two weeks of Fieldwork and three weeks of Reporting. There will be variation in the timeframe of this process through adjustments for the unique context and characteristics of each DSB.

During the *Pre-Fieldwork* phase, school boards will be requested to commit to a Fieldwork Plan. Boards will be requested to provide documentation in advance of the *Fieldwork* that will enable the Review Teams to gain a preliminary understanding of the board's operation. The Review Teams will conduct the *Fieldwork* with the Boards and the information gathered will be the foundation for *Report*.

The process recognizes the importance of the Boards, Review Teams, and Ministry having an opportunity to discuss the findings and recommendations presented in the draft report. It is crucial when developing *Final Reports* that the content reflects the opinions of all parties. The review process allows for this important time for dialogue.

Six to twelve months after the submission of the *Final Report*, the Review Teams will conduct a follow-up review to determine to what extent the DSB has adopted and implemented the final report recommendations.

The Ministry and the Operational Review Teams will enhance this review process through the development of Key Performance Indicators (KPI) for the sector. These KPIs will measure the efficiency and effectiveness of board operations and the extent to which resources directed to the classroom are being maximized. They will complement the existing student performance indicators and will eventually become part of the regular reporting system for school boards.

INITIAL ROLLOUT

Over the next three years, the Ministry will engage all 72 district school boards in Operational Reviews. Beginning in October 2007 and ending in December 2007, six reviews will have been completed, involving the following school boards:

1. Trillium Lakelands DSB – October 22
2. Ottawa Catholic Schools – October 29
3. London District Catholic SB – October 29
4. Hamilton Wentworth DSB – November 5
5. Simcoe County DSB – November 5
6. Peterborough VCN Catholic DSB – November 12

An additional six to eight boards will be reviewed during January–March 2008. The Ministry is in the process of confirming the list and notification will begin shortly. A schedule will be released in early 2008 of all remaining boards and the follow-up site visits.

OPERATIONAL REVIEW SECTOR GUIDE

The attached document titled *Operational Review Guide* for Ontario District School Boards was completed following the testing of the methodology and the review by the stakeholder groups.

The *Guide* will provide all school boards with a summary of the scope and approach for the operational reviews including the ‘leading practices’ established for each of the areas under review. The *Guide* defines a common and consistent approach for the reviews that also provides the flexibility to take into account the unique characteristics of each school board.

SUMMARY

If you have any questions or comments regarding the Operational Reviews, please contact Don Higgins at 416 325-8731 or e-mail don.higgins@ontario.ca.

Operational Reviews are an opportunity for the Ministry and school boards to work co-operatively to build management capacity, encourage good stewardship, share best practices, and identify opportunities for cost savings and continual improvement. By working together, we can help ensure that our schools have the highest possible levels of resources and support and can continue to focus on success for all our students.

I look forward to working with you on this challenging initiative.

Cheri Hayward
Director
School Business Support Branch

copy: Senior Business Officials