

## **District Financial Accountability**

### **Policy 3110**

**Revision Date: February 11, 2014**

**This Policy includes these former policies:**

**Policy 3110 – Budget – created October 8, 1994**

**Policy 3120 – Budget as a Spending Plan – created November 8, 1994**

**Policy 3324 – Requisitions and Payments – created April 9, 1984**

**Policy 3410 – System of Accounts – created April 9, 1984**

**Policy 3420 – Audit – created April 9, 1994**

**School District Financial Reporting monitors school board accountability by ensuring that boards of education meet their legislated and government policy-based financial responsibilities and ensuring that school district budgetary and financial information is available, comparable and audited.**

**The accounting systems and procedures for the school district shall be set up to conform to the best business practice and existing guidelines from the Ministry of Education.**

**School Districts are required to prepare the following documentation:**

- **Annual Budget and Amended Annual Budget**
- **Quarterly Government Reporting Entity (GRE) Reports**
- **Annual Statement of Financial Information (SOFI)**
- **Public Sector Accounting Board (PSAB) Annual Financial Statement**

#### **Annual Budget and Amended Annual Budget**

**The annual budget shall be based upon the needs of the district and the reasonable needs of the community in relation to the financial ability of the district to support its schools.**

**In forming the budget, all expenditure items shall be considered in relationship to the total school program.**

**In preparation for budget development schools will be asked to submit lists identifying safety and or security items; repairs and/or renovations required in their buildings; and essential instructional needs.**

**Actual budget development commences with the estimated government operating revenue projected for the following year. This figure is based on the estimated mandatory enrolment submission made to the Ministry of Education by February 15 of each year.**

**Budget meetings that include all stakeholders are arranged to share information and provide an opportunity for stakeholders to have input into the budget process.**

**Once consultation has taken place, the Board of Education provides direction to the Secretary-Treasurer to prepare the annual budget in time for adoption by June 30 of each year.**

**September 30 is the official enrolment count day for the purpose of finalizing operating revenues from the Ministry of Education.**

**In late November the school district will be notified of their final funding allocation. By the end of February of the following year the school district is required to submit an Amended Annual Budget identifying their expenses till June 30.**

### ***Administration of the Budget***

**A system of fiscal control shall be established to govern the administration of the budget and the expenditure of funds. The Secretary-Treasurer shall administer the budget in accordance with legal requirements and the instructions of the Board.**

**The Secretary-Treasurer shall not permit expenditures of funds to exceed the major budget classification. The Secretary-Treasurer will review all invoices and requests for payment prior to authorizing for payment.**

**All transfers of major funds between the major classifications of the budget shall be subject to the approval of the Board. The Board shall be provided with complete information regarding the funds available, the proposed expenditures, and surplus.**

**The Secretary-Treasurer shall submit monthly reports on all budget expenditures of the operating accounts.**

### **Quarterly Government Reporting Entity (GRE) Reports**

**In keeping with Section 157 (1) of the School Act, without limiting section 81, at the times and in the form required by the minister, a board must submit to the minister financial information necessary for the purpose of incorporating the financial information into the financial reports of the government reporting entity**

**Reports must be prepared according to dates set by Government but most often by mid April, July, October and December.**

### **Annual Statement of Financial Information (SOFI)**

**School Districts are corporations as explained in Schedule 1 of the B.C. Provincial Government Financial Information Act.**

**For consistency with the B.C. Provincial Government Budget Transparency and Accountability Act respecting Public Accounts reporting, a Statement of Financial**

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**Information (SOFI) must be submitted by the school district within six months following the corporation's fiscal year end.**

**Public Sector Accounting Board (PSAB) Annual Financial Statement**

**In keeping with Section 157 (1) of the School Act, the board must cause to be prepared each fiscal year by the Secretary-Treasurer or other person authorized by it, financial statements of the school district respecting the preceding fiscal year. The books and accounts of the district shall be audited by an independent certified public accountant in conformance with the School Act. The certified public accountant shall be selected by the Board as per Section 158(1) of the School Act.**

**The audit, when completed, shall be presented to the Board for examination.**

**The Secretary-Treasurer shall be responsible for filing copies of the audit with the proper authorities as prescribed by Section 157 (5) of the School Act.**

