

POLICY NUMBER: POL-101

Chapter:
BOARD OF DIRECTORS

Subject:
EXECUTIVE LIMITATIONS, FINANCIAL PLANNING AND BUDGETING

Effective Date:
January 23, 2003

Last Update:
May 9, 2019

PURPOSE:

The purpose of this policy is to set out the Chief Executive Officer's responsibilities for financial planning and budgeting.

REFERENCE:

Workers Compensation Act R.S.P.E.I.1988, Cap. W-7.1, Section(s) 30(2)
Occupational Health and Safety Act R.S.P.E.I.1988, Cap. 0-1.01, Section(s) 5(1)
Workers Compensation Board Policy, POL-36, Investment of Board Funds
Workers Compensation Board Policy, POL-40, Board - Chief Executive Officer Relationship,
Delegation to the Chief Executive Officer
Workers Compensation Board Policy, POL-100, Executive Limitations, Financial Condition and
Activities
Workers Compensation Board Policy, POL-112, Board - Chief Executive Officer Relationship,
Monitoring Chief Executive Officer Performance
Workers Compensation Board Policy, POL-136, Funding Policy

DEFINITION:

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POLICY:

1. The Chief Executive Officer shall not allow budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from Workers Compensation Board *Ends* priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Accordingly, they shall not allow budgeting which:

- A. Contains too little information to enable credible projection of revenue and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- B. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- C. Provides less for Board of Directors' prerogatives during the year than is set forth in the Board of Directors' annual plan.

Monitoring

2. This policy will be monitored by the Board of Directors annually and reviewed in accordance with the annual monitoring schedule as set out in Workers Compensation Board policy, POL-112, Board - Chief Executive Officer Relationship, Monitoring Chief Executive Officer Performance.

HISTORY:

May 9, 2019 – Added a purpose statement and reference to the annual monitoring schedule.

October 24, 2013 – Amended to remove section 1(d).

October 4, 2012 – Editorial changes made to the policy as a result of a review by the Board of Directors.

April 4, 2006 – Editorial changes made to the policy as a result of a review by the Board of Directors.

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