

# Financial Responsibility and Accountability Policy

**Purpose** To establish a framework of accountability, enabling the Board, Executive, Administration and Staff to understand their responsibilities and accountabilities.

**Policy** VCC will conduct its financial affairs in a way that is transparent, ethical and compliant with Generally Accepted Accounting Principles and with the College and Institutes Act.

**Applies to** The VCC Community.

**Principles** **Responsibilities of the Board of Governors:**

The Board is accountable to the Minister of Advanced Education. The Board meets its obligations by establishing policies and directions and by delegating responsibility to the President for meeting the financial goals of the college.

**Responsibilities of the President:**

The President is accountable to the Board for the application of Board financial policies and directions, and for the financial management of the College. Operationally, the President delegates the responsibility and accountability to the appropriate senior level administration.

**Responsibilities of the Vice President, Finance and Administration:**

The Vice President, Finance and Administration advises the President and Board on all financial matters of the College. The Vice President, Finance and Administration is accountable for all financial management matters, including the application of financial policies, financial systems and financial

procedures.

**Responsibilities of Senior Administrators:**

Senior administrators are responsible and accountable to the President and the Vice President, Finance and Administration for financial matters in their respective areas. When appropriate, responsibility and accountability may be delegated to appropriate staff within their units. Anyone who has been delegated financial responsibility is accountable to the individual who delegated the responsibility.

**Principles:**

All financial management processes and actions will be built upon sound financial and business principles, and carried out in accordance with College policies, Generally Accepted Accounting Principles and applicable legislation.

**References**

Criteria for Development or Cancellation of Programs Leading to Certificates, Diplomas or Degrees Policy, Policy #C.3.3

**Replaces**

Budgeting Policy, Policy #B.1.7

# **GUIDELINES**

## **A. Roles and Responsibilities**

### **1. Financial Responsibility and Accountability of the Board**

- a. Establish broad financial policy that will guide the College;
- b. Approve the College annual operating budget, including capital initiatives and strategic initiatives;
- c. Monitor financial performance and overall organizational health throughout the year;
- d. Appoint an auditor to provide an independent opinion on the annual financial statements.

### **2. Financial Responsibility and Accountability of the President**

- a. Develop an annual operating budget, which includes capital initiatives and strategic initiatives;
- b. Delegate budgetary responsibility and accountability;
- c. Hold accountable those who have been delegated financial responsibility for the development, monitoring and management of budgets;
- d. Monitor financial performance and overall organizational health throughout the year;
- e. Advise the Board of any significant financial or risk matters arising, and advise a mitigation strategy.

### **3. Financial Responsibility and Accountability of the Vice President, Finance and Administration**

- a. Direct the development, maintenance and communication of all financial policies, financial systems and financial procedures;
- b. Develop a budgeting process which includes opportunities for stakeholder input;
- c. Develop and implement an annual operating budget, which includes capital initiatives, and strategic initiatives;
- d. Where appropriate, delegate responsibility for the implementation of financial processes;
- e. Develop, train and provide financial reporting tools and processes for those who have financial accountability;
- f. Monitor financial performance and overall organizational health throughout the year;
- g. Advise the President and Board of any significant financial or risk matters arising, and advise a mitigation strategy.

**4. Financial Responsibility and Accountability of Senior Administration (Management Team)**

- a. Develop an annual operating budget, which includes capital initiatives and strategic initiatives for their area of responsibility;
- b. Where appropriate, delegate responsibility for the development of departmental budgets;
- c. Hold accountable those who have been delegated financial responsibility for the development, monitoring and management of budgets;
- d. Monitor financial performance and overall organizational health throughout the year;
- e. Advise the Vice President, Finance and Administration of any significant financial or risk matters arising;
- f. Carry out all transactions in accordance with College policies and procedures.

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

- a. Develop an annual operating budget, which includes capital initiatives and strategic initiatives for their area of responsibility;
- b. Monitor financial performance and overall organizational health throughout the year;
- c. Advise the appropriate Dean or Director of any significant financial or risk matters arising;
- d. Carry out all transactions in accordance with College policies and procedures.

**B. Budget Process**

- a. The mission, values, and strategic plan of the College shall provide guidance for development of the budget;
- b. The budget shall be developed with a long-term view to financial and operational stability;
- c. The process of developing the annual budget will have a broad base of input from stakeholders through forums and feedback mechanisms;
- d. The Vice President Education will seek the advice of Education Council prior to finalizing the education plan;
- e. Operations Council and the Board Finance & Administration Committee will provide recommendation for approval of the budget;
- f. The Board of Governors will give final approval to the budget.

**1. Policy Sponsor** Vice President, Finance and Administration

**2. Approvals:**

President \_\_\_\_\_ Date: \_\_\_\_\_

Vice President \_\_\_\_\_ Date: \_\_\_\_\_  
Finance and Administration

Operations Council Chair \_\_\_\_\_ Date: \_\_\_\_\_

Board Chair \_\_\_\_\_ Date: \_\_\_\_\_

**3. Amendments**

President \_\_\_\_\_ Date: \_\_\_\_\_

Vice President \_\_\_\_\_ Date: \_\_\_\_\_  
Finance and Administration

Operations Council Chair \_\_\_\_\_ Date: \_\_\_\_\_

Board Chair \_\_\_\_\_ Date: \_\_\_\_\_

**4. Review Date**