

5005 Budget Monitoring and Reporting

Policy 5005

STATUS: **IN DEVELOPMENT**

BUDGET MONITORING AND REPORTING

Board Approved:

Last Revised:

Description:

The Board of Education recognizes its responsibility for the effective use of funds received from the Ministry of Education and other sources. The Board of Education has a duty to govern the district in a fiscally responsible manner, while supporting the priorities and strategies of its Strategic Plan. The School Act requires the Board to develop an annual operating budget, in the form and containing the content specified by the Ministry of Education.

The Board authorizes the Superintendent and the Secretary Treasurer to develop and monitor the annual budget, and for the overall management of the educational and operational programs that are supported by the annual budget. The Secretary Treasurer is specifically responsible for the management of the budget and all financial reporting processes.

The Board will be provided with supporting materials, budget highlights and assumptions, implementation strategies and financial and business risks to assist in its understanding of the district's financial health prior to decision making. The budget will support the district's strategic priorities and operational plans.

The Board is responsible for monitoring the district's financial position at regular intervals throughout the year. The Board will ensure it is meeting the legislated and government policy-based financial responsibilities.

The Board will also ensure that budgetary and financial information is available, comparable and financial statements audited. Budget consultation and discussion will take place in a planned, collaborative and transparent manner.

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Description:

District Staff will report to the Board of Education on matters related to the preparation and monitoring of the district's annual budget. An accompanying discussion and analysis will be provided, as necessary, to fully communicate financial position, assumptions and key risks.

Reports will be accurate, understandable and presented in a timely manner as follows:

Quarterly Financial Reports:

- Actual results will be compared with trended budget amounts;
- Significant variances between the trended budget and actuals, including all significant revenues and expenses, will be clarified;
- Status reports for significant capital projects will outline progress on spending relative to budget, achievement of key milestones and risks related to delivering the project on time, on-budget and to identified project specifications;
- Changes to capital allocations/asset, unspent capital balances and accumulated operating surplus/deficit;
- Annual updates will be provided to the Board on local and capital reserves.

Budget Assumptions:

All plans, assumptions, implementation plans and risks shall be fully disclosed with the Board prior to the Board approving budgets. These plans, assumptions, and related risks should:

- Be disclosed in budget documents;
- Focus on planned changes from the previous school year; and
- Be realistic and consistent with the school district's vision, priorities and goals, as outlined in the Strategic Plan.

At a minimum, these disclosures should include:

- Key budget assumptions, such as student enrolments, grant rate increases, salary increases, and inflation rates;
- Financial and business risks, such as increases in interest rates and increases in fuel prices; and
- Specific strategies explaining how the budget supports the school district's strategic plan.

Budgetary Controls

- Clearly defined managerial responsibilities, whereby,
 - Department Managers and Principals regularly monitor, analyze and provide feedback on variances; and
 - Budget Managers receive timely, accurate and understandable financial information to make student-focused decisions based on available resources;
- A plan of action for individual budget sites;
- Assigned responsibility for adhering to the budget;
- Performance monitoring against the budget;
- Plans for corrective action if results differ significantly from the budget;
- Significant departures from the budget permitted only after approval by the Board; and
- The investigation of unexplained variances from the budget.

Implementation of these processes and any future direction is at the discretion of the Board and reflects appropriate latitude for administration to implement based on the district's unique circumstances, risk profile and strategic priorities.