

Financial Control & Oversight Policy

Policy Type: Governance

Date of Formal Board Approval: April 21, 2011

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Policy Statement:

The Stormont, Dundas and Glengarry County Library Board establishes this financial policy to formalize practices which ensure fiscal accountability, appropriate use of public funds in support of the Library's mission and goals, and compliance with appropriate laws.

Legislation:

This policy references various SD&G County policies, sections of the Public Libraries Act, RSO 1990, as well as sections of the Municipal Act, SO 2001.

As defined in the Municipal Act, SO 2001 section 1. (1), "local board" means a municipal service board, transportation commission, public library board, board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power under any Act with respect to the affairs or purpose of one or more municipalities, excluding a school board and a conservation authority.

Section 1: Accountability

Financial Practices:

As defined under the Municipal Act, SO 2001 section 285(1) the fiscal year of a municipality and local board of a municipality is January 1 to December 31.

As outlined in the May 2008 Banking and Accounting Agreement between the Library Board and the County, the accounting and banking functions of the Library Board are completed by the United Counties Treasury Department.

As required under the Municipal Act, SO 2001 section 270(2) a Local Board shall adopt and maintain policies with respect to the following matters:

1. Its sale and other disposition of land.
2. Its hiring of employees.
3. Its procurement of goods and services.

The Stormont, Dundas and Glengarry County Library Board does not currently own any land but, if required in the future, will follow the County Sale and Disposition of Land Policy. Currently, all employees performing library functions are Library Department employees of the United Counties of Stormont, Dundas and Glengarry requiring the County Personnel Policy Manual to apply. Financial control and oversight is detailed in the Library Board's approved Purchasing Policy which mirrors the County Purchasing Policy.

Budget:

In accordance with the Public Libraries Act, RSO 1990 section 24:

- (1) A public library board, county board or county library co-operative shall submit to the appointing council, annually on or before the date and in the form specified by the council, estimates of all sums required during the year for the purpose of the board.
- (2) The amount of the board's estimates that is approved or amended and approved by the council shall be adopted by the board and shall be paid to the board out of the money appropriated for it.
- (3) The board shall apply the money paid to it under subsection (2) in accordance with the estimates as approved, subject to subsection (4).
- (4) The council may, in its approval of the board's estimates or at any time at the board's request, authorize the board to apply a specified amount or percentage of the money paid to it under subsection (2) otherwise than in accordance with the items of the estimates as approved.

Section 2: Financial Monitoring

Auditor:

In accordance with the Municipal Act, SO 2001, section 296(1) a municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for:

- a) Annually auditing the accounts and transaction of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit; and
- b) Performing duties required by the municipality of local board.

Financial Responsibilities of the Library Board:

- The Board is accountable to the community and Council for the Library's financial affairs and must ensure adequate controls are in place to manage finances and see that the Library has adequate resources to deliver service and fulfill its mission;
- Evaluate and prioritize the Library's goals and objectives to determine how funds will be allocated within a proposed annual budget;
- In conjunction with the Director of Library Services and the Board Treasurer, the Library Board shall establish an annual budget and submit it to Council for approval; and
- The Board monitors the regular financial statements, as prepared by the Board Treasurer, in order to ensure that the ongoing financial position of the Library is consistent with the priorities approved by the Board.

Financial Responsibilities of the Treasurer:

On behalf of the Library Board, the Board Treasurer is responsible for:

- ensuring that the Board's financial policies and practices are followed and are in conjunction with those of the County;
- paying all debts and other expenditures authorized by the Library Board;
- maintaining accurate records and accounts of the Library Board;
- in conjunction with the Director of Library Services and input from the Board, compiling the annual proposed Library budget for Board and Council discussion and approval;
- providing the Board with such information with respect to the financial affairs of the Library as it requires or requests;
- ensuring adequate provision is made for insuring Library assets and Branch contents;
- assembling the required information and working with the external auditor;
- providing the Board with the annual audited financial statements and any notes or communications from the auditor regarding the Library; and
- other financial duties as directed by the Library Board.

Section 3: Financial Responsibilities of the Director of Library Services:

On behalf of the Library Board, the Director of Library Services is responsible for:

- with input from the board and in conjunction with the Board Treasurer, compiling the annual proposed Library budget for Board and Council discussion and approval;
- operating within the year's approved budget and prior to Council and Board approval may incur normal operating expenditures;
- ensuring that the Board's financial policies and practices are followed and are in conjunction with those of the County;

- following the correct purchasing process and obtaining the necessary documentation, approvals, signatures, etc. as required under the approved Purchasing Policy;
- ensuring that all department corporate purchase card activities adhere to the approved Purchasing Policy;
- signing receipts for appropriate donations and gifts based on Canada Customs and Revenue Agency requirements;
- researching funding opportunities which would benefit the Library; pursuing outstanding Board receivables in a reasonable manner; and
- submitting the audited financial statements or other reports as required by Provincial Ministries or organizations.