

**DATE:** September 16, 2014

**TO:** Board of Trustees

**FROM:** Trustee Michelle Draper, Chair Policy Review Committee  
Trustee Sarah Hoffman, Policy Review Committee  
Trustee Nathan Ip, Policy Review Committee

**SUBJECT:** Board Policy CO.BP – Fiscal Oversight and Accountability

**RESOURCE STAFF:** Brian Barclay, Lisa Boston, Todd Burnstad, Candace Cole, Noel Gareau,  
David Fraser, Cheryl Hagen, Amanda Lanctot, Madonna Proulx,  
Anne Sherwood, Sandra Stoddard

**REFERENCE:** [December 04, 2012 Board Motion re: Public Disclosure of Expenses](#)  
[Alberta Government Public Disclosure of Travel and Expense Policy](#)

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#### ISSUE

As part of the comprehensive review of all board policy, a new policy is required to address the Board of Trustees' fiscal stewardship responsibilities under the *Education Act* S 33(1)(i) "ensure effective stewardship of the Board's resources". The policy needs to provide an accountability framework to ensure the fiscal integrity of the District and effective oversight of the use and management of district funds which includes compliance with all legislative requirements, Public Sector Accounting Standards, effective financial planning and management processes, the application of internal controls and clearly defined roles and responsibilities. In addition, this new policy must address the Board of Trustees' expectation for public disclosure of travel and expenses of Trustees and senior officials in alignment with Alberta Government practices as per the Board motion approved December 4, 2012.

#### RECOMMENDATION

1. That new draft Board Policy CO.BP – Fiscal Oversight and Accountability (Attachment I) be considered for the second time.
2. That new draft CO.BP – Fiscal Oversight and Accountability be considered for the third time and approved.
3. That, Board Policy CO.BP – Fiscal Oversight and Accountability having been approved, the following board policies in Appendix III be rescinded:
  - a. Current Board Policy CO.BP – Fiscal Oversight and Management
  - b. Board Policy CT.BP – Appointment of Principal Banker
  - c. Board Policy CVE.BP – Auditor
  - d. Board Policy CW.BP – Purchasing
  - e. Board Policy HNB.BP – Instructional Fees
  - f. Board Policy IAC.BP – Funding and Endorsement Requests from External Organizations
  - g. Board Policy IH.BP – Public Gifts

#### BACKGROUND

The Board of Trustees gave first consideration to a new draft Board Policy CO.BP – Fiscal Oversight and Accountability on June 10, 2014 which was subsequently posted for stakeholder

feedback from June 13, 2014 to July 13, 2014. The Policy Review Committee reviewed the results of the survey and made some revisions to the recommended draft policy for clarity.

As shown in Appendix I, four major themes or categories of resources were identified (infrastructure, human, information and financial) for development of policy to address the Board of Trustees' responsibilities under the *Education Act* s 33(1)(i) "to ensure effective stewardship of the Board's resources." New draft Board Policy CO.BP – Fiscal Oversight and Accountability is addressing the policy theme for financial resources.

A working group comprised of representatives from Accounts Payable, General Accounting, Revenue Accounting, Purchasing and Contract Services, Internal Audit and Budget Services was formed to assist in the development of the new policy. As shown in Appendix II, existing board policies that address fiscal stewardship responsibilities were identified and reviewed to identify connections, redundancies and omissions. Copies of the identified policies and sections of the Trustees' Handbook are attached in Appendix IIIa through IIIi.

A plan for a new draft policy addressing fiscal stewardship of district funds was developed to consolidate, where possible, the existing policies related to financial stewardship responsibilities and include additional Board of Trustees' expectations with respect to:

- public disclosure of travel and expenses for Trustees and senior officials in alignment with Alberta Government practices;
- site-based decision making and financial stewardship on behalf of the District;
- an emphasis on demonstrated accountability for the use of district funds;
- clarification of purchasing criteria to include cost and quality; and
- ensuring that current practices such as acknowledging the death of a staff member or Trustee with a donation to a charity in lieu of flowers is compatible with Board Policy IAC.BP – Funding and Endorsement Requests from External Organizations, whereby the District does not provide funding to external organizations seeking funding for their own activities.

#### **RELATED FACTS**

- There is growing public expectation for and increasing media attention on the accountability of government and public institutions for the use of public funds.
- The District has a history and culture of site-based decision making that gives each site some discretion in how work is accomplished. The District's Vision, Mission, Priorities, and board policies and administrative regulations establish the parameters within which all decisions must be made.
- Public disclosure of travel and expenses for Trustees and senior officials will bring with it an increased expectation for consistency in the application of good judgment when using public funds. All district records are subject to the *Freedom of Information and Protection of Privacy Act* (FOIP) and the records of travel and expenses for other staff are disclosed upon request in accordance with FOIP.
- Administrative regulations, procedures and processes will need to be reviewed, revised and, or developed to be able to efficiently support proactive public disclosure and accountability for the use of district funds.

#### **OPTIONS**

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

1. The Board of Trustees consider and approve new draft Board Policy CO.BP – Fiscal Oversight and Accountability for second consideration, third consideration and final approval.
2. The Board of Trustees consider new draft Board Policy CO.BP – Fiscal Oversight and Accountability for the second consideration and provides direction to the Policy Review Committee to revise the policy before bringing back to the Board of Trustees for third consideration and final approval.

**CONSIDERATIONS & ANALYSIS**

There were 32 responses to the stakeholder survey on draft Board Policy CO.BP – Fiscal Oversight and Accountability of which 85 to 100 percent, depending on the section of the policy being reviewed, supported the proposed policy as written. The Policy Review Committee reviewed the few comments provided by stakeholders and noted that the inclusion of a definition of expenses for the purpose of reporting Trustees and senior officials expenses incurred on district business gave some readers the impression that there was not the same level of oversight expected or applied to all district expenditures and decision makers. To avoid confusing the intent of the policy and clarify the Board of Trustees' expectation for oversight and accountability for the use of all district funds, the following changes were made as shown in Attachment II by ~~strikeout~~ and shading:

- a definition of internal controls was added;
- the definition of expense was removed as it only addresses expenses for the purpose of routine public disclosure which can be better addressed in administrative regulations (see Expectation 1.a. of the policy that requires disclosure procedures to be in alignment with Alberta Government elected and senior official expense public disclosure practices); and
- a minor revision to the definition of site-based decision making was made to clarify that all financial decisions must be made within the parameters of board policies, administrative regulations and procedures.

The new draft policy retains the same code as current Board Policy CO.BP – Fiscal Oversight and Management however the name was changed to Board Policy CO.BP – Fiscal Oversight and Accountability in order to place the emphasis on accountability.

Current Board Policy CO.BP – Fiscal Oversight and Management (Appendix IIIa) and other board policies that address Board of Trustees' expectations for fiscal stewardship (Appendix IIIb though IIIi) were reviewed and the concepts consolidated in the proposed new draft policy with some wording changes for clarity and consistency of message as shown in (Appendix III). A definition of district funds was provided for the policy to ensure that funds from all sources, not just public funds from Alberta Education, are covered by the policy expectations for oversight and accountability. This definition made way for incorporating the existing policies related to accountability for funds derived from public gifts, donations and school fees into the new draft policy. Authority to approve district endorsement of and participation in community activities and projects is with the Superintendent of Schools. Clarification on when district funds may be used for donations to other organizations will be provided in administrative regulations and district expense reporting procedures. The Board of Trustees retains authority for approval of the annual budget and results review process, the annual distribution of funds and the appointment of the external auditor and principal banker from existing policies. The policy also addresses the Board of Trustees' expectations for:

- Seeking maximum educational value for the expenditure of district funds through appropriate purchasing practices.

- Conducting budget and results review for continuous improvement and as a means of communication with and involving stakeholders.
- Safeguarding and providing effective oversight and accountability for the use of district funds and asset management, through:
  - administrative regulations, processes and best practices aligned with provincially and federally legislated requirements, Public Sector Accounting Standards and Alberta Government elected and senior official expense disclosure practices;
  - the assignment of responsibilities and accountabilities; and
  - a system of internal controls.

The Policy Review Committee believes that the new draft policy provides the basis for appropriate fiscal oversight and accountability procedures and processes that will support the Board of Trustees, the Superintendent of Schools and district staff in meeting their respective responsibilities for the stewardship of district resources for the delivery of educational services on behalf of the public. The Policy Review Committee also believes that the work being done on the District Strategic Plan, with articulated strategies and goals and aligned outcomes and performance measures, will provide a basis for the development of operational plans and performance measures for all district decision units which will support fiscal accountability with routine and proactive public disclosure of results.

**NEXT STEPS**

Should the Board of Trustees approve the recommendations, implementation of the new policy will require review, revision and or development and communication of administrative regulations and processes to effectively and efficiently support public disclosure and accountability for the use of all district funds.

**ATTACHMENTS & APPENDICES**

- ATTACHMENT I New draft Board Policy CO.BP – Fiscal Oversight and Accountability
- ATTACHMENT II Deletions and Additions from the June 10, 2014 Version of Draft CO.BP – Fiscal Oversight and Accountability
- APPENDIX I Policy Themes for Stewardship of Resources (*Education Act* s33(1)(i))
- APPENDIX II Relationship of Responsive Current Policies for Fiscal Stewardship (*Education Act* S33(1)(I))
- APPENDIX III New draft Board Policy CO.BP – Fiscal Oversight and Accountability showing policy consolidation
  - a. Current Board Policy CO.BP – Fiscal Oversight and Management
  - b. Board Policy CT.BP – Appointment of Principal Banker
  - c. Board Policy CVE.BP – Auditor
  - d. Board Policy CW.BP – Purchasing
  - e. Board Policy HNB.BP – Instructional Fees
  - f. Board Policy IAC.BP – Funding and Endorsement Requests from External Organizations
  - g. Board Policy IH.BP – Public Gifts
  - h. Administrative Regulation AFA.AR – Results Review (formerly a board policy/regulation)
  - i. Trustees’ Handbook S6.1.2 Audit Committee, S6.2 Four-Year Budget Planning and Results Review

**CODE:** CO.BP**TOPIC:** Fiscal Oversight and Accountability**EFFECTIVE DATE:** (dd-mm-yyyy)**ISSUE DATE:** (dd-mm-yyyy)**REVIEW YEAR:** (yyyy)**PURPOSE**

To provide an accountability framework to ensure the fiscal integrity of the District and effective oversight of the use and management of district funds to achieve the District's Vision, Mission, Priorities, board policies, and requirements of Alberta Education.

**DEFINITIONS**

**District funds** are derived primarily from Alberta Education funding but include funds from all revenue sources including but not limited to conditional grants, public gifts and donations, sale of district owned assets, facilities rental and service charges, investments, transportation service fees, school shop customer service charges, student user fees for instructional supplies, materials and optional materials and services.

**Senior Officials** are those individuals occupying the following positions:

- Superintendent of Schools
- Assistant Superintendents
- Executive Directors
- Treasurer
- Corporate Secretary
- General Counsel
- Managing Directors

**Site-Based Decision Making**, sometimes called decentralized decision making, is a process of empowering those most closely affected by a decision to play a significant role in making those decisions. Managerial authority and accountability for financial decisions is delegated by the Superintendent of Schools to specific school/decision unit (DU) administrators for their respective school/DU budget. The District's Vision, Mission, Priorities, board policies, administrative regulations and procedures establish the parameters within which all decisions must be made.

**Stewardship** is the careful and responsible planning and management of district financial resources to achieve the educational objectives of the District's Vision, Mission and Priorities on behalf of the public. Stewardship of financial resources begins with transparency and compliance with legislation, policies, regulations, and internal controls.

**Internal controls** are the checks and balances established by the District to provide reasonable assurance about the achievement of objectives for reliability of financial reporting, effectiveness and efficiency of operations, safeguarding of resources and assets, and compliance with applicable laws and regulations.

## **POLICY**

The Board of Trustees (the Board) is responsible for ensuring effective and efficient stewardship of district financial resources and assets placed in its trust for the provision of public education now and into the future.

The Board recognizes that the fulfillment of the District's Vision, Mission, and Priorities is dependent on compliance with all legislative requirements and Public Sector Accounting Standards (PSAS), effective financial planning and management, the application of internal controls, and clearly defined roles and accountabilities. The Board also believes that the management of district finances is based on a foundation of integrity, prudent stewardship, public accountability and full disclosure of results.

The Board is committed to a system-wide culture of collaboration and site-based decision making and as such, trustees, senior officials and all staff share responsibility for modelling effective and efficient stewardship of district financial resources. The Board expects all school/DU administrators to exercise their stewardship of district financial resources by knowing and understanding their respective managerial authority, responsibility and accountability for decisions that have a financial impact on the District.

The Board seeks maximum educational value for the expenditure of district funds through purchasing practices that are fair, transparent and promote competition among vendors.

The annual district budget is the fiscal plan to achieve the Vision, Mission, Priorities and strategic plan of the District and the province. The District's individual school/DU budget development processes include a review of the results from the previous year for continuous improvement. The budget process serves as a means to improve communications and involvement both within the school system and with the broader community.

The Board shall approve:

- the annual budget and results review process;
- the annual distribution of funds and any updates that are required during the year;
- the annual operating budget;
- the annual appointment of the external auditor for the District; and
- the appointment of the principal banker for the District.

The Board believes that it is fair and appropriate to reimburse trustees and staff for approved travel and other expenses incurred while carrying out district business. To ensure accountability and public transparency, all trustees and staff shall adhere to district administrative processes for reimbursement and, or payment of expenses incurred on district business. Furthermore, expenses incurred by and on behalf of trustees and senior officials on district business shall be routinely and publicly disclosed in alignment with the elected and senior officials public disclosure practices of the Government of Alberta.

The Board acknowledges that schools cannot charge for instruction but schools may charge minimal fees with respect to instructional supplies or materials, in accordance with the *School Act*. While the Board recognizes the need to charge fees, economic circumstances shall not be a barrier to a student's access to curricular outcomes. Fees and the rationale for them shall be transparent and the funds derived shall be used for the purposes for which they were collected.

Edmonton Public Schools is a "Registered Canadian Charitable Organization" within the meaning of the *Income Tax Act* and, as such, all gifts and donations shall be accounted for and used to enhance educational opportunities offered to students consistent with district priorities, policies and values. In order to assist community groups seeking funding for their own activities, the Board delegates authority to the Superintendent of Schools to approve district endorsement of and participation in community activities or projects that reflect the District's Vision, Mission, and Priorities and support teaching and learning.

## **EXPECTATIONS**

1. To safeguard and provide effective oversight and accountability for the use of district funds and asset management, the Superintendent of Schools shall implement this policy through:
  - a. administrative regulations, processes and best practices aligned with provincially and federally legislated requirements, PSAS and Alberta Government elected and senior official expense disclosure practices;
  - b. the assignment of responsibilities and accountabilities; and
  - c. a system of internal controls.
2. District purchasing practices shall conform to provincial agreements and purchasing standards established for all Municipalities, Academic Institutions, School Boards and Hospital Institutions (MASH sector).
  - a. District purchasing practice shall give consideration to the following:
    - cost relative to quality and or suitability of the product or service;
    - vendor/manufacturer performance: reputation/experience, ability to deliver, after sales service, maintenance and warranty;
    - the vendor/manufacturer of the product can demonstrate supporting sustainability of our environment through recognized certifications and standards within the industry; and
    - the vendor/manufacturer of the product can provide evidence of recognized acceptable social ethical standards through policies, practices, and procedures.
  - b. All factors being equal, consideration shall be given to local, provincial, and national suppliers in that order.
3. At intervals not exceeding five years, requests for proposals shall be posted and made available to all:
  - financial institutions for appointment as the District's principal banker; and
  - qualified firms or individuals for appointment as district auditor.
4. The annual budget development and results review process shall provide trustees, staff, students, parents and community members with an opportunity for involvement.
5. Annual district and school budgets, audited financial statements, and results achieved by the District shall be made publicly available.
6. The acceptance of donations of property (cash and gifts in kind), that may be eligible for official tax donation receipts in accordance with Canada Revenue Agency, shall be for the advancement of education which includes, but is not limited to the following:
  - a. the establishment of scholarships or memorial funds;

- b. the giving of special prizes or awards to students;
- c. the promotion of co-curricular or extra-curricular activities;
- d. the purchase of equipment; and
- e. the funding of facility additions or enhancements.

## **ACCOUNTABILITY**

The Administration shall provide the following monitoring reports to the Board of Trustees:

- interim quarterly financial reports;
- annual audited financial statements;
- school and decision unit annual plans;
- results review documentation; and
- annual Alberta Education Results Report.

## **REFERENCES**

AD.BP – District Vision, Mission, Values and Priorities

CSGA.AR - School Generated funds

CSGB.AR - Administration of School Collected Funds

CSGE.AR - Customer Service Charges

CVB.AR - Guidelines for Carry Forward of Funds for Central and Decision Units

CW.AR - Purchasing and Disposal

CWA.AR - Expenditure of Public Funds

HNB.AR - School Assessed Fees

IAA.BP – Educational Partnerships and Sponsorships

IH.AR - Public Gifts

Trustees' Handbook s.6.1.2 Audit Committee

Trustees' Handbook s. 6.2 Four-Year Budget Planning and Results Reviews

*School Act s. 60(2)(j)(k), 146,*

*Freedom of Information and Protection of Privacy Act*

*Income Tax Act s.149.1*

Public Sector Accounting Standards (PSAS)

New West Partnership Trade Agreement (NWPTA)

Trade Investment and Labour Mobility Agreement (TILMA)





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**PURPOSE**

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**DEFINITIONS**

**District funds** are derived primarily from Alberta Education funding but include funds from all revenue sources including but not limited to conditional grants, public gifts and donations, sale of district owned assets, facilities rental and service charges, investments, transportation service fees, school shop customer service charges, student user fees for instructional supplies, materials and optional materials and services.

~~Expenses~~ are costs incurred or allowances claimed by or on the behalf of an individual in the course of district business and include:

- ~~• business travel and conferences (including registration, transportation, parking, accommodation, meals and incidentals)~~
- ~~• hospitality (applies only when the event involves participants from outside of the District)~~
- ~~• working sessions (applies only when individuals who work for the District are involved)~~
- ~~• other business expenses (including mobile devices, home internet, professional memberships, etc.)~~

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**Senior Officials** are those individuals occupying the following positions:

- Superintendent of Schools
- Assistant Superintendents
- Executive Directors
- Treasurer
- [Board-Corporate](#) Secretary
- General Counsel
- Managing Directors

**Site-Based Decision Making**, sometimes called decentralized decision making, is a process of empowering those most closely affected by a decision to play a significant role in making those decisions. Managerial authority and accountability for financial decisions is delegated by the Superintendent of Schools to specific school/decision unit (DU) administrators for their respective school/DU budget. The District's Vision, Mission, Priorities, ~~and~~ board policies, ~~and~~ administrative regulations ~~and procedures~~ establish the ~~broad framework parameters~~ within which all decisions ~~are~~ **must be** made.

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**Stewardship** is the careful and responsible planning and management of district financial resources to achieve the educational objectives of the District's Vision, Mission and Priorities on behalf of the

public. Stewardship of financial resources begins with **transparency and** compliance with legislation, policies, ~~and regulations, transparency~~ and internal controls.

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**Internal controls** are the checks and balances established by the District to provide reasonable assurance about the achievement of objectives for reliability of financial reporting, effectiveness and efficiency of operations, safeguarding of resources and assets, and compliance with applicable laws and regulations.

## POLICY

The Board of Trustees (Board) is responsible for ensuring effective and efficient stewardship of district financial resources and assets placed in its trust for the provision of public education now and into the future.

The Board recognizes that the fulfillment of the District's Vision, Mission, and Priorities is dependent on compliance with all legislative requirements and Public Sector Accounting Standards **(PSAS)**, effective financial planning and management, the application of internal controls, and clearly defined roles and accountabilities. The Board also believes that the management of district finances is based on a foundation of integrity, prudent stewardship, public accountability and full disclosure of results.

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The Board is committed to a system-wide culture of collaboration and site-based decision making and as such, trustees, senior officials and all staff share responsibility for modelling effective and efficient stewardship of district financial resources. The Board expects all school/DU administrators to exercise their stewardship of district financial resources by knowing and understanding their respective managerial authority, responsibility and accountability for decisions that have a financial impact on the District.

The Board seeks maximum educational value for the expenditure of district funds through purchasing practices that are fair, transparent and promote competition among vendors.

The annual district budget is the fiscal plan to achieve the Vision, Mission, Priorities and strategic plan of the District and the province. The District's individual school/DU budget development processes include a review of the results from the previous year for continuous improvement. The budget process serves as a means to improve communications and involvement both within the school system and with the broader community.

The Board shall approve:

- the annual budget and results review process;
- the annual distribution of funds and any updates that are required during the year;
- the annual operating budget;
- the annual appointment of the external auditor for the District; and
- the appointment of the principal banker for the District.

The Board believes that it is fair and appropriate to reimburse trustees and staff for approved travel and other expenses incurred while carrying out district business. To ensure accountability and public transparency, all trustees and staff shall adhere to district administrative **processes**, ~~regulations governing the expenditure of district funds~~ for reimbursement and payment of expenses incurred on district

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business. Furthermore, all expenses incurred made by and on behalf of trustees and senior officials on district business shall be routinely and publicly disclosed in alignment with the elected and senior officials public disclosure practices of the Government of Alberta.

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Edmonton Public Schools is a "Registered Canadian Charitable Organization" within the meaning of the *Income Tax Act* and, as such, all gifts and donations shall be accounted for and used to enhance educational opportunities offered to students consistent with district priorities, policies and values. In order to assist community groups seeking funding for their own activities, the Board delegates authority to the Superintendent of Schools to approve district endorsement of and participation in community activities or projects that reflect the District's Vision, Mission, and Priorities and support teaching and learning.

## EXPECTATIONS

1. To safeguard and provide effective oversight and accountability for the use of district funds and asset management, the Superintendent of Schools shall implement this policy through:
  - a. administrative regulations, processes and best practices aligned with provincially and federally legislated requirements, public sector accounting PSAS and Alberta Government elected and senior official expense disclosure practices;
  - b. the assignment of responsibilities and accountabilities; and
  - c. a system of internal controls.
2. District purchasing practices shall conform to provincial agreements and purchasing standards established for all Municipalities, Academic Institutions, School Boards and Hospital Institutions (MASH sector).
  - a. District purchasing practice shall give consideration to the following:
    - cost relative to quality and or suitability of the product or service;
    - vendor/manufacturer performance: reputation/experience, ability to deliver, after sales service, maintenance and warranty;
    - the vendor/manufacturer of the product can demonstrate supporting sustainability of our environment through recognized certifications and standards within the industry; and
    - the vendor/manufacturer of the product can provide evidence of recognized acceptable social ethical standards through policies, practices, and procedures.
  - b. All factors being equal, consideration shall be given to local, provincial, and national suppliers in that order.
3. At intervals not exceeding five years, requests for proposals shall be posted and made available to all:
  - financial institutions for appointment as the District's principal banker; and
  - qualified firms or individuals for appointment as district auditor.

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4. The annual budget development and results review process shall provide trustees, staff, students, parents and community members with an opportunity for involvement.
5. Annual district and school budgets, audited financial statements, and results achieved by the District shall be made publicly available.
6. The acceptance of donations of property (cash and gifts in kind), that may be eligible for official tax donation receipts in accordance with Canada Revenue Agency, shall be for the advancement of education which includes, but is not limited to the following:
  - a. the establishment of scholarships or memorial funds;
  - b. the giving of special prizes or awards to students;
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  - d. the purchase of equipment; and
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#### **ACCOUNTABILITY**

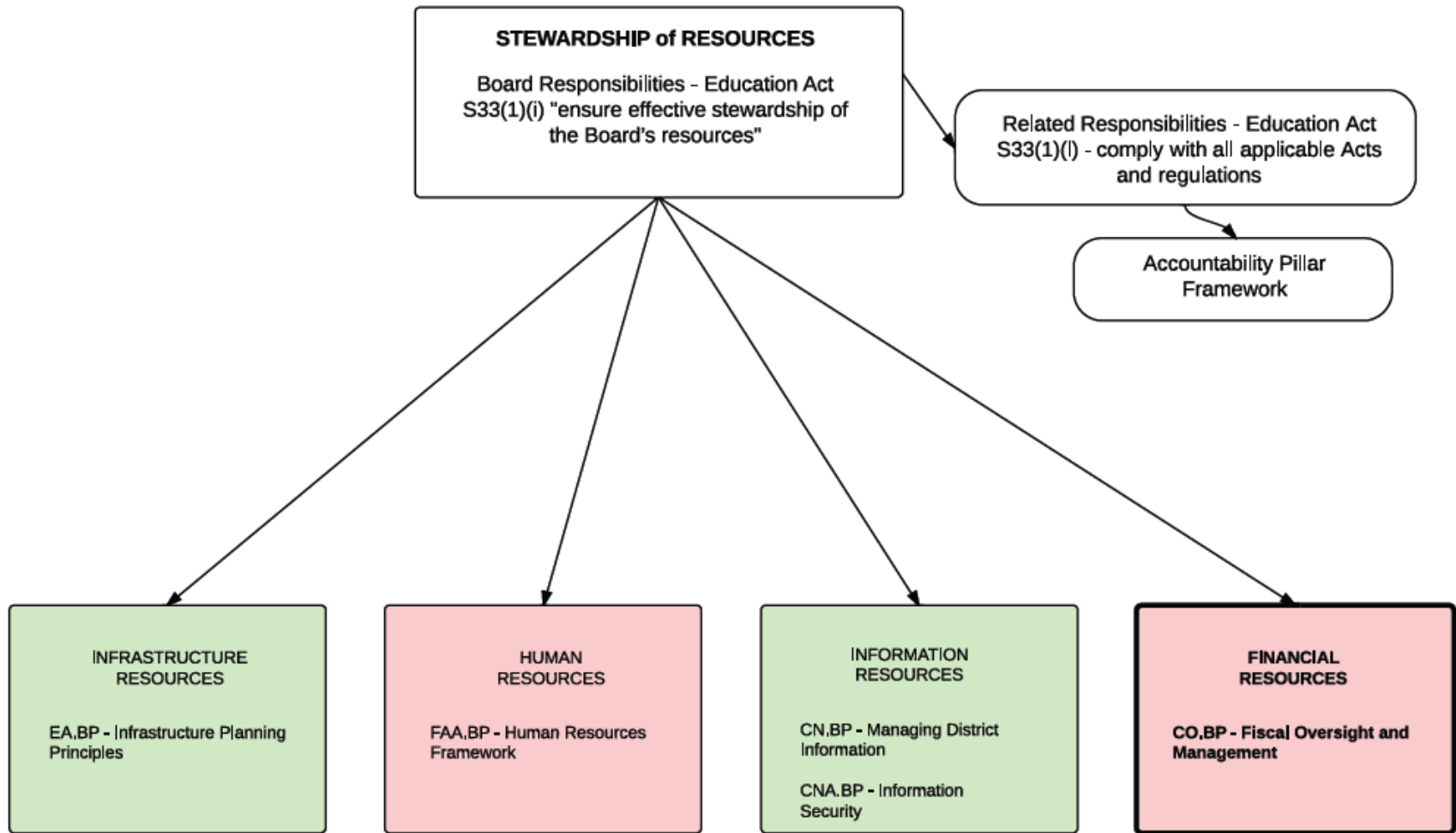
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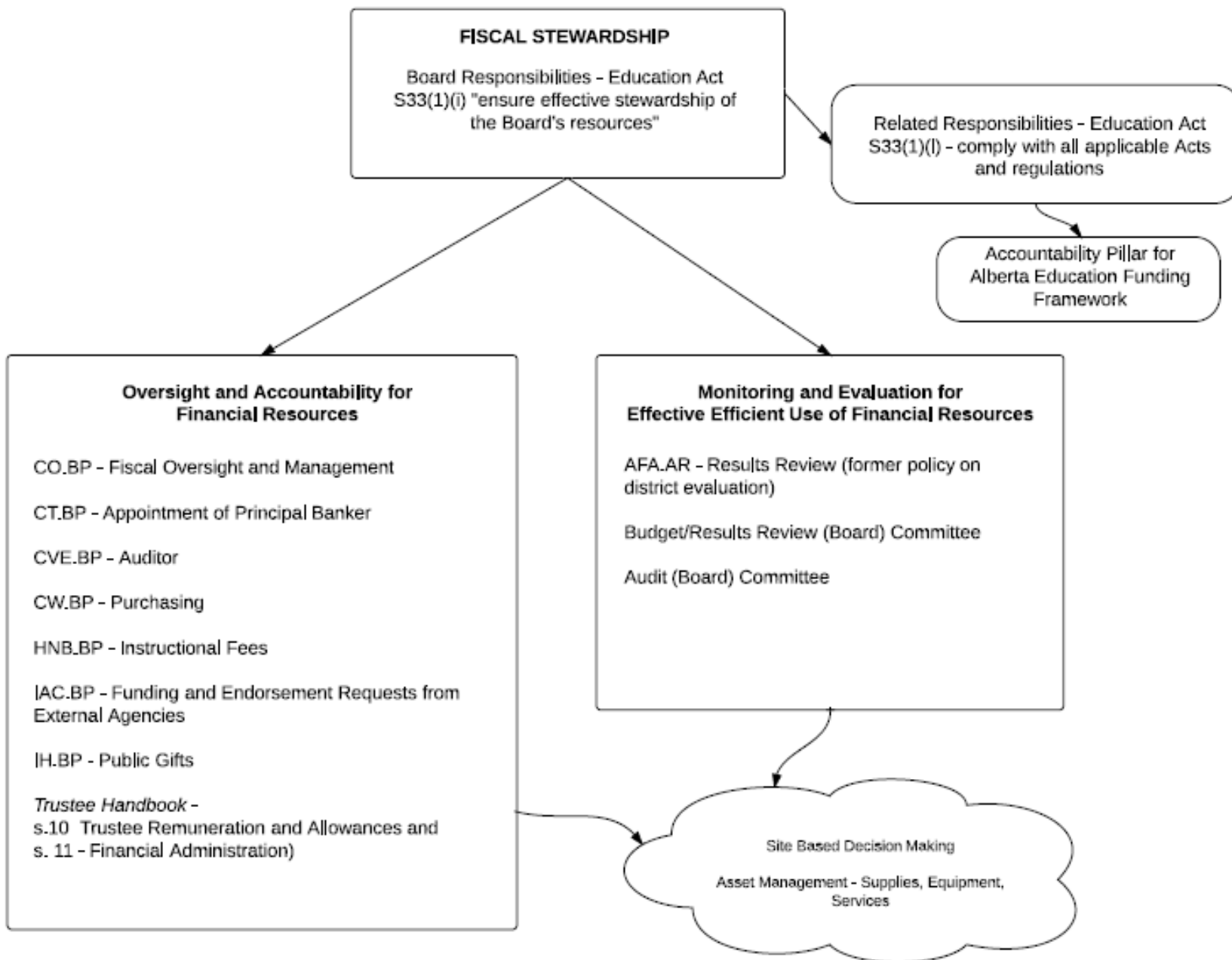
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#### **REFERENCES**

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 Trustees' Handbook s.6.1.2 Audit Committee  
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*School Act s. 60(2)(j)(k), 146,*  
*Freedom of Information and Protection of Privacy Act*  
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 Public Sector Accounting Standards **(PSAS)**  
 New West Partnership Trade Agreement (NWPTA)  
 Trade Investment and Labour Mobility Agreement (TILMA)

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## PURPOSE

To provide an accountability framework to ensure the fiscal integrity of the District and effective oversight of the use and management of district funds to achieve the District's Vision, Mission, Priorities, board policies, and requirements of Alberta Education.

## DEFINITIONS

**District funds** are derived primarily from Alberta Education funding but include funds from all revenue sources including but not limited to conditional grants, public gifts and donations, sale of district owned assets, facilities rental and service charges, investments, transportation service fees, school shop customer service charges, student user fees for instructional supplies, materials and optional materials and services.

**Senior Officials** are those individuals occupying the following positions:

- Superintendent of Schools
- Assistant Superintendents
- Executive Directors
- Treasurer
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**Site-Based Decision Making**, sometimes called decentralized decision making, is a process of empowering those most closely affected by a decision to play a significant role in making those decisions. Managerial authority and accountability for financial decisions is delegated by the Superintendent of Schools to specific school/decision unit (DU) administrators for their respective school/DU budget. The District's Vision, Mission, Priorities, board policies, administrative regulations and procedures establish the parameters within which all decisions must be made.

**Stewardship** is the careful and responsible planning and management of district financial resources to achieve the educational objectives of the District's Vision, Mission and Priorities on behalf of the public. Stewardship of financial resources begins with transparency and compliance with legislation, policies, regulations and internal controls.

**Internal controls** are the checks and balances established by the District to provide reasonable assurance about the achievement of objectives for reliability of financial reporting, effectiveness and efficiency of operations, safeguarding of resources and assets, and compliance with applicable laws and regulations.

## **POLICY**

The Board of Trustees (Board) is responsible for ensuring effective and efficient stewardship of district financial resources and assets placed in its trust for the provision of public education now and into the future.

The Board recognizes that the fulfillment of the District's Vision, Mission, and Priorities is dependent upon compliance with all legislative requirements and Public Sector Accounting Standards, effective financial planning and management, the application of internal controls, and clearly defined roles and accountabilities. The Board also believes that the management of district finances is based on a foundation of integrity, prudent stewardship, public accountability and full disclosure of results.

### **(CO.BP – Fiscal Oversight and Management)**

The Board is committed to a system-wide culture of collaboration and site-based decision making and as such, trustees, senior officials and all staff share responsibility for modelling effective and efficient stewardship of district financial resources. The Board expects all school/DU administrators to exercise their stewardship of district financial resources by knowing and understanding their respective managerial authority, responsibility and accountability for decisions that have a financial impact on the District.

The Board seeks maximum educational value for the expenditure of District funds through purchasing practices that are fair, transparent and promote competition among vendors. **(CW.BP – Purchasing)**

The annual district budget is the fiscal plan to achieve the Vision, Mission, Priorities and strategic plan of the District and the province. The District's individual school/DU budget development processes include a review of the results from the previous year for continuous improvement. The budget process serves as a means to improve communications and involvement both within the school system and with the broader community.

The Board shall approve:

- the annual budget and results review process; **(AFA.AR – Results Review)**
- the annual distribution of funds and any updates that are required during the year; **(CO.BP – Fiscal Oversight and Management)**
- the annual operating budget; **(CO.BP) – Fiscal Oversight and Management**
- the annual appointment of the external auditor for the District; and **(CO.BP) – Fiscal Oversight and Management**
- the appointment of the principal banker for the District. **(CO.BP – Fiscal Oversight and Management)**

The Board believes that it is fair and appropriate to reimburse trustees and staff for approved travel and other expenses incurred while carrying out district business. To ensure accountability and public transparency, all trustees and staff shall adhere to district administrative processes for reimbursement and, or payment of expenses incurred on district business. Furthermore, expenses incurred by and on behalf of trustees and senior officials on district business shall be routinely and publicly disclosed in alignment with the elected and senior officials public disclosure practices of the Government of Alberta.



The Board acknowledges that schools cannot charge for instruction but schools may charge minimal fees with respect to instructional supplies or materials, in accordance with the *School Act*. While the Board recognizes the need to charge fees, economic circumstances shall not be a barrier to a student's access to curricular outcomes. Fees and the rationale for them shall be transparent and the funds derived shall be used for the purposes for which they were collected. **(HNB.BP – Instructional Fees)**

Edmonton Public Schools is a “Registered Canadian Charitable Organization” within the meaning of the *Income Tax Act* and, as such, all gifts and donations shall be accounted for and used to enhance educational opportunities offered to students consistent with district priorities, policies and values. **(IH.BP - Public Gifts)**

In order to assist community groups seeking funding for their own activities, the Board delegates authority to the Superintendent of Schools to approve district endorsement of and participation in community activities or projects that reflect the District's Vision, Mission and Priorities and support teaching and learning. **(IAC.BP – Funding and Endorsement Requests from External Organizations)**

## **EXPECTATIONS**

1. To safeguard and provide effective oversight and accountability for the use of district funds and asset management, the Superintendent of Schools shall implement this policy through:
  - a. administrative regulations, processes and best practices aligned with provincially and federally legislated requirements, PSAS and Alberta Government elected and senior official expense disclosure practices;
  - b. the assignment of responsibilities and accountabilities; and
  - c. a system of internal controls.
2. District purchasing practices shall conform to provincial agreements and purchasing standards established for all Municipalities, Academic Institutions, School Boards and Hospital Institutions (MASH sector).
  - a. District purchasing practice shall give consideration to the following:
    - cost relative to quality and or suitability of the product or service;
    - vendor/manufacturer performance: reputation/experience, ability to deliver, after sales service, maintenance and warranty;
    - the vendor/manufacturer of the product can demonstrate supporting sustainability of our environment through recognized certifications and standards within the industry; and
    - the vendor/manufacturer of the product can provide evidence of recognized acceptable social ethical standards through policies, practices, and procedures. **(CW.BP – Purchasing)**
  - b. All factors being equal, consideration shall be given to local, provincial, and national suppliers in that order. **(CW.BP – Purchasing)**
3. At intervals not exceeding five years, requests for proposals shall be posted and made available to all:
  - financial institutions for appointment as the District's principal banker; and **(CT.BP – Appointment of Principal Banker)**
  - qualified firms or individuals for appointment as district auditor. **(CVE.BP – Auditor)**

4. The annual budget development and results review process shall provide trustees, staff, students, parents and community members with an opportunity for involvement. **(AFA.AR – Results Review)**
5. Annual district and school budgets, audited financial statements, and results achieved by the District shall be made publicly available. **(AFA.AR – Results Review)**
6. The acceptance of donations of property (cash and gifts in kind), that may be eligible for official tax donation receipts in accordance with Canada Revenue Agency, shall be for the advancement of education which includes, but is not limited to the following:
  - a. the establishment of scholarships or memorial funds;
  - b. the giving of special prizes or awards to students;
  - c. the promotion of co-curricular or extra-curricular activities;
  - d. the purchase of equipment; and
  - e. the funding of facility additions or enhancements. **(IH.BP – Public Gifts)**

## **ACCOUNTABILITY**

The Administration shall provide the following monitoring reports to the Board of Trustees:

- interim quarterly financial reports;
- annual audited financial statements;
- school and decision unit annual plans;
- results review documentation; and **(CO.BP – Fiscal Oversight and Management)**
- annual Alberta Education Results Report.

## **REFERENCES**

CSGA.AR – School Generated funds  
 CSGA.AR – Administration of School Collected Funds  
 CSGE.AR – Customer Service Charges  
 CVB.AR – Guidelines for Carry Forward of Funds for Central and Decision Units  
 CW.AR – Purchasing and Disposal  
 CWA.AR – Expenditure of Public Funds  
 HNB.AR – School Assessed Fees  
 IAA.BP – Educational Partnerships and Sponsorships  
 IH.AR – Public Gifts  
 Trustees' Handbook s.6.1.2 Audit Committee  
 Trustees' Handbook s. 6. 2 Four-Year Budget Planning and Results Reviews  
*School Act s. 60(2)(j)(k), 146,*  
*Freedom of Information and Protection of Privacy Act*  
*Income Tax Act s.149.1*  
 Public Sector Accounting Standards (PSAS)  
 New West Partnership Trade Agreement (NWPTA)  
 Trade Investment and Labour Mobility Agreement (TILMA)

**CODE:** CO.BP**EFFECTIVE DATE:** (24-03-2009)**TOPIC:** Fiscal Oversight and Management**ISSUE DATE:** (26-03-2009)**REVIEW YEAR:** (2016)

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**POLICY**

The Board believes that the fulfillment of its mission, priorities and strategic plan is dependent upon sound financial planning and management.

The Board ensures the fiscal integrity of the organization by providing leadership, oversight and management philosophy that directs the management of district resources to meet the Board's policy objectives, district priorities and requirements of Alberta Education.

The main goal of financial management is to achieve a long-term, stable and positive financial position. The Board also believes that the management of district finances should be based upon a foundation of integrity, prudent stewardship, planning, accountability and full disclosure of results.

The Board shall be responsible for approval of:

- the annual planning base and any updates that are required during the year
- the annual operating budget
- the three-year capital plan
- the ten-year facilities plan

The Board receives for information from the Administration the:

- interim quarterly financial reports
- annual audited financial statements
- school and decision unit annual plans
- results review documentation

The Superintendent of Schools shall ensure that the District's resources are spent and managed according to board policy, district priorities and Alberta Education requirements.

**CODE:** CT.BP**EFFECTIVE DATE:** (28-10-2008)**TOPIC:** Appointment of Principal Banker**ISSUE DATE:** (30-10-2008)**REVIEW YEAR:** (2015)

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**POLICY**

At intervals not exceeding five years, proposals shall be requested from all financial institutions for appointment as the District's principal banker.

**REFERENCES**

*School Act* Section 60(2)(k)

**CODE:** CVE.BP**EFFECTIVE DATE:** (28-10-2008)**TOPIC:** Auditor**ISSUE DATE:** (30-10-2008)**REVIEW YEAR:** (2015)**POLICY**

1. The appointment of a board auditor shall be made by the Board on a yearly basis.
2. At intervals not exceeding five years, proposals shall be requested from all qualified firms or individuals for appointment as board auditor.

**REFERENCES***School Act* Section 146

**CODE:** CW.BP**EFFECTIVE DATE:** (24-03-2009)**TOPIC:** Purchasing**ISSUE DATE:** (26-03-2009)**REVIEW YEAR:** (2016)

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**POLICY**

The Board believes in purchasing competitively and seeking maximum educational value for every dollar expended through good purchasing practices which give consideration to the following:

- the vendor/manufacturer of the product can demonstrate supporting sustainability of our environment through recognized certifications and standards within the industry
- the vendor/manufacturer of the product can provide evidence of recognized acceptable social ethical standards through policies, practices, and procedures
- all factors being equal, preference shall be given to local, provincial, and national suppliers in that order.

**REFERENCES**

CW.AR - Purchasing and Disposal

**CODE:** HNB.BP**EFFECTIVE DATE:** (27-09-2011)**TOPIC:** Instructional Fees**ISSUE DATE:** (29-09-2011)**REVIEW YEAR:** (2018)

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**POLICY**

The Board believes all children should be able to access a public education regardless of economic circumstances. Schools shall not charge fees for instruction but may charge minimal fees with respect to instructional supplies or materials in accordance with the *School Act*.

**REFERENCES**

HNB.AR - School Assessed Fees  
*School Act* Section 60.2.j

**CODE:** IAC.BP**EFFECTIVE DATE:** (08-05-2012)**TOPIC:** Funding and Endorsement Requests from  
External Organizations**ISSUE DATE:** (16-05-2012)**REVIEW YEAR:** (2019)

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**POLICY**

As a publicly funded and non-profit organization, Edmonton Public Schools does not provide funding for external community activities or projects, as the District regularly seeks financial support for its own activities and projects.

In order to assist community groups wishing to support teaching and learning through their own activities, the Board delegates its authority to the Superintendent of Schools to approve district endorsement of and participation in community activities or projects that reflect the District Vision, Mission and Priorities. The Superintendent of Schools' decision on such matters is final.



**CODE:** IH.BP**EFFECTIVE DATE:** (11-05-2010)**TOPIC:** Public Gifts**ISSUE DATE:** (13-05-2010)**REVIEW YEAR:** (2017)

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**POLICY****INCOME TAX DEDUCTIBLE DONATIONS**

The Board encourages and welcomes donations to Edmonton Public Schools, for the enhancement of educational opportunities offered students, which are consistent with District priorities, policies and values.

The Edmonton School District No. 7 is a "Registered Canadian Charitable Organization" within the meaning of the *Income Tax Act*. This permits the acceptance of donations of property (cash and gifts in kind) that may be eligible for official donation receipts. Such donations shall be for the advancement of education which includes, but is not limited to the following:

- a. the establishment of scholarships or memorial funds;
- b. the giving of special prizes or awards to students;
- c. the promotion of co-curricular or extra-curricular activities;
- d. the purchase of equipment; and
- e. the funding of facility additions or enhancements.

**REFERENCES**

CSGA.AR - School Generated Funds

IAA.BP - Educational Partnerships and Sponsorships

IH.AR - Public Gifts

*Income Tax Act* Section 149.1

**CODE:** AFA.AR**EFFECTIVE DATE:** (04-04-2001)**TOPIC:** Results Review**ISSUE DATE:** (05-04-2001)**REVIEW YEAR:** (2006)

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**REGULATION**

1. The Board of Trustees shall approve the results review process for schools and central services.
2. School and central services results shall be provided to the Superintendent of Schools and Trustees.
3. Trustees, staff, students, parents, and community members shall be provided with an opportunity for involvement in the review process.
4. Results achieved by the District shall be communicated to staff, parents, and the community.
5. Individual school results shall be shared with the community.

**REFERENCES**

Alberta Learning Program, School and School System Evaluation Policies Section 2 - Accountability in Education Policy Requirements

### 6.1.2 Audit Committee

#### Purpose

The purpose of the Audit Committee is to assist the Board of Trustees in ensuring the assets of the corporation are preserved and resources utilized effectively. The Audit Committee is part of a system of checks and balances and as guardian of the District's interests, assesses whether the organization is appropriately administering public funds.

#### Terms of Reference

The committee meets at least twice a year in-camera, generally once in the fall, and the second taking place later in the year.

1. The Audit Committee meets prior to the annual audit to:

- recommend the appointment of an external Board auditor to the Board of Trustees on an annual basis and in accordance with Board Policy [CVE.BP - Auditor](#) and the [School Act](#) (part 6, division 1);
- meet with the external auditor prior to commencement of the audit to review the engagement letter and assure the auditor's independence from management; and
- review and discuss the audit plan with the external auditor and make a recommendation to Board.

2. The Audit Committee meets following the annual audit to:

- meet with the external auditor and Administration to review the external auditor's assessment of the District's system of internal controls and accounting policies, the draft annual audit report, accept receipt of the external auditor's independence letter, audit findings report and accompanying draft management letter;
- provide information to demonstrate due diligence was undertaken in reviewing the financial information, and make a recommendation to Board on whether to accept the annual audit report and financial statements for forwarding to the Minister of Education; and
- receive the Superintendent of School's report on internal audit activities.

#### Composition

The membership of the Audit Committee shall be comprised of:

- three Trustees, including the Board Chair
- two external members who are designated accountants.

Term of appointment shall be one year for Trustees, consistent with all Trustee Standing Committees. The term of appointment for external members shall be four years. Notwithstanding any such term, each committee member shall serve at the pleasure of the Board of Trustees who reserves the right to terminate any appointment without notice, with or without cause.

### **Selection Process for External Committee Members**

The Administration will post a request for Audit Committee members on the following websites:

- Certified Management Accountants of Alberta
- Certified General Accountants of Alberta
- Institute of Chartered Accountants of Alberta
- University of Alberta business department

The Audit Committee, with support of the Superintendent of Schools and the Executive Director Finance and Infrastructure, will select the two external members of the Audit Committee.

### **Quorum**

A quorum of the Audit Committee consists of three members of the Committee; two members which must be from the Board of Trustees.

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### **Rules of Order**

The agenda format, rules of order and confidentiality requirements for Caucus Committee will be observed. All committee members shall commit to ethical conduct; proper use of authority, decorum and professional conduct.

### **Budget**

There is no identified budget for this committee. External committee members are not entitled to honoraria.

### **Resources**

[Financial Statement Readability Tool Kit](#) (Alberta Education, Auditor General and Association of School Business Officials (ASBOA))

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## **6.2 Four-Year Budget Planning and Results Reviews**

### **Purpose**

To provide an opportunity for Trustees to review and discuss with principals and central service administrators about:

- the extent to which results for the previous year have been achieved; and
- the proposed budget plans in relation to the District priorities and Trustee initiatives.

### **Terms of Reference**

- The Board, each year, as part of the budget and results review process, will approve the requirements, format and timelines for review meetings.
- Meetings will be open to the public. Notice of the meetings will be provided to parents, Parent Councils and/or other stakeholders to encourage attendance and participation.
- Budget planning and results review sessions take place in November once District achievement and financial results have been compiled.
- Trustees will be provided information packages of the schools they are scheduled to visit in their Ward; however, information for all schools and central departments will be made available electronically for Trustees.
- Trustees are expected to preside over the budget meeting and lead the discussion. Staff presentations are often a key component and the Trustee(s) may ask questions to further their understanding of the annual results and budget plans.
- Each year, Trustees are strongly encouraged to attend, and partake in asking questions in one additional budget planning and/or results review session in a Ward other than their own.

\*No election required – All Trustees participate in the annual budget planning and results reviews of school and central service decision units.

\*In an election year; the process and timelines for Results Review will be provided to the Trustee Candidates on Nomination Day.