

Classification **PUBLIC**

Meeting **November 14, 2011**

Agenda Item **Monitoring Report:  
Financial Condition and Activities 3rd  
Quarter 2011**



Recommended Motion:

**THAT the Board find that all provisions of the *Financial Conditions and Activities* have been complied with.**

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### **Financial Conditions and Activities**

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.

Signed: \_\_\_\_\_  
Chief of Police

Date: \_\_\_\_\_

### **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 seven following policy statements and the data there tendered 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 Support:**

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

In the first nine months of 2011, the major areas of expenditure are tracking to result at year end in a position of approximately 0.5% below budget. Fewer retirements and some vacancies throughout the year coupled with the recovery of \$170 K unspent from the Supplemental Health Care Spending account (which was created in 2008 in order to settle a grievance over the Employer Health Tax and disbursements for which ended in May of 2011) contributed to the Payroll surplus which is offset by overspend in Professional Fees and approved additional Capital spending. Revenues are generally tracking to budget or slightly better. Inclusion of One-time revenues surplus primarily from CIR and Pay Duty processes brings revenues to 2.4% better than budget. Overall results including revenues, predicted based on data to September 30, would indicate 0.7% under budget in total.

Consequently, at this point, based on current trends and staffing levels, our forecast for the year-end is that spending will be within the \$153.692 million budget except for any unbudgeted items which would require Board approval.

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 Support:**

The Director of Business Services reports that we have had no significant complaints with respect to payment of payroll or other payments during the reporting period.

I therefore report **compliance** with this provision.

**Policy Provision #3**

3. *“Negotiate, commit, approve or sign any collective agreements or addendums without explicit Board authorization. (This does not preclude the Chief or designate from participating in bargaining sessions in an advisory capacity as per section 120(4) of the Police Services Act.)”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Chief of Police and designates have no authority whatsoever in this area without the explicit authorization and that the Chief or designate should request said authorization in writing.

**Data Support:**

There have been no negotiations, commitments, approvals or signatures of any collective agreements or addendums without explicit Board authorization.

I therefore report **compliance** with this policy.

**Policy Provision #4**

4. *“Approve or sign any agreements with other police services, service providers, or service recipients, which exceed annual transfers of \$1,000,000, without explicit Board authorization.”*

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the Chief of Police has no authority regarding annual transfers in excess of \$1,000,000 in this area without explicit authorization and that the Chief should request said authorization in writing.

**Data Support:**

No such activity has taken place in the reporting period at all, and no authorizations have been received.

I therefore report **compliance** with this policy.

**Policy Provision #5**

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

**Interpretation of the Chief of Police:**

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. (The practice of the Regional Municipality of Durham is to submit all such real estate leases to Council for approval after approval by the Chief.)

**Data Support:**

There were no such acquisitions, encumbrances or dispositions undertaken during the reporting period.

I therefore report **compliance** with this provision.

**Policy Provision #6**

6. Fail to maintain an inventory of federal and provincial grants and contribution programs relevant to public safety, and maximize opportunities to seek funding from such programs.

**Interpretation of the Chief of Police:**

It is my interpretation of this policy that the service shall maintain a list of such programs and shall periodically evaluate funding opportunities and actively seek them out. Major funding sources shall be disclosed in the Annual Business Plan Budget which is approved by the Board.

### **Data Support:**

The Director of Business Services maintains a list of such programs; coordinates with the management of the service to make grant applications and all major funding sources are disclosed in the Annual Business Plan Budget approved by the Board.

**During the year to date the police service was successful in raising funds from the following grants. These are grants have to be applied for in response to a specific call for applications and apply to a specific project and time period. They do not recur automatically in following years:**

**1) Civil Remedies from Illicit Activities, Ministry of the Attorney General of Ontario:**

**Amount: \$115,753**

**Term: All funds must be fully spent by March 31, 2012**

**Purpose: To provide equipment and training to enhance investigations of persons involved in criminal organizations and violent crime.**

**Unit: Intelligence**

**2) Proceeds of Crime Front-Line Policing Grant Program, Ministry of the Attorney General of Ontario:**

**Amount: \$151,860**

**Term: All funds must be fully spent by March 31, 2012**

**Purpose: To provide funding for a Child Victim Forensic Analyst, training and equipment to increase the capacity to investigate crimes of sexual exploitation against children.**

**Unit: Electronic Crimes Unit (part of the Major Crimes area)**

### **Policy Provision #7**

7. Fail to ensure that resources shared with another police service are reciprocated or otherwise compensated.

### **Interpretation of the Chief of Police:**

It is my interpretation of this policy that the service shall formally document major shared service arrangements, track time and resources rendered to and received from other police services and seek reimbursement in those cases where the services were not reciprocated if material in amount.

### **Data in Support:**

The service, through the Superintendent of Patrol Operations, tracks services rendered to and received from other services pursuant to long term formal Shared Services Agreements. There have been no such billings so far in 2011.

In June 2011 Deputy Chief Scott Burns reviewed the shared services transactions between DRPS and York Regional Police Services which were exchanged in 2009 and 2010 with Deputy Chief Bruce Herridge of York Regional Police Service and it was agreed that the services exchanged were balanced and that no funds owed by either party.

### **Policy Provision #8**

8. *“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 shall be in compliance with the Durham Regional Police Service Financial Procedures Manual, which is 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 Support:**

The Financial Procedures Manual was published in the 1st quarter of 2005 and the procedures and controls took effect in the new budget year on January 1, 2005. The Regional Finance department has been provided with a copy of this document. It is in substantial compliance with Regional Processes and therefore complies with the spirit of Regional Processes.

Financial transactions have been in compliance with the Financial Procedures Manual during the current reporting period.

I therefore report **compliance** with this provision.

**Based on the above proof provided, I report overall compliance with the policy.**

Attachments: Appendix 1

## Appendix I

All dollars in Thousands
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	Budget	Expense to date	Percent to date	Surplus/ (Deficit)	%	
<b>Expenditure Accounts</b>						
PAYROLL EXPENSES	\$138,355	\$96,377	70	\$1,503	1.1%	Vacancies; retiree costs lower, HealthCare expense reversal
PERSONNEL RELATED	\$2,223	\$1,398	63	\$165	7.4%	Savings on Conferences and Education, uniforms
COMMUNICATION	\$2,497	\$1,626	65	\$142	5.7%	Radio & Telephone below budget
MATERIALS & SERVICES	\$4,432	\$2,908	66	\$75	1.7%	Utility cost experience below budget; vehicle fuel over; Office materials under
PROFESSIONAL SERV	\$879	\$738	84	(\$548)	62.4%	Significant legal and consulting costs
MISC SERVICES	\$4,314	\$2,718	63	\$11	0.3%	
MTCE & REPAIRS	\$2,735	\$1,700	62	(\$95)	-3.5%	Additional building repairs - 17 and 18 Div
RENTALS	\$1,889	\$1,306	69	\$106	5.6%	Durham College space only 9 months then renewal
CAPITAL	\$2,735	\$2,324	85	(\$489)	17.9%	Approved variances for needed capital purchases
<b>GROSS EXPENDITURES</b>	<b>\$161,260</b>	<b>\$112,093</b>	<b>70</b>	<b>\$869</b>	<b>0.5%</b>	
<b>Revenue Accounts</b>						
REVENUE & RECOVERY	(\$7,568)	(\$4,481)	59	\$182	-2.4%	CIR's and Pay duties exceed budget
<b>NET EXPENDITURES</b>	<b>\$153,692</b>	<b>\$107,612</b>	<b>70</b>	<b>\$1,052</b>	<b>0.7%</b>	