

ANNAPOLIS VALLEY REGIONAL SCHOOL BOARD

FINANCE AND AUDIT COMMITTEE

INDEX

Meeting # 144

May 24, 2012

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ANNAPOLIS VALLEY REGIONAL SCHOOL BOARD

FINANCE AND AUDIT COMMITTEE

Meeting # 144

MINUTES

Date: May 24, 2012

Time: 6:35 p.m.

Location: Education Room, AVRSB

Present: Paula Lunn, Chair; Vic Fleury; Jackie Foster; Lavinia Parrish Zwicker; Bob Tumilty

In Attendance: Margo Tait, Superintendent; Stuart Jamieson, Director of Finance & Operations; Marian Campbell, Acting Coordinator of Financial Services; Gerry Wilson, Coordinator of Procurement; Paula Henley, Recording Secretary

Regrets: Nancy Bigelow-Acker; Sue Ritchie; Stephen Amirault, Regional Education Officer

APPROVAL OF AGENDA

➤ **FAC 12:138**

Approval of Agenda

[Approved]

It was moved by Mr. Fleury, seconded by Ms. Parrish Zwicker, to approve the agenda as circulated.

Motion Carried

APPROVAL OF MINUTES

➤ **FAC 12:139**

Approval of Minutes – April 26, 2012

[Approved]

It was moved by Mr. Fleury, seconded by Ms. Foster, to approve the minutes of April 26, 2012 as circulated.

Motion Carried

AUDIT COMMITTEE ITEM

Audit Work Plan

Ms. Campbell presented the Internal Audit Report for the period ending March 31, 2012. She reviewed the following items in the report with the Committee:

- Cafeteria Audits
- Financial Payroll Audits
- School Based Funds
- Finance Internal Controls
- MasterCard Purchasing Cards
- Board Budget Lines
- New Projects

Ms. Campbell also advised that Accounts Payable is working toward uploading invoice data electronically to process Nova Scotia International Student Program invoices as well as Nova Scotia Power invoices.

FINANCE COMMITTEE ITEMS

Business from the Minutes

There were no items.

Report of the Director of Finance and Operations

Mr. Jamieson provided a verbal report highlighting the following:

- Trust Accounts
 - A complete review will be conducted in the fall to analyze the structure and develop a reporting function for these accounts.
- Transitioning of Department
 - The transitioning process for the Finance and Operations Department has started. Part of the transitioning will include moving the Nova Scotia International Student Program (NSISP) into the Finance Department; however, there is no immediate plan to move staff. Oversight responsibility for the program will be shared between the Director of Finance and the Director of Programs & Services.
 - A provincial NSISP governance board has been created to oversee the program. Mr. Jamieson is a representative on that board which recently held their first meeting.
- Nova Scotia School Board Association Pension Fund
 - There will be a rate increase from 7.5% to 8.5% for salaries up to the YMP and a rate increase from 10.5% to 11.5% for salaries above the YMP. Both the employee and employer portions are increasing; however, there will be 9% cap overall. This cost increase has been built into the 2012-2013 budget. Mr. Jamieson is again a member of the Board of Trustees as this Board's representative.

Director's Items

Policy Monitoring

There were no policies monitored this month.

Report of the Coordinator of Financial Services

Ms. Campbell reviewed her report with the Committee, a copy of which was previously circulated with the agenda. On various questions from the Committee, further information was provided on the following items:

- Cafeterias
 - Results over the past year have shown that Board-operated cafeterias can be viable. No new cafeterias will be integrated into the Board's operation this year. A one-year arrangement has been signed with Chartwell's for their contracted cafeteria operations in order to provide more transitioning time. There are a few part-time operations which remain on their own.
- EFT (Electronic Funds Transfer)
 - The savings realized through this process will be reduced processing time and the cost to purchase cheques and postage. Now that more payments will be processed electronically, it is important that a full back up is carried out on all critical information. Redundancy and back up procedures are in place to back up both SAP data and Board information.
- 2011-2012 Year End
 - Each year the Finance staff continues to make improvements in preparation for the year-end audit. This year's process went extremely well and all materials were ready and available for the auditors which enabled them to complete the audit in less time than in previous years.
Mr. Jamieson and the Committee Chair expressed their appreciation for the work carried out in preparation for the year-end audit under the guidance of Ms. Campbell.

REPORT OF THE COORDINATOR OF PROCUREMENT

Mr. Wilson reviewed his report with the Committee, a copy of which was circulated with the agenda. He provided an update on the following items:

- Major Activities
 - Staff is working through the redistribution and/or disposal of items at Aldershot Elementary.
 - Preparing to vacate the old KCA site and redistribute/dispose of items.
- Procurement Advisory Group
 - A consultant has been hired to help foster a climate of assistance among the MASH sector organizations in terms of purchasing.
 - Our Board has met the one-year mandatory criteria as set out in the new Procurement Guidelines.
- Central Purchasing Group
 - This group is working toward the standardization of procurement procedures.

- Transitioning of Responsibility of Phones
 - Responsibility for cell phones has been transferred to the Procurement Division. Transitioning of the responsibility for telephone land lines to the Procurement Division will begin.
- Xerox
 - A meeting was held last week with Xerox. There have been improvements in service now that we have transitioned through the first year.

On various questions from the Committee, Mr. Wilson explained the following:

- The Work it Grant at Middleton Regional High School was for the supply of electronics for a course offering.
- The tender for drainage and site work at Aldershot Elementary School is part of the funding. There is other external work yet to be completed; however, waiting on confirmation of funding for this year to proceed.
- Contracts for various tradespersons are renewed yearly. There is no guarantee of work, and these tradespersons are only employed when staff cannot meet the need.

Mr. Jamieson expressed his appreciation of the progress made within the Procurement Division under Mr. Wilson's guidance to include more activities other than purchasing and to foster a team approach with other divisions regarding the development and administration of contracts.

Financial Update

2011-2012 Year End

Mr. Jamieson reviewed the Operations Summary Report as of March 2012, a copy of which was circulated with the agenda. He noted that there is an overall deficit of \$152,000 and that the deficit difference of \$20,000 between the March Summary Report and the draft Financial Statements was as a result of outstanding commitments that are yet to be transferred in SAP.

Discussion was held regarding the deficit, during which Mr. Jamieson clarified that a large portion of the deficit was a result of school-based expenditures exceeding school-based revenues in 2011-2012. Collectively school-based accounts have an accumulated surplus; however, due to accounting rules, their accounts are consolidated at year end. Schools are encouraged to spend any revenues collected, and in the future school-based accounts will be monitored periodically so that the overall budget position will be known sooner.

The deficit has been reported to the Deputy Minister for approval by the Department of Finance to release surplus funds to bring year end into balance. If this is not approved, the deficit would be the first charge on next year's budget.

Mr. Jamieson concluded the discussion by commenting that the 2011-2012 budget generally performed as anticipated.

Ms. Tait briefly left the meeting returned at 7:30 p.m.

2012-2013 Budget

Mr. Jamieson reviewed the final draft budget document with the Committee and highlighted the many budget areas impacted as a result of decreased funding. He also presented a draft Operating Budget Overview which included comparison data on the effects of budget reductions over the past two years.

There was discussion regarding a yearly event to recognize individual teachers for their years of service to the Board. Although this was offered at amalgamation, it was declined at that time. This item was also discussed by the Human Resources Committee which is in support of this recognition. Other employee groups within the Board are recognized for their years of service, and the expenses are allocated to the Human Resources budget. It was identified that for the first year the cost would be approximately \$3,000.00 and future year costs would be approximately \$1,500.00. Traditionally there are funds remaining at the end of the year in the Board Member budget which could be used to help offset this first-year cost. Discussion concluded with the understanding that this conversation would be going forward to the Board and the expense would be allocated to the Human Resources budget.

RECOMMENDATION TO THE BOARD

➤ **FAC 12:140**

Recommendation to the Board – Approve 2012-2013 Budget

[Approved]

It was moved by Mr. Fleury, seconded by Mr. Tumilty, to recommend to the Board that the 2012-2013 budget be approved.

Motion Carried

Other Items

There were no items.

ADDITIONAL AUDIT COMMITTEE ITEMS

Business from the Minutes

There were no items.

Other Items

Special Meeting to Receive Auditor's Report

A special meeting of the Finance and Audit Committee is scheduled for 6:15 p.m., June 6, 2012, AVRSB Education Room. The purpose of the meeting is to receive the 2011-2012 Audited Financial Statements from the auditors.

OTHER ITEMS

There were no items.

NEXT MEETING DATE AND TIME

The next regular Committee meeting is tentatively scheduled at the call of the Chair for 6:30 p.m., June 28, 2012, AVRSB Education Room.

ADJOURNMENT

➤ **FAC 12:141**

Adjournment

[Approved]

It was moved by Mr. Fleury, seconded by Ms. Parrish Zwicker, to adjourn the meeting at 9:05 p.m.

Motion Carried

Paula Henley, Recording Secretary

Paula Lunn, Chair