



Durham Regional Police Service

• K. McAlpine - Chief of Police • C. Mercier - Deputy Chief • R. Piukkala - Deputy Chief

INTERNAL MONITORING REPORT

FINANCIAL CONDITION AND ACTIVITIES

Period: January 1- Sept 30, 2004

Date October 28, 2004

I hereby submit my monitoring report on your Executive Limitations Policy "Financial Conditions and Activities" according to the schedule set out. I certify that the information contained in this report is true.

BROADEST POLICY PROVISION:

"With respect to ongoing financial conditions and activities, the Chief of Police will not cause or allow development of fiscal jeopardy or material deviation of actual expenditures from the Board priorities established in the Ends policies."

Interpretation of the Chief of Police

It is my interpretation of this policy that compliance with the four following policy statements fulfills the total requirement of this provision.

I therefore report compliance with this Executive Limitations Policy.

"Further, without limiting the scope of the foregoing by the enumeration, the Chief of Police will not:"

Policy Provision #1:

1. *"Expend more funds than have been allocated by the Regional Municipality of Durham for the Fiscal Year."*

Interpretation of the Chief of Police:

It is my interpretation of this policy that it applies to the entire budget as a whole and that any significant deviation from norms is to be addressed in the succeeding period. Further that any significant deviation that is likely to cause non-compliance with provision 1 be reported to the Board at its next meeting.

Data:

Upon review of the budget summary produced by the Director of Business Services, I report the following:

We have expended 65% of total budget in a period that represents 75% of this calendar year. However, the recently settled collective agreements have not yet been implemented. The cost of the settlements will bring us very close to budget. We are currently anticipating a year-end surplus position of \$1.1 to \$1.2 million or slightly less than 1% of our budget. As the Board is aware, overtime and stat pay are also major payouts at year-end. Some of our major projects remain underway, but some have wrapped up successfully.

The only account showing significantly over at 115% is Police vehicle repairs – Insurance for a deficit of \$17,148.91. It is likely that all of the recoveries have not yet been posted to this account and this is being addressed. Cruiser accidents are higher than previous years despite our training efforts. Given the age of our service with so many young officers, this is hopefully a trend that will not continue. The current price of gasoline is 18% higher than a year ago and we have spent 74% to date. As the price has been higher lately, this account may still be problematic at year-end.

There is no current deviation likely to affect a balanced year-end position. We are ensuring that our capital purchases have been completed and where we can, are acquiring equipment that would otherwise go into the 2005 budget.

Therefore I report compliance with this provision.

Policy Provision #2

2. *“Fail to authorize the payment of payroll and other financial obligations in a timely manner.”*

Interpretation of the Chief of Police

It is my interpretation of this policy that the Durham Regional Police Service will process payments through the Region’s systems and that payments will be made in such a manner as to ensure that members receive their payroll, and that suppliers receive payment in a timely manner.

Data:

The Financial Services Manager reports that we have had no significant complaints with respect to payment of invoices. Pursuant to the collective agreement changes, the actual raises are to appear on payroll of October 28th, with the retroactive pay and the Police Seniority Premium will be on the payroll of December 9th.

I therefore report compliance with this provision.

Policy Provision #3

3. *"Acquire, encumber or dispose of real property. (Property as defined in the Police Services Act section 132 exempted.)"*

It is my interpretation of the policy that I am not authorized to deal with the purchase, sale or encumbrance of real property, meaning real estate without express authorization from the Board. This however does not prevent my ability to lease premises as required pursuant to the budget and as coordinated with the Real Estate Division of the Regional Municipality of Durham.

Data:

There were no such acquisitions, encumbrances or dispositions undertaken during the reporting period. The Board has approved our making an offer to purchase the land for the Safety Village and that process is continuing. We have a meeting with School Board staff on November 3rd involving myself, the chair of the Safety Village Board, and a Representative of Regional Works.

I therefore report compliance with this provision.

Policy Provision #4

4. *"Fail to comply with the spirit of the financial by-laws and policies of the Regional Municipality of Durham."*

Interpretation of the Chief of Police

It is my interpretation of this policy that all purchases of goods and services be in substantial compliance with Regional Processes, subject to limits being established by the Chief of Police in consultation with the Director of Business Services. It is my further interpretation that the practice of expending funds from operating accounts prior to final budget approval is acceptable in order to meet payroll and account payment obligations as per #2 above. Further that Capital Budget items are subject to final budget approval unless specifically dealt with by the Board for pre-approval.

Data:

Our financial manual will be in place to govern transactions commencing with the new budget year on January 1, 2005. Otherwise we are not experiencing any difficulties with respect to Regional Finance approving our expenditures.

I therefore report compliance with this provision.

Kevin McAlpine
Chief of Police