

## **Budget and Business Planning Policy**

### **Policy Overview**

The purpose of the Budget and Business Planning policy is to promote an effective framework for the development of annual budgets and business plans, as well as financial reporting requirements.

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### **Policy and Procedures History**

- Policy approved October 30, 2001
- Procedures approved November 6, 2001

### **1.0 Legislative Context**

The Budget and Business Planning Policy aligns and complies with the following:

- 1.1 Nova Scotia Education Act, 2015
- 1.2 Ministerial Education Act Regulations, 2015
- 1.3 Governor in Council Education Act Regulations, 2015

### **2.0 Principles**

- 2.1 Strategic planning is undertaken to provide direction and focus to the Governing Board over their four year term.

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- 2.2 Budget and business planning is undertaken to support strategic planning and decision-making and to serve accountability by enabling the Superintendent to plan for the resources needed to provide programs and services to students.
- 2.3 The essential activities covered by this policy include:
  - 2.3.1 determining the programs, services and resources needed to achieve established objectives;
  - 2.3.2 developing action plans to meet those objectives, and
  - 2.3.3 establishing a realistic budget for the programs, services, activities and operations.
- 2.4 Other general principles guiding this activity include:
  - 2.4.1 separate budgets and business plans are prepared for the General Fund and Supplementary Funds;
  - 2.4.2 the budget and business plan process is guided by specific priorities approved by the Governing Board;
  - 2.4.3 the budget and business planning process is undertaken within a time frame that considers required time for implementation of educational program and service options; and
  - 2.4.4 detailed and accurate information is provided on a timely basis to assist all those accountable for budgets and business plans.

### **3.0 Strategic Planning**

- 3.1 In accordance with S. 64(2)(v) of the Nova Scotia Education Act, it is the Governing Board's responsibility to *develop regional strategic and business plans*.
- 3.2 Strategic planning is undertaken every four years, once a newly elected/appointed Governing Board has been sworn in.
- 3.3 The strategic plan will articulate goals and strategies to achieve these goals. These strategies are described in more detail during the business planning process.
- 3.4 The Governing Board will provide for public consultation when establishing goals and strategies for the strategic plan.

#### **4.0 Business Planning**

- 4.1 Business planning is undertaken on an annual basis to ensure that operational plans, expected outputs and desired outcomes, are established and communicated consistent with the Board's Strategic Plan and the Department of Education and Early Childhood Development's business planning guidelines to school boards.
- 4.2 Annually, the Governing Board will establish and approve operational goals based on the goals included in the Strategic Plan and the business planning guidelines provided by the Department of Education and Early Childhood Development.
- 4.3 Risks and sensitivities that may affect the achievement of expected operational results will be assessed and documented.

#### **5.0 Budget**

- 5.1 The Governing Board will ensure that comprehensive, separate budgets for the General Fund and the Supplementary Fund are prepared, reviewed and approved and that they provide sufficient resources to achieve business plan objectives.
- 5.2 Budgetary assumptions, cost drivers and other risks will be documented, monitored for any significant changes, and action taken when needed. Budgetary constraints such as legislative and regulatory requirements must also be documented.
- 5.3 Senior Staff will finalize a business plan and budget for approval of the Governing Board that reflects Governing Board priorities and revenues expected for the financial period.

#### **6.0 Authorization**

- 6.1 The Superintendent is authorized to develop and implement procedures in support of this policy.

#### **7.0 Policy Review**

- 7.1 This policy will be reviewed every five (5) years or on an as needed basis.

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#### **1.0 Responsibilities**

- 1.1 Annually, the Director of Financial Services will update the process and timeline schedule for the Budget and Business Planning process. This schedule will be generated in consultation with Senior Staff and approved by the Superintendent.
- 1.2 Each department is responsible for assigning budgetary management and control to appropriate individuals.

#### **2.0 Business Planning**

- 2.1 The format, reporting requirements and timeframes for completing the annual business planning process are provided by the Department of Education and Early Childhood Development. The Board's process will be dictated by these requirements.
- 2.2 Annually, Senior Staff will host a workshop for Governing Board Members to review the upcoming budget and business plan process and timelines. Any adjustments to the process will be made at that time. At this workshop, a preliminary detailed list of planning and budget priorities will be developed and approved by the Governing Board. These priorities must be consistent with the Governing Board's strategic goals, be measurable and influence subsequent planning and budgeting.
- 2.3 The Director of Financial Services will facilitate the completion of the Business Plan according to the Board and Department of Education and Early Childhood Development requirements.

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- 2.4 The business plan will be finalized at the time of budget approval with adjustments reflecting available resources in the budget and clearly indicate linkages to the approved budget.

### **3.0 Budget**

- 3.1 Draft budget preparation will follow a decentralized approach with each department of the Board responsible for completing initial budget requirements based on documentation standards established by the Director of Financial Services.
- 3.2 The Director of Financial Services will prepare documentation standards for the budget and business plan that encompass the extent of detail, content, analysis, support, as well as the requirement for document retention as part of records management.
- 3.3 The Director of Financial Services will prepare and distribute initial budget assumptions to guide the budget preparation process. Budget assumptions will be updated throughout the budget process with budget adjustments made as required. Budget assumptions will be provided to the Governing Board for information.
- 3.4 The Director of Financial Services, with input from the Director of Human Resource Services, will provide detailed financial information on staffing and benefits for each main department to facilitate the completion of accurate salary and benefit budgets.
- 3.5 The Director for each department (the Superintendent and Senior Staff Advisor for Board Services) will review the draft budgets before submission to Senior Staff for consolidation.
- 3.6 Draft budgets for both the General Fund and Supplementary Fund will be completed each year. Draft budgets will illustrate resource requirements for both status quo and business plan initiatives.
- 3.7 The initial consolidated draft budgets and business plans will be reviewed by Senior Staff in April. Draft revenue budgets will be completed and also presented at this time.
- 3.8 Staffing models and the budgeted staffing allocations will be prepared in accordance with the approved staffing process.

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- 3.9 The Director of the School Administration Department will be responsible for producing enrolment projections as a basis for the staffing models and allocations where applicable.
- 3.10 A workshop will be held for Governing Board Members in April to review the draft budget, business plan, staffing allocations and board priorities. A list will also be produced of adjustments, in priority order, that would be considered to balance the budget following receipt of final provincial revenues.
- 3.11 Following receipt of approved funding levels, the draft budget will be finalized and presented to the Governing Board for approval.
- 3.12 The Director of Financial Services will ensure that the budget assumptions, budget documents and final amounts undergo a quality control review to determine the completeness and accuracy of the amounts and the extent to which approved budget and business planning policies and procedures have been followed.
- 3.13 The Director of Financial Services will prepare the final budget and business plan document for public distribution and posting to the Board's web site.

#### **4.0 Financial Analysis and Forecasting**

- 4.1 Director of Financial Services is responsible for overall budget administration and management to ensure that expenditures do not exceed authorized amounts and that funds are used for intended, proper and legal purposes.
- 4.2 The Director of Financial Services will produce monthly financial reports in appropriate detail for each of the six departments of the Board. These financial reports, for both the General Fund and Supplementary Fund, will include:
  - i. actual results for the month
  - ii. actual results YTD
  - iii. annual budget
  - iv. percentage received/spent YTD
  - v. prior year actual results YTD
- 4.3 Each department is responsible for reviewing the accuracy of their financial results to the date of the report, explaining variances, providing accurate forecasted results for the fiscal year and explaining significant variances and unusual items. These steps will be monitored by Financial Services.

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- 4.4 A quarterly financial report, with variance explanations and forecasts, will be prepared for the Board. Other financial updates will be provided to the Governing Board as appropriate.