

Codiac Regional Policing Authority

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Category: Financial Oversight
Subject: Financial Oversight by CRP Authority
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Framework

Police Act

Section 17.05(3) of the Police Act provides that the Codiac Regional Policing Authority (CRPA) must establish an accounting system for revenues and expenditures and shall annually appoint an auditor and the provisions of Section 79 of the Local Governance Act respecting audits apply with the necessary modifications to the CRPA and the auditor appointed by the CRPA.

Municipal Agreement

Section 5(1) of the Agreement between the City of Moncton, the Town of Riverview and the City (then Town) of Dieppe dated April 9, 2001 (the Municipal Agreement) provides that the CRPA shall, by liaison with the Commanding Officer, Codiac RCMP (referred to as the Officer in Charge (OIC)) monitor accommodation, equipment and support staff requirements and maintain their adequacy in accordance with the Municipal Agreement and the Regional Police Service Agreement (RPSA).

Pursuant to Section 4(1) of the Municipal Agreement, the three municipalities are responsible for funding the CRPA in accordance with a cost-sharing formula set out in the Municipal Agreement.

Section 4(5) of the Municipal Agreement provides that if the CRPA completes a fiscal year with surplus funds, they will be applied to the ensuing year's budget thereby reducing the contribution of the Municipalities on a pro rata basis.

In the event that the CRPA completes a fiscal year with a deficit, the budget for the ensuing year shall account for same.

Pursuant to Section 7 of the Municipal Agreement, the administration, accounting and payment of all invoices and expenses of the CRPA shall be carried out by the City of Moncton. Upon receipt of invoices from the CRPA, Moncton shall, in turn, invoice Riverview and Dieppe for their respective shares, which invoices must be paid within 30 days of receipt.

Regional Police Services Agreement (RPSA)

The parameters for revenues, expenditures and capital investment are set out in the RPSA. The Agreement provides detailed formulas for calculating the cost of the contracted police service. It also details potential amortizations or buy-outs of equipment. The Agreement also describes who is responsible for maintenance and repairs of physical facilities and the responsibilities for capital investments over time.

Policy

(a) Financial Management

The OIC shall ensure that:

- a) The expenditure of funds in any given year shall not exceed what is available in the approved budget for the year. Should special circumstances necessitate the expenditure of funds beyond what is available in the approved budget, it shall be reported to the CRP Authority at the earliest opportunity.
- b) Any specifically designated Long-Term Reserves and Reserve Funds are not used for any other than the intended purpose.
- c) Government-ordered payments or filings are filed within the required timeframes. **[What about Support Staff?]**
- d) In cooperation with the City of Moncton Accounts Receivable Department, receivables are reviewed and pursued according to organizational collection practices.

The CRP Authority has an arrangement with the City of Moncton whereby the City provides support services such as IT support, finance, payroll, **telecommunications, victim and support services**, HR support and general administration services to the CRP Authority in exchange for an annual administration fee equal to 3% of CRPA's total budget. ***This administration fee does not include rent.*** *[Note: As of March 2021, the CRP Authority intends to enter into a Service Agreement with the City of Moncton for these services.]*

There is a designated financial analyst for the CRP Authority who is employed by the City of Moncton. The analyst reports to the Director of Strategic Planning and Police Support Services (Director – SPPSS), another City of Moncton employee who plays a critical support role for the CRP Authority. The Director-SPPS is responsible for ensuring that a succession plan is in place for the financial analyst.

The analyst reviews all invoices against the RPSA formulae to ensure that the CRP Authority is not being overcharged.

(b) Financial Oversight

The OIC is expected to monitor expenses monthly and take appropriate corrective action, if required. The OIC is also expected to ensure that timely and accurate financial reports, including year-end projections, are provided to the CRP Authority on a quarterly basis. [What about monitoring budget for Support Staff?]

The CRP Authority exercises financial oversight by:

- Approving the Annual Performance Plan for the Codiac Regional Police Service (CRPS) and related annual budget (the latter is also subject to the approval of the three municipal councils (or the Minister of Public Safety in the event of disagreements)
- Approving the multi-year financial forecast for the CRPS that is updated annually
- Ensures that controls are in place to ensure that invoices for contracted police services submitted to the CRP Authority by the RCMP [and the City of Moncton for Support Staff?] are in keeping with the direct and indirect costs delineated in the RPSA
- Monitoring, through its Finance Committee, actual expenditures and revenues against budget on a quarterly basis
- Reviewing, on a quarterly basis, a financial report from the City of Moncton that includes budget variances with explanations and year-end forecasts
- Requesting and reviewing accountings regarding specific cost drivers such as overtime
- Reviewing and approving annual audited financial statements
- Appointing an independent auditor to review the CRP Authority's financial statements that are prepared by the City of Moncton

(c) Financial Reporting by CPR Authority

Section 17.05(2) of the *Police Act* requires that the CRP Authority provide

(a) to the municipalities, at intervals set by the Municipal Agreement or on the request of one of the parties to the Agreement after reasonable notice, or

(b) to the Minister of Environment and Local Government on request after reasonable notice,

a report showing the current financial position of the police service as compared with its budget.

