

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 Education Plan (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 School Act requires the Board of Education to prepare an annual balanced budget in the form, and containing the content, specified by the Minister of Education. The Board will adhere to all statutory and contractual requirements in the preparation of the budget.

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 Education Plan (Strategic Plan).

The Board of Education in Section 9 of Board Policy 2 authorizes the Superintendent to collaborate on budget assumptions and priorities and the Superintendent delegates responsibility to the Secretary Treasurer to develop and monitor the annual budget.

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 key assumptions such as student enrollments, Ministry of Education 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 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 will be prepared on a quarterly basis and provided to the Board of Education through presentations at Finance Committee meetings. The updates, primarily focused on the operating fund, will include a comparison to the original budget and forecast to the end of the school year in the following areas:
 - 3.3.1 Revenues.
 - 3.3.2 Expenses.
 - 3.3.4 Accumulated operating surplus or deficit.
 - 3.3.5 Staffing levels.
 - 3.3.6 Student enrolment.
- 3.4 The updates will provide explanations for significant variances from the original budget.

4. Interim Reporting

- 4.1 Quarterly, senior staff will present interim financial reports to the Finance Committee that provide a summative status of actual performance against budget. The interim financial reports will include:
 - 4.1.1 Actual results compared with budget.
 - 4.1.2 Projections to the end of the school year.
 - 4.1.3 Clarification for significant variances between budget, actuals, and projections.
 - 4.1.4 Status reports for significant capital and seismic projects including spending relative to budget, achievement of key milestones, risks related to delivering the project on time, on-budget and against identified project specifications.
 - 4.1.5 Unexpected/expended capital allocations, investment in capital assets unspent capital balances and accumulated operating surplus/deficit.
 - 4.1.6 Updates on local and capital reserves.

4.1.7 Significant changes in Special Purpose Funds.

4.1.8 Identification of new risk factors that impact the District's financial health.

5. Budgetary Controls

5.1 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.

5.2 Effective budgetary control includes comparative analysis of planned spending to actual spending in order 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.

Reference: Section 111 of School Act
Collective Agreement

Effective: June 2, 2021