


Administrative Procedures 510

Accounting and Auditing

		Adopted: June 28, 2011
		Amended: August 7, 2012
	External References: <ul style="list-style-type: none">• Education Act: Sections 85, 87, 109, 110, 286• Public Accounts Regulations• Generally Accepted Accounting Principles (G.A.A.P.)	Internal References: <ul style="list-style-type: none">• AP 511 Management of School-Generated Funds• AP 511 Management of School-Generated Funds – Appendix A – Accounting Best Practices• AP 512 Tangible Capital Assets• AP 526 Charitable Donations

Background

The Division is aware that it must demonstrate good stewardship of the monies it uses to provide services to students. The Division regards accounting records, along with procedures to verify those records, as integral to the demonstration of sound financial management of public funds.

The Division will adopt procedures that follow generally accepted accounting practices, and if necessary adapt these to make them consistent with the requirements of the Ministry of Education.

To the extent applicable, the Division is to use the accrual method of accounting for revenues and expenditures. Under the accrual method, an expense and the related liability are recorded at the time the goods or services have been received and an obligation has been incurred.

Procedures

1. Accounting System

The accounting system must make it possible to:

- 1.1 Provide an accurate record of all financial transactions of the Division.
- 1.2 Produce meaningful interim and annual financial reports.
- 1.3 Comply with legal provisions.
- 1.4 Provide a basis for safeguarding the financial resources of the Division.

2. Operating Fund

- 2.1 The operating fund shall contain all operating revenues, expenditures, financial assets, liabilities, non-financial assets and accumulated surplus (deficit) of the Division.
 - 2.1.1 The operating fund shall be the general purpose fund of the Division and shall be used to account for the ongoing operations and activities of the Division.
 - 2.1.2 All of the financial activities of the Division will be included in the operating fund.
 - 2.1.3 Non-operating funds shall not be used to account for transactions that belong in the operating fund.
 - 2.1.4 Other funds shall not be established to account for transactions that belong in the operating fund.

2.2 Restricted Accumulated Surplus

A Restricted Accumulated Surplus contains the assets, liabilities, transactions and fund balances of reserves that have been designated by the Division for anticipated future costs of capital projects.

- 2.2.1 Reserves are created by authorization of the Board.
- 2.2.2 Contributions to and expenditures from reserves are made in accordance with terms and conditions established by the Board or the Ministry of Education.
- 2.2.3 A reserve for capital expenditure may be established on recommendation to the Board. The purpose of the reserve is to fund:
 - 2.2.3.1 The purchase of land.
 - 2.2.3.2 New buildings.
 - 2.2.3.3 Renovations and additions.
 - 2.2.3.4 Furniture, equipment and supplies.
 - 2.2.3.5 Major building repairs.
 - 2.2.3.6 Replacement of equipment.
- 2.2.4 Other reserves may be established from the proceeds from the disposal of land and buildings as required by the Ministry of Education.

3. Classification of Accounts

- 3.1 The classification of accounts within each fund is to be consistent with the provincial government requirements and, in accordance, where applicable, with Generally Accepted Accounting Principles (G.A.A.P.).

4. Reporting

- 4.1 Financial reports are to be prepared monthly to reflect financial operations, the current condition of the budgetary accounts and other information necessary to monitor operations.
- 4.2 An audited financial report is to be prepared as of August 31 in each year and presented to the Board.