

Annual Planning and Budgeting Policy

Policy

It is Council's policy to establish an annual planning and budgeting for establishing short and long-term priorities and goals and linking them to operations and spending of Nipissing First Nation.

Purpose

The purpose of this policy is to ensure that a comprehensive planning process is established to support the on-going decision making of the Nipissing First Nation. This is to make sure that Nipissing First Nation has enough resources to deliver quality services to members at a reasonable cost and support it in achieving its goals.

Scope

This policy applies to Council, the Finance and Audit Committee, Officers, and employees of Nipissing First Nation involved in the planning and budgeting process.

Definitions

“annual integrated planning process” refers to the annual process whereby all planning and budgeting activities throughout every level of the organization are effectively linked, coordinated, and driven by the Nipissing First Nation's vision and strategic objectives.

“Planning Documents” are the combination of a strategic (community development) plan, capital budget, multi-year financial plan, and annual budget.

Responsibilities

Council is responsible for:

- reviewing and approving the annual consolidated budget and ensuring that it was prepared in accordance with the Nipissing First Nation's Financial Administration Law and other applicable Nipissing First Nation laws, is based on plausible assumptions and provides for required program and services;
- reviewing and approving any circumstances that are expected to create a budget deficit including consideration of any recommendation from the Finance and Audit Committee on plans to eliminate the budget deficit in a future period;
- Reviewing and approving other Planning Documents including but not limited to a strategic (community development) plan, Capital budget, and a multi-year financial plan;

- reviewing and approving any changes or amendments to the annual budget or other planning documents;
- establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
- ensuring that a process is in place to address membership priorities in the Strategic Plan and other Planning Documents as appropriate;
- ensuring that the membership of the Nipissing First Nation is informed about or involved in the preparation of the annual budget, multi-year financial plan, forecast budget deficits or forecast extraordinary expenditures as set out in Nipissing First Nation’s Financial Administration Law;
- establishing general budget policies or guidelines such as requirements for balanced budget and use of cash reserves.

The Finance and Audit Committee is responsible for:

- Reviewing the draft annual budget and multi-year financial plan and recommending them to Council for approval;
- Providing recommendations to Council respecting plans to eliminate any budget deficit in a future year;
- Reviewing any draft amendments of the annual budget and recommending them to Council for approval;
- Reviewing information, schedules and proposed budget for rehabilitation or replacement of tangible capital assets and plans for new construction of tangible capital assets.

The Chief Executive officer is responsible for:

- creating a budgeting fiscal calendar plan and making sure that the fiscal year planning calendar is met – subject to Nipissing First Nation’s Financial Administration Law;
- arranging early budgeting planning sessions with Council and other key stakeholders essential in developing the budget;
- arranging and staffing planning sessions for the development of other key planning documents;
- reviewing draft budgets in consultation with the Finance and Audit Committee;
- reviewing other draft planning documents in consultation with the Finance and Audit Committee;
- Communicating the approved budget to management and line staff;
- Conducting regular financial monitoring to compare actual income and expenses to those budgeted;
- Maintain a current register of all Nipissing First Nation’s tangible capital assets and arrange for an annual inspections.

The Chief Financial Officer is responsible for:

- establishing the format for draft budgets;
- participating in budget planning sessions with Council, the Finance and Audit Committee, Chief Executive Officer and other key stakeholders;
- collaborating with department heads in setting draft expenses for their department;
- preparing the draft budget or consolidating and evaluating draft budgets from department heads for accuracy, reasonableness, applicable guidelines, and anticipated resources in accordance with Section [26] of Nipissing First Nation's Financial Administration Law;
- developing revenue forecasts based on reviews of fiscal transfer agreements and collaboration with other officers on business and self-generating revenue forecasts;
- presenting draft annual budgets to the Chief Executive officer and to the Finance and Audit Committee on an annual basis;
- Implementing financial monitoring, including preparing and analyzing budgeted versus actual revenue and expense reports for the Finance and Audit Committee use and overseeing any Council approved corrective action (i.e. budget amendments), after the annual budget is approved;
- Make forecasts and prepare budgets for tangible capital assets; and
- Any other responsibilities as outlined in Nipissing First Nations' Financial Administration Law.

Procedures

Annual Integrated Planning Process

- a) An annual planning session will be held within five (5) months prior to the start of the fiscal year being planned for. The planning session will generally include:
 - i. Council members, members of the Finance and Audit Committee, the Chief Executive officer, the Chief Financial Officer, and other appropriate NFN employees;
 - ii. establishment or communication of current year and the five (5) multi-year operational goals and objectives based on priorities established by Council;
 - iii. presentation of budget development calendar;
 - iv. establishment or update of key budgetary assumptions, budgetary constraints, and cost drivers for current year and the five (5) year plan;
 - v. establishment or update of a multi-year capital plan schedule to ensure the effective management of capital assets which identifies and prioritizes expected needs, costs, and expected sources of financing;

- vi. establishment or update of strategies, goals and objectives for the strategic plan – the plan that details Nipissing First Nation’s longer term priorities and the plan for resources needed to meet the objectives of the plan.
- b) Nipissing First Nations integrated planning and budget process must link and provide the relationships between related aspects of the strategic plan, multi-year financial plans, capital plans, life-cycle management program plans and annual budgets. The strategic priorities and goals identified in the strategic plan must be reflected in all aspects of the planning document to operational levels, such as departmental work plans. Documentation of Nipissing First Nation’s integrated planning should be evident at all participating levels including program managers, Director of Administration, the Chief Financial Officer, the Finance and Audit Committee and Council review process. The integrated planning can include the following items:
 - i. Integrated planning and the fiscal year planning calendar,
 - ii. departmental work plans;
 - iii. process documentation;
 - iv. regular reporting on integrated planning process; and
 - v. meeting minutes or notes of review.

Budget

- a) Based on the annual integrated planning session, the initial operating budget estimates will be prepared and the five (5) year Capital budget estimates will be prepared or updated accordingly.
- b) Capital budgeting estimates should include all capital improvement projects (purchase, construction, or renovation of physical facilities) and all capital equipment expenditures.
- c) Any projected deficit must be accompanied by a report that outlines the contributing factors and circumstances and the plan by which it will be eliminated in a future year;
- d) The draft budget will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the estimates as presented or request amendments, within the context of the operating objectives and the strategic plan.
- e) Where a projected deficit exists, the Finance and Audit Committee will provide recommendations to Council on plans to eliminate the budget deficit in a future year.
- f) The final draft budget recommended for approval to Council by the Finance and Audit Committee will be approved by Council no later than March 31st of the fiscal year proceeding the budget year.
- g) The draft budget must meet the requirements of Nipissing First Nation’s Financial Administration Law and the integrated planning process must comply with the schedule for planning activities set out in that Law.

Strategic Plan

Based on the annual integrated planning session, a comprehensive and holistic strategic plan will be prepared that will include:

- a) Developing a community vision that provides the guiding principle of the plan;
- b) Developing a community priorities list (e.g. housing, education, etc.);
- c) Setting a realistic timeframe to implement the plan;
- d) Identifying the requirements to implement the plan (i.e. using legislative tools of governance and public finance to support activities or the need to acquire additions to reserve, or invest in new businesses to generate additional revenues);
- e) Determining how the implementation of the plan will be resourced.

The plan should include community input on the vision and priorities.

The draft strategic plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the vision and priorities of Nipissing First Nation.

The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be approved by Council as a formal planning document no later than March 31st of the each fiscal year.

Multi-Year Financial Plan

Based on the annual integrated planning session, a multi-year financial plan that has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years will be prepared that will also include the following:

- a) revenue projections by major revenue type that demonstrate trends in existing revenue streams;
- b) in respect of projected revenues sets out separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations and proceeds from borrowing;
- c) in respect of projected expenditures, sets out separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects as defined in Nipissing First Nation's Financial Administration Law, payments required to address any deficits and payments for all other purposes;

is based on projections of revenues, expenditures and transfers between accounts. The draft multi-year financial plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.

The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be adopted as a formal planning document no later than March 31st of the each fiscal year.

Adjustments to the Plans and Budgets

An annual adjustment process (mid-year review) in the Fiscal Year Calendar will be included to adjust the plans and budgets.

The circumstances to make adjustments to budgets are limited to substantial change in the forecasted revenues or expenses of Nipissing First Nation or in the expenditure priorities of the Council; which may include the following:

- External factors that impact funding arrangements;
- impacts related to capital project adjustments;
- unforeseen changes to budget assumptions;
- Council approved changes to priorities or operating objectives.

Proposed amendments to the strategic plan or multi-year plan will be brought forward to the next annual planning session.

Significant time-sensitive adjustments should be brought to the Finance and Audit Committee for review and recommendation to Council.

On or before the 31st of October of each year the Chief Financial Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget.

No later than December 31st of each year, the Council must approve the amendment of the component of the annual budget.

*Approved this 6th day of October, 2015
Amended and approved this 4th day of October, 2016
Amended and approved this 18th day of December, 2018
Amended and approved this 8th day of December, 2021.*