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## Municipality of Cumberland Policy 96-01

### Budgeting and Budgetary Control Policy

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The Municipality of the County of Cumberland is required by Section 72 of the Municipal Government Act to prepare annual estimates of expenditures and revenues.

A sound budget policy and related procedures will ensure that the objectives of budgeting are fulfilled and assist in providing assurance to the public that Council is meeting its financial responsibilities in managing resources entrusted to it.

Council therefore recognizes the requirement, objectives, and advantages of preparing annual operating, capital, and reserve fund budget as a means of expressing its priorities, plans, and objectives in formal quantitative terms.

Council's objectives in budgeting are to:

1. Communicate to all stakeholders Council's operational and capital plans for the next fiscal year;
2. Coordinate all of the objectives and services of Council by integrating the objectives, priorities, and needs of the various functions;
3. Provide budget managers with an effective way to formalize operational and capital acquisitions planning;
4. Ensure that managers give short and long term planning a priority among their duties, and
5. Provide a financial plan for comparison and evaluation.

Effective and efficient budget control requires that detailed periodic comparison between budgets and actual results be performed with explanations and rationale for variances provided. The means for accomplishing this is through periodic standardized financial reports.

#### **Basis For Budget Preparation**

The process for the preparation, review, and approval of the annual budget is based on the following:

- a) Input from council members and administrative staff, including a review of the implementation of the previous year budget process;
- b) Consideration of significant factors that may impact on budgets, including

- changes in service delivery, fiscal constraint, etc., and
- c) Budget preparation, authority, and control responsibilities as set out in Council approved position descriptions.

**Budget Process**

- a) Council communicates its priorities, through the Chief Administrative Officer to budget managers and the appropriate committees, based on a review of current and anticipated changes in service delivery levels, long range planning, and current and future fiscal constraints;
- b) Appropriate and complete information will be fully documented and communicated to budget managers. This information will include the following:
- i) Council priorities and initiatives, as identified in a) above;
  - ii) Responsibility for budget preparation, authority, and control;
  - iii) Specific budget preparation guidelines, and
  - iv) Budget preparation worksheets that include financial information regarding the previous year budgeted and actual expenditures;
- c) Budget managers will submit preliminary budgets to the Chief Administrative Officer for review and consultation;
- d) The Chief Administrative Officer will submit the preliminary budgets to Council for review and consultation;
- e) The individual and total preliminary budget will be submitted to Council for further review and consultation. Council has the responsibility to review, assess, and compare the total preliminary budget to Council priorities and known funding amounts, and formulate various options to finalize a balanced budget.
- f) Council considers the various options required to finalize a balanced budget and has the final decision making authority. Council has the discretion to further consult with staff and the public in its decision making process;
- g) The approved budget is communicated to the public and budget managers.

Clerk's Annotation For Official Policy Book

Date of Notice to Council Members  
of Intent to Consider [7 days minimum]: \_\_\_\_\_

Date of Passage of Current Policy: \_\_\_\_\_

I certify that this Policy was adopted by Council as indicated above.

\_\_\_\_\_  
Municipal Clerk

\_\_\_\_\_  
Date