CANADA
PROVINCE OF QUÉBEC
RCM LES COLLINES-DE-L'OUTAOUAIS

MUNICIPALITY OF PONTIAC

BY-LAW NUMBER 06-08

TO DECEREE THE RULES OF CONTROLLING AND MONITORING THE BUDGET

WHEREAS in virtue of the second paragraph of article 960.1 of the Quebec Municipal Code, council has adopted a by-law pertaining to the control and monitoring of the budget and that it must notably foresee the method used for guaranteeing the availability of credits before any decision is taken to authorize an expense, which method may vary according to the authority granting the authorization for expenses or the type of expenses foreseen;

WHEREAS in virtue of article 961 of the Quebec Municipal Code, a by-law or a resolution from council that authorizes the expense is only in effect if, according to the by-law adopted in virtue of the second paragraph of article 960.1, the credits are available for the purpose to which the expense is foreseen;

WHEREAS in virtue of the fourth paragraph of article 961.1 of the Quebec Municipal Code, an authorization for expenses granted in virtue of someone's authority, is only in effect if, according to the by-law adopted in virtue of the second paragraph of article 960.1, the credits are available for this purpose;

WHEREAS article 176.4 of the Quebec Municipal Code and the fifth paragraph of article 961.1 stipulate the terms of rendering of accounts to council in order to control and monitor the budget;

It is

Moved by Jim Coyle
Seconded by Dr. Jean Amyotte

AND RESOLVED THAT this by-law no. 06-08 is adopted by council and that the following be ruled:

The above-noted preamble is an integral part of the by-law.

DEFINITIONS

"Municipality":	Municipality of Pontiac
"Council":	The municipal council of the Municipality of Pontiac
"Secretary-treasurer":	Officer that every municipality is obligated to have in virtue of article 179 of the Quebec Municipal Code and who also carries out the duties of Director general in virtue of article 210.
"Exercise":	The period between January 31st and December 31st of the same year.
"Delegation by-law":	By-law adopted in virtue of the first and second paragraphs of article 961.1 of the Quebec Municipal Code, by which council delegates to civil servants or municipal employees the power to authorize expenses and to grant contracts in the municipality's name.
"Policy on budget variations":	Policy setting the limit of budget variations allowed and the terms of budgetary transfers.
"Person in charge of budget activities":	A civil servant or a municipal employee responsible for a budget allowance that was entrusted to him, which includes any budget allowance that is under the responsibility of a direct subordinate employee.

SECTION 1 – OBJECTIVES OF THE BY-LAW

Article 1.1

The present by-law sets the rules for controlling and monitoring the budgets that every concerned civil servant or municipal employee must follow.

Specifically, it establishes the rules of responsibility and functioning required for any civil servant or municipal employee to undertake any expenditures that are duly authorized after having verified the availability of credits necessary.

The present by-law applies to all appropriation of funds chargeable to financial activities or activities for the investment in the current year which council may adopt by way of resolution or by-law.

Article 1.2

The present by-law also establishes rules for the monitoring and rendering of budget accounts that the secretary-treasurer, any other authorized municipal officer and those responsible for municipal budget activities must follow.

SECTION 2 – PRINCIPLES FOR CONTROLLING AND MONITORING THE BUDGET

Article 2.1

The credits necessary for the municipal financial and investment activities must be approved by council prior to their appropriation for expenses that pertain to them. This approval of credit takes the form of a vote expressed either by:

- the adoption of the annual budget or an additional budget by council,
- the adoption of a borrowing by-law by council;
- the adoption of a resolution or a by-law by which the credits are appropriated from additional revenues, from the accumulated, financial reserves or reserved funds.

Article 2.2

In order to be affected or allocated, all expenditures must be duly authorized by council, an authorized municipal officer or a person responsible for budget activities in compliance with the current delegation by-law, following verification of the necessary availability of credits.

Article 2.3

Any civil servant or municipal employee is responsible for implementing and respecting the current by-law as far as he is concerned.

Anyone responsible for budget activities must abide by the current by-law once he has authorized any expenditure that comes under his responsibility even before they have been undertaken. He may authorize only the expenditures that come within his competence and undertake only those for which for which they have been affected.

SECTION 3 – GENERAL TERMS FOR CONTROLLING AND MONITORING BUDGETS

Article 3.1

To verify the availability of credits before authorizing an expense, the person responsible for the budget activity in question refers to the municipality's current accounting system. The same goes for the secretary-treasurer (director general) whatever the case may be, when he must authorize or submit an expense for council's authorization, according to the current delegation by-law.

Article 3.2

If following verification, the availability of credits proves to be insufficient and surpasses the limit allowable by the policy on budget variations, the person responsible for the budget activity, or the secretary-treasurer or director general, whatever the case may be, must follow the instructions described in article 6.1 of the present by-law.

Article 3.3

A civil servant or municipal employee who is not responsible for a budget activity may not authorize any expense whatsoever. He may however incur an expense which was authorized beforehand, if he has received the mandate or if it is part of his job description.

If, for urgent purposes, a civil servant or municipal employee must incur an expense without authorization, he must inform thereafter the person responsible for the budget activity concerned as soon as possible and submit to him any statement, bills or invoices in question.

Article 3.4

The secretary-treasurer (director general) is responsible for keeping the present by-law up to date. He must submit to council, if need be, any draft modification of the said by-law that would be necessary to adapt it to new circumstances or to a new legislative change that affects it.

The secretary-treasurer (director general) is responsible for seeing that adequate internal control is set and maintained, in order to ensure that all civil servants and municipal employees implement and respect the by-law.

SECTION 4 – COMMITMENTS EXTENDING OVER THE CURRENT PERIOD

Article 4.1

Every authorization of budget allocations which extends over the current period, the part that is chargeable to the current period must be the object of a verification of the availability of credits beforehand.

Article 4.2

When preparing the budget for each year, each person responsible for budget activities must ensure that his budget covers the expenses incurred previously that must be attributed to the financial activities of the year for which he is responsible. The secretary-treasurer of the municipality must ensure that the necessary credits for these expenses are correctly provided for in the budget.

SECTION 5 – PARTICULAR EXPENSES

Article 5.1

When an unforeseen situation occurs, such as the conclusion of an out of court agreement or of a new collective labour agreement, the secretary-treasurer (director general) must ensure that the required additional credits are provided for. If necessary, he may proceed with the appropriate budget transfers, in accordance with the municipal council, whatever the case may be

SECTION 6 – MONITORING AND RENDERING OF BUDGETARY ACCOUNTS

Article 6.1

All who are responsible for budget activities must regularly monitor their budget and report to their line supervisor immediately after having anticipated a budget variation in excess of the allowed limit, according to the current policy on budget variations. They must justify or explain in writing any unfavourable budget variance ascertained or anticipated by memo submitted to their superior, accompanied with a request for a budgetary transfer, if necessary.

If the budget variation cannot be reduced by budgetary transfer, the secretary-treasurer of the municipality must inform council and if necessary, submit a proposal to adopt an additional budget for the extra credits required.

Article 6.2

As stipulated in article 176.4 of the Quebec municipal code, twice a year, the secretary-treasurer must prepare and submit at a council meeting, two comparative statements on the municipality's revenues and expenses.

The comparative statements for the first half of the year must be submitted at the latest, at a regular meeting in May. Those for the second half of the year, must be submitted at the last regular council meeting to be held at least four weeks before the meeting on the adoption of the budget for the following year.

Article 6.3

In order for the municipality to comply with article 176.5 and with the fifth paragraph of article 961.1 of the Quebec municipal code, the secretary-treasurer must also prepare and submit periodically to council at a regular meeting, a report of the expenses authorized by any civil servant or municipal employee, in compliance with the current delegation by-law. It must at least include all transactions done 25 days prior to it being submitted, which had not already been reported.

SECTION 7 – ORGANIZATIONS CONTROLLED BY THE MUNICIPALITY

Article 7.1

In the case of any given organization within the accountable perimeter of the municipality, in virtue of the recognized control criteria, council may decide that the rules of the present by-law apply to this organization when circumstances are attributable, by applying the necessary adaptations.

In such a case, the director general is responsible for ensuring that the agreement governing the relations between the controlled organization in question and the municipality refers to the observance of principles of the present by-law that are considered pertinent and to the adapted terms applicable.

SECTION 8 – COMING INTO EFFECT

The present by-law will come into effect according to the Law.

EDWARD J. MC CANN **MAYOR**	**SYLVAIN BERTRAND** **DIRECTOR GENERAL**

Calendar

Notice of motion	*:*	***March 4, 2008***
Adoption of the by-law	*:*	***March 19, 2008***
Effective date	*:*	