



Policy:	O-4.1
Approved By:	Board of Governors
Approval Date:	March 24, 2003
Amendment Date:	
Policy Holder:	VP Administration

FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY

Purpose / Rationale

To establish a clear financial accountability framework for the College, enabling the Board, Chief Executive Officer (CEO), Chief Financial Officer (CFO), management team and staff to understand their responsibility and accountability related to the financial management of the College.

Scope / Limits

1. This policy summarizes the legislated responsibilities of the Board and CEO under the *College and Institute Act*, in respect of finance.

It also summarizes the responsibilities and accountabilities of anyone who has been delegated a budget whether revenue or expenditure for base, self-funded and capital activities.

2. This policy is subject to the *College and Institute Act* and other legislation that directs the financial affairs of the College and other laws of general application.

Principles

1. The Board is accountable to the Minister to manage, administer and control the property, revenue and expenditure, business and other affairs of the College. The Board meets its obligations by establishing such policies and directions as it deems appropriate and by delegating responsibility to the CEO for meeting the financial goals of the College.
2. The CEO is accountable to the Board for the application of Board financial policies and directions, and for the financial management of the College. Operationally, this is achieved by the CEO delegating the responsibility and accountability to appropriate senior administration.
3. The CFO advises the Board on all financial matters of the College and is accountable to the CEO for all financial management issues including financial policies, financial systems and financial procedures.
4. Senior administrators may delegate, when appropriate, responsibility to appropriate staff within their units. Individuals who are delegated financial responsibility are accountable to the individual who delegated the responsibility to them.
5. All financial management processes and actions will be built upon sound financial and business practices and carried out in accordance with College policies, and applicable legislation.

ROLES & RESPONSIBILITIES

1. Financial Responsibility and Accountability of the Board

- a) Establish broad financial policy that will guide the College.
- b) Direct and approve the preparation of an annual operating and capital budget.
- c) Submit an annual budget proposal to the Minister;
- d) Monitor financial performance throughout the year;
- e) Appoint an auditor to provide an opinion on the annual financial statements;
- f) Submit annual audited financial statements to the Minister within ninety (90) days of the year end;
- g) Submit statements defined by the Financial Information Act within six (6) months of the year-end.

2. Financial Responsibility and Accountability of the CEO

- a) Develop an annual operating and capital budget that meets the Board's direction;
- b) Delegate budgetary responsibility and accountability;
- c) Hold those who have been delegated financial responsibility accountable for the development, monitoring and management of their budgets;
- d) Monitor financial performance throughout the year;
- e) Advise the Board of any significant financial matters arising.

3. Financial Responsibility and Accountability of the CFO

- a) Direct the development, maintenance and communication of all financial policies, financial systems and financial procedures;
- b) Develop and implement an annual operating and capital budget process;
- c) Where appropriate delegate responsibility for the implementation of financial processes
- d) Develop and provide financial reporting tools and processes;
- e) Monitor financial performance throughout the year;
- f) Advise the CEO and Board of any significant financial matters arising.

4. Financial Responsibility and Accountability of Senior Administration (Senior Leadership Council)

- a) Develop an annual operating and capital budget for their area of responsibility;
- b) Where appropriate, delegate responsibility for the development of departmental budgets;
- c) Hold those who have been delegated financial responsibility accountable for the development, monitoring and management of their budgets;
- d) Monitor financial performance throughout the year;
- e) Advise the chief financial officer of any significant financial matters arising;

- f) Carry out all transactions in accordance with College policies and procedures, e.g. hiring and purchasing.

5. Financial Responsibility and Accountability of Individuals who are Delegated Budget Responsibility

- a) Develop an annual operating and capital budget for their area of responsibility;
- b) Monitor financial performance throughout the year;
- c) Advise their Dean/Director of any significant financial matters arising;
- d) Carry out all transactions in accordance with College policies and procedures, e.g. hiring and purchasing.