

DATE: June 20, 2017

TO: Board of Trustees

FROM: Trustee Ken Gibson, Policy Review Committee
Trustee Cheryl Johner, Policy Review Committee
Trustee Bridget Stirling, Chair, Policy Review Committee

SUBJECT: First, Second and Third and Final Reading- Policy CO.BP Fiscal Oversight and Accountability (Bill 1)

ORIGINATOR: Nancy Petersen, Acting For Executive Director

RESOURCE STAFF: Marnie Beaudoin, Todd Burnstad, Vanessa Croswell-Klettke, Linda McConnell, Madonna Proulx

REFERENCE: CO.BP Fiscal Oversight and Accountability
[Trustees' Handbook](#) Section 6.1 – Caucus Committee
[Board Policy CH.BP – Framework for Policy Development and Review](#)
[Bill 1: An Act to Reduce School Fees](#)

ISSUE

The Policy Review Committee is presenting a revised draft of Board Policy CO.BP Fiscal Oversight and Accountability for first, second, third and final readings by the Board of Trustees at the June 20, 2017 public Board meeting to comply with *Bill 1: An Act to Reduce School Fees*.

BACKGROUND

In March, the provincial government introduced *Bill 1: An Act to Reduce School Fees*. The Bill received royal assent on May 4, 2017, and will be in force for the 2017-2018 school year. The new legislation impacts how the District charges for fees. Under this Bill, the District is no longer allowed to charge fees for instructional supplies or materials.

The Policy Review Committee reviewed Board Policy CO.BP Fiscal Oversight and Accountability to ensure compliance with *Bill 1: An Act to Reduce School Fees*.

RELATED FACTS

- Timeline of events surrounding Bill 1:
 - March 2, the provincial government introduced *Bill 1: An Act to Reduce School Fees*
 - This report was brought forward to Directors and Managing Directors meeting on June 1, 2017
 - Discussion at the May District Leaders Meeting and breakout sessions with Principals regarding impending changes alerted principals and central leaders that policy and regulation updates were coming
 - The Province released the Regulation around *Bill 1* the first week of June, 2017
 - To further support Board Policy CO.BP Fiscal Oversight and Accountability, Administrative Regulation HNB.AR School Assessed Fees will be amended
 - Creation of fee guideline documents to support schools have been drafted

- Revisions to CO.BP Fiscal Oversight and Accountability include:
 - Addition or deletion of selected words to clarify meaning
 - Alteration to reflect the District's ability to charge fees, in accordance with Bill 1
 - Inclusion of a phrase that identifies an available waiver protocol
 - Addition of a phrase that indicates fees will be set in consultation with parents
 - Addition of a phrase that indicates fees charged will be publicly disclosed
 - Additions to References section

RECOMMENDATION

1. That Board policy CO.BP Fiscal Oversight and Accountability be considered for the first, second and third time at this meeting.
2. That Board policy CO.BP Fiscal Oversight and Accountability be considered for the first time.
3. That Board policy CO.BP Fiscal Oversight and Accountability be considered for the second time.
4. That policy CO.BP Fiscal Oversight and Accountability be considered for the third and final time and approved.

OPTIONS

Based on the information provided in this report, the following options are considered most appropriate:

1. Accept and approve the revised CO.BP Fiscal Oversight and Accountability, as presented for first, second and third readings at the June 20, 2017 Board meeting, to ensure compliance with Bill 1 by the June 30, 2017, deadline specified by Alberta Education.
2. Provide feedback and/or request changes to the revised CO.BP Fiscal Oversight and Accountability to ensure compliance with Bill 1 by the June 30, 2017, deadline specified by Alberta Education.

CONSIDERATIONS and ANALYSIS

- The review year for CO.BP Fiscal Oversight and Accountability will remain as 2021.
- Failure to revise CO.BP Fiscal Oversight and Accountability will result in the District's Board Policy and Administrative Regulation being offside with Bill 1. The District could face penalties or sanctions for failure to comply with the regulations respecting fees.

NEXT STEPS

As referenced in related facts, to further support Board Policy CO.BP, Administrative Regulation HNB.AR School Assessed Fees will be amended. The updated Administrative Regulation is scheduled to be brought forward to the Superintendent of Schools for approval on June 21, 2017.

ATTACHMENTS and APPENDICES

ATTACHMENT I Updated draft of CO.BP Fiscal Oversight and Accountability

MB:mb

CODE: CO.BP**EFFECTIVE DATE:** (16-09-2014)**TOPIC:** Fiscal Oversight and Accountability**ISSUE DATE:** (29-06-2015)**REVIEW YEAR:** (2021)**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 enhanced instructional supplies 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 Accountability 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, Accountability 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 that it may be necessary for schools to charge specific fees for supplies or materials that enhance instruction, in accordance with the *School Act*. While the Board recognizes the need to charge specific fees, economic circumstances shall not be a barrier to a student's access to curricular outcomes. Specific fees and the rationale for charging them shall be in consultation with parents and must demonstrate to parents the need to charge any fee or

cost, including the amounts. All fees charged shall be publicly disclosed 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.
7. A clearly articulated waiver protocol will be available for families unable to pay fees.

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

[AA.BP - Stakeholder Relations](#)

[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](#)

[DEA.BP - Student Transportation](#)

[DEA.AR - Transportation Services](#)

[HH.AR - Lunch-time Supervision Service for Elementary and Junior High Students](#)

[CWA.AR - Expenditure of Public Funds](#)

[HNB.AR - School Assessed Fees](#)

[IH.AR - Public Gifts](#)

[Bill 1 - An Act to Reduce School Fees](#)

[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)