

AP 5010: Budget Monitoring and Reporting

Background:

The District is responsible for the effective use of public funds in providing the best possible education to students in the District. There is a duty to govern the District in a fiscally responsible manner, while carrying out strategies to achieve the goals and objectives of the Strategic Plan. To fulfil these responsibilities, the Board must monitor the District's financial position at regular intervals throughout the year. Therefore, the Board will be provided with periodic budget reports highlighting key assumptions, implementation strategies, financial and business risks as well as other supporting materials.

The annual budget is a financial plan reflecting the implementation and maintenance of the Board's educational and operational objectives. The objectives reflected in the budget should be consistent with the Board's Strategic Plan and the Long-Range Facilities Plan.

Under Board Policy 114: Delegation of Authority, the Board of Education exercises its authority by delegating specific and general administrative and management duties to the Superintendent (CEO). The Superintendent (CEO), in their discretion, may delegate to other school personnel the responsibilities placed on the Superintendent (CEO).

Procedures:

1. Responsibility for Managing the Budget

- 1.1. The annual budget shall be developed in a thoughtful, planned and transparent manner.
- 1.2. The Superintendent is delegated responsibility for the overall management of the educational and operational programs that are supported by the annual budget.
- 1.3. The Superintendent delegates specific responsibility to the Secretary-Treasurer for the financial management of the budget and all financial reporting.

2. Budget Assumptions

- 2.1. All budget strategies, assumptions, implementation plans, and risks shall be fully disclosed to the Board of Education prior to requesting approval of the budget. At a minimum, these plans, assumptions, and risks should:
 - 2.1.1. Be disclosed in the budget documents.
 - 2.1.2. Consider the economic environment of the District.
 - 2.1.3. Focus on planned changes from the previous school year.
 - 2.1.4. Consider key assumptions such as student enrolments, Ministry of Education and

Child Care grant rates, salary increases, and inflation rates.

2.1.5. Include financial and business risks, such as increases in interest rates and increases in utility prices.

2.1.6. Refer to specific strategies within the budget that support the Strategic Plan.

3. Budget Development and Updates

3.1. The approved annual budget is developed at a point in time, using the assumptions and information available at that time.

3.2. Changes in the assumptions and information will result in changes to the budget and will lead to the development of the amended budget for the fiscal year and to the projected year-end financial position.

3.3. Budget update materials should be provided to the Board by the Secretary-Treasurer in a timely manner.

3.3.1. The updates should include a comparison to the original budget to the end of the school year in the following areas:

3.3.1.1. Revenues;

3.3.1.2. Expenses; and

3.3.1.3. Accumulated operating surplus or deficit.

3.3.2. The updates should also include an explanation of significant variances, such as variances greater than 10%.

3.3.3. The budget updates should be formally received by the Board, and the Secretary-Treasurer should review the changes to the current situation and the impact of the changes on the fiscal plan.

4. Budgetary Controls

4.1. Communication, implementation and monitoring of the Board approved budget is the responsibility of the Superintendent and Secretary-Treasurer. The Board provides appropriate flexibility to enable management to maximize the use of fiscal resources while exercising effective budgetary control.

4.2. Effective budgetary control includes comparative analysis of planned spending to actual spending to identify and implement corrective measures in the case of significant variances from the original plan. The Secretary-Treasurer shall be responsible for

implementing plans for corrective action where results differ significantly from budget and for the investigation of unexplained variances from budget.

- 4.3. The Secretary-Treasurer will establish effective budgetary controls including, but not limited to:
 - 4.3.1. clearly defined managerial responsibilities;
 - 4.3.2. plans for individual budget sites;
 - 4.3.3. responsibility for adhering to the budget;
 - 4.3.4. monitoring performance against the budget;
 - 4.3.5. corrective action if results differ significantly from the budget;
 - 4.3.6. permitting significant departures from the budget with the approval by the board; and
 - 4.3.7. investigating unexplained variances from the budget.