

PROVINCE OF QUEBEC
MUNICIPALITY OF THORNE

BY-LAW NUMBER 2024-08

**DECREERING THE RULES FOR BUDGETARY CONTROL AND
MONITORING**

REGULAR MEETING held on December 10, 2024, in accordance with the provisions of the *Municipal Code of Quebec*, under the chairmanship of: Karen Kelly

to which are present: R. Blaskie, M. Bean, R. Wills, D. Stafford, N. Charette, J. CoursoI

WHEREAS under the second paragraph of article 960.1 of the *Municipal Code of Quebec*, Council must adopt a by-law regarding budgetary control and monitoring;

WHEREAS this by-law must stipulate, among other things, the means used to guarantee the availability of credits prior to any decision authorizing an expenditure, which means may vary depending on the authority granting the expenditure authorization or the type of planned expenditure;

WHEREAS in accordance with the second paragraph of article 165.1 of the *Municipal Code of Quebec*, an employee commitment has effect only if, in accordance with the by-law adopted under the second paragraph of article 960.1, credits are available for this purpose;

WHEREAS under article 961 of the *Municipal Code of Quebec*, a by-law or resolution of the council authorizing an expenditure is only effective if, in accordance with the by-law adopted under the second paragraph of article 960.1, credits are available for the purposes for which the expenditure is projected;

WHEREAS under the fourth paragraph of article 961.1 of the *Municipal Code of Quebec*, an authorization to incur expenses granted by virtue of a delegation has no effect unless, in accordance with the by-law adopted in accordance with the second paragraph of article 960.1, credits are available for this purpose;

WHEREAS article 176.4 of the *Municipal Code of Quebec*, and the fifth paragraph of article 961.1, provide for the terms and conditions of reporting to council for the purposes of budgetary control and monitoring;

It is proposed by D. Stafford
Supported by M. Bean and resolved:

That the by-law bearing number 2024-08 be and is adopted by the council and that the following be stated and decreed by this by-law.

The above preamble forms an integral part of the by-laws.

DEFINITIONS

“Municipality”:	Municipality of Thorne
“ Advice ” :	Municipal Council of the Municipality of Thorne
“Director general/ clerk-treasurer”:	Principal official that the municipality is obliged to have and whose role is automatically held by the clerk-treasurer under article 210 of the <i>Municipal Code of Quebec</i> . Under this by-law, the terms Director General or clerk-treasurer are used without distinction and designate the same person.
“ Exercise ” :	Period between January 1 and December 31 of any given year.
“Delegation rules”:	Rules provided for in this by-law by which the council delegates to municipal officers or employees the power to authorize expenses and enter into contracts on behalf of the municipality, under the first and second paragraphs of article 961.1 of the <i>Municipal Code of Quebec</i> .
“Budget variation rules”:	Rules setting the limit of permitted budget variations and the terms of budget transfer.
“Budgetary activity manager”:	Official or employee of the municipality responsible for a budget envelope entrusted to him, which includes any budget envelope that is under the responsibility of a direct report.

SECTION 1 - OBJECTIVES OF THE BY-LAW

Article 1.1

This by-law establishes the rules for budgetary control and monitoring that all relevant municipal officials and employees must follow.

More specifically, it establishes the rules of responsibility and operation required to ensure that any expense to be incurred or carried out by an officer or employee of the municipality, including the hiring of an employee, is duly authorized after verification of the availability of the necessary credits.

This by-law applies to any appropriations attributable to financial or investment activities of the current fiscal year that the council may adopt by resolution or by-law.

Article 1.2

This by-law also establishes the rules for budgetary monitoring and reporting that the clerk-treasurer and those responsible for budgetary activities of the municipality must follow.

Article 1.3

In addition, the present by-law establishes the rules for the delegation of spending authorizations granted by council pursuant to the first and second paragraphs of article 961.1 of the *Municipal Code of Quebec*.

SECTION 2 – BUDGET CONTROL AND MONITORING PRINCIPLES

Section 2.1

The funds required for the financial and investment activities of the municipality must be approved by the council prior to being allocated for the associated expenditures. This approval of funds takes the form of a vote on the credits, expressed through one of the following means:

- adoption by the council of the annual budget or a supplementary budget,
- the adoption by the council of a loan by-law,

- the adoption by the council of a resolution or by-law by which appropriations are allocated from surplus revenues, accumulated surplus, financial reserves or reserved funds.

Article 2.2

Before any expense be incurred, it must be duly authorized by the council, an authorized municipal officer or a budgetary activity manager in accordance with the delegation rules prescribed in section 3, after verification of the availability of the necessary appropriations.

Article 2.3

Any officer or employee of the municipality are responsible for applying and respecting this by-law as far as they are concerned.

Any person responsible for budgetary activity must comply with this by-law when authorizing an expenditure falling under his or her responsibility before it is incurred or carried out. It can only authorize expenditure falling within d competence and only commit the credits provided for in its budget for the purposes for which they are allocated.

SECTION 3 – DELEGATION AND BUDGETARY VARIATION POLICY

Article 3.1

The council delegates its spending authorization power as follows:

- any person responsible for budgetary activity may authorize expenditures and enter into contracts in the name of the municipality on the condition that they only commit the municipality's credit for the current financial year and within the limits of the budgetary envelopes under their responsibility. The following authorization is, however, required when the amount of the expenditure or contract in question is within the range indicated:

Fork	Authorization required	
	In general	In the specific case of expenses or contracts for professional services
\$0	Budget activity manager	General manager
\$5,001	General manager	Advice
\$25,001	or more Advice	Advice

- the delegation does not apply to an expenditure commitment or a contract extending beyond the current financial year. Any such commitment or contract must be authorized by the council. The amount subject to its authorization must cover commitments extending beyond the current financial year;
- The engagement of any civil servant or employee who is an employee within the meaning of the Labor Code (LRQ, cC-27) is permitted by the director general under article 165.1 of the Municipal Code of Quebec. However, if the commitment of the official or employee has effect for more than one financial year, a certificate from the director general or the clerk-treasurer indicating that there are sufficient appropriations for this purpose must be produced for the part of the expenditure which will be carried out during the first financial year and then at the beginning of each financial year during which the commitment has effect.

Article 3.2

The limit of budget variation permitted per budget item during a financial year is set at 3%. It is the clerk-treasurer who can make the appropriate budget transfers.

SECTION 4 – GENERAL TERMS OF BUDGETARY CONTROL AND MONITORING

Article 4.1

Any expenditure authorization, including that emanating from the council itself, must be the subject of a certificate from the clerk-treasurer attesting to the availability of the necessary credits. The clerk-treasurer may issue this certificate at the beginning of the fiscal year for the expenses provided for in the budget at the time of its adoption or following its adoption. However, specific certificates must be issued during the financial year for expenses not already provided for in the initial budget and which require an additional budget or the allocation of credits by the council.

Article 4.2

Apart from the fact that the expenses planned in the budget have been the subject of a certificate from the clerk-treasurer at the start of the financial year, each person responsible for budgetary activity, or the clerk-treasurer, where applicable, must check the envelope budget still available before authorizing, or having authorized by the council, expenditures during the financial year. To do this, we refer to the accounting registers in force in the municipality if not to the clerk-treasurer himself.

Article 4.3

If verification of the available budget envelope demonstrates a budgetary insufficiency exceeding the budgetary variation limit provided for in article 3.2, the person responsible for budgetary activity, or the clerk-treasurer or the general director where applicable, must follow the instructions provided in 7.1.

Section 4.4

An official or employee who is not responsible for budgetary activity cannot authorize any expenditure whatsoever. He may, however, incur or carry out an expense, which has been duly authorized in advance, if he has received the mandate or if his job description so provides.

If, for urgent purposes, an official or employee must incur an expenditure without authorization, he must subsequently notify the person responsible for the budgetary activity concerned as soon as possible and provide him with the statements, invoices or receipts in question.

Section 4.5

The general director is responsible for keeping these by-laws up to date. He must present to the council for adoption, if necessary, any proposed modification of the said by-law which proves necessary to adapt it to new circumstances or to a legislative change affecting it.

The general manager is responsible for ensuring that adequate internal controls are put in place and maintained to ensure the application and compliance of the by-law by all officials and employees of the municipality.

SECTION 5 – COMMITMENTS EXTENDING BEYOND THE CURRENT YEAR

Article 5.1

Any authorization of an expenditure commitment which extends beyond the current financial year must first be subject to a verification of the appropriations available for the portion attributable to the current financial year.

Article 5.2

When preparing the budget for each financial year, the clerk-treasurer must ensure that the appropriations necessary for expenses incurred previously to be allocated to the financial activities of the financial year are correctly provided for in the budget.

SECTION 6 – SPECIAL EXPENSES

Article 6.1

Some expenses are of a particular nature, such as:

- electricity, heating and telecommunications expenses, which are paid upon receipt of the invoice;
- expenses inherent to the application of collective agreements or related to working conditions and basic salary;
- commitments relating to future employee benefits;
- expenses relating to compliance with environmental standards prescribed by governments or their ministries;
- the shares of intermunicipal authorities and supramunicipal organizations;
- expenses relating to intermunicipal agreements;
- expenses relating to agreements with different ministries or public or parapublic companies;
- accounting provisions and allocations;
- the insurance;
- contracts for goods and services;
- contributions to the provincial government or its corporations for various services such as Sûreté du Québec, registration, leases, etc.;
- the contributions necessary to cover the deficits of the organizations included in the accounting perimeter and the share of the deficits of the partnerships in which the municipality participates.

When preparing the budget for each financial year, each responsible budgetary activity responsible must ensure that his or her budget covers the specific expenses for which he or she is responsible. The municipal clerk-treasurer must ensure that the appropriations necessary for these particular expenses are correctly provided in the budget.

Article 6.2

Although the specific expenses referred to in article 6.1 do not lend themselves to a priori control, they are subject, like any other expense, to the budgetary monitoring and reporting rules prescribed in section 7 of this by-law.

Article 6.3

When an unforeseen situation arises, such as the conclusion of an out-of-court agreement or a new collective agreement, the clerk-treasurer must ensure that the required additional appropriations are provided. He may make appropriate budgetary transfers if necessary, in agreement with the Director General if necessary.

SECTION 7 – BUDGETARY MONITORING AND REPORTING

Article 7.1

Any person responsible for budgetary activity must regularly monitor their budget and immediately report to the clerk-treasurer as soon as they anticipate a budgetary variation going beyond the limit provided for in article 3.2. He must justify or explain in writing any unfavorable budgetary discrepancy observed or anticipated and, if necessary, submit a request for a budgetary transfer.

If the budget variation cannot be resolved by budget transfer, the municipal clerk-treasurer must inform the council and, if applicable, submit to it for adoption a supplementary budget proposal for the additional credits required.

Section 7.2

As prescribed by article 176.4 of the *Municipal Code of Quebec*, the clerk-treasurer must prepare and submit two comparative statements at the last regular meeting of the council held at least four weeks before the meeting or the budget for the following financial year must be adopted.

In the first comparative statement, the income and expenses realized until the last day of the month which ended at least 15 days before that in which the report is filed are compared with those which were realized during the corresponding period of the previous financial year.

In the second comparative statement, the revenues and expenses expected to occur for the current financial year, at the time of preparation of the statement and according to the information then available to the clerk-treasurer, are compared with those which have been provided for in the budget for this financial year. This comparative statement covers twelve months because anticipated revenues and expenses for the remaining period of the financial year are included.

During a general election year within the municipality, the two comparative statements are tabled at the latest during the last regular meeting held before the council ceases to sit in accordance with section 314.2 of the *Act respecting elections and referendums in municipalities* (RLRQ, c. E-2.2).

Article 7.3

In order for the municipality to comply with article 176.5 and the fifth paragraph of article 961.1 of the *Municipal Code of Quebec*, the clerk-treasurer must also prepare and periodically submit to the council at a regular meeting a report of the expenses authorized by any person responsible for budgetary activity within the framework of the delegation permitted in article 3.1. This report may consist of a list of disbursements made. It must at least include all transactions previously carried out within 25 days before its filing, which had not already been reported.

SECTION 8 – ORGANIZATIONS CONTROLLED BY THE MUNICIPALITY

Section 8.1

In the case of a given organization included in the accounting perimeter of the municipality under recognized control criteria, the council may decide that the rules of this by-law apply to this organization when the circumstances lend themselves to it, by making the necessary adaptations.

In such a case, the general director is responsible for ensuring that the convention or understanding governing the relationship between the controlled body in question and the municipality refers to the observance of the principles of this by-law deemed relevant and to the terms adapted applicable.

SECTION 9 – REPEAL / COMING INTO FORCE.

This by-law replaces and repeals any previous by-law relating to the same subject.

This by-law will come into force in accordance with the law.


Karen Daly Kelly, Mayor


Stacy Lafleur, Director General

Notice of motion : November 12, 2024
Project submitted on: November 12, 2024
Adoption : December 10, 2024

