

FISCAL STEWARDSHIP

A commitment to the value of stewardship within Holy Spirit Catholic Schools is the promise that the Board will be accountable to its supporters and will operate in a fiscally responsible manner. As such, the Board and all employees in their shared role of exercising financial decision making are expected to work within an environment of strong budgetary controls, support for the role of the Board's audit committee, responsiveness to requests for financial reporting, and the achievement of jurisdictional and provincially derived indicators of financial health. It is also expected that those who engage in supporting the fiscal stewardship of the Board will receive the ongoing professional development required to do so. Throughout divisional efforts to maintain fiscal stewardship, Public Sector Accounting Standards, and the regulations of the provincial government provide the basis for such work. Since fiscal stewardship requires the Board to effectively exercise its role in providing oversight of financial activity, the parameters within this policy set the necessary conditions for this role to occur.

Practices

1. Budgetary Controls

- 1.1 The School Board's budget is the fiscal plan to achieve the stated goals and objectives of the School Board.
- 1.2 The School Board will set appropriate budgetary assumptions to assure that its stated objectives will be met.
- 1.3 Through administrative quarterly reporting, and the work of the Board's Audit Committee the Board will assure that financial monitoring and fiscal controls are in place.
- 1.4 As per Section 222(5) of the *Education Act*, the Superintendent shall supervise the operation of schools and the provision of education programs in the school division, including but not limited to the following:
 - 1.4.1 Ensuring that the fiscal management of the school division by the Secretary-Treasurer is in accordance with the terms or conditions of any grants received by the Board under this Act or any other Act.
- 1.5 The divisional budget and decentralized budgets of the division shall be clearly linked to the Three Year Education Plan, senior administrative work plans, and associated School Education Plans, and Continuous Improvement Plans at the school level.²
- 1.6 To protect the integrity in the management and expenditure of public dollars, it is the responsibility of stakeholders, particularly that of each Holy Spirit Catholic Schools' Employee, to report suspected or known anomalies in operational revenues or expenditures, or questionable fiscal decision making processes, unethical conduct, fraudulent use of funds, abuse of power or abuse of public trust relative to public funds (hereinafter collectively referred to as "Wrongdoing") to the Superintendent of Schools in accordance with this policy, as detailed in Policy 21: Public Interest Disclosure (Whistleblower Protection).

² *Fiscal Accountability for Alberta's School Boards*, Alberta School Boards Association, 2007

- 1.7 Internal controls that are established by the Superintendent of Schools are:
 - 1.7.1 Recommended by the Secretary-Treasurer, Auditor, or Board of Trustees.
 - 1.7.2 Provide for the following outcomes:
 - 1.7.2.1 Safeguard assets
 - 1.7.2.2 Ensure transactions are authorized
 - 1.7.2.3 Ensure legislation and policies are followed
 - 1.7.2.4 Ensure value for money³

2. Interim Accountability Reporting

- 2.1 The Board holds those exercising managerial responsibility for fiscal resources within the school division accountable for achieving stated educational goals while staying within budget.
- 2.2 Since the Board does not delegate its fiscal responsibility, it will have in place accountability tools to ensure that governance direction and intent is being met.
- 2.3 Interim accountability reports are an integral process for ensuring that the governance direction of the Board is being met.
- 2.4 Interim reporting allows the Board to determine whether its assumptions will be achieved, and provides the impetus to make organizational changes where necessary. As such, the information contained within will include the following:
 - 2.4.1 The current status of budgetary assumptions, as approved by the Board in developing the operational budget;
 - 2.4.2 Actual period to date information;
 - 2.4.3 Forecasting of yearly operating results to the end of the school year;
 - 2.4.4 Variances of forecast revenues and expenditures to the annual budget;
 - 2.4.5 Explanation of significant variances;
 - 2.4.6 Status of capital projects in progress;
 - 2.4.7 Unsupported capital costs (when applicable);
 - 2.4.8 State of reserve funds.
- 2.5 Interim Accountability Reports will be periodically provided, in adherence to the requirements set out by Alberta Education.

3. Audit Committee of the Board

- 3.1 Further to the recommendations of the Auditor General and Alberta Education, this standing committee of the Board will serve as the cornerstone of the Board's fiscal oversight process.⁴
- 3.2 The Audit Committee will conduct its responsibilities in a manner that maintains independence from Senior or School Administration and avoids any situations that may impair its objectivity in performing its oversight duties.

³ *Fiscal Accountability for Alberta's School Boards*, Alberta School Boards Association, 2007

⁴ *Annual Report of the Auditor General of Alberta, 2005 – 2006*, Volume 2 of 2, p. 61

- 3.3 The Board's Audit Committee will communicate with the Superintendent and Secretary-Treasurer, and will independently initiate its work, while being responsive to recommendations forwarded by the Superintendent to the Board Chair and the Chair of the Audit Committee.
 - 3.4. The Audit Committee will be accountable to the Board, and support the Board and the Board Chair.
 - 3.5 The Audit Committee will provide oversight of fiscal accountability and internal controls.
 - 3.6 The Audit Committee will create a communication bridge among senior administration, Board, and auditors.
 - 3.7 The Audit Committee will strive to enhance overall operational efficiency and public confidence in fiscal stewardship.
4. Indicators of Financial Health
- 4.1 The Board will be responsive to meeting the expectations of Alberta Education and the Auditor General in assuring that short and long term indicators of financial health are monitored on a continuous basis.
 - 4.2 The recommended accumulated operating surplus and capital reserve that the Board will pursue in this regard is one that:
 - 4.2.1 Enables the jurisdiction to fulfill its financial obligations from an operational and capital perspective
 - 4.2.2 Offset risk that the jurisdiction will need to borrow money to meet its operational expenses
 - 4.2.3 Allows for interest to be earned on current assets
 - 4.2.4 Facilitates the Board's capacity to spend current funding on the current population of students
 - 4.3 Monitoring of fiscal health will require an inter-relationship between fiscal trends at both the jurisdiction and provincial level.⁵
5. Ongoing Board and Staff Development
- 5.1 The responsibility to convert overall audit recommendations to professional development goals that will increase the fiscal stewardship of the school division rests with the Secretary-Treasurer.
 - 5.2 Based upon these recommendations, the Superintendent will assure that the annual operational budget of the Board facilitates funding for achieving these professional development goals.

Legal References: Sections 33, 222, 137 – 143, *Education Act*

⁵ *Fiscal Accountability for Alberta's School Boards*, Alberta School Boards Association, 2007