

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar, CEO

DATE: March 4, 2024

SUBJECT: Financial Planning and Budgeting (2-02) Monitoring Report

☐ For Decision ☐ For Information ☒ Monitoring Report

Purpose:

To provide the Board with a monitoring report on the Financial Planning and Budgeting Policy, in accordance with the monitoring report schedule approved by the Board.

CEO Interpretation and Evidence:

The Financial Planning and Budgeting Policy (2-02) was last updated by the Board in 2020.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from **January 2023 to December 2023**.

The next Financial Planning and Budgeting Policy Monitoring Report is due in **February/March 2025**.

Policy Requirement	Interpretation and Evidence
Multi-year Strategic Plan	<p>The Registrar, CEO operates with a multi-year strategic plan which is consistent with the strategic outcomes set by the Board. Both the 2023-2025 strategic plan and the Strategic Outcomes Policy were approved by the board. The board received semi-annual monitoring reports on the strategic outcomes policy.</p> <p>The Registrar, CEO developed and reviewed the 2023 fiscal budget, ensuring that funds were allocated to specific expense accounts (including \$86,350 budgeted for strategic initiatives) to ensure that the Board, committees, and staff are provided with sufficient financial resources to achieve the strategic outcomes. This budget was approved by the Board in December 2022.</p>
Reasonable Fund Assignment	<p>In 2023, the Registrar, CEO assigned reasonable funds to operating expense accounts to allow the College to fulfill its regulatory responsibilities and strategic outcomes. Funds were allocated after an analysis of historical cost/trend data (from previous operating expense account transactions), budget variances (monitored</p>

	<p>through the quarterly variance report), and forecasted costs. Forecasted costs are calculated based on planned activity, vendor quotes, and trend data.</p> <p>At the presentation of the 2023 budget, the Finance Committee and Board approved the planned allocation of funds.</p>
Funds Assigned for Board Use	<p>In 2023, the Registrar, CEO allocated reasonable funds to expense accounts pertaining to Board matters as outlined in the annual budget. A total of \$188,070 was allotted for Board and Committee expenses, as well as \$86,350 allocated to Board strategic initiatives. Other forecasted costs such as training/development, legal fees, fiscal audit, and other stakeholder engagement activities had been built into the College's operations and administration budget items as approved by the Board.</p>
Regular Analysis	<p>The Registrar, CEO conducts a regular analysis of strengths, weaknesses, opportunities, and threats (including external environmental issues) which may impact the College's budget. The Registrar, CEO consults with the College's external accounting firm (Grewal Guyatt) to obtain professional advice to support the Finance Committee's decisions. The Registrar, CEO with the Deputy Registrar, reviews quarterly financial variance reports to analyze whether operational activities are trending on target. Any significant unplanned financial activity is only approved after reviewing the budget parameters and/or presenting it to Board for consideration.</p>
Financial Projections	<p>The 2023 budget was developed using credible projections of revenues and expenses based on historical data, planned activities, and data trends. Notes outlining this information was provided to the Finance Committee and Board prior to the approval of the budget. The budget notes disclosed any planning assumptions or expense activity predictions with input from the College's management team. The Registrar, CEO ensured that all financial forecasting models presented 5-year historical values to ensure that revenue and expense trends capture pre- and post – pandemic impacts for more accurate projections.</p>
Reserve Fund Expenditure	<p>As of December 31, 2023, the College's contingency reserve expenditure is \$0. At the recommendation of the external Financial Auditors, the Board approved that the College's operating contingency fund would increase to ensure the College is able to sustain operations and administrative functions for one year.</p>

Sound Financial Planning	In 2023, the Registrar, CEO was committed to a financial plan that ensured the soundness of future years and continued to build the College's organizational capability to achieve strategic outcomes in future years. In accordance with the Investments Policy, the College worked with a credible financial planner from a AA rated financial institution to develop long and short-term investment plans to secure the organization's financial position for the future.
Budget Development	The Registrar, CEO developed the 2024 fiscal budget with input from the Board regarding key budget planning assumptions prior to the last Board meeting of the year in December 2023. The 2023-2025 Strategic Plan informed many of the key budget areas including the Board's focus on Unauthorized Practice. A draft budget was presented to the Finance Committee before it was brought to the Board for final approval. There have been no changes made to the budget since its approval.

Recommendations/Action Required:

- 1) Does the Board agree that the Registrar, CEO's interpretation of the Financial Planning and Budgeting Policy was reasonable?
- 2) Does the Board agree that the Registrar, CEO complied with this policy as reasonably interpreted?