



YUKON WORKERS'  
COMPENSATION  
HEALTH AND  
SAFETY BOARD

SUBJECT: FINANCE & ADMINISTRATION

POLICY NO.: FN-05

BOARD APPROVAL:

APPROVAL DATE: 93-11-17

BOARD ORDER NO.:

EFFECTIVE DATE: 93-11-17

## POLICY STATEMENT

### SECTION

REFERENCE: 93, 100

POLICY: BUDGET AND ORGANIZATIONAL CONTROL

### GENERAL INFORMATION

Section 46(5)(b) of the Workers' Compensation Act exempts the board from the Management Board Directives related to budget formulation and expenditure control. This policy will set out the principles and expectations of the administration with respect to budgets and organizational control.

As Chief Executive Officer, the President is responsible for the preparation of a corporate administration budget and its presentation to the Board for approval. The presentation format will be by branch, each branch delineating the costs of continuing programs from new initiatives or proposed changes in accordance with Goals & Objectives for the budget year.

Following Board approval, the President will have full authority for expenditures as per Section 100 of the Act. The budget will be approved and expended in two allotments, Operation & Maintenance and Capital. Transfer of funds between these allotments will require Board approval.

As per Section 100 of the Act, the President may delegate expenditure authority and will do so by Directive.

### POLICY

#### **A. BUDGET CYCLE**

The administrative budget will be prepared in accordance with the following annual cycle:

July/August

During July/August, the President and the senior management team will develop the Operational Plan for the coming year. The Operational Plan will support the Strategic Plan set by the Board.

July/August

In July/August, branches will be requested to prepare an estimate of the cost of providing the services it plans to deliver as per the Operational Plan during the upcoming budget year.

The branch budget request will be prepared by program and by line-item. Each branch budget request will clearly delineate ongoing programs from new initiatives.

September

In September, the Finance & Administration branch will gather the branch requests and review these requests with the President.

The approved branch requests will be amalgamated into one corporate administrative budget.

October/November

In October/November, the budget will be presented to the members of the Board for approval. Revisions will be made and final approval will be provided no later than December 15.

November & April

Each year, the board is subject to a financial audit to determine whether the funds were legally spent, whether receipts were properly recorded and controlled and whether financial statements are reliable and complete.

The preliminary audit for the prior year takes place in November, and the full audit takes place in April.

**B. BUDGET FORMAT**

The budget will be divided into the Operations and Maintenance budget (O&M) and the Capital budget.

The O&M budget will be presented by branch, by program and by line-item. New initiatives will be identified separate from ongoing initiatives, however, they will be presented together under the same branch heading.

The Capital budget will also identify separately new capital projects or acquisitions from maintenance items.

**C. EXPENDITURE CONTROL**

In accordance with the directive on Delegation of Authority, branch directors will be responsible and accountable for the expenditure of their approved budget. Branch directors are expected to operate within the approved budget estimates, and all variances will be approved in advance by the President.

**D. REALLOCATION**

The President may reallocate funds within, but not between, the O&M and the Capital allotments. Any reallocation must be consistent with the strategic and operational plans of the board.

All reallocations shall be reported to the Board on a monthly basis.

**E. VARIANCE REPORTING**

The corporate administrative variance report will be presented to the Board on a quarterly basis.

The corporate administrative variance report will be presented on a branch to branch basis.

Line items which are over or under spent by \$5000 or 10% of the budget will have an explanation narrative for the Board's review and approval.

**F. FINANCIAL REPORTS**

The Board will receive financial reports on a quarterly basis.

**G. ORGANIZATIONAL STRUCTURE AND STAFFING**

The President may reallocate both human and financial resources provided it is in accordance with the strategic and operational plan.

Reallocations which have permanent implications to programs and/or the organizational structure must be approved by the Board.