

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee Meeting DATE: October 18, 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) (*absent*)

Trustee C. Gorman (Committee Member)

Trustee M. Baxter

Trustee D. Butler

Trustee L. Tiede (Acting Committee Member)

Staff:

E. Sadlowski, Assistant Secretary-Treasurer

L. Paul, Secretary-Treasurer (*joined the meeting at 4:02 pm*)

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 Michael Dornian, Treasurer (*joined the meeting at 4:15 pm*)

CUPE David Tether, President

DSC No representative

Agenda/Additions/Amendments/Deletions

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

October 18, 2017 Agenda – approved as distributed.

Reports/Matters Arising

September 20, 2017 Committee Report – received as presented.

Discussion/Action Items

1. Financial Update – September 30, 2017

The Assistant Secretary-Treasurer reviewed the new format for the financial update report noting that, while the current fiscal year commenced on July 1, 2017, trends thus far in the school year after only one full month of school being in progress, can be challenging to ascertain.

4:02 pm: The Secretary-Treasurer joined the meeting.

Funded student enrolment is lower than anticipated as are teacher's salaries due to the hiring of a number of new teachers. Other factors such as benefit costs, revenue from outside sources and international student enrolment were also reviewed.

The Assistant Secretary-Treasurer noted that the eligibility of additional teachers hired that will be funded by the Classroom Enhancement Fund (CEF) is unknown. The District will be providing a further submission to the Ministry requesting further funding from the CEF and the deadline for that submission is Thursday, October 19, 2017.

In response to queries from the COTA President regarding the \$177 million additional funding announced by the Ministry of Education, the Superintendent of Schools/CEO advised no indication has been provided to the District as to how those funds will be allocated or if, indeed, the District will receive any of the funding. The Assistant Secretary-Treasurer noted that in speaking with Principals and Assistant Superintendents, resources are adequate for middle and secondary schools. Elementary schools are stretched regarding their resource budgets and if any additional funding is received, the District may review allocating funds to those budgets.

4:15 pm: The COPVPA representative joined the meeting.

In response to queries from the COTA President, the Assistant Secretary-Treasurer confirmed the impact of reductions in the MSP rate is unknown but is expected to be offset by increases to the Provincial carbon tax.

The Assistant Secretary-Treasurer reviewed the Operating Fund, Capital Fund, Special Purpose Funds, Bylaw Capital Projects and Other Information for the three month period ending September 30, 2017.

The COTA President requested that, when beginning the budget planning process for the 2018/2019 fiscal year, consideration be given to identifying a budget allocation for collaboration time for teachers.

2. Review of Board Policy 160 (Finance and Legal Committee) in conjunction with *Toolkit for Boards of Education Audit Committees*

The Assistant Secretary-Treasurer provided an overview of the Toolkit as it related to the composition of the Finance and Legal Committee, which also serves as an Audit Committee. The Toolkit also references the consideration of an internal auditor, albeit usually only in extremely large organizations, and the need for an internal audit review. Another of the suggestions pertains to having an outside expert as a non-voting member of the Committee.

The Committee reviewed the suggestions and it was noted that there has been no indication or report from the external auditors that raises concerns which would require an internal auditor be hired by the Board. Further, the Committee meets Incamera with the auditors on an annual basis, without staff present, so that any concerns can be aired. The Committee has been consistently advised that identified issues are rectified on a timely basis and there is total transparency in reporting to the Committee and the Board. In response to queries from the Committee, the Secretary-Treasurer advised only one or two of the larger school districts in the province utilize an external auditor but they simply audit the schools and their processes.

The Committee reviewed the current Board Policy 160 and suggestions were provided regarding changes, including changing the name to Finance and Audit Committee and incorporating a paragraph that notes the District's auditors will be reviewed on a five-year basis with a process in place to request tenders (Requests for Proposals (RFPs)) from other audit firms.

The Assistant Secretary-Treasurer confirmed the entire Toolkit document will be emailed to all Trustees.

Outcome

The Committee directed staff to revise Board Policy 160 (Finance and Legal Committee) in accordance with the suggested changes made at the meeting, and bring the revisions back to the November 15, 2017 Finance and Legal Committee Meeting for further review.

Items Requiring Special Mention

The Committee noted that an announcement to all staff and the media has been sent out advising the District's CFO/Secretary-Treasurer is retiring on December 27, 2017. The Committee and the Board thanked Mr. Paul for his 22 years of service and wished him well.

Meeting Schedule

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.*
- *Amendments to Policy 160 – Finance and Legal Committee.*

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

January	February	April (1st meeting)
- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial - Financial Update at December 31		- Overview of Budget Allocation - Budget Consultation Input Received - Financial Update at March 31
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
Eileen Sadlowski, Assistant Secretary-Treasurer

Phone: 250-765-3419 email: rolli.cacchioni@sd23.bc.ca
Phone: 250-470-3224 email: eileen.sadlowski@sd23.bc.ca

Rolli Cacchioni, Chairperson