

ITEM	SUPPLEMENTARY	8
MANAGER'S REPORT NO.		39
COUNCIL MEETING	1983 05 30	

RE: CORRESPONDENCE FROM TOUCHE ROSS & CO.

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER
1983 May 26

FROM: DIRECTOR FINANCE
File: A82

RE: CORRESPONDENCE FROM TOUCHE ROSS & CO.
Dated 1983 May 18

RECOMMENDATIONS:

1. THAT this report be received for information purposes; and
2. THAT a copy be sent to the Inspector of Municipalities.

SUMMARY

This report discusses the letter from Touche Ross & Co. which is on the agenda and explains the overexpenditures, referred to in that letter.

BACKGROUND

On the agenda 1983 May 30, there is a letter from our external auditors, Touche Ross & Co. concerning some budget items which were overspent during 1982. As pointed out by the auditors, there is no overexpenditure in total, but some line items are overexpended when actual results for the year are compared with the 1982 Recast Budget.

Each year the auditors report on the financial position of the Corporation and the results of its operation for the year. In addition to that reporting function they have a further statutory obligation to report separately each disbursement, expenditure, liability or other transaction which in their opinion lacks proper authority under an Act, By-law or Resolution. In this case they are reporting that at the detail line item level, of the documentation that was attached to our 1982 Recast Budget by-law, there are five accounts that were overspent at that detail level.

In past years the auditors have not reported overexpenditures at this level because a final recast budget by-law was brought down at the end of the year which modified all budget estimates to actual expenditures for the year.

CHANGE IN PROCEDURE

For 1982, in consultation with the auditors, such a by-law was not brought down. While in past years a budget by-law was drawn after year end which adjusted our estimates to actual, there was still concern by the auditors that the process approved expenditures retroactively.

In 1983 the schedules attached to the budget by-law were not taken to the same level of detail as in 1982 in order to prevent a reoccurrence of this situation in future years.

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Overexpenditure - Explanation

The overexpenditures for the Council and Manager accounts are a composite of many expenditure accounts. The attached schedule shows the detail. In both cases funds to finance the overexpenditure were provided from the general operating contingency.

Capital overexpenditures explanations are:

Waterworks - \$17,360.00 - More service connections were installed than had been budgeted. These connections are paid for by the applicants, and revenue was up accordingly.

Justice Building - \$6,068.00 - This represents the cost of work related to skylights and the alarm system. While the work wasn't specifically budgeted as part of the original project, sufficient by-law funds were on hand to finance the work.


S.P.C.A. Building - \$6,382.00 - The original estimate was too low. Sufficient funds to finance the overexpenditure were provided from the general operating contingency.



Howard Karris
DIRECTOR FINANCE

cc. Touche Ross & Co.

MUNICIPAL COUNCIL

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	1982 Recast	1982 Actual	Variance
<u>Municipal Council</u>			
Benefits - Council	1,204	1,175.40	(28.60)
Mayor's Automobile	3,480	3,600.00	120.00
Travel and Conventions	14,300	11,852.15	(2,447.85)
U.B.C.M., F.C.M. and L.M.M.A. Dues	13,290	13,289.60	(.40)
Supplies	1,500	3,758.40	2,258.40
Civic Receptions and Miscellaneous	24,000	27,829.14	3,829.14
Kushiro	2,000	353.54	(1,646.46)
Training and Development	100	85.00	(15.00)
Salaries and Benefits	26,415	26,189.11	(225.89)
Council Indemnities	139,063	139,063.08	.08
Telephone	4,288	5,441.06	1,153.06
Municipal Hall Costs	27,345	27,277.00	(68.00)
90th Birthday Party	8,496	9,588.92	1,092.92
	<u>265,481</u>	<u>269,502.40</u>	<u>4,021.40</u>
<u>Grants and Publicity Committee</u>	<u>115,000</u>	<u>112,208.73</u>	<u>(2,791.27)</u>
<u>Other Committees and Boards</u>			
Traffic Safety Committee	13,000	11,336.98	(1,663.02)
Transportations Committee	1,600	1,385.00	(215.00)
Board of Variance	13,920	17,475.14	3,555.14
	<u>28,520</u>	<u>30,197.12</u>	<u>1,677.12</u>
<u>Consultants - Organizational Review</u>	<u>79,500</u>	<u>71,833.79</u>	<u>(7,666.21)</u>
<u>Information Burnaby</u>	<u>25,800</u>	<u>34,994.35</u>	<u>9,194.35</u>
<u>Souvenirs for Resale</u>	<u>4,500</u>	<u>5,712.32</u>	<u>1,212.32</u>
<u>Conferences</u>	<u>4,000</u>	<u>3,312.69</u>	<u>(687.31)</u>
	<u>522,801</u>	<u>527,761.40</u>	<u>4,960.40</u>
Reported Overexpenditure			

MUNICIPAL MANAGER

	1982 Recast	1982 Actual	Variance
<u>Managers Office</u>			
Office supplies	8,400	8,446.68	46.68
Transportation	3,626	3,641.91	15.91
Training and development	300	203.67	(96.33)
Salaries and benefits	170,181	168,577.58	(1,603.42)
Telephone	6,456	6,535.21	79.21
Municipal hall costs	13,455	13,422.00	(33.00)
Minor office equipment	0	5,734.13	5,734.13
Consultant - fire organization review	10,000	10,000.00	-
	<u>212,418</u>	<u>216,561.18</u>	<u>4,143.18</u>
<u>Staff Conferences</u>	<u>11,186</u>	<u>12,173.15</u>	<u>987.15</u>
<u>Word Processing</u>	<u>0</u>	<u>300.00</u>	<u>300.00</u>
	<u>223,604</u>	<u>229,034.33</u>	<u>5,430.33</u>
Reported Overexpenditure			

(1) This is a late charge relating to word processing equipment purchased in 1981.

