Chapter 31
Conseil scolaire fransaskois—Financial Management and Governance Practices

1.0 Main Points

On June 11, 2014, Cabinet, through Order in Council 308/2014, asked our Office to examine the financial management and governance practices of Conseil scolaire fransaskois (CSF; also referred to as Conseil des écoles fransaskois No. 310). In response to Cabinet's request, this chapter reports the results of our audit of CSF's financial management and governance practices.

CSF is Saskatchewan's first-language French school system. Effective financial management and governance practices are necessary to enable CSF to make sound decisions for the education of students. Without effective practices, CSF may not use resources effectively, leading to reductions in the quality or availability of Francophone educational programming in Saskatchewan.

For the 12-month period ended August 31, 2014, we found that Conseil scolaire fransaskois did not have effective financial management and governance practices. It needs processes to develop required Board competencies, and needs to establish governance and financial policies and procedures necessary to manage its financial operations.

We make 10 recommendations to assist CSF in improving its financial management and governance practices.

2.0 Introduction

In 2013-14, the Government expressed concern with the financial position of CSF for various reasons. These reasons included requests from CSF for increases in funding, authority for increased borrowings, and advances on its operating grants.[1] In 2013-14, the Ministry of Education provided CSF with advances on its monthly operating grant on two separate occasions upon CSF's request.

For a number of years, CSF has expressed concern about the sufficiency of funding from the Government and has taken the Government to court to seek additional funding.

On June 11, 2014, Cabinet, through Order in Council 308/2014, asked our Office to examine the financial management and governance practices of CSF. In response to Cabinet's request, this chapter reports the results of our audit of CSF's financial management and governance practices.

See **Section 6.0** for definitions of key terms used throughout this chapter.

[1] www.saskatchewan.ca/government/news-and-media/2014/june/12/cef-audit (26 September 2014).

2.1 Key Responsibilities Assigned by Law

The Education Act, 1995 (Act) gives the Minister of Education (Minister) responsibility for early learning, elementary, and secondary education (sections 3(1) and 3(1.1)). The Act makes the Ministry of Education (Ministry) responsible for overseeing school divisions, including CSF. For example, the Act requires the Ministry to review and approve CSF's program objectives and its estimated revenues and expenditures prior to expenditures being incurred (sections 278(1) and 280).

The Act establishes CSF as a corporation and its conseil scolaire (Board) (section 42.1). The Act recognizes CSF as Saskatchewan's first-language French school system alongside Saskatchewan's public and separate (e.g., Catholic) school systems. Both the public and separate school systems are English-language school systems that may include French immersion[2] programs.

As of June 2014, CSF operated a total of 15 fransaskois schools with approximately 1,900 students. Unlike other Saskatchewan school divisions, CSF's schools are geographically dispersed across the province within nine Francophone education areas (see **Exhibits 5.1** and **5.2**).

The Act gives CSF's Board various duties and responsibilities, including the requirement to establish policies that guide its management and supervision (section 86(c)). The Act also requires CSF to keep a full and accurate record of its transactions and financial affairs (section 86(r)), and to prepare budgets and any other operational reports that may be required by the Minister (section 86(v)).

The Act requires CSF's Board to consist of one trustee elected from each of the nine Francophone education areas (section 42.1(3), 64(2)). Each education area is defined by geographic boundaries within which "right-holder parents"[3] may exercise their right to have their children educated at a fransaskois school, in accordance with the Act (section 143) and section 23 of the *Canadian Charter of Rights and Freedoms*.[4]

Each of the 15 fransaskois schools must have a conseil d'école (i.e., local board of trustees) consisting of between three and eight locally-elected members (section 134.1). Conseils d'école provide parents with a vehicle to express concerns, give advice, make recommendations to the Board of CSF, and participate in long-term planning for school programs and activities.[5] While the Act permits CSF's Board to delegate certain authorities to conseils d'école, at August 2014, it had not delegated any decision-making authority to them.

[2] French Immersion is a form of bilingual education in which a child who does not speak French as his or her first language receives instruction in school in French.
[3] A right-holder parent is a parent whose first language is French and who still understands French, who received an elementary education in French, or whose child has received or is receiving an education in French at the elementary or secondary level. In some cases, non-right-holders can also gain access to a Francophone education for their children. Requests for admission by non right-holders are considered by the Conseil scolaire fransaskois upon recommendation by the local school's Conseil d'école.
[4] Section 23 of the *Canadian Charter of Rights and Freedoms* sets out minority language educational rights in Canada.
[5] http://cefsk.ca/EN/ConseilEcole/index.html, (9 October 2014).

2.2 Financial Overview

CSF has a fiscal year-end of August 31. **Figure 1** sets out CSF's actual financial results and the number of students enrolled at CSF schools (student enrolment) since 2009-10.

In 2012-13, CSF had revenues[6] of $43.0 million and expenses of $39.4 million resulting in an annual surplus of $3.6 million. At August 31, 2013, it had assets of $66.3 million (including tangible capital assets of $61.1 million)[7] and net debt of $4.7 million.[8]

From 2009-10 to 2013-14, the number of students enrolled in CSF's schools has increased by 33% (from 1,423 students in 2009-10 to 1,896 in 2013-14) – (increase of 24% from 2009-10 to 2012-13). As shown in **Figure 1**, from September 1, 2009 to August 31, 2013, CSF has had an annual surplus (that is, its revenues have exceeded its expenses) each year. Its annual surplus is largely the result of the difference between capital grants[9] recognized as revenue and the annual amortization expense.[10]

Since 2010-11, CSF has had a net debt (that is, its liabilities have exceeded its financial assets). Its net debt has increased by $5.2 million from August 31, 2010 to August 31, 2013.

From 2009-10 to 2012-13, CSF's capital spending (acquisitions of tangible capital assets) has exceeded its capital grant revenue each year for a total of $4 million over this period. For example, its 2009-10 capital spending exceeded its capital grant revenues by $1.6 million.

CSF, with the Ministry's approval, has increased its authorized line of credit from $2.5 million at August 31, 2010 to $5.8 million[11] at August 31, 2014. At August 31, 2013, it had borrowed $2.4 million using this line of credit.

Figure 1—Actual Financial Results and Student Enrolment Since 2009-10

	2009-10	2010-11	2011-12	2012-13	2013-14
	(in thousands)				(unaudited)
Ministry of Education Grants:					Actual financial results for 2013-14 were not yet available at October 1, 2014.
Operating Grants	$20,043	$22,149	$28,311	$30,834	
Capital Grants	$2,401	$5,547	$12,585^^	$8,001	
Other Revenue^	$3,723	$4,444	$3,740	$4,121	
Total Revenue	$26,167	$32,140	$44,636	$42,956	
Salaries Expense	$15,153	$17,149	$19,222	$22,222	
Transportation Expense	$2,384	$2,796	$3,157	$3,594	
Amortization Expense	$1,739	$1,649	$1,998	$2,416	

[6] Unlike other school divisions in Saskatchewan, CSF does not have education property tax revenue.
[7] The cost and accumulated amortization of its tangible capital assets at August 31, 2013 was $85.4 million, and $24.3 million respectively.
[8] *Conseil des écoles fransaskois 2012-13 Annual Report*, p. 48-49.
[9] CSF receives grants from the Ministry for the purchase of tangible capital assets (primarily included in capital grants).
[10] CSF amortizes the cost of its assets to expense over the service life of the assets to match the delivery of services (amortization expense).
[11] $5.8 million represents the maximum line of credit allowed under the Ministry's policy (i.e., equivalent to two months operating grant).

	2009-10	2010-11	2011-12	2012-13	2013-14
		(in thousands)			(unaudited)
Other Expenses^	$6,631	$7,634	$9,033	$11,141	
Total Expenses	$25,907	$29,228	$33,410	$39,372	
Annual Surplus (deficit)	**$260**	**$2,912**	**$11,226**	**$3,584**	
Acquisition of Tangible Capital Assets++	$4,054	$6,393	$13,534^^	$8,555	
Long-Term Debt at August 31+++	$1,136	$996	$1,032	$1,537	
Borrowings through Line of Credit	$ -	$504	$161	$2,402	
Net Surplus (Debt) at August 31	**$539**	**($1,319)**	**($1,825)**	**($4,716)**	
Student Enrolment+	**1,423**	**1,488**	**1,567**	**1,768**	**1,896**

Source: CSF's Audited Financial Statements for 2009 to 2013.
+Conseil des écoles fransaskoises enrolment records – number of students at September 30 for 2009-10 to 2012-13. Enrolment for 2013-14 is as of June 30, 2014.
++Acquisition of tangible capital assets includes capital purchases for land, buildings, furniture and equipment, school buses, vehicles, and information technology equipment. The capital grants from the Ministry are provided to school divisions for major projects related to the construction of capital infrastructure (i.e., buildings).
+++Long-term debt relates to borrowings for infrastructure projects, school buses, and capital leases.
^Other revenues include funding from various sources such as the federal government, tuition fees, and fundraising. Other expenses include costs for various operating expenses such as learning supports, supplies and services, building operations, communications, travel, professional development, and interest and bank charges.
^^2011-12 capital grants and acquisition of tangible capital assets includes $11.0 million for the renovation of École Monseigneur De Laval – PSQV.

Figure 2 sets out CSF's approved annual budget from 2009-10 to 2014-15. It shows that each year CSF budgeted for annual deficits. As shown in **Figure 2**, this budgeted annual deficit did not include an estimate of capital grants from the Ministry or all of its planned capital spending (acquisition of tangible capital assets). As explained later in this chapter, CSF does not receive the Ministry's approval of its major capital projects for the year (which reflect its planned capital spending) and related capital grants until the fall – well after CSF has approved its annual budget.

Figure 2—Approved Budgets from 2009-10 to 2014-15

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
			(in thousands)			
Ministry of Education Grants:						
Operating Grants	$20,243	$22,270	$26,302	$28,921	$34,134	$34,448
Capital Grants	$ -	$ -	$ -	$ -	$ -	$ -
Other Revenue	$2,870	$3,309	$3,350	$3,617	$1,919	$1,330
Total Revenue	$23,113	$25,579	$29,652	$32,538	$36,053	$35,778
Salaries Expense	$15,211	$16,086	$17,353	$19,893	$19,400	$19,093
Transportation Expense	$2,604	$2,793	$3,289	$3,570	$3,702	$4,282
Amortization Expense	$ -	$1,243	$1,252	$1,981	$1,981	$2,745
Other Expenses	$7,570	$7,374	$8,567	$8,565	$12,388	$13,205
Total Expenses	$25,385	$27,496	$30,461	$34,009	$37,471	$39,325
Annual Surplus (deficit)	**($2,272)**	**($1,917)**	**($809)**	**($1,471)**	**($1,418)**	**($802)**

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
			(in thousands)			
Acquisition of Tangible Capital Assets**	$ -	$175	$101	$100	$100	$33
Long-Term Debt at August 31	Not Budgeted					
Line of Credit (outstanding)	Not Budgeted					
Net Surplus (Debt) at August 31	Not Budgeted					

Source: CSF's approved budgets.
*Approved by Board in June 2014 and Ministry of Education in August 2014.
**This amount does not include infrastructure projects (e.g., major maintenance of schools) approved by the Ministry of Education in the fall of each year because these amounts are not known at the time of budget development.

In both 2011-12 and 2012-13, operating grants from the Ministry were $2.0 million more than planned. From 2009-10 to 2012-13, CSF's actual expenses have exceeded budget. The extent of this overage has increased each year from a low of 2% ($0.5 million) in 2009-10 to a high of 15.8% ($5.3 million) in 2012-13. Since 2010-11, salaries expense has been the largest contributor to these overages (with a low of $1.1 million over budget in 2010-11 and a high of $2.3 million over budget in 2012-13).

In October 2013, CSF implemented cost-control measures totalling $1.4 million. It made reductions to its administrative and other staff positions, as well as other operating costs.

2.3 Significance of Financial Management and Governance

Because of the important role of education in Saskatchewan and the significant cost associated with providing that education (2013-14 – 26% of government-wide expenses),[12] effective financial management and governance practices are necessary to enable all school divisions, including CSF, to make sound decisions for the education of students. Fiscal constraints may limit funding making efficient use of resources essential to providing quality educational programs. Further, current infrastructure deficits of schools divisions are creating additional pressures during times of enrolment pressures for some school divisions (e.g., CSF's 33% increase in enrolment from 2009-10 to 2013-14).

Strong budgetary practices are key to clearly explaining the basis of financial plans and decisions (e.g., assumptions about student enrolment, student/teacher ratios, transportation needs, programming requirements). Budgetary controls and financial monitoring help ensure actual spending is properly authorized and consistent with planned spending. Poor financial management and governance practices increase the risk that an organization will not deliver on its mandate effectively and efficiently. Without effective practices, CSF may not use resources effectively, leading to reductions in the quality or availability of Francophone educational programming in Saskatchewan.

[12] Government of Saskatchewan, *2013-14 Public Accounts*, p. 13.

3.0 Audit Objective, Scope, Criteria, and Conclusion

The objective of this audit was to assess the effectiveness of Conseil scolaire fransaskois' financial management and governance practices for the 12-month period ended August 31, 2014.

In this audit, financial management practices are defined as those practices that help an organization assess the cost of achieving its objectives (planning), manage its financial risks, identify accountabilities, and support strategic and operational decision making.[13] It also includes governance practices such as structures and processes that direct, control, and hold an organization accountable.[14]

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate CSF's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. CSF's management agreed with the criteria (see **Figure 3**).

To carry out this audit, we interviewed CSF staff and Board members. We examined Board minutes and CSF's policies and procedures that relate to financial management and governance practices. We also examined budget documents, financial reports prepared by management, and documents concerning financial matters and commitments entered into by the organization (e.g., contracts). Our work included testing of selected items.

Figure 3—Audit Criteria

Effective financial management and governance practices include processes to:

1. **Implement policies for financial management and governance**
   - 1.1 Define authority and responsibilities of the Board and management consistent with legislation
   - 1.2 Set behavioural expectations of the Board and staff (e.g., code of conduct, conflict of interest)
   - 1.3 Maintain key financial and governance policies (e.g., budgeting, forecasting, financial reporting)
   - 1.4 Delegate authorities consistent with policies (e.g., to conseils d'école, to staff responsible for approving purchases, contracts, and payments)
   - 1.5 Communicate the approved policies and delegations
2. **Ensure Board and management have suitable financial competencies**
   - 2.1 Identify financial competencies needed of Board (collective) and management
   - 2.2 Obtain training or hire external experts to address identified Board competency gaps
   - 2.3 Require key staff positions to have suitable financial competencies (e.g., set requirements for key positions and recruit qualified staff)
3. **Establish financial budgets (operating, capital, cash flow)**
   - 3.1 Identify financial resources necessary to achieve strategic plan and other operational plans (e.g., human resources, capital)
   - 3.2 Set out key planning assumptions and their basis (e.g., student enrolments, government strategic direction)
   - 3.3 Consider impact of financial risks to achievement of plans (e.g., funding sources, over spending)
   - 3.4 Use same accounting policies in financial budgets as used in year-end financial reporting
   - 3.5 Obtain Board approval of the annual budget prior to submission to the Ministry of Education
   - 3.6 Obtain Ministry of Education approval of the annual budget
4. **Make decisions in accordance with financial budgets**
   - 4.1 Establish commitments within approved budget and forecasts
   - 4.2 Approve commitments in accordance with policy and delegation

[13] Auditor General of Canada, *Financial Management and Control – National Defence*, p. 3.
[14] Auditor General of British Columbia, *Crown Agency Board Governance*, p. 10.

5. Monitor financial performance
- 5.1 Regularly compare financial results to planned results (e.g., forecast and budget); and explain differences
- 5.2 Regularly review, scrutinize, and approve financial reports by those charged with governance
- 5.3 Use financial information to revise plans timely (operating, capital, human resource)
- 5.4 Communicate financial information as required to external stakeholders (e.g., Ministry, parents)

We concluded that for the 12-month period ended August 31, 2014, Conseil scolaire fransaskois did not have effective financial management and governance practices. It needs processes to develop required Board competencies, and needs to establish governance and financial policies and procedures necessary to manage its financial operations.

In the later part of the audit period, we noted that CSF started to move forward in making positive changes (e.g., use of a template to guide the preparation of Board decision items) that once they become established practice will help improve its financial management and governance practices.

4.0 Key Findings and Recommendations

In this section, we describe our expectations (in italics), key findings, and recommendations related to the audit criteria in **Figure 3**.

4.1 Policies for Financial Management and Governance

4.1.1 Written Delegation of Authority Needed

We expected the following. The Board of CSF would define, in writing, the authorities and responsibilities of the Board and management. It would maintain approved key financial and governance policies and communicate them to staff. It would formally delegate authorities consistent with approved policies. Its delegation of authority policy would give certain positions authority to make financial decisions on behalf of CSF; the nature and extent of the authority would align with the responsibilities and knowledge of the position. Also, such a policy would specify for each assigned position, the extent of authority delegated, and related accountability for specific financial activities (e.g., approve contracts up to $10,000).

The Board maintains a *School Board Governance Policy Manual* (Manual). CSF makes the Manual publicly available on its website. The Manual defines the Board's mandate, which involves providing students with education. This mandate is consistent with CSF's authorities and responsibilities set out within the Act and section 23 of the *Canadian Charter of Rights and Freedoms* (Charter). To help ensure CSF addresses all obligations identified in its assessment of the Charter, the Manual includes mandates for maintaining the francophone culture and providing a sense of community for its students.

The Manual also sets out governance policies for the organization such as the roles of the Board and its chair, and the Board's code of conduct and conflict-of-interest policy. Through the Manual, the Board also delegated various authorities to the Director of Education (e.g., managing operations and staff, approving expenses within budget, approving emergency expenses over $50,000). The Board has also approved bank signing authorities for the CSF, which includes the Director of Education and the Chief Financial Officer (CFO).

Even though the Board has not formally allowed the Director of Education to delegate authority to staff (that is, a written delegation of authority policy does not exist), we found that CSF allowed staff reporting below the Director of Education and the CFO to approve contracts, invoices, and payments. For example, we found staff approved contracts (resulting in financial commitments) in violation of the Board delegations, and in some cases we were unable to determine who approved the contract (see **Section 4.4.2** for further details). Management indicated that the Director of Education has verbally delegated this authority to these staff.

Without complete written delegation of authority policies, the risk increases that inappropriate financial decisions may be made. It also increases the risk that the Board will not be able to hold management accountable for decisions made.

1. **We recommend that the Board of Conseil scolaire fransaskois approve a written delegation of authority setting out the authority of each staff involved in procurement decisions.**

4.1.2 Written Financial Management Policies Needed

We expected CSF to develop financial management policies and procedures based on its assessment of CSF's risks. Financial management policies would address:

- *Budgeting – set deadlines for submission to the Board and requirements for format of budgets, accounting policies to be used, key planning assumptions, alignment of budget with the organization's strategic plan.*
- *Financial reporting – set frequency for reporting financial results and forecasts to year-end to the Board, guidelines for analysis of variances between financial results and planned results, management responsibilities for review of financial results and journal entries.*
- *Purchasing – set requirements for use of tenders or quotes, the awarding of tenders, managing performance of vendors, use of purchasing cards.*

To build the expectations of the policies into staff daily routines, we expected CSF to identify and design procedures (i.e., controls) to reduce its risks to an acceptable level.

We found CSF does not have any documented policies for its key financial management processes. The Board also has not completed a risk assessment to determine the procedures it requires to manage its financial risks.

Without written financial management policies and procedures, the Board cannot formally set out its expectations for the financial operations of the organization. Written policies and procedures also help staff complete their work accurately and consistently over time, and in the event of key staff leaving the organization.

2. We recommend that the Board of Conseil scolaire fransaskois approve written policies for key financial management processes based on its assessment of financial risks.

Throughout the remainder of this chapter, we describe the impact on CSF's financial management and governance processes resulting from this lack of written financial management policies (e.g., budget process is incomplete, financial risks are not evaluated, financial reports need improvement, decisions are made without appropriate analysis).

4.1.3 Comprehensive Code of Conduct Needed

We expected the Board to set out principles, values, standards, or rules of behaviour that would guide the decisions of Board members, management, and staff including how it carries out its business, and communicate these expectations to those affected. Many entities use written codes of conduct to document and communicate this information.

As noted in **Section 4.1.1**, the Board has established a code of conduct and conflict-of-interest policy for members of the Board. While we observed evidence that Board members excused themselves from Board meetings when conflicts were declared, the policies are not sufficiently comprehensive. They do not require tracking of possible conflicts of interest, require Board members to periodically (e.g., annually) confirm adherence to the policies, or set out processes to address identified violations. Such processes help reinforce the importance of the policies and ensure identified conflicts of interest and violations of the code, if any, are handled appropriately.

Also, similar policies do not exist for management and staff. The Board plans to review its code of conduct in 2014-15 and expand its scope to include management.

Without a comprehensive code of conduct and conflict-of-interest policy, Board members, management, and staff may not understand what behaviour is acceptable to CSF or how to maintain compliance with these policies.

3. We recommend that the Board of Conseil scolaire fransaskois approve a comprehensive code of conduct and conflict-of-interest policy for Board members, management, and staff.

4. We recommend that the Board of Conseil scolaire fransaskois monitor compliance with its code of conduct and conflict-of-interest policy and address identified conflicts of interest and violations of the code.

4.2 Financial Competencies of Board and Management

4.2.1 Processes to Develop Board Competencies Needed

We expected the following. The Board would identify the financial competencies that Board members require. Such competencies are essential to enable Board members to collectively provide effective oversight (e.g., review of financial results, assessing appropriateness of policies). The Board would periodically evaluate itself to determine whether members felt they have the required competencies to enable them to carry out their role as expected. The Board would obtain training or hire external experts to address gaps between Board members' collective competencies and those needed.

Although its 2010-2015 strategic plan included plans to identify required competencies, by August 2014, the Board had not done so. As such, the Board has not identified or documented required competencies of its members, including financial competencies. Also, it has not identified competencies already possessed by current board members.

During the audit period, the Board did not conduct a self-assessment to identify gaps between competencies required and those possessed by Board members. It does not have a policy to require such assessments. Completing self-assessments of competencies and comparing them to required competencies would help the Board determine what knowledge and skills it requires and aid in developing training and development plans.

In March 2014, the Board approved an action plan that includes the development of a Board training plan. At August 2014, the Board had not yet developed the training plan. Also, while the Board has a budget for developing the competences of its members, members did not attend training during our audit period as a result of its cost-control efforts.

Without identifying and developing necessary competencies, the Board may not collectively have the required skills and knowledge to interpret and analyze information for making good decisions.

5. We recommend that the Board of Conseil scolaire fransaskois implement a development plan to address gaps between competencies required and those possessed by Board members.

4.2.2 Evaluations of Senior Management Performance Needed

We expected the following. CSF would require job descriptions for key staff positions to set out required suitable financial competencies. CSF would carry out performance evaluations of its senior management positions on a systematic and periodic basis. Such evaluations would assess whether individuals are performing as expected. CSF would use the results of such evaluations when considering compensation, suitability for promotions, disciplinary action, and identifying areas where further training or development is needed.

Except for the CFO position, job descriptions for other key management positions documented the required financial competencies. While the CFO's job description detailed the responsibilities of the position, it did not adequately document the competencies required (e.g., professional accounting designation or equivalent experience). We found that staff in key financial positions possessed suitable financial competencies to perform their jobs.

At August 2014, management advised us that CSF was reviewing all job descriptions including the required competencies for all staff including the CFO. It expects to have these descriptions updated by October 31, 2014.

Also, CSF does not require written performance evaluations for senior management. As such, written performance evaluations were not completed during the year, with one exception – the former Director of Education. While this evaluation was not completed using a standard form, it included evaluation of this individual's decisions and actions.

Without systematic and formal performance evaluations of senior management, CSF increases the risk that management's operational decisions may not align with the organization's goals and objectives. Also, CSF may not have complete, objective, and timely information to provide a basis for making human resource decisions.

6. We recommend that the Board of Conseil scolaire fransaskois require systematic and regular performance evaluations of senior management.

4.3 Establishment of Financial Budgets

4.3.1 Budget Incomplete and Approved Without Clear Linkage to Action Plans

Budgets set out an agency's spending plan. When developing budgets (capital, operating, and cash flow), agencies determine, in advance, whether they have sufficient resources to carry out their plans and if not, determine where to secure additional resources or reprioritize their plans so that they operate within available resources.

We expected the following. CSF would identify the financial resources necessary to achieve its strategic plan and other operational plans. It would show how its budget aligned with its plans. The budget would set out key planning assumptions and their basis, and CSF would prepare its budget using the same accounting policies as used to prepare its year-end financial statements. As CSF's governing body, CSF would obtain Board approval of its annual budget prior to it being submitted for approval by the Ministry.

As noted in **Section 2.2**, CSF does not prepare a complete budget for review and approval of its Board. Rather, it prepares its budget in two parts – operating and capital.

In early 2014, CSF prepared its 2014-15 budgeted operating revenues and expenses using budget projections from its various departments. As noted later in this section, in June 2014, the Board approved this budget with an annual deficit of $0.8 million.

Consistent with prior years, this budget did not include anticipated capital grant revenue or capital spending for major projects. As such, we refer to this budget as an operating budget.

CSF prepared its operating budget using the expense-basis of accounting following the same policies as its year-end financial statements (i.e., Canadian generally accepted accounting principles appropriate for the public sector). The operating budget also included a cash flow budget by adjusting the expense-based budget (e.g., to include purchase of tangible capital assets, exclude amortization expense) to determine the year-end cash position.

For capital budgeting purposes, CSF prepares:

- A listing of major capital projects (e.g., new school, school additions, portable classrooms). The listing sets out for each planned project, by school, estimated project cost (if known), and status of the funding request with the Ministry. In some cases, further analysis is required to determine the estimated project costs and timing. The Ministry usually approves selected capital projects in the fall of each year.

- A listing of preventative maintenance and renovations projects costing less than $1 million. The listing includes each project grouped by school, estimated cost of the project, expected funding from the Ministry, expected timing, and identified suppliers. Each spring, the Ministry approves annual funding, which CSF may use immediately for eligible projects.

While these capital listings include the estimated total costs of some projects, they do not clearly set out CSF's total capital budget. Not all projects in the listings will necessarily be approved for funding by the Ministry as it must consider the capital needs of all school divisions in the province. Therefore, for some CSF projects, estimated costs and timing have not yet been determined.

As noted in **Section 2.2**, in recent years CSF's capital spending has exceeded its capital grants from the Ministry.

Organizations need complete annual budgets in order to have a full understanding of their spending plans and financing needs. Also, complete budgets are essential to maintain control over finances.

Without inclusion of anticipated capital funding and spending in the budget presented to the Board for its review and approval, the Board does not have a full and complete picture of its finances and financing needs. Complete budget information is needed for the Board to make informed financial decisions.

Also, when examining CSF's 2014-15 operating budget, we found that CSF did not document how its operating budget incorporated the approved action plans supporting its strategic plan or the provincial education strategy.[15] As a result, we were unable to determine whether its budget aligned with its plans.

[15] www.education.gov.sk.ca/ministryplan/2014-15 (26 September 2014).

In June 2014, management presented to the Board the 2014-15 budget. The presentation included expected enrolments, reorganization of administrative staff, and some information about program assumptions (e.g., continuation or reduction of programs). We found that the 2014-15 budget did not set out all of the key planning assumptions used to develop the budget (e.g., details of key program decisions, student-to-teacher ratios, changes in utility rates, expected inflation) or their basis (e.g., announced utility rate increases, information from the Ministry). Management advised us that assumptions were discussed verbally with the Board. The Board minutes did not document the assumptions discussed.

We also found that the Board was not provided with supporting analysis for program changes recommended in the 2014-15 budget.

For example, as discussed in **Section 4.1.1**, to maintain francophone culture, CSF provides a French cultural program (l'animation culturelle) as part of the cultural mandate it has identified. At the time of the audit, the Ministry did not provide specific funding related to this mandate. In its 2014-15 budget deliberations, as part of its cost-control initiatives, CSF decided to change this program to achieve overall cost reductions for CSF of about $1 million. This decision was not based on documented financial analysis that set out key assumptions to support the change. Management indicated that they had verbally discussed the rationale for this change with the Board.

For another example, as we describe in **Section 4.3.2**, the Board did not receive information about the financial impact and risks related to programming decisions such as providing full-time kindergarten.

Without key supporting information, the Board cannot adequately challenge and assess the reasonableness of the budget. Key supporting information includes the key planning assumptions used to prepare the budget and their basis, financial analysis of recommended program changes, along with how the budget supports the achievement of the approved strategic plan. Providing the Board with key supporting information along with the budget, in advance of its meeting, would give members time to assess the budget, and prepare questions to ask management. Requirements to provide key information should be set out in policy. In **Section 4.1.2**, we recommend the Board of CSF approve policies for key financial management processes, including budgeting.

In May 2014, the Board met with management to scrutinize and challenge the proposed 2014-15 operating budget and requested changes. Management changed the budget as requested. In June 2014, the Board approved the 2014-15 budget with a planned deficit of about $0.8 million. Management then submitted the budget for Ministry approval. In August 2014, the Ministry approved the operating budget.

As discussed in **Section 2.2** and **Section 4.3.2**, CSF has had net debt since 2010-11 and its net debt has grown significantly since then. For 2014-15, CSF budgeted an operating deficit and a cash surplus. Management advised its Board and the Ministry that CSF would use the planned cash surplus to reduce its net debt. CSF management also advised its Board that it expects to receive 2014-15 funding from the Ministry related to past capital maintenance expenses it had incurred and would use this funding to further reduce its net debt. However, this debt reduction strategy is not documented.

Both the Board and the Ministry approved the 2014-15 budget operating deficit without a documented strategy setting out how CSF will manage its growing net debt while maintaining quality educational services. While CSF has taken steps to reduce its expenses and has plans to further reduce its expenses and net debt, it may be difficult to monitor progress towards achievement of debt reductions during the year without a documented strategy.

7. We recommend that Conseil scolaire fransaskois document its strategy to manage its net debt for the Board's approval.

4.3.2 Financial Risks Not Evaluated

Effective risk management helps improve the ability for organizations to achieve their strategic objectives in an efficient and effective way. We expected the following. CSF would systematically identify financial risks that may affect its ability to achieve its strategic objectives. CSF would consider and document the impact of identified financial risks when making recommendations to senior management and to the Board, including how it planned to manage them (i.e., accept, share, reduce, and avoid risks). For items presented to the Board for its decision, management would include analysis supporting the recommendations in the information provided to the Board.

CSF does not have a risk management framework (e.g., policy). Such a policy would help it effectively identify and evaluate risks to the achievement of plans, including financial risks. It does not formally identify risks, document its analysis of how identified risks may affect it, or how it plans to manage them.

For example, in 2012-13, CSF began to accept out-of-province students in one of its schools near an interprovincial border without a written agreement with the other province setting out the terms of this arrangement (e.g., funding arrangement, basis of payment). When CSF decided to accept these out-of-province students without an agreement, it did not assess the financial risks of entering into this informal arrangement.

As of August 31, 2013, CSF had billed the other province about $1.8 million. Late in 2013, it determined that it would likely not collect all amounts billed and reversed billings of about $1.7 million. When CSF had difficulties collecting amounts billed to the other province, it drafted an agreement. At August 2014, the other province had not signed the agreement. The other province paid CSF $0.4 million in March 2014.

CSF has not billed the other province since August 31, 2013 and it continues to accept students from this province without an agreement. At August 2014, CSF had not assessed the impact on its cash flow and other activities from continuing this informal arrangement. At August 2014, CSF continued to work with the other province to resolve the funding for students from that province and was analyzing other alternatives to resolve the situation.

We also found instances where CSF provided educational programs without a confirmed source of funding, such as full-time kindergarten (all day, five days a week)—at the time of our audit, the Ministry only funded half-day kindergarten programs. CSF has determined the need for such educational programs as part of its obligations under section 23 of the *Canadian Charter of Rights and Freedoms*. Management indicated that CSF uses funds received from the federal government to pay for the other half day.

Providing full-time kindergarten has resulted in CSF hiring the equivalent of eight additional teachers during 2013-14 at an average salary of $65,000. Similar programs are not typically available in other school divisions within Saskatchewan, and the Ministry has not provided funding for such programs.

CSF did not always formally analyze or set out in writing the financial impact and related risks prior to deciding to offer, or to continue to deliver, programs where it did not have externally-directed funding for the programs. At August 2014, the decision on whether the Ministry must fund such programs within CSF was before the courts. Where it was using legal action to obtain funding, we found it had not set out contingency plans if the outcome of its legal action did not generate the expected funding. Such program decisions may have contributed to the increase in CSF's net debt as described in **Section 2.2**.

Without processes to systematically consider risks when making decisions, CSF may make poor decisions resulting in inefficient use of its scarce resources and fail to meet its strategic objectives. If risks are not proactively managed, CSF may not be able to resolve problems in a timely manner and protect itself from harm.

8. We recommend that the Board of Conseil scolaire fransaskois implement a risk management process that requires the identification and written analysis of financial risks that impact Conseil scolaire fransaskois.

4.4 Making Decisions in Accordance with Financial Budgets

4.4.1 Staff Need Better Information for Decision Making

We expected the following. CSF would operate within approved budget and forecasts. Management would seek Board approval of changes in forecasts prior to entering into agreements or engaging in activities that would result in CSF exceeding available resources.

CSF has given various staff within CSF responsibility for managing the budgets for their respective departments. Each staff member is responsible for monitoring the availability of funding within assigned budgets prior to entering into commitments (e.g., contracts, purchases). Each month, CSF provides each department with monthly budget reports prepared from its financial records.

While these reports provide staff with the amount of unused budget based on actual costs incurred to date, they do not include commitments or forecasted expenses. Rather, CSF expects each department to have its own processes to identify, track, and monitor commitments for its area. As a result, staff do not have adequate and readily accessible information to monitor its unused budget. Without adequate information about commitments or forecasted expenses, staff may not identify budget issues in sufficient time to enable decisions to control the costs, to reallocate the budget items, or seek additional sources of funding.

For example, the May 31, 2014 semi-annual financial report showed that supplies and services expenses for key functions (i.e., administration, instruction, plant, and student transportation) were at 175% of the budgeted amount (i.e., exceeded their annual budget). Forecasting revenues and expenses to year-end may have enabled CSF to identify this budget overage earlier in the year and given it time to take action.

In addition, when CSF identified expense reductions in October 2013, the monthly budget reports provided to each department did not address these reductions.

Not having accurate, adequate, and readily accessible information increases the risk of overspending. Timely forecasts enable the Board and management to analyze the existing financial situation when making decisions concerning expenditures.

9. We recommend that Conseil scolaire fransaskois maintain accurate and current forecasts of financial information within its financial records.

4.4.2 Inadequate Contracting Processes

We expected CSF to make purchases (e.g., enter into contracts) in accordance with approved purchasing policies and delegated authorities.

As noted in **Section 4.1.1** and **Section 4.1.2**, CSF does not have documented policies for its key financial management processes (including purchasing policies) and has not clearly delegated authorities. Also, it does not have formal processes for contracting goods or services.

When examining contract documentation, we found three out of eight contracts were not signed by either CSF's management or by the supplier (i.e., incomplete contract documentation). In one instance, a CSF staff member without documented authority signed the contract (e.g., director). In another instance, CSF received and paid for transportation services without having a written contract (i.e., about $681,000 in 2013-14). In this instance, CSF paid the contractor based upon the contractor's response to the tender.

Without adequate documentation and approval of contracts, CSF may not be entering into appropriate contracts. Not having an adequate purchasing policy subjects CSF to undue risks (e.g., liability, privacy, confidentiality, reputation). A purchasing policy would set out when contracts are necessary, and a delegation of authority would document which staff have authority to approve contracts for CSF. In **Section 4.1.2**, we recommend CSF approve key financial management policies, including for purchasing and delegations of authority.

4.5 Monitoring Financial Performance

4.5.1 Monthly Financial Reporting Processes Need Improvement

We expected the following. CSF would regularly compare financial results to planned results (e.g., forecast and budget) and explain significant differences. Those charged with management and governance (e.g., senior management, Board) would regularly review, and approve financial reports. CSF would communicate financial information as required to external stakeholders (e.g., Ministry, conseils d'école, parents).

We found that processes used to prepare financial reports were not effective, resulting in reports that were inaccurate and incomplete. Each month, CSF provided the Board with a monthly report that compared actual revenues and expenses to budget. Twice a year, in November and May (i.e., semi-annually), CSF provided the Board with financial statements and schedules using the same format and accounting policies as its year-end financial statements (excluding notes to the financial statements). In December 2013, the Board approved CSF's audited 2012-13 financial statements. We noted the following issues with some of these financial reports:

- The actual financial results in the monthly financial reports were inaccurate and not comparable to previous periods.

  Management uses month-end financial processes for managing the accounting records. As such, CSF records many of its accruals[16] at month-end. However, CSF did not use the calendar month as the reporting period (e.g., month of March); rather, it used arbitrary dates to provide a cut-off date as close as possible to the related Board meeting so that the reports reflected the most current financial information. Using a mid-month cut-off date meant the "monthly" results did not incorporate all month-end accruals (e.g., government grants receivable, salaries and benefits payable). Therefore, the reports did not include complete information.

  As its accounting system is designed for month-end reporting periods, CSF does not maintain support for the mid-month financial reports. As a result, CSF cannot later show how the amounts reported in the "monthly" results match its accounting records (i.e., general ledger). This practice increases the risk of reporting inaccurate information.

  Also, using arbitrary mid-month cut-off dates results in varying lengths of "monthly" reporting periods. Varying monthly reporting periods reduces the ability to make meaningful comparisons to prior months or prior years (e.g., January 14, 2014, February 24, 2014, March 27, 2014).

- The monthly and semi-annual financial reports do not include revenue and expense forecasts to year-end.

  Financial forecasts estimate the impact that unexpected events (e.g., change in expected enrolments or utility rates) or unplanned commitments will have on the

[16] Accruals represent the recording of income items when they are earned and recording deductions when expenses are incurred, regardless of when actual income is received or payment is made.

annual results. We examined four monthly financial reports during the audit period. While the monthly financial reports included the approved annual budget and actuals to date, forecasts to year-end were not included. In **Section 4.4.1**, we describe an example of expenses expected to exceed budget in 2013-14 that could have been identified through forecasting processes. Without forecasts to year-end, management and the Board may not identify potential financial risks to CSF in a timely manner so that corrective action can be taken.

- The monthly and semi-annual financial reports do not include reasons for differences between actual and planned (i.e., budgeted) financial results.

  Management stated that it verbally provides the Board with reasons for differences between year-to-date actual and planned results. Board minutes did not document them. Also, CSF has not set standard variance thresholds to guide staff as to when an explanation is required (e.g., differences greater than $5,000 or changes of more than 10%). As described previously, CSF did not prepare forecasts; therefore, it did not explain differences between forecasted and planned results.

  Requiring documented analysis of differences exceeding specified thresholds would help management analyze the financial results and provide the Board with the key information needed to make timely decisions and take corrective action when necessary.

- Management and the CFO do not leave evidence of review or approval of monthly or semi-annual financial reports.

  Management stated that the CFO discussed the financial results with the staff who prepared the financial reports; no evidence of this discussion or review was maintained. The financial reports were not discussed with the Director of Education before they were presented to the Board.

  Regular review of financial reports enables management to challenge results to ensure any reporting errors are corrected, identify budgetary issues, take timely action as needed, and make informed recommendations to the Board. Without this review, management does not have the information it requires to make financial decisions, report urgent issues to the Board, and may be unable to adequately respond to questions from the Board leading to ineffective governance.

- The Board does not receive monthly and semi-annual financial reports in advance of its meetings. Financial reports were not included in the Board meeting agenda packages.

  CSF indicated that financial reports were often distributed to the Board at the beginning of Board meetings rather than provided in advance. This practice does not allow Board members sufficient time to analyze the financial results and prepare questions for management, which can lead to poor decision making.

- The Board does not consistently document its review of financial reports.

  Although management and members of the Board stated that financial reports for all months were presented to the Board at its meetings, we were unable to verify that the Board consistently reviewed financial reports. Board minutes did not consistently document the Board's receipt and review of financial reports. Although the Board held seven regular meetings during 2013-14, its minutes only documented adoption of monthly financial reports for three months (November 2013, December 2013, June 2014). The minutes also did not record adoption of the November 2013 semi-annual financial report. Management advised us that the May 2014 semi-annual report was not prepared in time for the Board's June 2014 meeting, nor was it reviewed by the Board by the end of September 2014. The Board meeting agendas indicated financial reports would be discussed, but the agenda packages did not contain copies of the financial reports, nor were these reports added to the archived records following the meetings. Management provided us with copies of monthly and semi-annual financial reports upon request.

Not leaving evidence of review of financial reports reduces the Board's ability to demonstrate its oversight of the organization to stakeholders (e.g., parents, Ministry).

- The monthly cash flow forecasts were inaccurate.

Each month, staff prepare a monthly cash flow forecast to determine whether adequate cash is available to meet payroll and supplier payments. The forecasts did not reconcile with month-end bank records and did not always accurately reflect the timing of cash flows that had occurred or were expected (e.g., amounts reflected in the incorrect month, not actually received, not collectible). For example, staff did not adjust the cash flow forecast when CSF did not receive amounts expected for certain out-of-province students (see **Section 4.3.2**). The CFO did not review or approve these forecasts. Review and approval of the forecasts independent of their preparation helps confirm the accuracy of the forecast and underlying assumptions.

As we describe in **Section 2.2**, CSF requested increases in its line of credit and advances from the Ministry to meet its cash flow needs. In some months, CSF exceeded its line of credit and as a result incurred penalties and higher interest costs from its financial institution. As of May 2014, it reported operating interest and bank charges of $191,455 compared to a budget of $60,613. Accurate cash flow forecasts can help to identify concerns earlier to allow analysis of alternatives that may result in more efficient solutions.

Improved cash flow analysis can also help management in deciding between financial alternatives. For example, during the past few years, including 2013-14, CSF has borrowed money to pay for certain capital assets (e.g., improvements to school buildings, buses). These assets typically have a service potential of many years (e.g., 12 to 20 years or more). However, with the Ministry's approval, CSF financed these assets over shorter terms (e.g., five-year loans). Such decisions may result in reduced interest in the long term, but increase the annual cash flow requirements over this shorter term. Cash flow analysis may help with assessment of financing alternatives, leading to better alignment of cash inflows and outflows.

If cash flow forecasts are not accurately prepared, senior management and the Board may not identify cash flow issues or opportunities on a timely basis and cannot make informed decisions to take timely corrective action.

- Management did not leave evidence of review and approval of journal entries.

  Each month, CSF uses journal entries to record its accruals. We examined all journal entries posted during four separate weeks throughout the year. None of the journal entries during these time periods contained evidence of management's review and approval. If journal entries are not independently reviewed and approved, there is a risk that the financial records may be inaccurate (i.e., risk of error) or subject to manipulation (i.e., risk of financial statement fraud).

In **Section 4.1.2**, we recommend that CSF approve key financial management policies, including policies for financial reporting processes. These policies should be designed to address the deficiencies noted.

CSF communicated financial information to external stakeholders, including having its annual report tabled in the Legislative Assembly and posting it on its website. CSF participated in media interviews and held an annual general meeting. CSF also advised the Ministry when it encountered financial difficulties.

4.5.2 Decisions Not Supported by Analysis

We expected CSF to use financial information to take prompt corrective action as necessary to meet its financial and strategic obligations.

In light of its financial difficulties, CSF reduced administrative and other staff positions and other operating costs in October 2013. In early 2014, the Director of Education resigned, and the Board hired an interim Director of Education and later appointed a new Board chair. CSF has planned additional reductions for managing its budget in 2014-15. However, it did not consistently take prompt corrective action during our audit period.

We found instances where the Board made decisions without receiving sufficient information. For example, as illustrated in **Figure 4,** the Board entered into commitments for a program without receiving appropriate analysis to support its decision. Overall, the lack of analysis to support the decision and untimely consideration of costs in the budget and lack of forecasts resulted in the inefficient use of scarce resources. Sufficient information could include documented analysis of costs, benefits, and risks to support management's recommendations and information on alternatives.

Figure 4—Example of Decisions Made Without Adequate Analysis

In a prior fiscal year, the Board approved management's recommendation to create a French program in a new location. Management did not prepare a formal business case providing a basis for its recommendation to the Board. Management appeared to have recommended the creation of this program based on interest received from two parents in that geographic area. Also, although this decision occurred prior to development of the 2013-14 budget, CSF did not incorporate the costs associated with the program into the 2013-14 budget presented to the Board for review and approval. In June 2013, CSF created a staff position to develop the program and hired an individual to fill the position at an annual salary of about $63,000. In August 2013, CSF entered into a verbal three-year lease arrangement of a building at a cost of $2,000 per month (a written agreement was drafted but not executed). It planned to use the building to house the program. In the fall of 2013, CSF cancelled the program due to lack of sufficient interest in the program in that geographic area.

In February 2014, CSF terminated the employment contract with the individual developing the program.

At August 2014, CSF continued to pay the lease on the unused building while it was negotiating the termination of the verbal lease arrangement.

Source: Provincial Auditor Saskatchewan (September 2014).

In June 2014, the Board adopted a template for Board decision items. The template appropriately requires individuals making presentations to the Board to document options, implications (i.e., risks), and recommendations relevant to the decision item. Because this template was only adopted in June 2014, we were unable to observe its use.

Requiring use of the template when bringing forward decision items to the Board is a significant improvement from the informal process used previously. To realize the expected benefits of this template, the Board must require management to provide sufficient analysis for informed decision making to support the recommendations made using the template.

10. We recommend that the Board of Conseil scolaire fransaskois use documented analysis to support significant decision items, including analysis of financial, strategic, and reputational implications of recommendations and alternative options.

5.0 Exhibits

5.1 Conseil scolaire fransaskois Schools (écoles) by Education Area

Conseil scolaire fransaskois has 15 schools within nine education areas, including a virtual school.[17] The table below summarizes the schools located within each of the education areas and the enrolment at June 30, 2014 for Pre-K to Grade 6:

Education Area	School name (location)	Pre-K	K	1	2	3	4	5	6
Region scolaire des Battlefords	École Père Mercure (North Battleford)	23	9	7	3	8	8	1	4
	École Sans-Frontières (Lloydminster)[a]	24	13	8	3	4	2	1	1
Region scolaire de Bellegarde	École de Bellegarde (Bellegarde)[b]	11	2	5	9	7	8	8	5
Region scolaire de La Vieille	École Beau Soleil (Gravelbourg)	9	3	3	2	4	5	2	6
	École Secondaire Collège Mathieu (Gravelbourg)	-	-	-	-	-	-	-	-
	École Boréale (Ponteix)	10	3	-	6	-	2	3	-
Region scolaire de Prince Albert	École Valois (Prince Albert)	-	21	24	12	18	12	13	14
Region scolaire de l'ecole Providence	École Providence (Vonda)	21	9	11	12	10	5	6	10
Region scolaire de Regina	École Ducharme (Moose Jaw)	22	9	9	7	11	7	4	1
	École Monseigneur De Laval (Regina) – Elémentaire	101	62	46	37	36	40	20	23
	École Monseigneur De Laval (Regina) – PSQV	-	-	-	-	-	-	-	-
Region scolaire de Saskatoon	École Canadienne-Francaise (Saskatoon)	91	37	54	38	38	26	40	28
Region scolaire de l'ecole St-Isidore	École St-Isidore (Bellevue)	21	10	6	6	13	6	4	9
Region scolaire de Zenon Park	École Notre-Dame-Des-Vertus (Zenon Park)	7	5	4	1	6	3	3	2
Saskatchewan	Virtual School	-	-	2	-	1	1	-	-
	Total	**340**	**183**	**179**	**136**	**156**	**125**	**105**	**103**

Source: Conseil des écoles fransaskoises.
[a] École Sans-Frontières includes 38 students from Alberta and 21 students from Saskatchewan.
[b] École de Bellegarde includes 12 students from Manitoba and 60 students from Saskatchewan.

[17] CSF also has nine students that are home schooled.

5.0 Exhibits

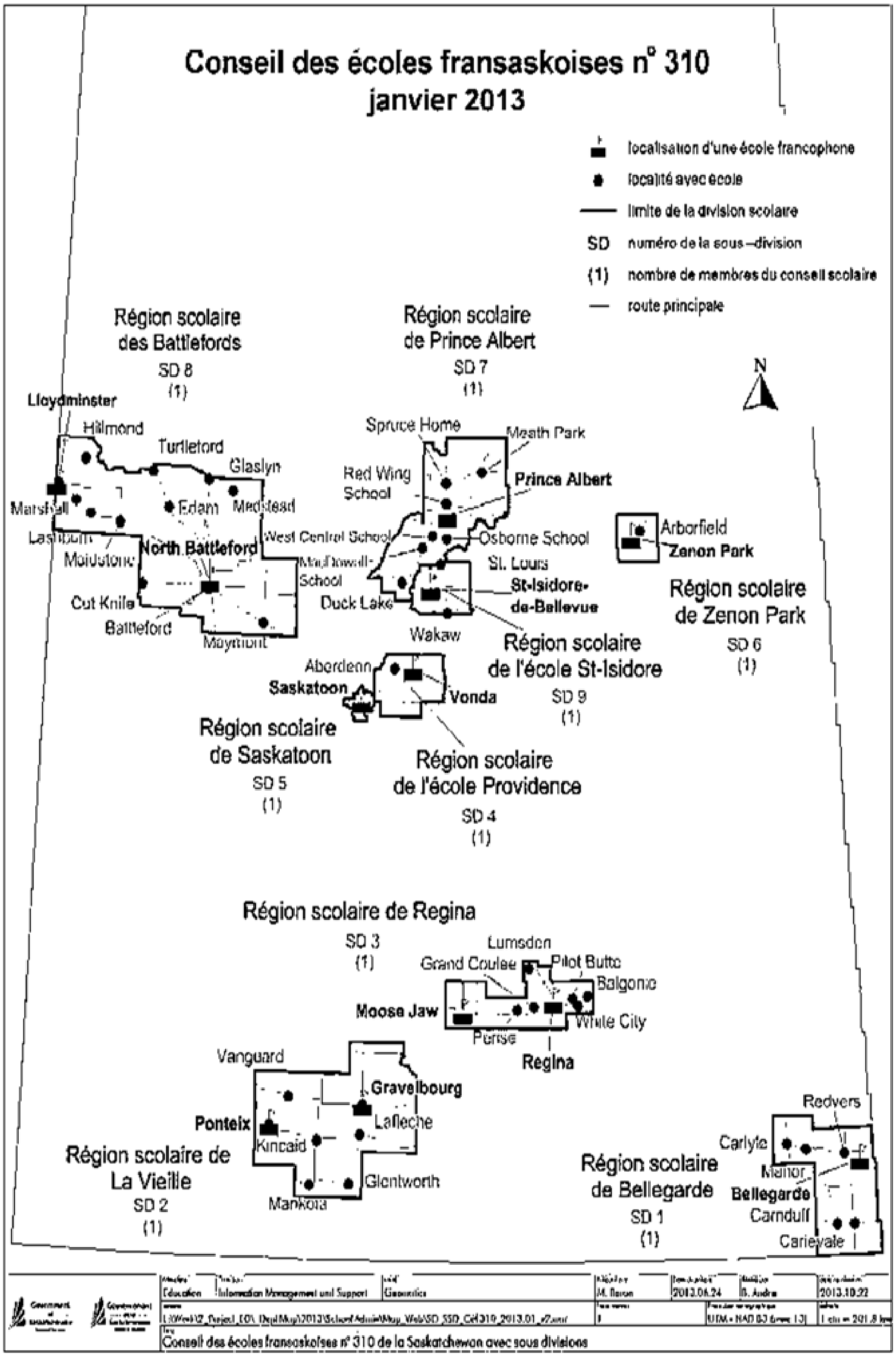
5.1 Conseil scolaire fransaskois Schools (écoles) by Education Area

The table below summarizes the schools located within each of the education areas and the enrolment at June 30, 2014 for Grades 7 to 12:

Education Area	School name (location)	7	8	9	10	11	12	Total
Region scolaire des Battlefords	École Père Mercure (North Battleford)	4	3	-	-	1	-	**71**
	École Sans-Frontières (Lloydminster)[a]	2	-	-	-	-	1	**59**
Region scolaire de Bellegarde	École de Bellegarde (Bellegarde)[b]	5	8	1	5	1	7	**82**
Region scolaire de La Vieille	École Beau Soleil (Gravelbourg)	5	-	-	-	-	-	**39**
	École Secondaire Collège Mathieu (Gravelbourg)	-	4	7	7	6	5	**29**
	École Boréale (Ponteix)	2	-	1	-	1	-	**28**
Region scolaire de Prince Albert	École Valois (Prince Albert)	13	8	10	1	6	2	**154**
Region scolaire de l'ecole Providence	École Providence (Vonda)	6	9	8	8	6	7	**128**
Region scolaire de Regina	École Ducharme (Moose Jaw)	6	5	1	4	-	-	**86**
	École Monseigneur De Laval (Regina) – Elémentaire	31	-	-	-	-	-	**396**
	École Monseigneur De Laval (Regina) – PSQV	-	32	24	23	9	15	**103**
Region scolaire de Saskatoon	École Canadienne-Francaise (Saskatoon)	39	36	40	32	23	25	**547**
Region scolaire de l'ecole St-Isidore	École St-Isidore (Bellevue)	5	7	9	3	8	9	**116**
Region scolaire de Zenon Park	École Notre-Dame-Des-Vertus (Zenon Park)	4	1	4	2	5	4	**51**
Saskatchewan	Virtual School	-	-	2	-	1	-	**7**
	Total	**122**	**113**	**107**	**85**	**67**	**75**	**1896[c]**

Source: Conseil des écoles fransaskoises.
[a] École Sans-Frontières includes 38 students from Alberta and 21 students from Saskatchewan.
[b] École de Bellegarde includes 12 students from Manitoba and 60 students from Saskatchewan.
[c] CSF also has five students that attended school in St. Lazare, Manitoba, that are excluded from the total.

5.2 Geographic Dispersion of Conseil scolaire fransaskois Schools (écoles)



Source: Conseil des écoles fransaskoises.

6.0 Glossary

Expense-Basis of Accounting – recognizes the cost of goods and services consumed in the accounting period (i.e., accrual basis).

Francophone Education – a French-language program offered entirely in French, with the exception of the English Language Arts course offered beginning in Grade 4. In a Conseil scolaire fransaskois school, French is used as a daily learning and communication tool in every facet of life. All correspondence, report cards, parent teacher interviews, committee and school council meetings are in French.[18]

Fransaskois – a noun used to refer to the Francophone people of Saskatchewan.[19]

Governance – generally refers to the processes by which organizations are directed, controlled, and held to account, and is underpinned by the principles of openness, integrity, and accountability. Governance is concerned with structures and processes for decision making, accountability, control and behaviour at the top of organizations.[20]

Minority Language Instruction Program – a program of instruction that is under the jurisdiction of the conseil scolaire and in which the French language is used and developed as a first language in instruction and in school activities.[21]

Net Debt – net debt is calculated as the difference between financial assets (i.e., assets that can be used discharge existing liabilities or finance future operations and is not for consumption in the normal course of business) and liabilities.

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[18] http://cefsk.ca/EN/EN_FAQ/index.html (14 Jul 2014).
[19] http://cefsk.ca/EN/EN_FAQ/index.html (14 Jul 2014).
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