

BC MINISTRY OF EDUCATION AND CHILD CARE
FINANCIAL MANAGEMENT COMMITTEE TERMS OF REFERENCE
Updated July 2023

Background

The Ministry of Education and Child Care (the ministry) allocates more than \$7B in operating funding to Boards of Education (Boards) through a combination of operating and special purpose grants. A review of the public education funding system took place between 2017 and 2020. During this review, an Independent Review Panel (the Panel) tabled 22 recommendations aimed at improving equity, accountability and transparent financial management practices in the K-12 public education funding system in British Columbia (BC).

The recommendations covered three key themes:

- Improving equity of educational opportunity for all students in B.C., regardless of their background or where they live (11 recommendations);
- Strengthening accountability for student achievement (6 recommendations); and
- Improving transparency in financial management across the province (5 recommendations).

Under the financial management theme, the Panel identified the need for improved financial planning and reporting, as well as greater financial transparency, in the K-12 public education sector. The Panel's conclusions were not new to the K-12 sector. Similar recommendations were made by the Auditor General in 2013 and 2016 during reviews of school district budgeting and expenditure management as well as the sector-based Financial Health Working Group in 2017.

In February 2020 the ministry announced that most of the financial management-related recommendations would be implemented beginning in the 2020/21 school year. The focus on continuity of learning and September school restart as a result of COVID-19 shifted the implementation timeline to the 2021/22 school year. The ministry committed to establishing a joint ministry-school district technical committee to help build sector capacity in financial governance and transparency, and to strengthen financial planning and reporting processes across BC's 60 school districts.

Purpose

The key focus of the Financial Management Committee ("the Committee") is to provide leadership to help grow and build greater capacity within school districts' collective financial management practices. Specifically, its role is to develop and operationalize two new financial management policies – Financial Planning and Reporting Policy and Accumulated Operating Surplus Policy – supported by strategies and resources (e.g. best practices guidebook, tools, templates, planning materials, communications materials, etc.). The new financial policies will connect closely with the Framework for Enhancing Student Learning and updated Indigenous

Education Targeted Funding policies. The policies, supporting materials and other companion policies can be used by school districts to strengthen financial governance and transparency of financial information across the K-12 public education sector.

Committee work will be focused on supporting three of the Panel's financial management recommendations (see Appendix A).

The Committee reports through to the ministry through the Assistant Deputy Minister, Resource Management Division (Committee Chair).

Roles and Responsibilities

Chair

- 1) Establish annual work plan and meeting schedule;
- 2) Establish meeting agendas and prepare materials for the Committee's review;
- 3) Chair meetings and ensure all members have opportunities to provide feedback; and
- 4) Provide an annual written report on the Committee's progress to the ministry.

Members

- 1) Provide advice in support of province-wide education system objectives that are consistent with the joint [guiding principles](#);
- 2) Provide input into annual work plan and participate in establishing a meeting schedule;
- 3) Provide advice on how best to build sector capacity in financial governance and improve the consistency, transparency and accuracy of school district financial planning and reporting;
- 4) Identify and call upon subject matter experts needed to help educate and understand the implications of new initiatives and materials;
- 5) Maintain complete confidentiality of all discussions and materials;
- 6) Consider ad hoc issues outside the work plan as requested by the ministry; and
- 7) Counsel the ministry on education and implementation strategies and the impacts on the operations of school districts.

The Terms of Reference, including roles and responsibilities of participants will be reviewed annually.

Meeting Frequency

The Committee will meet as required at the request of the Chair and in alignment with the work plan and meeting schedule established annually.

Committee Composition and Operations

This Committee will consist of representatives from each of the following stakeholder organizations:

- 6 representatives from the BC Association of School Business Officials (BCASBO)
 - Adrian Johnson, Secretary-Treasurer, SD22 Vernon
 - Ishver Khunguray, Deputy Secretary-Treasurer, SD41 Burnaby

- Darleen Patterson, Secretary-Treasurer, SD57 Prince George
- Jason Reid, Secretary-Treasurer, SD63 Saanich
- Jason Sandquist, Secretary-Treasurer, SD79 Cowichan Valley
Alternates: Simon Ayres, Assistant Secretary-Treasurer, SD36
- 1 representative from the First Nations Education Steering Committee (FNESC)
 - AJ Orena, Manager, Data Analysis
- 4 representatives from the Ministry of Education and Childcare
 - Chris Brown, ADM, Resource Management Division
 - Caroline Ponsford, A/Executive Director, Funding and Financial Accountability Branch, Resource Management Division
 - Ian Aaron, Director, School District Financial Reporting, Funding and Financial Accountability Branch
- Jane London, A/Director, Strategic Policy and Planning, Funding and Financial Accountability Branch
- 1 external (non-sector) representative appointed by the ministry, as needed, with experience in financial planning, reporting and public sector financial governance more generally

The ministry will ask BCASBO and FNESC to annually provide representatives to the Committee. BCASBO will be asked to provide a pool of 8 representatives who can create a balance of expertise and experience, and who can represent a full range of district types in Committee discussions (i.e., Rural/Urban; Extra Small/Small/Medium /Large; and different geographic regions) with no duplication of school district representation. The Chair will choose Committee members from this pool, with the remainder serving as alternates. Where possible, the ministry requests that representatives serve no more than three consecutive years to encourage capacity building in the sector. The ministry reserves the right to reject any proposed representative and should this occur the ministry will explain in writing the reasons for the rejection.

Committee Structure

- Chair: Assistant Deputy Minister, Resource Management Division
- Alternate Chair: Executive Director, Funding and Financial Accountability Branch, Resource Management Division, who will support meeting preparation and management
- Secretariat support: Senior Policy & Funding Analyst, Funding and Financial Accountability Branch, Resource Management Division
- Specialist support: As needed

The Chair may modify the membership of the Committee from time to time as needed and membership will be reviewed by the Members of this Committee on an annual basis.

Confidentiality

Recognizing that all materials and subject matter being reviewed by the Committee may be subject to government confidentiality provisions, Committee members shall maintain complete confidentiality of all materials, views, and discussions that occur, and may be required to sign a confidentiality agreement.

Reimbursements

Meetings will take place electronically via Zoom or another platform that enables members to video conference and screen share.

Occasional in person meetings may be held; members will be reimbursed for travel and accommodation costs directly related to participation at the in-person meetings in accordance with Provincial Government travel policy (see http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/10_Travel.htm). Reimbursements must be submitted within 30 days of a meeting to K12fundingreview@gov.bc.ca.

Terms of Reference revised: July 2023

The Terms of Reference will be reviewed annually.

Appendix A – Funding Model Review, Independent Review Panel Financial Management Recommendations

Recommendation 18 – The ministry should identify net cost pressures and new program expenditures and, as part of the annual provincial budget process, bring them forward to Treasury Board for consideration when the total quantum of public education funding is being set.

Recommendation 19 – To support multi-year financial planning:

- Government should issue three-year operating funding to Boards, based on available funding and projected student enrolment; and
- school districts should be required to develop three-year financial plans.

Recommendation 20 – The ministry should establish clear provincial policies on reserves to ensure consistent and transparent reporting while maintaining school districts’ ability to establish reserves. Specifically, the ministry should:

- Set clear provincial policies on what school districts may save for, directly related to their strategic plans;
- Establish acceptable provincial range for unrestricted reserves, encompassing accumulated operating surpluses and local capital, which should be monitored and reported on (if required);
- Ensure that school districts have specific plans attached to each item or initiative when setting reserves, and provide clear reporting on how the funds were spent; and
- Work with school districts to transfer any overages beyond the approved threshold into a fund at the school district level, to be accessed only with ministry approval.