



## Budget Monitoring Policy-CF-6

EFFECTIVE: November 2, 2021  
AUTHORIZED BY: Council  
RESOLUTION: 22-01-04  
REPLACES: *June 15, 2016*

---

### POLICY

It is the policy of the City of Quesnel to monitor actual operating and capital activity to ensure adherence to Council approved spending and service levels.

### PURPOSE OF POLICY

To set guidelines for monitoring operating and capital activity to ensure adherence to Council approved operating budgets, capital budgets and service levels.

### ROLES AND RESPONSIBILITIES

The monitoring of the City's budget is an ongoing process. The following roles have budget responsibilities.

ROLE	RESPONSIBILITIES
Council	<ul style="list-style-type: none"><li>• Ultimate responsibility for City spending. Sets annual budget and service levels for staff to operate under. Any change in budget, service level or use of reserves must be approved by Council.</li></ul>
Financial Sustainability and Audit Committee (FSAC)	<ul style="list-style-type: none"><li>• Provide leadership for the budget preparation process within the framework established by Council's Strategic Plan and Budget Principles Policy.</li><li>• Work with senior management to troubleshoot and make recommendations to Council on ongoing significant financial issues.</li></ul>
Chief Administrative Officer (CAO)	<ul style="list-style-type: none"><li>• To exercise financial control over all corporate operations in conjunction with the Chief Financial Officer to ensure compliance with the annual estimates of revenue and expenditure approved by Council</li></ul>
Director of Corporate and Financial Services (CFO)	<ul style="list-style-type: none"><li>• To prepare and present the operating and</li></ul>

	<p>capital budget to the Financial Sustainability &amp; Audit Committee (“FSAC”) and Council</p> <ul style="list-style-type: none"> <li>• To make financial recommendations to FSAC and Council</li> <li>• Monitors financial information for City</li> <li>• Reports on a quarterly basis to FSAC on the operating and capital budget</li> </ul>
Directors	<ul style="list-style-type: none"> <li>• Overall accountability for the departmental budget. General oversight and monitoring of expenses to ensure adherence to the approved budget.</li> <li>• Identification of risk and recommendation of mitigation measures to CAO and CFO</li> </ul>

**RISK MANAGEMENT**

Having responsibly to the overall city budget means identifying and mitigating risks in order to minimize the impact to taxpayers. Over spending on capital projects can have an impact on capital reserves or operating budgets. Early identification of projects at risk of going over budget is important to mitigate these risks.

**VARIANCE APPROVAL AND REPORTING**

**Operating**

Once the annual budget is produced, actual expenditures are monitored and compared against budget. While some differences are expected, variances should not be considerably above or below budget. Departments are provided with regular financial reports comparing their year to date spending versus budget in order to monitor the budget.

Any anticipated significant overages should be reported immediately to the Director of Corporate and Financial Services. Any overages over \$25,000 will be reported to the Financial Sustainability and Audit Committee as soon as possible.

**Capital**

Once a capital project is approved it is expected that it will be completed in a timely manner, within the approved budget and scope, and will deliver the expected outcome to the taxpayers.

Council may choose to alter the scope of a project at a later date but must approve an updated budget and funding sources either the same time as the updated scope or shortly after, once staff has had time to estimate the costs of the additional scope requested by Council.

Project managers are provided with regular financial reports comparing the cost of the project to date versus budget to enable effective monitoring of total costs.

Any change in scope or spending must be approved by the following. All expected overages will be reported quarterly to FSAC.

<b>Unbudgeted Amount</b>	<b>Approval Required</b>
Less than 10% or under \$10,000	Project Manager
Less than 20% or under \$25,000	CAO
More than 20% and/or over \$25,000	Council

Approvals by the CAO must be in writing and copied to the Director of Corporate and Financial Services for record keeping purposes.

22-01-04	<p>MOVED Councillor Elliott Seconded Councillor Goulet and resolved:          THAT Council approves the Financial Sustainability and Audit Committee recommendation to approve the amended version of the Budget Monitoring Policy – CF-6, with an additional <b><u>amendment</u></b> as follows:</p> <p><b><u>ADDITION:</u></b> Page 15 of the November 2, 2021 Agenda - Unbudgeted Amount - More than 20% <b><u>and/or over \$25,000</u></b></p> <p style="text-align: right;"><b><u>CARRIED UNANIMOUSLY</u></b>          (6:6 – Mayor Simpson absent for vote)</p>
----------	---