CENTRAL OKANAGAN PUBLIC SCHOOLS - BOARD COMMITTEE REPORT

Finance and Audit Committee Meeting
Public Meeting

Wednesday, September 23, 2020, 4:00 pm
School Board Office or Zoom
1040 Hollywood Road S.
Kelowna, BC

Board of Education:	Trustee R. Cacchioni, Chairperson Trustee N. Bowman, Committee Member Trustee L. Tiede, Committee Member Trustee C. Desrosiers
Staff:	Delta Carmichael, Assistant Secretary-Treasurer Ryan Stierman, Secretary-Treasurer/CFO Val Dougans, Finance Manager Kevin Kaardal, Superintendent of Schools/CEO Terry Beaudry, Deputy Superintendent of Schools Mona Essler, Executive Assistant (recorder)
Partner Groups:	Susan Bauhart, COTA President David Tether, CUPE President Michael Dornian, COPVPA Treasurer Max Steinbern, DSC - Grade 11 at OKM *There was no representative from COPAC.*

The Central Okanagan Board of Education acknowledged that this meeting was being held the unceded, Traditional Territory of the Okanagan People.

AGENDA

Replace: Materials for Scheduled Reports/Matters Arising Item 2.1 Finance and Audit Committee Public Meeting Report - June 16, 2020.

September 23, 2020 Committee Agenda - approved as amended.

REPORTS/MATTERS ARISING

<u>**Finance and Audit Committee Public Meeting Report - June 17, 2020**</u>

June 17, 2020 Committee Report - received as distributed.

RECOGNITION/PRESENTATIONS/DELEGATIONS

Presentation: Report to the Finance and Audit Committee - Communication of Audit Results and Audited Financial Statements Fiscal Year 2019/2020

Tyler Neels, Grant Thornton LLP, presented the Report to the Finance and Audit Committee Audit Results for the Fiscal Year 2019/2020. The audit of the Central Okanagan Public Schools 2019/2020 is substantially completed and the final audited financial statements will be provided electronically to the Ministry of Education by October 1, 2020. The Grant Thornton LLP representative 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, and there are no adjustments or internal controls to report. The Grant Thornton LLP representative stated that a third party expert was relied upon to evaluate the employee future benefits. The Independent Auditor's Report was outlined as well as the draft Management Representation letter. The Grant Thornton LLP representative also mentioned how the COVID-19 pandemic has impacted audit risks and provided comments in their report.

PUBLIC QUESTION/COMMENT PERIOD

There were no public questions/comments.

COMMITTEE MEMBERS QUERIES/COMMENTS

Trustee Bowman queried on Note 2 (Summary of Significant Accounting Policies), requesting a definition of vested versus non vested benefits. The Secretary Treasurer/CFO stated that vested benefits relate to those employees who have met the requirements to receive a full benefit.

4:33 pm: The Deputy Superintendent left the meeting.
4:35 pm: The Deputy Superintendent rejoined the meeting.

The COTA President requested an explanation of the $12M difference in the Ministry of Education Provincial Grants on Statement of Operations between the 2020 Annual Budget Bylaw and the actual revenues. The Assistant Secretary-Treasurer stated that this difference is a combination of enrolment increases, increase in the Classroom Enhancement Fund funding and the funding received as a result of finalizing the CUPE and COTA collective agreements during the year.

Trustee Tiede queried if internal controls were affected by staff working remotely. The Assistant Secretary-Treasurer confirmed that she was not aware of any affects to internal controls due to staff working remotely.

Trustee Cacchioni asked if staff would organize a presentation from Cairy Holtby, VP & Portfolio Manager & Wealth Advisor from RBC Wealth Management.

DISCUSSION/ACTION ITEMS

Audited Financial Statements Fiscal Year 2019/2020

The Assistant Secretary-Treasurer presented the Audited Financial Statements for the 2019/2020 Fiscal Year, which include a Statement of Financial Position, Statement of Operations, Statement of Remeasurement Gains and Losses, Statement of Changes in Net Financial Assets (Debt), and Statement of Cash Flows.

The Assistant Secretary-Treasurer provided comments on the significant variances of the Statement of Financial Position and Statement of Operations.

District staff and the Grant Thornton representative responded to questions.

Outcomes:

The Finance and Audit Committee received the Audited Financial Statements Fiscal Year 2019/2020, as attached to the agenda and as presented at the September 23, 2020 Finance and Audit Committee Public Meeting.

The Committee recommended that the Board of Education receive and approve the Audited Financial Statements Fiscal Year 2019/2020.

DISCUSSION/INFORMATION ITEMS

Financial Statement Discussion and Analysis the Year Ending June 30, 2020

The Assistant Secretary-Treasurer stated that the Ministry of Education requires schools district's to provide a Financial Statement Discussion and Analysis report to accompany the annual Audited Financial Statements.

The Assistant Secretary-Treasurer reviewed the Financial Statement Discussion and Analysis the Year Ending June 30, 2020 report and responded to questions.

Responding to the COVID-19 Pandemic

The Assistant Secretary-Treasurer outlined how the District has responded to the COVID-19 Pandemic, highlighting that the District will receive $8.7 million from the Federal government over two instalments and $1.745 million in funding as part of the Province's Safe Return to School Grant.

Ministry of Education COVID-19 Cost Tracking Template

The Committee reviewed the information.

Surplus Appropriation Analysis

The Committee reviewed the information. Staff responded to questions.

RECOMMENDATIONS/REFERRALS TO THE BOARD/COORDINATING COMMITTEE/OTHER COMMITTEES

Public Board Meeting - September 30, 2020

- Audited Financial Statements Fiscal Year 2019/2020 (Action)
- Financial Statement Discussion and Analysis the Year Ending June 30, 2020 (Information)

ITEMS FOR FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

- RBC Investment Presentation

September

- Presentation: Audited Financial Statements for the Fiscal Year
- Audited Financial Statements for the Fiscal year *(Action Item)*

November

- Financial Update at September 30th School District No. 23 (Central Okanagan) Budget Development Principles
- School District No. 23 (Central Okanagan) Budget Development Timeline

January

- Amended Annual Budget for the Fiscal Year
- Ministry Recalculation Allocation – School District No. 23 and Provincial
- Financial Update at December 31st
- Budget Survey development
- Annual Review of Committee's Mandate, Purpose and Function

February

- Budget Presentation

April (1st Meeting)

- Overview of Budget Allocation
- Budget Consultation Input Received
- Trustee Indemnity for the 2021-2022 Fiscal Year

April (2nd Meeting)

- Central Okanagan School District Preliminary Budget Proposal – Superintendent's Budget Recommendations
- Financial Report at March 31st

May

- Auditor's Report to the Finance and Audit Committee – Initial Communication on Audit Planning for the Year
- Annual CommunityLINK Allocations
- Financial Update - International Education Program

June

- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year

FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

All meetings start at 4:00 pm.

October 21, 2020, November 18, 2020

MEDIA QUESTIONS

There were no media questions.

ADJOURNMENT

The meeting adjourned at 5:10 pm.

Questions - Please Contact:

Trustee Cacchioni, Chairperson at 250-765-3419 or Rolli.Cacchioni@sd23.bc.ca
Delta Carmichael, Assistant Secretary-Treasurer at 250-470-3233 or Delta.Carmichael@sd23.bc.ca

Rolli Cacchioni, Chairperson