

Ministry of Education

Ministère de l'Éducation

Education Labour and Finance
Division

Division des relations de travail et du
financement en matière d'éducation

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2022: SB21

Date: July 6, 2022

Memorandum To: Senior Business Officials
Secretary-Treasurers of School Authorities (Isolate Boards)

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Subject: **Consolidation of the Ontario School Boards' Insurance
Exchange into School Board Financial Statements**

On December 1, 2021, the Office of the Auditor General of Ontario (OAGO) issued their 2021 Annual Report. In the [Value-for-Money Review: Financial Reporting of School Boards in Ontario \(2021\)](#), the OAGO recommended that the Ministry of Education consolidate Ontario School Boards' Insurance Exchange's (OSBIE's) financial results into the consolidated financial statements of the Province in accordance with Canadian Public Sector Accounting Standards (PSAS) by March 31, 2023.

This memorandum is to inform school boards that in follow-up to this recommendation the ministry is moving forward to consolidate OSBIE's financial results starting with the 2022-23 Public Accounts and as part of the annual reporting process going forward. Consolidation into the Province's financial statements will be achieved through the consolidation of the financial results of OSBIE's active subscribers, including its member district school boards, school authorities, and any other OSBIE member affiliated with school boards (e.g., transportation consortia) that will consolidate their proportionate share of OSBIE into their financial statements.

Consistent with the consolidation approach for school generated funds and the financial results of school board subsidiaries, the financial results of OSBIE from September 1 to August 31 will be used as a proxy for the provincial fiscal year for the purpose of Public Accounts

consolidation. As OSBIE and school boards operate on different fiscal years and follow different financial reporting standards, active subscriber district school boards, school authorities, and any other OSBIE member affiliated with school boards are required to obtain OSBIE's financial results on a school year basis (September to August), in their proportionate share, to be converted in accordance with the PSAS and consolidated into their financial statements. For the first reporting exercise, this means that the OSBIE financial results from September 1, 2021 to August 31, 2022 will be reported in school boards' 2021-22 audited financial statements.

If a school board does not report this information in their 2021-22 financial statements, the ministry may exercise its cash withholding provision whereby a school board's regular cash flow will be reduced by fifty per cent. Upon submission of the required information, the ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

For questions related to this memorandum, please contact:

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Sincerely,

Original signed by

Med Ahmadoun
Director
Financial Accountability and Analysis Branch

c: Directors of Education
School Board External Auditors
Ontario School Boards' Insurance Exchange