

Accountability Topic: Allocating Resources to Improve Experiences for Students, Staff and the Community/Financial Report & Audit

Date of Board Meeting:

December 14, 2023

Strategic Priority:

- High Quality Teaching and Learning
- Engagement of All Students, Families, and Communities
- Effective Policy and Procedures
- Healthy, Sustainable Physical & Social Environments

Quality Indicator(s) (if applicable):

- QI 4.2 Compliance with generally accepted accounting practices.
- QI 4.3 Establishing and following adequate internal financial controls.
- QI 4.4 Administering all collective agreements and contracts, so staff and contracted personnel are paid appropriately, and appropriate deductions are being made.
- QI 4.5 Ensuring that all accounts adhere to policy and funds are used for the intended purpose.
- QI 4.6 Informing the Board annually about incurred liabilities and immediately regarding pending litigation.
- QI 4.8 Implementing the external Auditors' recommendations promptly.

Key Measures:

- Audit opinion on the financial position of Good Spirit School Division as at August 31, 2023 and results of operations and accumulated surplus in accordance with Canadian public sector account standards for other government organizations.
 - Prairie Strong Chartered Professional Accountants (formerly Miller Moar Grodecki Kreklewich & Chorney) provided an independent audit.
- Management letter to the board covering:
 - Evaluation of internal controls
 - Significant accounting principles
 - Significant unusual transactions
 - Accounting estimates
 - Disagreements with Management
 - Consultation with other accountants (second opinions)
 - Issues discussed
 - Difficulties encountered during the audit

Targets:

- Unqualified opinion from the Auditor
- No internal control issues
- Application of appropriate accounting principles
- No unusual transactions
- Accounting estimates used are considered reasonable
- No disagreements with Management

- No difficulties encountered during the audit process

Data:

- Independent auditors’ report
- Management letter to the Board
- Discussions between the Auditor and the Board Executive Committee (November 16, 2023)

Key Strategies Employed:

- Careful adherence to the checklist for audit provided by the Ministry
- Consultation with the Ministry as a resource on application of Generally Accepted Auditing Standards (GAAS) and Generally Accepted Accounting Principles (GAAP) when necessary
- Regular review of revenues and expenditures and reporting to the Board on any problematic issues in a timely manner
- Use of budget forecasting to offset savings with additional expenditures

Future Strategies:

- Refinement and greater utilization of Atrieve Financial system and reporting.
 - Ensure staff have access to the proper reports and accounts
- Continue to monitor more timely receipt of invoices on minor capital and preventative maintenance and renewal (PMR) projects to ensure that expenditures are recorded in the proper fiscal year.
 - There were no invoices discovered during this audit that were recorded incorrectly
- Continue to follow up regularly with School Community Council treasurers and Administrative Assistants who record School-Generated Funds.

Risk Assessment:

Impact Categories	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	Financial impact of the event is less than \$50,000	Financial impact of the event exceeds \$50,000, but less than \$150,000	Financial impact of the event exceeds \$150,000, but is less than \$250,000	Financial impact of event exceeds \$250,000, but is less than \$500,000	Financial impact of the event exceeds \$500,000
Comments & Mitigation Strategy	Regular monitoring and reporting of financial results throughout the school year. Budget forecasting with Admin Council to ensure overages are covered and savings are utilized.				
Reputational	One negative article in a publication	Negative articles in more than one publication	Short term negative media focus and concerns raised by stakeholders	Long term negative media focus and sustained concerns raised by stakeholders	Stakeholders lose faith in management or Trustees
Comments & Mitigation Strategy	GSSD have been responsible financial stewards. Utilization of reserves for large capital purchases reduce impacts of staffing reductions.				
Managerial Effort/Capacity	Impact can be absorbed through normal activity	Some management effort is required	Can be managed under normal circumstances with moderate effort	With significant management effort, can be endured	Potential to lead to the collapse of the organization

		to manage the impact			
Comments & Mitigation Strategy	Consultation with Sr. Admin and Admin Council to review variances in expenditures and revenues.				
Government Relations	Routine ministerial inquires	In-depth ministerial inquires	Concerns raised by Ministry of Education	School division's ability mandate is questioned	Ministry of Education loses faith in the organization
Comments & Mitigation Strategy	Annual school division process, annual audit review of financials, every third year Provincial Auditor involvement.				
Legal	Legal action threatened	Civil action commenced/small fine assessed	Criminal action threatened/moderate fine assessed	Criminal lawsuit commenced/significant fine assessed	Jail term of any length for a Trustee/Director; multiple significant fines assessed
Comments & Mitigation Strategy	Following system planning checklist and Ministry communications to ensure that all deadlines are met.				
Student Outcomes	Immaterial impact on student achievement	Student achievement metrics begin to show a decline	Parental complaints submitted related to student achievement	Overall student competency levels are below standards	Inability to satisfactorily deliver curriculum or key programs
Comments & Mitigation Strategy	Staffing is a major component of the annual budget. PTR levels are considered when assigning staff to schools. Include some contingency staffing to react to projected enrolment variances.				

Likelihood The likelihood of identified risks is to be assessed by estimate the probability of the risk occurring during the planning horizon.				
Rare	Unlikely	Moderate	Likely	Almost Certain
Extremely rare in the sector. Once in more than 10 years at the school division.	Has occurred occasionally in the sector. Once in 5 to 10 years at the school division.	Periodic occurrence in the sector; possible occurrence. Once in 3 years at the school division.	Has occurred previously and could reasonably occur again. Once in 1 to 2 years at the school division.	Extremely likely to occur. Multiple times per year at the school division.

Summary Comments:

- The Good Spirit School Division Board of Education's utilization of the budget reflects a strong alignment with its strategic priorities. The recent audit was successful, showing prepared and cooperative staff with no significant issues during the verification process.
- Key areas of focus include:

- Resource Allocation for High-Quality Teaching and Learning: Resources are directed to improve student outcomes, implement "Inspiring Success," develop leadership, ensure consistent practices, deliver quality teaching resources, and provide equitable technology access. These efforts are assessed against Board Policy 1 and the Foundation Statements, indicating effective utilization of resources in these areas.
- Promoting Healthy, Sustainable Physical and Social Environments: Investment in mental health, safe facilities, and promoting equity, diversity, and inclusion aligns with the values of Belonging, Diversity, and Responsibility. This supports the strategic priority of creating supportive environments.
- Engagement of Students, Families, and Communities: Resources help foster connections, support transitions, gather input, communicate effectively, and form partnerships, evaluated against the strategic priority of stakeholder engagement and the core value of Learning.
- Implementation of Effective Policies and Procedures: Resource distribution is focused on upholding Board policies, maintaining procedures, and educational approaches prioritizing student success, in line with the GSSD's mission.
- Innovative Approaches to Learning and Perseverance: Allocation for innovative educational opportunities and nurturing environments supports learning and builds confidence, aligning with the strategic area of High-Quality Teaching and Learning.
- Technology Integration and Accessibility: Resources are used to integrate technology in classrooms, ensuring accessibility for all students, reflecting the vision of "Learning Without Limits...Achievement for All."
- Community and Family Involvement Programs: Funds are allocated to programs enhancing community and family involvement in education, aligning with the strategic priority of engaging all stakeholders.
- Budget details reveal variances in different areas, such as Governance, Administration, Instruction, Plant, Transportation, Tuition Fees, School Generated Funds, Complementary Services, and External Services.
- Notables are the overall positive variances in Instruction, Transportation, and External Services, indicating efficient resource management.
- Overall, the budget utilization showcases the Board's commitment to aligning resources with strategic priorities, ensuring a comprehensive approach to education and community engagement.

Recommended Decision/Motion:

“That the Board approve the accountability report on the August 31, 2023, Audited Financial Statements and acknowledge the report met the requirements of QIs 4.2, 4.3, 4.4, 4.5, 4.6, and 4.8, based on the evidence within the report.”

Respectfully submitted,

Quintin M. Robertson, Director/CEO
 Good Spirit School Division