

County of Lethbridge Policy Handbook

EFFECTIVE: August 3, 2006

SECTION: 100 NO. 143

APPROVED BY: County Council

SUBJECT: Cheque Register

REVISED DATE:

PURPOSE:

The County of Lethbridge is committed to being a fiscally responsible, transparent and accountable organization to comply with the Municipal Government Act and general accounting principles.

POLICY:

The County of Lethbridge recognizes the potential for budget over-expenditures and lack of accountability if adequate internal financial control procedures are not instituted.

With solid internal accounting controls, financial reporting mechanisms, annual external audits and a corporate culture that embraces and is conversant with all legislative financial requirements, in an atmosphere of responsibility and accountability, administration will provide Council with the necessary financial information pertaining to the County's operations and finances.

With an approved budget and financial internal controls, County Administration is committed to providing County Council and its ratepayers with a clear accounting and reporting structure. If unbudgeted or unplanned expenditures occur, it is the responsibility of administration to inform Council for decision. Cheque registers will not be reviewed at a regular Council meeting, but can be made available if requested.

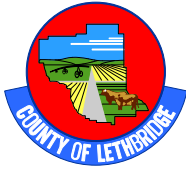
DEFINITION:

An operating budget includes the estimated amount of expenditures and transfers for:

- Amounts needed to provide Council's policies and programs.
- Amounts needed to pay the debt obligations.
- Amount needed to meet the requisitions.
- Amounts to be transferred to the reserves.
- Amounts to be transferred to the capital budget.

A capital budget includes the estimated amount for:

- Amounts needed to acquire, construct, remove or improve capital property.
- The anticipated sources and amounts of money to pay the costs referred to in the statement above.



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- The amount to be transferred from the operating budget.

The County may only make an expenditure that is:

- Included in an operating budget, interim operating budget or capital budget or otherwise authorized by Council.
- For an emergency
- Legally required to be paid.

Upon approval of the annual budget, departmental supervisors are responsible and accountable for the individual department budgets. The management team is responsible to collectively assess the impact to the bottom line of unbudgeted expenditures and weigh priorities. The CAO is to evaluate the overall benefit to the County to approve emergency expenditures.

Administration is responsible for reporting to Council of unanticipated or emergency expenditures for both information and approval. The County has in its methodology:

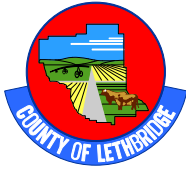
- Internal controls
- Continual review of internal controls by Administration
- An Audit Committee made up to two members of Council
- An internal control review by both the external auditor and Audit Committee
- An annual audit, and
- Monthly financial reports to County Council.

Under the Municipal Government Act prior to 1995, Council was required to review and approve cheque registers. With revisions to the 1995 Municipal Government Act, Council does not have to approve the cheque registers since the annual budget is approved by Council.

PROCEDURE:

As long as expenditures do not exceed the budget, Council review of cheque registers is not necessary; however, it is management's responsibility to report to Council the financial affairs of the County in relation to quality of services being performed.

It is also management's responsibility to inform Council of any over-expenditures due to emergencies or unanticipated events. Emergencies, unanticipated events, or additional



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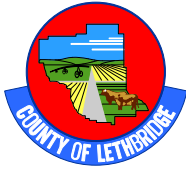
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services or activities requested by Council and/or Administration are to follow the Procedural Decision-Making Chart. Cheque registers can be provided to Councillors on an as-needed basis.

Responsibilities:

- County Council: To adopt the annual operating and capital budgets.
- Management Team: To collectively assess the impact to the bottom line of the budget and weigh priorities.
- Department Supervisors: Responsible and accountable for the individual department budgets.
- County Manager: To evaluate the overall budget of the County to approve emergency expenditures.



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Procedures:

Decision Making Chart					
	Type of Unplanned / Unbudgeted Expenditure	Situation	Signing Authority <\$10,000	\$10,000 to \$100,000	>\$100,000
1	Emergency	Act on within one month or service drops / funding from Reserves	Department Supervisor	Department Supervisor in consultation with County Manager	Advise Council at next meeting
2	Core Service required to sustain	a. Have own budget envelope room ===== b. Has no budget room	Department Supervisor ===== Management Team	County Manager ===== Council	Council ===== Council
3	Discretionary spending	Has overall County budget surplus	Management Team inform Council	Council	Council
4	Capital Purchase from revolving replacement reserves up to \$20,000	Required to sustain services / asset management / manager recommendation	Department Supervisor and County Manager	Council	Council
5	Capital Purchase from revolving replacement reserves over \$20,000	All other	Council	Council	Council
6	Capital not with revolving reserves	All	Council	Council	Council