

To: Toronto Public Library Board – June 9, 2003

From: City Librarian

Subject: **Financial Control Policy**

Purpose:

To establish a policy which provides for Toronto Public Library Board delegation of authority to senior Library staff to manage the financial affairs of the Library, which includes budget approval, procurement of goods and services, award of contracts, authorization for commitments, approval for payments, write-off of bad debts and control over further delegation of authorities.

Funding Implications and Impact Statement:

There are no direct financial implications resulting from adoption of this policy.

Recommendation:

It is recommended that the Toronto Public Library Board adopt the *Financial Control Policy*, provided as Attachment 1 to this report.

Background:

This policy replaces the Library's Interim Financial Control Policy (Motion #98-88; Dated May 25, 1998) and the Purchasing Policy (Motion #00-144; Dated October 2, 2000). Those policies were designed to meet the immediate needs of the new Library upon amalgamation. This new policy is a more comprehensive document, reflecting post-amalgamation experience, the evolution of the administrative and political relationship between the Library and the City, and the development of related policies in the Library and at the City.

The Toronto Municipal Code, Chapter 195 (Purchasing By-law) and Chapter 71 (Financial Control By-law) provide the legal authority delegated by Council for these activities in the City.

Comment:

The consolidation of the Purchasing Policy with the Interim Financial Control Policy is a logical step, resulting in a single policy with the authorities for all stages of the financial processes including budget approval, procurement, award of contracts, authorization of commitments and approval of payments. Where appropriate, the language and policies in the Library's Financial Control Policy mirror those contained in the City's policies.

This Financial Control Policy has been prepared in consultation with City of Toronto legal counsel. This policy has also been reviewed by the Auditor General and City finance staff.

Sub-article 6.2 sets the City Librarian's award and commitment level at \$500,000 which is the same level as that of a Department Head at the City. For the Treasurer, the limit is \$250,000 and for Directors, \$100,000. The authorized levels have been established at levels consistent with staff at the City, and incorporates new authorizations for the Library Treasurer.

Article 13 of the policy provides control over the further delegation of authorities granted under this policy; the authority to award contracts and transfer budgets cannot be delegated.

The sale or disposal of surplus equipment and library materials will continue to be executed under the terms contained in the former Purchasing Policy. A new policy covering the sale or disposal of surplus equipment and library materials will be submitted to the Board for approval before the end of 2003.

The City is currently reviewing its procurement processes and changes may be forthcoming. Library staff are closely monitoring the situation and will bring any significant changes that are relevant to the Library to the Board for approval.

A brief presentation on this Financial Control Policy will be made at the Library Board meeting.

Conclusion:

Adopting the Financial Control Policy will allow Library staff to conduct the financial affairs of the Library in a controlled, effective and efficient manner.

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City Librarian

List of Attachments:

Attachment 1: Financial Control Policy