

DATE: June 10, 2014

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: Public Reporting Process for Travel and Expenses

ORIGINATOR: David Fraser, Executive Director, Corporate Services

RESOURCE STAFF: Cheryl Hagen, Amanda Lanctot, Madonna Proulx, Chang Yong

REFERENCE: [December 4, 2012 Board Motion re: Public Disclosure of Expenses](#)

ISSUE

The Board of Trustees (the Board) approved the following motion at the December 4, 2012 public board meeting:

That the Administration develop a public reporting process applicable to Trustees, the Superintendent, Executives and Managing Directors that aligns with the Government of Alberta's Directive on Public Disclosure of Travel and Expenses to take effect by the next fiscal year.

RECOMMENDATION

That the implementation of a public reporting process for travel and expenses beginning June 1, 2014 be approved.

BACKGROUND

In September of 2012, the provincial government introduced a new [Public Disclosure of Travel and Expense Policy](#) in order to improve accountability and transparency through disclosure of expense information. Following this provincial directive, the Minister of Education sent a letter to all chairs encouraging school boards to follow the lead of government and adopt an expense disclosure policy that mirrors the provincial policy.

In response to the December 4, 2012 board motion, Financial Services commenced with three concurrent phases of public disclosure including policy review, administrative regulations review and revision, and developing administrative process and procedures for reporting expenses. The initial phase began in 2013 and involved establishing a working committee led by Financial Services to review and revise Administrative Regulation CWA.AR - Expenditure of Public Funds. The purpose of the committee, which included various stakeholders throughout the District, was to collaborate on changes to the administrative regulations and include the context and framework that supports public disclosure and enhanced accountability for the spending of district funds. Along with the review of Administrative Regulation CWA.AR - Expenditure of Public Funds, an update of Board Policy CO.BP - Fiscal Oversight and Accountability is currently ongoing to include a public expense disclosure rather than creating a stand-alone public expense policy. As well, Financial Services has developed the administrative process and procedures for reporting public expenses and, in February 2014, held information sessions on the new process for senior staff that were designated to disclose expenses and their administrative support staff.

The public disclosure calls for all business expenses to be reasonable and able to stand the scrutiny of members of the public through a transparent expense disclosure practice.

For purposes of public disclosure the following terms have been defined:

- **Expenses:** refers to costs and allowances incurred by an individual in the course of school jurisdiction business, including expenses incurred on behalf of the reporting individual by another party.
 - Business travel and conferences, including transportation/mileage, accommodation, registration, meals and related incidentals.
 - Hospitality and working sessions.
- **Business Travel:** refers to meetings with external parties and associated costs including travel, meals, and parking.
- **Conferences:** refers to registration, travel, airfare, accommodations, meals and other costs with attending formal conferences or seminars.
- **Working Sessions:** refers to meetings with internal departments or schools and associated costs including meals, parking and other incidentals.
- **Hospitality:** refers to any activity that incurs hospitality or hosting expenses on behalf of guests as a matter of courtesy or to facilitate school jurisdiction business.

The proposed public disclosure process flow chart includes three steps:

1. Originating and Administration of Expenses
 - Trustees and the Superintendent of Schools, Assistant Superintendents, Executive Directors, Treasurer, Legal Counsel and Managing Directors (senior officials) and/or their administrative support staff are responsible for ensuring that all expense receipts required for public reporting include proper documentation of expenses such as the name and position of person incurring, purpose of spending including expense category (business travel, conferences, hospitality and working sessions) and expense type (transportation, registration, accommodation, meals, and other incidentals).
 - Departments with originating expenses are expected to correctly code expenses in the general ledger (GL) and prepare scanned redacted receipts for electronic submission to Financial Services on a monthly basis.
2. Compilation of Expenses for Reporting Purposes
 - Trustees and senior officials, and/or their administrative support staff are required to ensure that all expenses are accounted for on a monthly basis and compared to the GL as recorded in the Financial Information System reports.
 - Financial Services is responsible for reconciling monthly general ledger transactions against the expense receipts and following up on any missing documentation.
 - Financial Services staff will prepare a quarterly detailed expense report for each Trustee and senior official to be disclosed on the district website within 30 days of the end of each reporting period.
3. Public Disclosure on District Website
 - Each Trustee and senior official will have the opportunity to review their quarterly summary of expense reports along with receipts prior to posting to the district website.
 - Financial Services will submit quarterly expense reports for each individual including redacted receipts/invoices to Communications for publication on the district website (Attachment I).

RELATED FACTS

- There is growing public expectation for greater transparency and accountability of government and public institutions in the use of public funds.
- The public reporting process will apply to Trustees and senior officials.
- The new disclosure requirements will provide details on business travel and conferences, including transportation, accommodations, meals, and incidentals; and hospitality and working session expenses for designated individuals.
- The reporting process will be in place starting on June 1, 2014 and reported on the district website on a quarterly basis.
- The first proposed expense reporting will be accessible on the district website September 2014 relating to expenses for the period June 1, 2014 to August 31, 2014.
- Public disclosure of travel and expenses for Trustees and senior officials will bring with it an increased expectation for consistent practices for reporting expenses.
- Expense reports shall not contain information that is required to be withheld under Part 2 of the *Freedom of Information and Protection of Privacy Act*.
- Online posting of receipts/invoices is a consistent practice used for the Government of Alberta as well as the majority of school jurisdictions.

OPTIONS

The following options are selected for consideration as they are deemed the most admissible:

1. The Board consider and approve that the public reporting process for travel and expenses be implemented effective June 1, 2014, with the first public report available in September 2014 (recommendation).
2. The Board consider and approve that the public reporting process for travel and expenses be implemented effective September 2014, with the first public report available in December 2014.
3. The Board review, provide feedback, and recommend further development on the public reporting process for travel and expenses.

CONSIDERATIONS & ANALYSIS

- The Government of Alberta's public expense policy, purpose, principles and expense reporting requirements were adhered to in the development of Edmonton Public School Board's (EPSB) public disclosure process with the exception of reporting on a quarterly basis rather than the bi-monthly basis that was adopted by the Government of Alberta. The rationale for moving to a quarterly reporting schedule is to balance timely access to expense reports against the costs to administer expense information.
- EPSB reporting categories of expenses are in alignment with provincial expenses, which is defined as costs incurred by an individual in the course of district business and include travel, including transportation, accommodation, meals and incidentals; and hospitality and working sessions. In addition, a separate disclosure of conferences along with business travel is proposed.
- Online posting of both a summary spending report and itemized receipts with appropriate redaction of personal and confidential information is a consistent practice for public disclosure.

- Financial Services also researched the public reporting process for travel and expenses of three metro school jurisdictions, four rural school jurisdictions and one non-educational public board.
- Of the seven school boards and one public board researched, seven out of eight are disclosing itemized receipts along with a summary expense report, whereas only one out of eight disclose cell phone expenses, and none of the school boards are disclosing discretionary allowances for Trustees.

NEXT STEPS

- Approval of Administrative Regulation CWA.AR - Expenditure of Public Funds by the Superintendent of Schools.
- Approval of Board Policy CO.BP - Fiscal Oversight and Accountability, which is currently under review by the Policy Review Committee and scheduled for first reading in June 2014.
- Financial Services will continue to support Trustees, senior officials, and other staff impacted by the new reporting process.
- Guiding information on expense reporting will be published online on the Board Internet Site (BIS).
- Financial Services will continue to work with Communications with respect to the final format for disclosure of travel and expenses on the district website.

ATTACHMENTS & APPENDICES

ATTACHMENT I Sample Detail Expense Report Format

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NAME OF INDIVIDUAL BEING REPORTED
EXPENSE REPORT FOR THE PERIOD: XXXX-XXXX

DATE	DESCRIPTION OF EVENT	EXPENSE TYPE	RECEIPT AMOUNT	NET AMOUNT (1)
1) BUSINESS TRAVEL				
<i>meetings outside the District and associated costs including transportation, accommodations, meals, incidentals, parking, etc.</i>				
4-Mar-14	Metro Board Meeting - Westin Hotel Calgary	Accommodations	\$ 199.00	\$ 199.00
4-Mar-14	Metro Board Meeting - Mileage	Transportation	\$ 120.70	\$ 120.70
4-Mar-14	Meeting with Calgary School Board Officials - Boston Pizza (1 Managing Director [name], 2 EPSB Employees, 2 CBE Officials)	Meal	\$ 60.00	\$ 14.00
Sub-Total Business Travel			\$ 379.70	\$ 333.70
2) CONFERENCES				
<i>costs of attending conferences or seminars including registration fees, transportation, accommodations, meals, etc.</i>				
21-Mar-14	ASBOA Issues Forum - Calgary	Registration fees	\$ 200.00	\$ 200.00
21-Mar-14	ASBOA Issues Forum - Return flight for conference	Transportation	\$ 659.00	\$ 659.00
21-Mar-14	ASBOA Issues Forum - Tony Romas	Meal	\$ 12.50	\$ 12.50
22-Mar-14	ASBOA Issues Forum - 1 Night at Marriott Hotel	Accommodations	\$ 205.00	\$ 205.00
Sub-Total: Conferences			\$ 1,076.50	\$ 1,076.50
3) HOSPITALITY (Hosting)				
<i>cost of food, beverage, transportation and other amenities on behalf of the guests of EPSB</i>				
5-Apr-14	Hosting Government Officials (1 Managing Director [name], 1 EPSB employee, 2 AB Ed Officials) - Ric's Grill	Meal	\$ 100.00	\$ 100.00
12-Apr-14	Hosting XYZ Consultants (2 Trustees [names], 1 Managing Director [name], 2 Consultants) - The Keg	Meal	\$ 180.00	\$ 180.00
Sub-Total: Hospitality			\$ 280.00	\$ 280.00
4) WORKING SESSIONS				
<i>cost of meals, facility rental, travel in Edmonton, parking, or car allowance and other incidentals, while in the course of conducting district business</i>				
2-Mar-14	Meeting with Principals (1 Managing Director [name], 2 Principals [name of school]) - Moxies	Meals	\$ 50.00	\$ 50.00
Sub-Total: Working Sessions			\$ 50.00	\$ 50.00
TOTAL EXPENSES REPORTED FOR THE PERIOD			\$ 1,786.20	\$ 1,740.20

Notes: (1) Net Amount does not reflect a portion of the receipt that is attributed to another EPSB official's expense report