

Report to/Rapport au :

**OTTAWA PUBLIC LIBRARY BOARD  
CONSEIL D'ADMINISTRATION DE LA BIBLIOTHÈQUE PUBLIQUE D'OTTAWA**

**May 12, 2014  
Le 12 mai 2014**

**Submitted by/Soumis par : Danielle McDonald  
Chief Executive Officer / Directrice générale**

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**SUBJECT: Monitoring Report: A.3 Financial Planning and Budgeting**

**OBJET : Rapport de contrôle : A.3 Planification financière et établissement du budget**

**REPORT RECOMMENDATION**

**That the Ottawa Public Library Board receive this report for information.**

**RECOMMANDATION DU RAPPORT**

**Que le Conseil de la Bibliothèque publique d'Ottawa prenne connaissance de ce rapport à titre d'information.**

Executive Limitations Policy A3 Financial Planning and Budgeting was approved by the Board on February 25, 2002 and was last revised on September 12, 2011. It states:

*Budgeting for any fiscal period or the remaining part of any fiscal period shall align with the Board Ends priorities, be fiscally prudent and show a generally acceptable level of foresight.*

*Accordingly, the CEO shall allow budgeting which:*

- 1. Contains sufficient information to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.*

The Financial Services Unit (FSU) provides regular quarterly status reports on operations and capital to the Library Board for information. The FSU Account Manager provides OPL Division financial reports to senior management which are reviewed monthly at senior management meetings. OPL senior management uses these monthly reports as a tool to adjust spending directives and approaches throughout the corporation based on year-end financial projections. In 2012, all managers received refresher training on using the financial tools to access reports to review and monitor all necessary budget information at their disposal. As new managers are hired, they too undergo a series of training modules with our Financial Services colleagues to understand how to run, read and analyze reports. Close monitoring of the budget ensured a surplus by 2013 year's end.

I report compliance.

- 2. Provides adequate information to support a full line program budget presentation.*

The Library budget is prepared in line-by-line detail and is available on request for a full line and/or program budget presentation. The FSU, in conjunction with Library management, regularly monitors and reviews budget detail on a monthly basis.

I report compliance.

- 3. Plans the expenditure in any fiscal year of less funds than are conservatively projected to be received in that period.*

All Library budgets are planned with expenditures and revenues to balance to a zero net expenditure. Any expenditure that falls outside of the budget is brought forward by staff to the Board and/or City Council for approval. In 2013, the net operating expenses were \$418,454 under budget with revenue under budget by \$80,801 at year-end as reported to the Board.

I report compliance.

4. *Presents comprehensive capital and operating budgets to the Board in accordance with approved City of Ottawa Council guidelines.*

All financial information provided to the Board adheres to approved City of Ottawa and Council guidelines.

I report compliance.

5. *Ensures that there is sufficient cash flow to maintain the current assets and operations at all times.*

In 2013, there was no requirement to reduce assets.

I report compliance.

6. *Maintains sufficient resources for Board prerogatives, such as costs of fiscal audit, external reporting to the public and external bodies, Board development, Board and committee meetings, and Board legal fees.*

In 2013, all resources were provided for Board prerogatives. The Board's operating budget was 54.9% spent.

I report compliance.

7. *Reports on a quarterly basis all contract expenditures, valued at more than \$10,000 and less than \$100,000, awarded by the Ottawa Public Library.*

All purchase orders issued by the Library greater than \$10,000 are issued by the City's Supply Management Division, ensuring all purchasing policies and procedures have been met.

In accordance with this policy, a list of contracts valued at more than \$10,000 and less than \$100,000, awarded in each quarter of the fiscal year is reported in the

subsequent Quarterly Financial report to the Board. In July 2013, the Board increased the CEOs delegated spending authority to \$150,000. As a result, subsequent financial reports were modified to report on all contracts up to \$150,000 for the balance of the year.

I report compliance.

I hereby present my monitoring report on Executive Limitations Policy A.3, Financial Planning and Budgeting. I certify that the information contained in this report is true.

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

Danielle McDonald  
Chief Executive Officer