



Financial Responsibility & Accountability

PURPOSE/RATIONALE

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

SCOPE/LIMITS

- This policy summarizes the responsibilities of the Board and CEO under the Library 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 operating or capital activities.
- This policy is subject to the *Library Act* and other legislation that directs the financial affairs of the Library and other laws of general application.

PRINCIPLES

- The Board has been locally appointed by its member municipalities and is accountable under the *Library Act* to manage, administer and control the property, revenue and expenditures, business and other affairs of the Library. 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 Library.
- The CEO is accountable to the Board for the application of Board financial policies and directions, and for the financial management of the Library. Operationally, this is achieved by the CEO delegating the responsibility and accountability to appropriate senior administrator.
- The Finance Manager advises the Board on all financial matters of the Library and is accountable to the CEO for all financial management issues including financial policies, financial systems and financial procedures.

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- Senior management 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.
 - All financial management processes and actions will be built upon sound financial and business practices and carried out in accordance with Library policies, and applicable legislation.

ROLE AND RESPONSIBILITIES

- Financial Responsibility and Accountability of the Board
 - Establish broad financial policy that will guide the Library;
 - Direct and approve the preparation of annual operating budget;
 - Direct and approve the preparation of a 10-year replacement reserve plan annually;
 - Submit a Five-Year Financial Plan to all member Municipalities annually, with year one of the plan representing the annual budget proposal for the current operating year;
 - Monitor financial performance throughout the year based on comparison of budget to actual revenue and expenditure reported in financial statements prepared by management;
 - Appoint an auditor to provide an opinion on the annual financial statements;
 - Submit annual audited financial statements, as part of a Statement of Financial Information, to the Public Library Services Branch of the BC Ministry of Education within six (6) months of the year end.
 - Direct and approve the preparation of an Annual Report that includes the financial results of the Library.
- Financial Responsibility and Accountability of the CEO
 - Develop an annual operating budget and replacement reserve plan that meets the Board's direction;
 - Delegate budgetary responsibility and accountability;
 - Hold those who have been delegated financial responsibility accountable for the development, monitoring and management of their budgets;
 - Monitor financial performance throughout the year;
 - Advise the Board of any significant financial matters arising.



- Financial Responsibility and Accountability of the Finance Manager
 - Direct the development, maintenance and communication of all financial policies, financial systems and financial procedures;
 - Develop and implement an annual operating budget process and coordinate that process with the planning and development of the replacement reserve;
 - Where appropriate, delegate responsibility for the implementation of financial processes;
 - Develop and provide financial reporting tools and processes;
 - Ensure all external financial reporting requirements are met in a timely manner;
 - Monitor financial performance throughout the year;
 - Advise the CEO and Board of any significant financial matters arising.

Approved by the Greater Victoria Public Library Board:

November 18, 2008

Reviewed by the Policy & Program Development Committee:

November 12, 2008

Amended by the Greater Victoria Public Library Board: