



INTERNAL MONITORING REPORT

ENDS: Strategic and Financial Planning

Period: 3rd Quarter 2005 Strategic and Financial Planning Cycle

Date: November 14, 2005

I hereby submit the 3rd Quarter monitoring report dealing with the 2006 budget and the 2006-2010 5 year forecast. I certify that the information contained in this report is true.

General Provision;

The Chief of Police shall not fail to produce an annual operational plan, derived from a multi-year plan that identifies strategies and actions for the accomplishment of the Board's stated Ends policies.

Financial planning for any fiscal year, or the remaining part of the year, will not deviate materially from Board's Ends policies and business plan, risk fiscal jeopardy, or fail to be derived from a multi-year financial plan.

Interpretation of the Chief of Police:

The 3 Year Business Plan is broken down into annual components and that is the annual operational plan. The plan was published on behalf of the Board with Board approval.

Annual financial planning is done with the input and participation of all operational levels, in order to meet Business Plan objectives and Board Ends, in accordance with specific Board direction (6 % growth over 2005 budget, and 7.5 % annual growth, plus or minus 0.5 % after that) and the Annual Business Plan Budget is always the first year of the 5 Year Forecast submitted to the Region of Durham and the Board.

Data in Support:

As outlined in more detail below the supporting data is comprised of the 3 year Business Plan, the 5 Year Forecast, and the Annual Business Plan Budget.

Statement of Compliance:

I therefore report compliance with the General Provision.

Further, without limiting the generality of the foregoing by the enumeration, the Chief of police will not allow budgeting that:

Policy Provision #1

Establishes conditions and activities that will be unnecessarily difficult to maintain.

Interpretation:

The policy prohibits me from undertaking or approving operating or financial activities, which would put unnecessary strain on the Service, it's people, or its financial resources, in furtherance of Board Ends and Limitations policies.

Data in Support:

Current conditions and activities, which are required to maintain existing Bard End compliance and service levels, result in an approximate ongoing annual increase in net expenditures of 4.5 %. This represents the contractual increases in the collective agreements and our best estimate of cost increases in non-salary expenditures.

I have not undertaken or approved any activities which would result in a higher level of ongoing cost increases than that described above.

Statement of Compliance:

I therefore report compliance with this provision.

Policy Provision #2

Omits credible projection of expenses, separation of capital and operational items, and disclosure of planning assumptions.

Interpretation:

I must ensure that the Service diligently plans and clearly reports on expected future revenues and expenses in a format which meets the requirements of the Board and the Region of Durham.

Data in Support:

The Annual Business Plan Budget submitted to the Board and the Region meets these requirements. It is tendered as Data in Support at this meeting.

Statement of Compliance:

I therefore report compliance with this provision.

Policy Provision #3

Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy.

Interpretation:

The Board has provided for activities requiring \$455,000 in spending in 2006 and I must ensure that the Service's annual budget includes this amount.

Data in Support:

The Annual Business Plan Budget submitted to the Board and the Region includes this level of spending and therefore meets these requirements. It is tendered as Data in Support at this meeting.

Statement of Compliance:

I therefore report compliance with this provision.

Policy Provision #4

"Provides for projection of revenues that exceed the Board's revenue projection."

Interpretation of the Chief of Police:

It is my interpretation of this policy that the Board's revenue projection was clearly stated as follows:

The following information is provided as reference material for budget discussions:

- a. Regional Council approved a 2005 net DRPS & Board budget of \$112,300,000;
- b. Motion M189-04 of 13 Sep 04 stated: “THAT the 2005 budget estimates and future budgetary forecasts reflect an annual increase of 7.5%, plus or minus 0.5%”;
- c. Motion M228-04 of 8 Nov 04 stated: “... THAT all future business plans and budgets clearly identify the associated impact on Board’s Ends policies with specific reference to crime rate, clearance rate, response rate and times, and cost per household and citizen, in each case relative to comparator communities”; and
- d. Board motion M136-05 of 13 June 05 states “THAT the Chief be directed to prepare a 2006 budget based on a 6% increase over the 2005 approved police budget.”

Data Support:

The tendered Annual Business Plan Budget for 2006 meets the direction of a 6 % increase over the 2005 net expenditure of \$112.3 million.

The 2006-2010 5 Year Forecast also meets the guidance set out above.

Statement of Compliance:

I therefore report compliance with this provision.

Vern White
Chief of Police