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## RESPONSIBILITIES and ACCOUNTABILITIES of the BUDGET MANAGER

<b>Section</b>	Finance		
<b>Approval Date</b>	16.08.2010	<b>Approved by</b>	Directorate
<b>Next Review</b>	27.05.2020	<b>Responsibility</b>	Director of Finance and Business Improvement
<b>Last Reviewed</b>	27.05.2016	<b>Key Evaluation Question</b>	6

### PURPOSE

To ensure that NMIT complies with its obligations under the following Acts:

- Crown Entities Act 2004 (CEA)
- Education Amendments Act 1990 (EEA)
- Public Finance Act 1989 (PFA)
- Public Audit Act 2001 (PAA)

### DEFINITIONS

<b>Budget Manager</b>	A person having financial control over a defined budget area, for example, a cost centre, programme or team.
<b>Budget Line Manager</b>	Budget manager's manager.

### RESPONSIBILITIES

A Budget Manager may be responsible for some or all of the following:

- Income
- Operating Expenses (Opex)
- Pays
- Capital Expenditure (Capex)

A Budget Manager will have specified Delegation Limits. Delegation Limits may be restricted to natural account codes, cost centres, programmes, programme areas or teams. There may also be exclusions. For example, a Budget Manager may control Operating Expenditure (Opex) but not Pays within their authorised budget areas.

A Budget Manager must not make any purchase or commitment in excess of their delegated financial authority. Sub-delegation of financial authority does not absolve the Budget Managers of their financial authority.

SAMPLE FINANCIAL AUTHORISATION LIMITS						
	Staff/Admin	Programme Area Manager		Directorate	CEO	Council
\$	500	2,000		5,000	No Limit	No Limit
Cost Centres	Trades	Trades			All	All

Budget Managers are responsible for the following:

- Managing their costs within their allocated budget.
- Meeting their revenue budgets.
- Ensuring that all revenue for their area of responsibility is invoiced according to contracts.
- Ensuring that all new contracts and changes to existing contracts that have a financial component are notified to the Director of Finance & Business Improvement and the Executive Assistant, Chief Operating Officer.
- Advising the Finance Department promptly of any errors in their financial reports.
- Participating in the annual budget process as outlined in the Budgets and Forecasting Policy.
- Regularly updating their live budgets as outlined in the Budgets and Forecasting Policy.
- Assisting with debt collection as required by the Management of Debtors policy.
- Managing the equipment that is used by their area(s) of responsibility.
- Notifying the Finance Department of the sale or disposal of any assets used by their area.
- Managing their staff and promptly advising the Human Resources Department of any changes to their staffing requirements.
- Advising the Finance Department where they have sub-delegated financial authority to a member of staff.

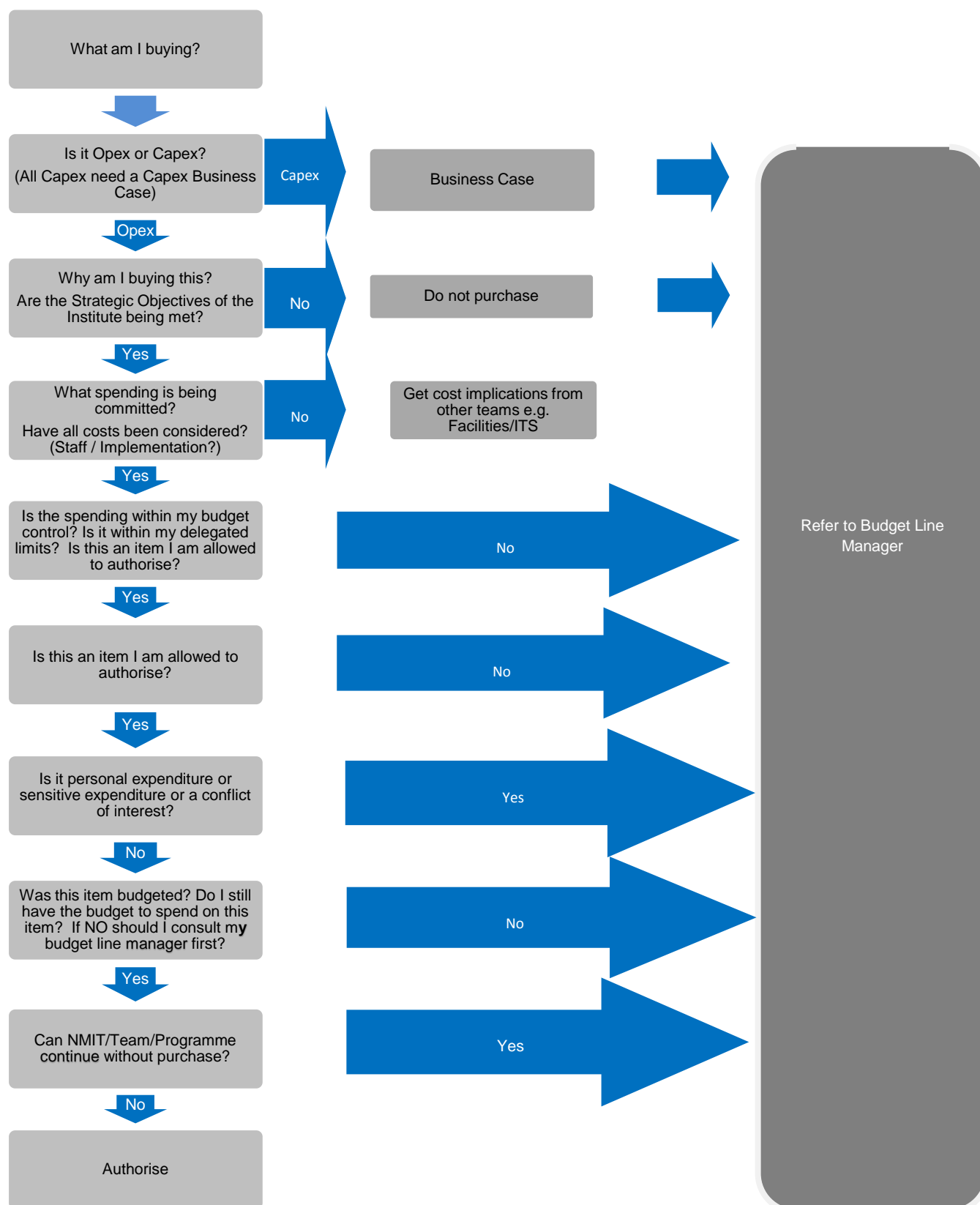
## COMPLIANCE WITH OTHER POLICIES

Budget Managers must comply with all NMIT policies. In particular, Budget Managers should be aware of the rules in relation to the following documents:

Personal Spending	<i>Purchasing &amp; Approval of Payments Policy</i>
Conflict of Interest	<i>Purchasing &amp; Approval of Payments Policy</i>
Use of NMIT Corporate Credit Cards	<i>NMIT Credit Card Policy</i>
Sensitive Expenditure	<i>Sensitive Expenditure Policy</i>
Purchasing & Authorisation of Expenditure	<i>Purchasing &amp; Approval of Payments Policy</i> <i>NMIT Procurement Policy</i> <i>NMIT Procurement Procedure</i>

## BUDGET SPENDING

Before any purchase or commitment is made, the following steps should be considered and applied as appropriate.



## REFERENCES

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### INTERNAL

- NMIT Credit Card Policy
- Budgets and Forecasting
- Management of Debtors
- Purchasing and Approval of Payments
- NMIT Procurement Policy
- NMIT Procurement Procedure

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### EXTERNAL

Office of the Auditor General – Good Practice Guidelines  
(<http://www.oag.govt.nz/reports/good-practice-guides>)