

341: BUDGET DEVELOPMENT, MONITORING AND REPORTING (P)

Approved: 19 06 11

POLICY

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 goals of the Ministry of Education and the goals and priorities identified by the district. 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 will ensure budget consultation and discussion takes place in a planned, collaborative and transparent manner, and will be responsible for monitoring the district's financial position at regular intervals throughout the year. The Board will also ensure that budgetary and financial information is available and that financial statements audited.

PROCEDURES

District staff will report to the Board of Education in a timely, accurate and understandable manner on matters related to the development 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.

1.0 Budget Development

- 1.1 The Board will receive input into the development of the district's annual budget through regular public Board meetings scheduled for March (Valley) and April (West Coast)

1. 2 Input will be received either in writing or through an in-person presentation according to Policy 110: Board Procedures
1. 3 District Staff will consider all budget submissions and presentations in the development of the preliminary annual budget

2.0 Budget Assumptions

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

2. 1 Be disclosed in budget documents;
2. 2 Focus on planned changes from the previous school year; and
2. 3 Be realistic and consistent with the school district's vision, priorities and goals, as outlined in the district's Strategic Priorities.

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.

3.0 Budgetary Controls

Clearly defined managerial responsibilities exist, whereby;

3. 1 Cost Centre Managers receive timely, accurate and understandable financial information to make student-focused decisions based on available resources, and
3. 2 Cost Centre Managers regularly monitor, analyze and provide feedback on variances; including:
 - a. A plan of action for individual budget sites;
 - b. Assigned responsibility for adhering to the budget;
 - c. Performance monitoring against the budget;
 - d. Plans for corrective action if results differ significantly from the budget;
 - e. Significant departures from the budget permitted only after approval by the Board; and
 - f. 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.

4.0 Quarterly Financial Reports

- 4.1 Actual results will be compared with trended budget amounts;
- 4.2 Significant variances between the trended budget and actuals, including all significant revenues and expenses, will be clarified;
- 4.3 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;
- 4.4 Changes to capital allocations/asset, unspent capital balances and accumulated operating surplus/deficit;
- 4.5 Annual updates will be provided to the Board on local and capital reserves.