

GOVERNANCE ADVISORY COMMITTEE**Policy GOV-001-024 Authorization and Verification of Unbudgeted Expenditures (Review)****Report Purpose**

To seek Council approval on amendments to the Authorization and Verification of Unbudgeted Expenditures Policy.

Recommendation

THAT the amendments to GOV-001-024 Authorization and Verification of Unbudgeted Expenditures policy, as set out in Enclosure 2 of the Governance Advisory Committee report, be approved.

Rationale

The Governance Advisory Committee (GAC) has a mandate to review all Council governance policies according to the policy schedule. GOV-001-024 Authorization and Verification of Unbudgeted Expenditures is scheduled to be reviewed in 2018.

The policy addresses situations where an unbudgeted expenditure arises and provides direction on how such expenditures will be authorized and verified. The policy aligns with provisions of the County's Chief Commissioner's Bylaw as well as provisions in the Municipal Government Act.

The Chief Commissioner's bylaw:

- Part 6 of the bylaw sets out the financial powers of the Chief Commissioner and section 12 (d) directs that the Chief Commissioner will "pay any amounts which the County is legally required to pay pursuant to an Order or Judgement of a Court Board or other tribunal of competent jurisdiction, relating to an action against the County."
- Section 12 (j) provides the following direction to the Chief Commissioner: act "pursuant to the provisions in any County policy that directs the Chief Commissioner to review expenditures, including, but not limited to: (i) the Authorization and Verification of Unbudgeted Expenditures Policy; (ii) the Tangible Capital Assets Financial Reporting Policy; and (iii) the Municipal Reserves Policy."

Municipal Government Act:

- Section 248(1) states that a municipality may only make an expenditure that is (a) included in an operating budget, interim operating budget or capital budget or otherwise authorized by the council, (b) for an emergency, or (c) legally required to be paid.
- Section 248(2) states that each council must establish procedures to authorize and verify expenditures that are not included in the budget.

In light of the above points, the GAC recommends that the policy template be updated and that the correction to the figure in point 4 be addressed (i.e. \$2,000.000 should be \$2,000,000).

Enclosures

1. GOV-001-024 Authorization and Verification of Unbudgeted Expenditures (current)
2. GOV-001-024 Authorization and Verification of Unbudgeted Expenditures (proposed)