

**Parent Involvement Committee
Report No. 21-044**

12 May 2021

2019-2020 School Council Financial Reporting

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PURPOSE:

1. To provide a summary of the financial information received from school councils for the 2019-2020 year.

CONTEXT:

2. In 2001, the Ministry of Education released a publication entitled School Councils: A Guide for Members. It details the history of school councils in Ontario and provides useful information about the purpose and the roles and responsibilities of school council members. The Ministry publication is available on the School Council Resources section of the District's website.

In September 2013, the Board approved policy P.133.FIN, Management of School Council Funds which established specific requirements for the management of school council funds. The policy is supported by procedure PR.580.FIN, Management of School Council Funds which identifies specific requirements relating to school council funds. The policy and procedure are also available on the website.

KEY CONSIDERATIONS:

3. School councils are an integral part of the school community. The volunteers who serve on the council work with the school community to broaden the educational experience of students. Examples of activities undertaken include offering milk and snack programs, fostering school spirit by organizing events such as graduation ceremonies, enhancing resources to support the school community with additional technology and play structures, and by assisting with formal charitable events. Often, these activities involve collecting money and paying for goods and services.

An important requirement established by Board Policy P.133.FIN is the need to adhere to the principles of transparency, accountability, and sound financial practice in the management of school council funds. These principles are achieved in various ways including:

- appointing a treasurer to oversee the accounting of fundraising activities;

- establishing internal controls for the effective and transparent management of funds;
- maintaining financial records to substantiate the amount of funds collected and how they are used;
- ensuring that activities, including records retention, comply with District policies and procedures, legislation and guidelines;
- regularly reporting financial activities; and
- submitting an annual financial summary to the District.

The School Council Funds Management Guide, attached as Appendix A, is available on the School Council Resources section of the District's website. District staff prepared the guide with the assistance of school council members. It complements the Board's policy and procedure and informs school council members and the broader school community about financial practices that allow funds to be managed in a consistent, transparent and appropriate manner.

One of the key requirements articulated in the guide is the reporting of financial activities, both to the school community and to the District. Reports to the school community would show the revenues, expenses and available fund balances of each activity undertaken. This information would ideally be compared to the budget established in the fundraising plan and, where appropriate, be accompanied by narrative to help explain each initiative. It is recommended that the information be presented at each school council meeting and that it is also made available to the broader school community, preferably by posting it on the school's/school council's website and by preparing a financial report for inclusion in the school council's annual report.

In addition to reporting to the school community, the school council is required to provide a report to the District's Finance department. Like all school boards, the District adheres to the mandated accounting and reporting practices established by the Ministry. The practices require the District to prepare, on an annual basis, financial statements that summarize its financial activities and account balances. They also require that the financial information of all entities over which the Board has significant influence be included with the District's information. It is for this reason that the Finance department collects summarized financial data from school councils for inclusion in the District's consolidated financial statements. Appendix B, 2019-2020 School Council Financial Summary presents the information reported for each school council. The following table shows the aggregate of revenues, expenses and fund balances:

Opening Balance August 1, 2019	Revenues	Expenses	Closing Balance July 31, 2020
\$1,996,971	\$3,132,288	\$2,733,053	\$2,396,206

Following the Board's approval of the previously referenced policy and procedure, and with the cooperation of school councils, the District was successful in ensuring that the financial information supporting council activities was made available for external audit purposes. This access was important and, starting in 2015-2016, it has allowed the external auditors to obtain satisfactory audit verification as to the completeness of revenues, expenses and related fund balances included in the District's consolidated financial statements.

Consequently, the qualification relating to school council funds that was shown in previous auditors' reports that accompanied the statements was removed in subsequent years. Unqualified audit opinions have since been provided.

RESOURCE IMPLICATIONS:

4. Volunteers oversee school council funds. The funds raised and spent are to be used in compliance with Board policies and procedures. The school principal is a key resource in ensuring such compliance.

COMMUNICATION/CONSULTATION ISSUES:

5. The Finance department prepared the report to communicate the financial information received from school councils.

STRATEGIC LINKS:

6. The 2019-2023 Strategic Plan calls for the development of a culture of social responsibility with the stated goal of fostering "progressive stewardship of the environment, and human and financial resources." A school council's adherence to practices that promote the principles of transparency, accountability, and sound financial practice in the management of school council funds is an important element in fostering the achievement of this goal.

GUIDING QUESTIONS:

7. The following questions are provided to support the discussion of this item:
 - Does the information received meet the mandated reporting requirements?
 - What information could be added to the School Council Funds Management Guide to assist school councils with ensuring that funds are administered in a transparent, accountable and appropriate manner?

Mike Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and
Secretary of the Board

Appendices:

Appendix A - School Council Funds Management Guide

Appendix B - 2019-2020 School Council Financial Summary