

# Administrative Procedure

## Expenditure Accountability Framework

This procedure falls under the **Financial Administration and Control Administrative Directive, number A1206**.

**Date of Approval:** June 21, 2017

**Next Scheduled Review:** June 21, 2020

**Effective Date:** October 1, 2017

### **Purpose:**

The purpose of this procedure is to prescribe the roles of employees accountable for financial transactions, and the limits applicable to each role. In addition, this procedure prescribes processes to be followed to approve payments of City money.

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### **Definitions**

All definitions contained in the [Financial Administration and Control Directive](#) apply to this procedure.

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### **Procedures**

#### *Roles*

##### *1 Senior Expenditure Officer*

Branch Managers will act as the senior expenditure officer for their branch(s).

Senior expenditure officers are accountable for all payments made from their assigned cost centres, and must ensure compliance with this procedure. They provide strong financial controls, oversight, and financial management of their approved budget.

Senior expenditure officers have the the responsibility and accountability for the financial control environment. These responsibilities include:

- accountability for all transactions;
- compliance monitoring; and
- program financial management, including appointing a sufficient number of expenditure officers.

The Branch Manager, Financial Services will maintain a list of all senior expenditure officers.

##### *2 Expenditure Officer*

Each senior expenditure officer will appoint a sufficient number of expenditure officers. Expenditure officers may, if appropriate for business operations, authorize an employee as their proxy to approve certain payments on behalf of the expenditure officer, up to the maximums defined in the Corporate Accountability Matrix. If a proxy is appointed, the expenditure officer remains accountable for all payments approved by the proxy as if the expenditure officer had personally approved the payment.

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When appointing an expenditure officer or proxy, the senior expenditure officer or expenditure officer must provide all of the following to the Branch Manager, Financial Services:

- the name of the employee appointed and their position title;
- the limits of the expenditure officer's or proxy's authority; and
- if required, a copy of the employee's signature.

The Branch Manager, Financial Services, must maintain a list of all expenditure officers and proxies and their assigned limits.

An expenditure officer, or their authorized proxy, may review and approve payments, or the commitment of City money, up to the limits of the approved branch budget, and are specifically responsible for the authorization and certification of expenditures. By approving a payment, or commitment, or by authorizing a proxy to approve a payment or commitment, the expenditure officer is accountable to ensure the following:

- sufficient funds are available within an approved budget;
- the goods, services, construction, or intellectual property rights billed have either been received or the disbursement is in accordance with the applicable agreement, legislation, or policy, or a commitment of funds is required for a potential contract, following a procurement process;
- the payment is appropriate and being made in accordance with all applicable City policies and procedures;
- the payment amount is correct;
- the invoice or other obligation has not previously been paid;
- the financial coding for the payment is appropriate;
- the payment is being made to a person that is entitled to the payment (e.g. payments should not be made to subcontractors who are not party to an agreement with the City);
- appropriate documentation for the payment has been received by the City and will be retained in accordance with the applicable City records retention schedule.

When approving a payment or commitment of City money, the expenditure officer or proxy must include their name, position title, and if appropriate, signature.

An expenditure officer or a proxy must not, in any circumstance, approve payments, or the commitment of funds, where the expenditure officer or proxy is also responsible for receiving the goods, services, construction, or intellectual property rights.

An expenditure officer or proxy must not, in any circumstance, approve payments, or the commitment of funds, to themselves or their immediate family.

### 3 Accounting Officer

An accounting officer may review any payment or commitment, and must review and approve all

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payments or commitments over \$5,000,000, that have been approved by an expenditure officer or proxy. In reviewing a payment or commitment, the accounting officer confirms that:

- the appropriate expenditure officer has approved the payment, or, if approved by a proxy, that the proxy had sufficient authority to approve the payment;
- the payment is authorized or consistent with the approved budget from which it will be paid; and
- if a risk-based sampling approach has been used by the accounting officer, it is appropriately documented.

An accounting officer must not, in any circumstance, review payments, or the commitment of funds, where the accounting officer is also responsible for receiving the goods, services, construction, or intellectual property rights.

An employee must not act as both an accounting officer and expenditure officer or proxy in relation to the same payment.

The Branch Manager, Financial Services must appoint a sufficient number of accounting officers, as well as a sufficient number of alternates. In the event an accounting officer or alternate is not available or unable to review a payment, or commitment of funds, the Branch Manager, Financial Services or Chief Financial Officer must review the payment.