



Date: January 24, 2024 **Agenda Item:** 7.3
To: Board of Trustees
From: Shawna Warren, Superintendent
Originator(s): Sean Nicholson, Associate Superintendent, Corporate Services
Governance Policy: [Board Policy 221: Role of the Trustee](#)
[Board Policy 225 : Role of the Board](#)
[Board Policy 701: Board Delegation of Authority](#)
[Board Policy 700: Superintendent of Schools](#)

Additional Reference: Education Act
[AP420 - Financial Accountability & Audit](#)

Assurance Domain: Governance

Superintendent Leadership Quality Standard (SLQS)

SLQS Competencies ([SLQS](#) / [Board Policy 700](#)):

School Authority Operations and Resources
Supporting Effective Governance

Subject: **Board Policy 400: Financial Accountability and Audit**

Purpose:

For approval. Motion required.

Recommended Motion:

THAT the Board of Trustees rescind Board *Policy 400: Financial Accountability and Audit* as recommended at the January 24, 2024 Public Board meeting.

Background:

The Board of Trustees is responsible for reviewing Board Policies on an ongoing basis in order to adhere to the requirements necessary to provide excellence in public education and comply with the Education Act and provincial, as well as federal, legislation. The Board, as elected officials of the community, provides overall direction and leadership to the Division.

Administration has reviewed and recommends rescinding *Board Policy 400: Financial Accountability and Audit*. The *Education Act* (section 137) clearly defines the term “auditor” and mandates each board to appoint an auditor (section 138). The fiscal year of a board is set as September 1 to the following August 31, unless otherwise specified by the Minister. The board shall in each year submit an annual budget for the upcoming fiscal year, along with financial statements, the auditor’s report, and any written communications between the auditor and the board regarding internal control systems and accounting procedures (section 139). Additional requirements related to financial statements, authority to disclose

personal information, the Auditor's report, the Audit Committee, and the application of funds are all outlined in the *Education Act* (sections 140-143).

The Board's role in ensuring financial accountability and audit requirements is captured in *Board Policy 225: Role of the Board*, which is in accordance with the *Education Act* and corresponding regulations.

The Board shall annually review and approve the budget and audited financial statements as part of the budget process to ensure effective stewardship of the Board's resources [Education Act s. 33(1)(i)].

Administration is prepared to respond to questions at the January 24, 2024, Public Board meeting.

Attachment(s):

1. Policy 400 - Financial Accountability and Audit

Policy 400 Recommend to rescind. Clearly defined in the [Education Act](#) and Policy 225.

Education Act Section 138: Auditor - Each board shall appoint an auditor.

Section 139: Financial reporting to the Minister

Sections 140 - 143

Pages pictured below.

Financial Accountability covered in [Policy 225: Role of the Board](#) sections 38-50.

Financial Accountability and Audit

1.0 POLICY

The Board believes that the independent professional audit of its financial operation is essential for establishing credibility and financial accountability for tax dollars spent on education.

The Board also believes that the audit of individual school financial records is necessary.

The Board shall appoint an auditor for a term of three to five years.

References:

Administrative Procedure: [AP420 – Financial Accountability and Audit](#)

Education Act: Part 6, Division 1, Finance

History

2019 Apr 24 Initial Approval

2020 Sep 23 Amended

2021 Oct 27 Reviewed

2021 Dec 22 Amended

Part 6 Finance and Property

Division 1 Finance

Definition

137 In this Part, “auditor” means a professional accounting firm registered under the *Chartered Professional Accountants Act* and authorized to perform an audit engagement.

2012 cE-0.3 s137;2014 cC-10.2 s174

Auditor

138 Each board shall appoint an auditor.

Financial reporting to the Minister

139(1) The fiscal year of a board is September 1 to the following August 31, unless otherwise specified by the Minister.

(2) The board shall, in each year, do the following:

- (a) on or before May 31, or another date specified by the Minister, prepare and submit to the Minister a budget for the fiscal year beginning on the following September 1;
- (b) on or before November 30, or another date specified by the Minister, submit to the Minister, in the form prescribed by the Minister, copies of
 - (i) the board’s financial statements,
 - (ii) the auditor’s report on the board’s financial statements, and
 - (iii) any written communications between the auditor and the board respecting the systems of internal control and accounting procedures of the board.

(3) The Minister in the Minister's discretion may publish or otherwise disseminate all or any of the items submitted to the Minister pursuant to subsection (2)(b).

Contents of financial statements and authority to disclose personal information

140(1) The financial statements referred to in section 139(2)(b) must include the following information in respect of the board:

- (a) the remuneration, the benefits, the allowances and the expenses paid to or on behalf of the members of the board, each shown as a separate figure and shown separately for each member;
- (b) the remuneration, the benefits, the allowances, the expenses and the performance bonuses and other monetary incentives paid to or on behalf of the superintendent, each shown as a separate figure;
- (c) the remuneration, the benefits, the allowances, the expenses and the performance bonuses and other monetary incentives paid to or on behalf of the secretary-treasurer or the secretary and the treasurer appointed by the board, as the case may be, each shown as a separate figure;
- (d) the total of the remuneration, the total of the benefits and the total of the allowances paid to or on behalf of the persons in each of the following groups:
 - (i) teachers employed by the board;
 - (ii) non-teaching employees of the board.

(2) The board has the authority to disclose the information listed in subsection (1) notwithstanding any other Act or any provision of any agreement that purports to prohibit the disclosure of that information.

Auditor's report

141(1) An auditor shall, in accordance with the Canadian Auditing Standards, perform the auditor's examination of, and prepare the auditor's report on, the financial statements prepared pursuant to this Act and submit the report to the board.

(2) Board employees must give the auditor access to all records, documents, books of account and vouchers of the board at all times, and the auditor is empowered to request and receive from the board and any employee of the board any information and

explanations that in the auditor's opinion may be necessary to enable the auditor to report as required by subsection (1).

Audit committee

142(1) Each board shall establish an audit committee to

- (a) recommend external auditors to the board,
- (b) review the annual financial statements and report to the board, and
- (c) attend to other matters as the board may determine in the establishment of the audit committee.

(2) The audit committee shall comprise at least 5 individuals and shall include 2 members who are not trustees.

2012 cE-0.3 s142:2020 c11 s13

Application of funds

143(1) Subject to subsections (3) and (4), any money of a board that is accumulated or acquired for the purpose of capital expenditures must be used only for capital expenditures.

(2) Subject to subsections (3) and (4), any money of a board that is accumulated or acquired for a capital expenditure by borrowing or in any other manner must be used only for the capital expenditure for which it was acquired.

(3) The Minister, on any conditions that the Minister prescribes,

- (a) may permit a board, or
- (b) may require a board

to use money referred to in subsection (1) or (2) for a particular capital expenditure or a particular capital project or for any other expenditure or project whether or not the expenditure or project is one for which the money was accumulated or acquired.

(4) Notwithstanding subsections (1) and (2), a board may effect a temporary transfer of capital funds for a period of not more than 365 days to an account for operating expenses and, on the transfer of the capital funds, the funds may be applied during that period toward operating expenses.

143.1 Repealed 2012 cE-0.3 s143.1.