



**COUNCIL POLICY
COMPLIANCE MONITORING FORM
~ EXECUTIVE REPORT ~**

Policy Type: Executive Limitations 3.4

Page: 1 of 3

Policy Title: Financial Administration

Date: April 3, 2024

I hereby present my monitoring report on your Executive Limitations policy **Financial Administration** according to the schedule established. I certify that the information contained in this report is true, and represents compliance with all aspects of the policy unless specifically stated otherwise, since the policy was adopted on February 9, 2022.

Deirdre O'Brien

Superintendent
April 3, 2024

I. Interpretation:

This policy is about the administration and oversight of the finances of ASD-S and the role of the Superintendent to successfully manage the budget and not place the district in financial jeopardy. The expenditure plan is presented to the DEC and the Superintendent is not to allow a large deviation from this plan without an explanation. The budget as much as possible is to be used to support the Ends as identified by the DEC. The district must use the generally recognized principles of government accounting and have the necessary checks and balances in place. The Superintendent must provide regular updates to Council and inform the principals about the purpose and appropriate use of the PSSC funds. The Director of Finance and Administration oversees budget and accounting.

II. Background:

ASD-S has a budget and accounting department with a manager who has been with us since before the 2012 amalgamation, and two assistant managers, one who has also been in the role pre-amalgamation 2012. They are located in the Office of the Superintendent in Saint John. There are four accounting clerks and an administrative services clerk in each Education Centre that support the department. This year ASD-S has a budget of \$311M and the district is not permitted to have a deficit. As a large district we can carry over only \$600K per fiscal year. The fiscal year runs from April 1 to March 31 which can pose a challenge as it does not align with the school year. By the time the new school year begins we are close to half-way through the fiscal.

III. Evidence of Compliance:

Reporting - The expenditure plan is presented to DEC in June of each year, providing we have the budget in time to do so. The Education Act states that the plan is to be submitted to EECD by July 1. A one pager is presented to the DEC using the following categories – instruction (staff), instructional support, student support and supplementary education programs, operation, and maintenance (including transportation),

1

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District Office operations, employee benefits, IT and special projects. The Director and Manager work on this, and it is reviewed with me prior to being shared with DEC. The expenditure plan uses a one-page format and DEC member questions are answered, and a motion made to accept the report. Budget updates are given to DEC in October and January. The reports give the original budgeted amount, the year-to-date expenses, the forecast until the end of fiscal and the surplus/deficit. The goal is to share the final year end budget report in June and ask for a motion of acceptance. In June we also present the balances in self-sustaining accounts which include international student funds, cafeteria and rental accounts. The fiscal ends in March however it does take until late May for the year to be closed and the process complete. The DEC sees a report four times a year. We are open to any feedback on the reports shared with DEC, as our goal is to have them be meaningful.

It is important to note that close to 85% of the budget of ASD-S is allocated to salaries of the approximately 3200 regular employees and casual replacement costs. We have other fixed costs such as electricity, fuel, cost of operating buses, and monies needed for minor repairs. Travel costs are significant, especially for those whose roles take them to schools around the District or the Centre and to EECD for meetings. Once the expenditure plan is developed there would be few deviations from it. The reality is the discretionary funding we have within the budget is small – some funds come to support professional learning for provincial priorities which often are our priorities and for resources for schools with new curriculum and French Second Language through the Official Languages in Education funds.

The Superintendent has a discretionary budget line, and many of the expenses (supply time, refreshments) for Principals meetings, leadership opportunities and professional learning would be covered there. We support leadership opportunities for all Principals and Vice Principals including conferences and individual or team coaching. Our self-sustaining funds are used to support those extras that are not funded. I look for ways to support learning opportunities for staff that align with their School Improvement Plans and our District priorities.

PSSC Funds - A September 2022 decision of the DEC for PSSC funding is followed. This is based on \$500 for small schools and \$2.42 per student using the official September 30 enrolment from the previous school year. As PSSC's were not yet named, Principals were made aware of their budget amounts.

Protecting financials - ASD-S has a large budget and schools have budgets from the district and funds in their school raised funds accounts. The District has appropriate measures in place to protect monies and ensure that it is being spent appropriately. The Manager always presents to new Principals/Vice Principals on this topic, and she takes a lead in organizing professional learning for Administrative Assistants and will take time to ensure that they are familiar with financials. The Administrative Services Clerks (one per Centre) can go out to schools to provide that support, especially if it is a new person in the role.

Invoices and contracts are settled through the Budget and Accounting department and the goal is to have this completed within 27 days. The payment to the vendor is done from Service NB however the inputting and tax calculation is done locally. Things can be delayed if it is a new vendor, and they must be set up through Service NB. All District budgets are set up and recorded according to generally accepted accounting procedures. The government provided accounting system we use is called Oracle. At the District and schools there are signing authorities – for example expenses and purchases made by Directors who report to me are reviewed and signed off by me, the principals purchasing is signed off by the Directors of Schools. My expenses and any purchases made are signed off by the Director of Finance and Administration. Within the Budget and Accounting Department the four clerks have the vendors and schools divided by alphabet. They meet as a team weekly with the Manager to review anything outstanding.

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As we are approaching the end of the fiscal, an Assistant Manager sends everyone an email detailing clearly the spending deadline dates.

The GNB initiative “NB First,” where every effort is made to source items within NB continues. The Budget and Accounting team support schools with this.

Occasionally there are minor spending violations, and these are dealt with – for example a gift card purchased using a district credit card, or a purchase exceeding \$1500 is made on the purchase card. The Manager and her Assistants monitor school budgets and will offer feedback if they observe the funds being spent too quickly or if they observe the opposite.

At the District level travel expenses are set up using the program called “i-expense.” Each supervisor approves the travel expenses for their direct reports. Travel expenses for the Superintendent are approved by the Director of Finance and Administration.

Schools have additional “school raised funds” through their own fundraisers and this is covered through ASD-S Policy 154. The Admin Services Clerks in each Centre complete a review of these funds every one to two years by doing a random audit of payments. The bank statements are reviewed at the school, however the bank reconciliations are sent to the Admin Services Clerks. From time to time the Controller’s Office will do a random audit of school raised funds or of the use of purchase cards. We have not had any serious issues identified.

Any reports of missing monies are treated very seriously with involvement of police, our Director of Finance & Administration, Director of Human Resources and myself.

The provincial auditor general tabled an audit report regarding out of province travel in 2023. While the audit did not include our district, the Director of Finance and Administration and I reviewed the recommendations and adjusted our process accordingly.

Policies Relating to EL 3.4:

- ASD-S
 - Policy 154 School Raised Funds
 - Policy 155 Fundraising
 - Policy 157 School Supplies/Student Fees
- EECD
 - Policy 101 Financial Responsibilities of School Districts
 - Policy 107 Purchasing
 - Policy 113 Remuneration and Reimbursement of Expenses

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