

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee Meeting DATE: September 16, 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
H. Gloster, Superintendent
T. Beaudry, Assistant Superintendent
D. Carmichael, Finance Manager
B. Bertram, Executive Assistant (*Recorder*)

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

Partner Group Representation:

COTA	Susan Bauhart, President
COPAC	No representative
COPVPA	Mike Dornian, Treasurer
CUPE	Wendy Johnson, President
District Student Council	No representative

Agenda/Additions/Amendments/Deletions

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

September 16, 2015 Agenda – approved as presented.

Reports/Matters Arising

June 17, 2015 Committee Report – received as presented.

Recognition/Presentations/Delegations

1. Presentation: Audited Financial Statements Fiscal Year 2014/2015

The Chairperson welcomed Jim Grant and Tyler Neels of Grant Thornton, Chartered Accountants. The representatives from Grant Thornton provided an overview of the information contained within the Report to the Finance and Legal Committee, and the audited financial statements. In May 2015, auditors were asked to evaluate the District's procedures in place for cyber security and disaster recover. As a result of the evaluation, it was noted that an overall review of internal controls and processes related to the computer environment and security had not been completed in the past ten years, and the District may benefit from a full systems audit and review to identify weaknesses and areas to improve in.

A summary was provided of the statements of financial position, operations, re-measurement gains and losses, changes in net financial assets (debt), and cash flows. As at June 30, 2015, the District's unrestricted operating surplus was approximately \$1 million. This amount is well below the average operating surplus for organizations (which has been recommended in some reviews as 3% of the organization's budget). The surplus will be used for unexpected expenses and/or carried forward for budget planning for the next school year.

The auditors also reviewed the status of the audit, the audit results, reportable matters, technical updates, the client service team, and the audit timetable. The School District's financial statements are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Discussion/Action Items

1. Audited Financial Statements Fiscal Year 2014/2015

Outcome

The Committee received the Audited Financial Statements Fiscal Year 2014/2015, and recommended that the Board of Education receive and approve the Audited Financial Statements Fiscal Year 2014/2015.

The Representatives from Grant Thornton left the meeting at 1:47 pm.

Information Items

1. Trustee Travel Expenses/Board Governance Report as of June 30, 2015

Committee members reviewed the information provided.

Outcome

The Committee agreed that the Governance Report be amended and the In District Personal Travel and the Board Travel – BCSTA, BCPSEA columns no longer show individual allocations beside each Trustee's name, but be listed as a group total.

The Assistant Superintendent left the meeting at 1:55 pm.

2. Amended Policy Regulations 470R – Transportation Services Management (*Regulations*)

Committee members reviewed the amendment to the Regulations which aligns the maximum transportation assistance rate with the District's per kilometer reimbursement.

Committee Correspondence

1. Correspondence Received

Office of the Auditor General of British Columbia, July 13, 2015, to Grant Thornton Kelowna, providing a letter of instruction regarding the Audit of School District No. 23 (Central Okanagan).

Items Requiring Special Mention

Trustee Mossman, Chair of the Finance and Legal Committee, will request to speak to the Select Standing Committee on Finance and Government Services at the September 16th Budget 2016 Consultations Public Hearing.

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

Future Public Board Meeting Action Items:

- Audited Financial Statements Fiscal Year 2014/2015 (*September 23, 2015 Public Board Meeting*)

Future Public Board Meeting Information items:

- Trustee Travel Expenses/Board Governance Report as of June 30, 2015
- Amended Policy Regulations 470R – Transportation Services Management (*Regulations*)

Meeting Schedule

October 21, 2015 at 6:30 pm (*tentative*)

November 18, 2015 at 1:00 pm

Items for Future Finance and Legal Committee Meetings

- Update - Ministry of Education Deloitte Report

The Secretary-Treasurer advised that shared services are at varying levels of maturity with a great deal of focus being directed to a legal liability agreement with Schools Protection Program, and the natural gas bulk purchase initiative. Many committees are involved in the various shared services initiatives.

October	November	January
	- 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	- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial

February	April (1st meeting)	April (2nd meeting)
- Revenue and Expense Summary at January 31	- Overview of Budget Allocation - Budget Consultation Input Received	- Central Okanagan School District Preliminary Budget Proposal – Superintendent’s Budget Recommendations - Trustee Indemnity for the Fiscal Year
May	June	
- 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 Lee Mossman, Chairperson
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