

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee Meeting DATE: September 20, 2017
CHAIRPERSON: Trustee R. Cacchioni STAFF CONTACT: E. Sadlowski, Assistant Secretary-Treasurer

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

Attendees:

Board of Education:
Trustee R. Cacchioni (Chairperson)
Trustee J. Fraser (Committee Member) (*arrived at 4:40 pm*)
Trustee C. Gorman (Committee Member)
Trustee M. Baxter
Trustee D. Butler (Acting Committee Member)
Trustee L. Mossman

Staff:
E. Sadlowski, Assistant Secretary-Treasurer
L. Paul, Secretary-Treasurer
K. Kaardal, Superintendent of Schools/CEO
T. Beaudry, Deputy Superintendent (*absent*)
D. Carmichael, Finance Manager
H. Wendt, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA Susan Bauhart, President
COPAC No representative
COPVPA No representative
CUPE David Tether, President
DSC No representative

Guests: Tyler Neels, Grant Thornton LLP
Josh Widmann, Grant Thornton LLP

Agenda/Additions/Amendments/Deletions

Trustee Butler was appointed Acting Committee Member until the return of Trustee Fraser.

September 20, 2017 Agenda – approved as distributed.

Reports/Matters Arising

June 21, 2017 Committee Report – received as presented.

Recognition/Presentations/Delegations

1. **Presentation: Report to the Finance and Legal Committee – Communication of Audit Results and Audited Financial Statements Fiscal Year 2016/2017**

The Grant Thornton representatives reviewed the Communication of Audit Results and advised the audit of the Central Okanagan Public Schools 2016/2017 has been substantially completed. The Management Representation letter has now been signed. No misstatements were identified but a few non-trivial misstatements relating to timing issues were reviewed with the Committee and it was noted that the unadjusted misstatements have been reviewed with management and it was requested by management that the amounts not be adjusted. Reportable matters were reviewed as was the client service team and audit schedule. The final financial statements must be provided electronically to the Ministry of Education by September 30, 2017.

The Grant Thornton representatives advised full cooperation had been received from the District's management staff during the audit process, no illegal or fraudulent acts were identified during the comprehensive audit, management had not sought information from another auditor, and no changes had taken place in accounting or auditing standards.

The Grant Thornton representatives reviewed the 2016/2017 audited financial statements with the Committee. The Independent Auditor's Report was outlined as well as Statements 1 to 5, which included the breakdown of Special Purpose Funds.

The Notes to the Financial Statements were reviewed including those outlining prepaid expenses and information relating to the disposal of the site on Woodsdale Road. The latter is considered local capital, and has been pre-committed to helping fund the School Board Office rebuild.

Committee Members Queries/Comments

Susan Bauhart, COTA President

Queried various components of the recently released provincial budget and its impact on the Central Okanagan Public Schools 2017/2018 budget.

The Superintendent of Schools/CEO noted clarification has been sought through the Deputy Minister's office regarding the distribution of the \$177 million in education funding and confirmation has not yet been received.

The Secretary-Treasurer advised that any amount allocated for immediate space needs will be amalgamated into the Capital budget and the District may not receive further funds over and above what has already been allocated.

The Assistant Secretary-Treasurer noted that the budgetary impact of reductions in MSP fees is yet to be completely understood as direction from the provincial government has not been received. In addition, a carbon tax increase will impact the District. It is anticipated the two will offset each other. Both will be reflected in the Amended Annual Budget prepared in February 2018.

The Superintendent of Schools/CEO advised the funding for a fentanyl response strategy is yet to be confirmed. Naloxone kits are now in Central Okanagan Public Schools high schools and 12 first aid Administrators in the schools have been trained on their use. The training was provided by Interior Health.

The Committee Chair confirmed that any further information received from the Ministry will be provided at the next meeting of the Finance and Legal Committee.

Discussion/Action Items

1. Audited Financial Statements Fiscal Year 2016/2017

Outcome

The Committee received the Audited Financial Statements Fiscal Year 2016/2017, and recommended that the Board of Education receive and approve the Audited Financial Statements Fiscal Year 2016/2017.

2. Financial Governance and Accountability

The Assistant Secretary-Treasurer reviewed the information provided and noted representatives from the BCSTA, BCSSA and BCASBO have worked with the Ministry of Education, Ministry of Finance and Office of the Auditor General to develop financial governance and accountability guidance material and procedures for the K-12 Public Education sector. Best practices were highlighted and support material for senior district staff were provided. The Assistant Secretary-Treasurer briefly outlined a revised financial report that District staff is suggesting be utilized when reporting to the Committee. They are comprehensive and report financial matters at a higher level with a broader perspective.

4:40 pm: Trustee Fraser joined the meeting and assumed her responsibilities as a Committee member.

In response to queries from the Committee, the Assistant Secretary-Treasurer advised staff will be reviewing the *Financial Governance and Accountability* model and suggestions will be brought back to the Committee for review including potential changes to policy, procedure or practice.

Outcome

The Committee agreed that future financial reports will be provided in the format outlined by the Assistant Secretary-Treasurer.

Information Items

1. BCSTA 2017-2018 Key Dates from the School Act and Financial Disclosure Act

The Committee reviewed the dates outlined.

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

Board of Education Public Meeting (September 27, 2017)

- 2016/2017 Audited Financial Statements (Action Item)
- Report to the Finance and Legal Committee – Communication of Audit Results (Information Item)

Meeting Schedule

October 18, 2017 at 4:00 pm

November 15, 2017 at 4:00 pm

Items for Future Finance and Legal Committee Meetings

- Report regarding utilization of Aboriginal Education targeted funding, specifically relating to programs that are being taught to both Aboriginal students and the general student population.

September	October	November
- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>)	- Finance and Legal Committee – Review of Mandate, Purpose and Function	- School District No. 23 (Central Okanagan) Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline - Revenue and Expense Summary at October 31
January	February	April (1st meeting)
- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial	- Revenue and Expense Summary at January 31	- Overview of Budget Allocation - Budget Consultation Input Received
April (2nd meeting)	May	June
- Central Okanagan School District Preliminary Budget Proposal – Superintendent's Budget Recommendations - Trustee Indemnity for the Fiscal Year	- Auditor's Report to the Finance Committee – Initial Communication on Audit Planning for the Year - Annual CommunityLINK Allocations - Trustee Travel Expenses - Financial Update – International Education Program - Review of Policy 425 and Regulations 425R - Student Fees	- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson

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Rolli Cacchioni, Chairperson