



POL.F.20.181

Budgetary Control Policy

Policy Type:	Corporate Policy (Approved by Council)
Date Approved:	24 October 2023
Department:	Finance & IT Services
Staff Report:	2023-188
By-Law No.:	n/a

Policy Statement

The Corporation of the City of Brockville (City) is committed to responsible financial management of spending, revenue generating and program delivery within approved budgets and to ensure that the integrity of the City is maintained in accordance with the Municipal Act.

Purpose

The purpose of this policy is:

- To ensure that Council approves budgets;
- To recognize that Committees, Commissions, Boards and Agencies are accountable to the applicable City Department Head. Department Heads are accountable to the Director of Finance, the City Manager and Council for their spending, revenue generation and service delivery performance against budget approvals;
- To ensure that Council is informed of the status of expenditures and any factors or risks that may impact the budget;
- To define the roles and responsibilities related to the budget control process;
- To define the principles governing funding decisions outside of the annual budget process.

Application

This policy applies to all staff responsible for budget management, all Agencies, Boards, Commissions and Committees.

Definitions

As used in this policy, the following terms shall have the meanings indicated:

Budget – means the projected revenue and expenses for a given year, either operating or capital.

Capital Expenditure – means expenditure incurred to acquire, construct or improve land, buildings, engineering structures or machinery and equipment used in providing municipal services. Such expenditures are expected to provide a lasting benefit that extends beyond a period of one year.

City – means:

- Corporation of the City of Brockville
- Agencies, Commissions, Boards and Committees of the Corporation of the City of Brockville such as the, Library Board, , Committee of Adjustment, Airport Commission, Heritage Brockville and the Downtown Business Improvement Association (DBIA).
- Any other Board, Agency, Commission, and Committees that the Corporation of the City of Brockville may add from time to time.
- Where the City is providing financial support through any funding mechanism (debt, grants, donations...) and/or assets being purchased, assembled or constructed that will become the responsibility of the City.
- The City includes the Police Services Board, which may follow their own procurement policy as allowed through the Police Services Act.

City Manager – means the appointed official who directs the administration of the City of Brockville.

Council – means the Council of the Corporation of the City of Brockville.

Department – means a Department of the City.

Department Head – means the head of a department within the City. Any committee, commission, board or agency report to the applicable City Department Head with exception to the Police Chief and the Library Chief Executive Officer who report to their applicable board and are considered Department Heads.

Director of Finance – means the person appointed to fulfill the statutory requirements of the Treasurer under the Municipal Act, 2001.

Emergency (City-Declared) – means an event or circumstance where the Mayor of the City declares that an Emergency exists in the City or in any part

thereof and may take such action and make such orders as he or she considers necessary and are not contrary to law to implement the Emergency plan of the City and to protect property and the health, safety and welfare of the inhabitants of the Emergency area or as required under the Emergency Management and Civil Protection Act.

Operating Expenditure – means an expenditure of a constant recurring nature, or operational maintenance type nature, whereby the value of the goods and services are consumed or provided within the current year.

Procedures

1. Sole Authority

Council has the sole authority for approving funding to operating programs and capital projects.

Only Council can amend approved budgets.

2. Pre-Budget

Prior to the adoption of the current budget, spending shall be limited as set out in this policy. Pre-budget expenditures should be restricted to the following items in accordance with the City Manager's authorized limits, as permitted by the Municipal Act 2001:

- a. Items of a fixed nature, or that have been previously committed by Council.
- b. Normal operating expenditures required to maintain business until the budget is approved.
- c. Council approval is required to purchase capital items prior to passing the budget.
- d. Until the current operating budget for the City is approved by Council, a Department Head is authorized to make spending commitments to a cumulative total that does not exceed 50% of the prior year's budget approved by Council.

3. Operating Budget

- a. Council establishes the spending authority for all Departments.

- b. Only Council has the authority to exceed the approved budget.
- c. Budgets are not to be reallocated to compensate for existing over-expenditures.
- d. Department Heads are responsible for their deficit mitigation within their existing budget.
- e. Council's authorization is required to spend revenues received (including donations and grants) beyond budget. At year-end, such remaining revenues becomes part of the City surplus. Project specific donations and/or grants will be held in a reserve until such time that they are required for the project.
- f. Council approves the allocation of unspent donations. Donations that are restricted will remain with the restrictions specified.

4. Capital budget

- a. Council approves the capital budget.
- b. The capital budget establishes the scope and funding for each capital project.
- c. Council has sole authority to amend a project scope.
- d. Department Heads cannot exceed the approved budget for a project or amend a project scope.
- e. Department Heads shall request authorization from Council should additional expenditures be required. The Director of Finance shall recommend the appropriate funding source.

5. Reporting

5.1 Reports to Council Pre-Procurement

Council approval is required for:

- a. Projects requiring known additional expenditures
- b. Expenditures outside of the annual budget process
- c. Bid irregularities or less than three bids received as per Appendix A of the Procurement Policy

5.2 Reports to Council Post-Procurement

- a. Financial reports, including operations and capital budget variances, for the periods ending June, September, November and December
- b. Capital project status:

- a. Projects with incremental costs are to be monitored. Where reasonable, work is to proceed to complete the scope of work as procured. Any variances are to be reported to Council at the next General Committee meeting.
- b. Where multiple procurements occur in one capital project, variances are to be reported based on the approved procurement report.
- c. Council shall be informed of any tenders or proposals over \$100,000.

Reports to Council shall be provided at the next General Committee meeting or at a later meeting determined by the Director of Finance.

Exclusions

Purchases made in accordance with the emergency provision of the Procurement Policy.

References and Related Policies

Procurement Policy
Accounts Payable Policy

Consequences of Non-Compliance

Failure to comply may result in corrective and/or disciplinary action up to and including dismissal.

Review Cycle

Finance and/or internal auditor and/or auditors may conduct reviews at any time, without notice, to assess compliance with this policy.

This policy shall be reviewed and updated every five years or before to coincide with changing business issues and external guidelines and regulations.