

School District No. 48 (Sea to Sky)

FINANCE COMMITTEE MEETING

June 8, 2016

School Board Office

Squamish, BC

Time: 11:30 am

MINUTES

16-06-08 FC-O

The meeting was called to order at 11:31am.

Trustees:

Ian Kent, Chair

Rick Price, Trustee

Laura Godfrey, Trustee

Rebecca Barley, Trustee

Rachael Lythe, Trustee

Patricia Westerholm, Trustee

Administration:

Lisa McCullough, Superintendent of Schools

Jody Langlois, Assistant Superintendent

Shehzad Somji, Secretary-Treasurer

Ralph Hughes, Assistant Secretary-Treasurer

Anne MacDougall, Administrative Assistant

Kam Gill, Payroll & Benefits Administrator

Nancy Gelinas, General Accounting

Janice Woida, Accounts Payable

Doanne Russell, Accounts Receivable, CUPE & TOC Payroll

Guests:

Russ Jones, Office of the Auditor General of British Columbia

Molly Pearce, Office of the Auditor General of British Columbia

Committee Chair, Ian Kent welcomed all guests to the meeting.

1. AGENDA

Recommendation:

“THAT the agenda be approved, as amended.”

CARRIED

2. MINUTES

Recommendation:

“THAT the minutes of the Finance Committee meeting held on May 11, 2016 be adopted.”

CARRIED

3. TRUSTEE ITEMS – *Nil*

4. PRESENTATIONS – *Nil*

5. INFORMATION ITEMS

- A. Audit Plan– *Russ Jones, Deputy Auditor General*
Molly Pearce, Senior Manager Financial Audit
Office of the Auditor General of British Columbia

Ms. Pearce reviewed the audit plan, providing definitions and examples for some terminology.

It was noted that new standards will need to be considered in future years (probably starting in 2018), and have been provided to help the finance department prepare for implementation.

All districts are being assessed using the same benchmarks for this year, but the Auditor General's office may adjust based on individual districts in future audits.

Fees have been set at \$25,000. The letter of engagement was presented and Ms. Pearce advised that as a matter of practice, she needed to ask if anyone on the committee was aware of any fraud currently. There was no indication that members were aware of fraud at this time. Mr. Jones asked that if fraud becomes known during the year to please advise their office immediately.

Mr. Jones recommended the district review the Audit Committee Excellence Series, and in particular brought attention to Cyber Access to Financial Systems as an example this series addresses. The Auditor General's office has experts on Cyber Access and other topics who can be accessed by district staff at no additional cost.

Mr. Jones reviewed his reporting practice, briefly explained some differences between the Public Sector Accounting Standards he will be basing his audit opinion on, versus audit opinions provided in past years.

He also offered to appear before the Board to provide explanations and answer questions about his opinion if the Board so desired.

The audit team will return August 14.

- B. Comparison Reporting – Unique Geographic Factors
The Assistant Secretary-Treasurer reviewed the detailed calculations, noting some results differ from the Ministry, and he has been working with them to explain and correct these.
- C. Education/Learning Improvement Fund
The Assistant Superintendent noted there is a slight increase in Learning Improvement Funds from last year. \$718,958 will go to the Education Fund for the Sea to Sky Teachers' Association (SSTA), the balance goes to

the Support Staff Fund (Education Assistants). The Superintendent and Assistant Superintendent met with the SSTA last week to review school submissions.

Earlier in the year the SSTA and SD48 agreed on allocation changes which includes the majority of funding be allocated up front during the Spring process. In the fall, schools will be consulted with again to see if needs have changed. There will be no new money, but internal change will be considered if necessary.

Staff were pleased with how the Education Assistant (EA) support funding was used this year. EA's were provided with 120 minutes per month of meeting time, plus two full time EA positions; Classroom Education Assistant, Behaviour Support, to provide behavior support to EA's and classrooms, and Classroom Education Assistant, Technology Support to support with technology. For next year, CUPE has agreed funding for meetings will be held in a central account, and EA's can apply if they wish meeting time. There are also plans to hire a third EA to support behavior.

D. 2016/2017 Budget

The Assistant Secretary-Treasurer, reviewed changes that have been made to the budget since last presented with a \$633,065 deficit. An additional \$224,674 of administrative savings has been redirected back into our operating budget, per the Minister of Education's announcement, and staff have proposed \$50,000 be set aside centrally to fund teacher collaboration time. Assistant Secretary-Treasurer reviewed each line item of changes, and noted that Ernst and Young guidelines suggested a 2% to 3% contingency; we are currently carrying less than 1%. Due to the number of estimates in the budget, staff are comfortable with the contingency at this stage of the budget process, but noted the ordinary level of contingency for liability is not yet being met. It is anticipated this will be adjusted closer in September once staff have accurate numbers.

The Superintendent advised the committee that the majority of senior staff are currently being paid below the 10th percentile in the province, grossly underpaying the district's senior team compared to other school districts. In some cases employees' salaries are higher than their Supervisor's salary. This was not being addressed by the Board before the salary cap and is now a big problem in attracting and keeping quality staff. Thirty minutes down the road, the same job pays 30% more. The Superintendent noted that at some point this needs to be addressed.

Trustee Price acknowledged this is a problem that staff tried to hi-light in the letter to the Minister.

The current Director of Instruction position has been advertised twice without results. The job currently pays less than an Elementary Principal in the entire lower mainland, making it difficult to attract qualified

applicants when they are being asked to take on more responsibility at a lower rate of pay.

Recommendation: **“THAT the Finance Committee recommend the Board of Education approve the Annual 2016/2017 Budget Bylaw, as presented.”**

CARRIED

6. DISCUSSION ITEMS – *Nil*

7. Question & Answers from the public

It was asked if a line item in the budget represented a reduction in International Funding to schools. The Assistant Secretary-Treasurer replied no, the amount referred to represents additional money over the FTE funding. The Superintendent clarified that some revenues come in and then are expensed, homestay being an example. Tuition money comes in and is allocated to the schools. Generally there is a net profit.

It was asked where the difference between 2.6 million collected for International Funding compared to the 1.1 Million allocated to schools was. The Secretary-Treasurer referred to page 61 of the agenda package, where the International Education Funding is broken down.

It was asked if an allocation difference between funding in and what is allocated to the schools is normal? The Assistant Secretary-Treasurer replied it is, and the difference represents administrative costs of running the district.

Trustee Price stated that he felt some collaboration with Sea to Sky Teachers' Association members would be useful in helping members understand the funding allocations.

8. ADJOURNMENT

Recommendation: **“THAT the meeting be adjourned.”**

CARRIED

The meeting adjourned at 1:05pm.