

## **WHY WE HAVE THIS POLICY**

The Board delegates the financial management of Keyano College to the President and CEO, within clear limits and with clear expectations that the President & CEO will take all necessary measures to mitigate risk and maintain control over the financial plans and activities of the College.

## **WHAT WE WANT THIS POLICY TO ACCOMPLISH**

Under the President & CEO's guidance, College employees follow policies and procedures that ensure prudent and responsible management of the College's financial resources and its assets. The President & CEO and College staff set and report on budgets and expenditures that are consistent with the College's Strategic Plan and with generally accepted principles for planning and reporting on financial activity.

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## **Policy No. 7**

### **The President & CEO Plans and Reports on the College's Financial Activities**

To fulfil our mandate of stewardship of the College's resources, the Board delegates its responsibility for the College's financial planning and activities to the President & CEO and holds the President & CEO accountable for the College's use of its financial resources.

#### ***Guiding principles***

The Board, including the President & CEO, fulfills its financial responsibilities and accountabilities within guiding principles that include:

- providing the public with accountability and value for money
- providing the public and College staff with financial transparency
- aligning financial plans with our Comprehensive Institutional Plan
- following financial and reporting practices based on generally accepted accounting principles
- maintaining appropriate and effective systems of internal control over data integrity and clearly defined roles and accountabilities
- making the best use of available resources and assets
- making timely decisions based on accurate, well-researched information
- mitigating risk

#### ***Financial planning***

The President & CEO ensures that:

- the College's financial plans, including annual budgets, are consistent with achieving our strategic objectives within the approved budget
- the College has measures in place to mitigate the risk of financial losses
- College assets are secured, protected and adequately maintained
- College reserves are established and maintained

### ***Financial policies and procedures***

The President & CEO ensures that:

- the College's senior management implements and monitors compliance with policies and procedures that safeguard the financial health and integrity of the College.

### ***Investments***

#### **Investment Objective**

The President & CEO will invest financial assets in a manner that:

- preserves capital amounts
- avoids undue risk of loss
- obtains a reasonable rate of return
- provides growth and income that aligns with College obligations

#### **Investment Limitations**

The President & CEO ensures that:

- an investment policy is established that achieves the Board's investment objective and addresses Board specified investment limitations
- all funds available for investment are invested with appropriate reserves to manage daily operating reserves
- the Finance and Audit Committee approves investment policy and management of the investments
- an external investment advisor is retained by the College
- investment in equities may only be considered for funds that have a long term (greater than three years) investment perspective and is not to exceed 40% of the value of that fund based on market value
- all short-term cash is kept in a bank, treasury branch, credit union, loan corporation or trust corporation
- there is no acquisition of land as an investment without prior approval of the Board
- there is no investment where the liability is beyond the amount invested

#### **Investment Limitations Compliance Reporting**

The President & CEO ensures that:

- confirmation is provided annually to the Board regarding compliance with the investment limitations

### ***Financial reporting to the Board***

The President & CEO ensures that the Board receives:

- the College's current financial statements, including fund development results, for the Board's review
- an annual report of the College's performance, including its financial results, for the Board's review and approval
- immediate knowledge of any breach of operational policy or process that has a fundamental impact on the financial and/or reputational position of the College

Policy No. 7

The President & CEO Plans and Reports on the College's Financial Activities

***Who Approved this Policy***

Keyano College's Board of Governors has approved this policy. The President & CEO is accountable to the Board for carrying out this policy.

***Who is Responsible for this Policy***

The Chair and the College President & CEO will ensure that the Board and President & CEO conduct themselves within the limits and for the purposes of this policy.

***Who is Directly Affected by this Policy***

This policy applies to all Board members in the conduct of the business of the Board and their conduct as Board members.

**POLICY MANAGEMENT AND POLICY QUALITY ASSURANCE CHART**

<b>Board Policy Name</b>	The President & CEO Plans and Reports on the College's Financial Activities
<b>Board Policy Number</b>	7
<b>Approval Date</b>	March 29, 2017
<b>Date Effective</b>	March 29, 2017
<b>Historical Review Dates</b>	
<b>Next Review Date</b>	This policy will be reviewed at least once every 3 years to ensure compliance with legislation, Board policies and intended purpose.
<b>File Storage Location</b>	Q:\Executive Office\Board of Governors\Policies of the Board
<b>Related Legislation</b>	<ul style="list-style-type: none"> <li>▪ <i>Post-Secondary Learning Act</i> 2003, Sections 70- 77, 78-80</li> </ul>
<b>Related Policies and Procedures</b>	<ul style="list-style-type: none"> <li>▪ all Board policies</li> <li>▪ Board policy definitions</li> </ul>
<b>Superseded Policies</b>	
<b>Monitoring and Frequency</b>	<ul style="list-style-type: none"> <li>▪ Quarterly review of financial results, through the Board's Finance and Audit Committee</li> <li>▪ Annual confirmation to the Board on compliance with investment limitations</li> <li>▪ Report of the Office of the Auditor General</li> </ul>
<b>Policy Custodian</b>	Board Coordinator