
NEWS RELEASE

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Ministry of Education

B.C. STRENGTHENS RULES FOR SCHOOL BUSINESS COMPANIES

VICTORIA – School district business companies will be required to comply with tough new rules that will improve accountability and transparency, including holding annual public meetings and issuing public annual reports, Education Minister Shirley Bond announced today.

“The changes we are introducing address the concerns we heard from parents and school boards about these business companies,” Bond said. “The new rules will ensure the public interest is better served by making the companies more accountable and transparent.”

School district business companies will also be required to:

- Have a majority of company directors who are independent of the school board.
- Ensure that they appoint auditors and prepare audited financial statements.
- Include a schedule of transactions between the business company and the school district in the company’s audited financial statements.

These changes are a result of recommendations in the review of school district business companies carried out by Doug Hibbins, a former school district secretary-treasurer and assistant deputy minister for the Ministry of Education. Hibbins also recommended that school district business companies comply with the Freedom of Information and Protection of Privacy Act.

“The Province accepted eight of the nine recommendations in the report,” said Bond. “We are not prepared to accept the recommendation to allow school boards to use surplus funds as start-up capital for business companies. We’ve been clear all along that boards should not be using public education dollars to finance their business companies, but instead should be focusing any surpluses on students in the classroom.”

Government made changes to the School Act in 2002 enabling school boards to create business entities that could generate extra funds for the districts. There are currently 14 school districts with business companies.

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The school district business company review is available at:
www.bced.gov.bc.ca/pubs/sd_entity_review.pdf

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