

AP 5012: Financial Reporting and Audits

Background:

Financial activities must be managed in a manner consistent with the trust placed in the District by the Board. Strong financial systems and financial reporting provides useful information for decision-making and contributes to the economic health of the district.

Procedures:

1. Financial Systems

- 1.1. The Secretary-Treasurer is assigned the overall responsibility, through the Superintendent, for maintaining accurate and timely records of all financial transactions of the district and ensuring that adequate internal controls are in place for integrity of the district's financial transactions and records.
- 1.2. Internal controls include, but are not limited to:
 - 1.2.1. Segregation of incompatible duties, such as purchase and payment for goods and services;
 - 1.2.2. Physical audits of tangible capital assets;
 - 1.2.3. Access controls;
 - 1.2.4. Periodic reconciliations;
 - 1.2.5. Standardized documentation; and
 - 1.2.6. Approval authority.
- 1.3. Financial transactions must be accounted for promptly and accurately, and include appropriate accounting for all special purpose accounts as specified by the terms of the special purpose account and the directions of the Minister of Education and Child Care or other granting agency.
- 1.4. Financial systems must be designed to permit easy periodic reviews and audits.
- 1.5. All financial records and source documents must be on file and current for financial audit purposes.

2. Annual Financial Reporting

- 2.1. On or before the September Board meeting of each year, the Secretary-Treasurer must prepare financial statements for the preceding fiscal year in accordance with generally

accepted accounting principles and the directions of the Minister of Education and Child Care.

- 2.2. No later than September 30 of each year, the financial statements must be signed by the Chair of the Board and the Secretary-Treasurer and forwarded by the Secretary-Treasurer to the Minister of Education and Child Care together with the auditor's report.
- 2.3. No later than December 31 of each year, the signed financial statements and auditor's report must be published for distribution to the public.

3. Interim Financial Reporting

- 3.1. The Secretary-Treasurer must provide, for the information of the Board, ongoing financial information related to the district's expenditures.

4. External Audit

- 4.1. The auditor of the district must be appointed by the board. Any recessions or removals of auditors must be conducted in accordance with the School Act
- 4.2. The duties of the auditor are outlined in the School Act. Specifically, the auditor shall:
 - 4.2.1. Examine the financial statements of the district as of the close of the preceding fiscal year and the related transactions in various funds for that year;
 - 4.2.2. Conduct the examination in accordance with generally accepted auditing standards and tests of accounting procedures;
 - 4.2.3. Render an opinion on the annual financial statements for the preceding fiscal year and submit the report to the board;
 - 4.2.4. Report to the Board any disbursements, expenditure, liability or other transaction that exceeds the authority of the Board under the School Act or any other enactment;
 - 4.2.5. Make recommendations to the board concerning accounting records, procedures and related activities as may appear necessary; and
 - 4.2.6. Perform such other related services as may be requested by the Superintendent, the Board, and the Minister of Education and Child Care.