

CODE: CO.BP

EFFECTIVE DATE: (20-06-2017)

TOPIC: Fiscal Oversight and Accountability

ISSUE DATE: (21-06-2017)

REVIEW YEAR: (2024)

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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 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 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 transfer of funds into and the use of funds from the capital reserve;
- 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

CWA.AR - Expenditure of Public Funds

DEA.BP - Student Transportation

DEA.AR - Transportation Services

HH.AR - Lunch-time Supervision Service for Elementary and Junior High Students

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

*Freedom of Information and Protection of Privacy Act*

*Income Tax Act* s.149.1

New West Partnership Trade Agreement (NWPTA)

Public Sector Accounting Standards (PSAS)

Trade Investment and Labour Mobility Agreement (TILMA)

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