

**Policy FIN-001-004 Expenditure and Budget Management (REVISED)****Report Purpose**

To seek Council's approval of the amendments to policy FIN-001-004 Expenditure and Budget Management.

**Recommendation**

1. THAT policy FIN-001-004 Expenditure and Budget Management, as set out in Enclosure 1 of the Corporate Finance June 9, 2020 report, be approved.
2. THAT policy FIN-001-027 Tangible Capital Asset Financial Reporting, as set out in Enclosure 3 of the Corporate Finance June 9, 2020 report, be approved.
3. THAT policy FIN-001-024 Financial Reserves, as set out in Enclosure 5 of the Corporate Finance June 9, 2020 report, be approved.

**Our Prioritized Strategic Goals**

Governance Requirement

**Report**

The proposed Expenditure and Budget Management policy provides a consistent and standardized understanding of expenditure and budget management across the organization. It promotes good governance through sound financial stewardship, accountability and transparency, and will also enable efficient and responsive delivery of programs and services to the community. The original FIN-001-004 policy provided limited direction and was overdue to be updated.

Section 248 of the Municipal Government Act (MGA) establishes guidance for municipalities on the "expenditure of money" and states that:

- (1) A municipality may only make an expenditure that is:
  - a) Included in an operating budget, interim operating budget or capital budget, or otherwise approved by the council,
  - b) For an emergency, or
  - c) Legally required to be paid.
- (2) Each council must establish procedures to authorize and verify expenditures that are not included in a budget.

The revised policy ensures the County complies with the MGA and:

- Authorizes the Chief Commissioner to manage the programs, services and projects within the Council approved budget, including offsetting operating deficits between departments and divisions;
- Provides clarity on how to handle revenues and expenditures not included in the Council approved budget; and
- Gives the Chief Commissioner the authority to recategorize approved expenditures and corresponding funding between operating and capital, based upon the appropriate accounting treatment to comply with Public Sector Accounting Standards and County policies.

The name of the revised policy has been changed from "Expenditure Proposals Exceeding Approved Budget" to "Expenditure and Budget Management" to better reflect the nature and intent of the contents contained within it.

If the proposed Expenditure and Budget Management policy is approved, minor updates to the following policies are recommended to ensure consistency, alignment and remove duplication between the policies:

1. FIN-001-027 Tangible Capital Asset Financial Reporting – Remove details within guideline 8 “Administration and Approvals” to eliminate duplication.
2. FIN-001-024 Financial Reserves – Minor changes to guideline 6 to ensure thresholds align.

**Council and Committee History**

November 24, 2009                      Last review date of current policy.

**Other Impacts**

**Policy:** FIN-001-004: Expenditure Proposals Exceeding Approved Budget and GOV-002-021 Mandatory Review of Bylaws and Policies

**Legislative/Legal:** *Municipal Government Act*, RSA 2000, c. M-26 s. 248 (MGA) deals with expenditures of money

**Interdepartmental:** All County Departments

**Master Plan/Framework:** n/a

**Enclosures**

- 1            FIN-001-004: Expenditure and Budget Management (revised policy)
- 2            FIN-001-004: Expenditure and Budget Management (tracked changes)
- 3            FIN-001-027: Tangible Capital Asset Financial Reporting (revised policy)
- 4            FIN-001-027: Tangible Capital Asset Financial Reporting (tracked changes)
- 5            FIN-001-024: Financial Reserves (revised policy)
- 6            FIN-001-024: Financial Reserves (tracked changes)
- 7            Expenditure and Budget Management Policy Update presentation