

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee Meeting DATE: May 20, 2015
CHAIRPERSON: Trustee L. Mossman STAFF CONTACT: E. Sadlowski, Director of Finance

*The Committee Chairperson acknowledged that the meeting was being held
on the Traditional Territory of the Okanagan People.*

Attendees:

Board of Education:
Trustee L. Mossman (Chairperson)
Trustee R. Cacchioni (Committee Member)
Trustee J. Fraser (Committee Member) (*absent*)
Trustee D. Butler (Acting Committee Member)
Trustee M. Baxter

Staff:
E. Sadlowski, Director of Finance
L. Paul, Secretary-Treasurer (*absent*)
H. Gloster, Superintendent (*absent*)
T. Beaudry, Assistant Superintendent (*absent*)
D. Carmichael, Finance Manager
B. Bertram, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA	Susan Bauhart, President
COPAC	Vivian Evans, President
COPVPA	No representative
CUPE	Wendy Johnson, President
District Student Council	No representative

Guests: Jim Grant, Grant Thornton LLP
Tyler Neels, Grant Thornton LLP

Agenda/Additions/Amendments/Deletions

Trustee Butler was appointed Acting Committee Member in the absence of Trustee Fraser.

May 20, 2015 Agenda – approved as presented.

Reports/Matters Arising

April 22, 2015 Special Committee Report – received as presented.

Recognition/Presentations/Delegations

1. Report to the Finance Committee – Initial Communication on Audit Planning for the Year Ended June 30, 2015

The representatives from Grant Thornton LLP provided an overview of the audit planning approach that will be used for the year ending June 30, 2015. The Report to the Finance Committee includes the terms of the audit engagement, the proposed audit strategy, recent changes to accounting standards (e.g. liability for contaminated sites), and the level of responsibility assumed by Grant Thornton LLP under Canadian auditing standards. It was noted that there is increasing public/regulatory scrutiny with regard to educational and other public sector organizations in British Columbia. The objective of the audit is to obtain reasonable assurance that the financial statements are free of material misstatement. Communication of the audit results will be presented at the September 16, 2015 Finance and Legal Committee Public Meeting, with final financial statements due electronically to the Ministry of Education by September 30, 2015. Audit information is also provided to the Office of the Auditor General of British Columbia.

The Committee Chairperson thanked the representatives from Grant Thornton LLP for their presentation.

1:20 pm – The representatives from Grant Thornton LLP left the meeting.

Committee Members Queries/Comments

The COTA President requested clarification on the auditors' statement that the District had experienced a slight increase in overall enrolment for 2014-2015.

The Director of Finance responded that District enrolment numbers quoted previously are from the September 1701 process, however the Ministry conducts two additional headcounts throughout the school year, and these may indicate a slight overall increase in enrolment.

The COTA President queried whether asbestos existing in older school district buildings would fall under liability for contaminated sites, and whether these sites are included and reported.

The Director of Finance advised that the District has issued a blanket statement that asbestos may exist in school district buildings, and should renovations or demolition occur, the cost for removal of the asbestos would need to be assessed.

The COTA President queried whether the Finance and Legal Committee had dealt with risks other than for financial accounting, e.g. injury lawsuits.

The Director of Finance responded that the Schools Protection Program (SPP), administered by the Risk Management Branch of the Ministry of Finance in conjunction with the Ministry of Education, provides professional risk management services for all BC public schools. The SPP would investigate claims and provide any reimbursement for losses. The school district is not responsible for student personal injuries during the school day. Parents have the option of purchasing student accident insurance each year.

The COTA President queried the process for perceived risks for teachers on field trips or within school district buildings.

The Director of Finance advised that employee concerns should be reported to the Human Resources Department.

The CUPE President queried whether the school district had contaminated sites as noted in the auditor's Report to the Finance and Legal Committee.

The Director of Finance responded that no district-owned buildings sit on former gas station sites, per the example mentioned by the auditors. It was noted that École KLO Middle School sits on a former garbage site and bus/vehicle repair yards could have oil/gas contamination issues.

Discussion/Action Items

1. Trustee Travel Expenses

The Director of Finance reviewed the governance budget amounts for the operation of the Board of Education. Not including salaries and benefits, the governance budget is separated into four expense categories: In District (travel to Board Meetings, School Planning Councils, etc.); Personal Travel (Professional Development or specific interests); Board Travel (BCSTA, BCPSEA and Branch Meetings, or Trustee Academies); and Other (dues and fees, public relations, meeting expenses, election expenses, supplies, etc.). Policy 190 – Trustee Expenses outlines Trustee travel and expenses. As of April 30th of each year, the governance budget amounts are reviewed to ensure expenses are within budget guidelines. Trustees are requested to ensure that all expense forms for the school year are submitted prior to June 30th to ensure that the final budget totals are accurate for that year. It was noted that the governance budget is funded from within the District's operating budget.

2. 2015-2016 CommunityLINK Allocations

The Director of Finance provided information on the 2015-2016 CommunityLINK Allocations which are received as a special purpose fund outside the operating grant. The funds are provided to support vulnerable students in academic achievement and social functioning, through services such as breakfast and lunch programs, school-based support workers, counselling for at-risk children and youth, and Health Promoting Schools initiatives. A report is provided to the Ministry each year outlining how the special purpose funds have been spent. Any funds carried forward are added to the School Meals Program.

Outcome

The Committee recommended that the Board of Education approve the Recommended 2015-2016 School-Based CommunityLINK Allocations.

Information Items

1. School Fees 2015/2016

School fees are reviewed on an annual basis in accordance with Policy 425 and Regulations 425R - Student Fees. The Director of Finance provided an overview of the four categories of fee structures in the District which include standard fees, transportation fees, academy fees, and goods and services fees. There are no recommendations to change fee structures for the 2015-2016 school year. The Board's financial hardship policy applies to all fees charged within the Central Okanagan School District.

The Committee discussed the cost to the District for students attending PacificSport Okanagan under the terms of the external partnership agreement.

Outcome

Financial information on the external partnership with PacificSport Okanagan will be provided at the June 17, 2015 Committee Meeting.

2. Financial Update – International Education Program

The Director of Finance reviewed the financial information provided for the International Education Program. Since the Program’s inception, over \$12 million in revenue has been generated for the District, with over half of that transferred to schools to assist in the education of the international students. The program is a popular one and continues to attract students from a large number of countries and jurisdictions. The International Education Program is well positioned to meet the financial and enrolment targets set for the 2015/2016 school year.

3. PSEC Letter, April 10, 2015, in Response to Requests to Lift the Management and Excluded Staff Compensation Freeze

Committee members discussed the existing compensation freeze for management and excluded staff.

Outcome

The Committee recommended that the Board of Education write a letter to the Minister of Education, the Minister of Finance, and the PSEC (Public Sector Employers’ Council) CEO, with copies to BCSTA, BCPSEA, local area MLAs and Partner Groups, regarding the management and excluded staff compensation freeze.

Recommendations/Referrals to the Board/Coordinating Committee/Other Committees

Future Public Board Meeting Action Items:

- 2015-2016 CommunityLINK Allocations
- PSEC Letter, April 10, 2015, in Response to Requests to Lift the Management and Excluded Staff Compensation Freeze

Future Public Board Meeting Information Items:

- Trustee Travel Expenses
- School Fees 2015/2016
- Financial Update – International Education Program

Meeting Schedule

June 17, 2015 at 6:30 pm	September 16, 2015 at 1:00 pm
October 21, 2015 at 6:30 pm	November 18, 2015 at 1:00 pm

Items for Future Finance and Legal Committee Meetings

- Update - Ministry of Education Deloitte Report

June 17
- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year - Administrative Savings Completed Template - PacificSport Okanagan Financial Update

Questions – Please Contact:

Trustee Lee Mossman, Chairperson
Eileen Sadlowski, Director of Finance

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