



INTERNAL GOVERNANCE AND FINANCIAL MANAGEMENT



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01

Internal Controls Policy

This policy addresses:

- **Segregation of Duties** – We will ensure that no single staff person is responsible for initiating, approving, recording, and reconciling the same transaction. Critical functions (e.g. cash handling, accounts payable, payroll, bank reconciliation) are separated among different roles, wherever practicable.
- **Capital Assets** – All acquisitions, disposals, and write-offs of capital assets must be approved by the Board (or its delegated committee). Assets are tagged and tracked in a fixed asset register, depreciation is applied in accordance with generally accepted accounting policies, and periodic reviews of existence and condition are conducted.
- **Reimbursement of Expenses** – All employee or board expense reimbursements must be supported by original receipts or invoices, coded to the proper account, approved by the appropriate supervisor (not the claimant), and submitted within a defined period (e.g. 30 days). Duplicate or unreasonable claims will not be reimbursed.
- **Investments** – Surplus funds may be invested only in low-risk instruments as approved by the Board (e.g. guaranteed investment certificates, short-term government securities). The Board approves an investment policy outlining approved investment types, maturity limits, diversification, and review frequency.

02

Roles & Responsibilities of the Governing Body (Board of Directors)

- The Board is responsible for strategic oversight, fiscal stewardship, approving major policies and budgets, and ensuring compliance with regulatory obligations (including Alberta's Private Schools Regulation).
- The Board delegates day-to-day operational authority to senior management (the Principal and administrative staff) but retains oversight through regular reporting, audits, monitoring internal controls, and policy review.
- The Board reviews these policies at least annually, supervises the annual audit process, and ensures that audited financial statements and budgets are submitted to the Minister on time.

03

Roles & Responsibilities of Senior Managers

- The Principal is responsible for overall leadership of instruction, compliance with Alberta's Programs of Study, staff supervision, and operational management of the school.
- The Finance/Business Manager (or equivalent) is responsible for implementing accounting controls, preparing financial reports, managing cash, accounts payable/receivable, payroll, and ensuring compliance with Board policies.
- Staff are assigned roles consistent with the segregation of duties policy and are accountable to senior management in performance of financial and administrative duties.

04

Conflicts of Interest

- All Board members and senior managers must annually complete a Conflicts of Interest declaration.
- If a board member, manager, or employee has a material interest (direct or indirect) in any contract or transaction with the school, this interest must be disclosed to the Board in writing, and the person must recuse themselves from discussion and voting on that matter.
- No contract or transaction may proceed without consideration by independent, disinterested board members or via competitive bidding, where applicable.
- The Board reviews conflict disclosures periodically and ensures transparent recordkeeping.

05

Compensation of Senior Managers

- The Board establishes and reviews (at least every 2–3 years) compensation levels for senior managers (e.g. Principal, Business Manager) based on comparators in similar private schools, market practices, and internal equity.
- The compensation policy includes a formal approval process: compensation decisions (salary, benefits, bonuses) are to be made by the Board (or its compensation committee) separate from management recommendations.
- Any severance or termination arrangements must be documented in employment agreements and approved by the Board in advance (or via a Board policy).
- The Board ensures that compensation packages comply with relevant laws and that they are disclosed in the audited financial statements or ADO reporting, in accordance with regulatory requirements.