

Administrative Directive

Financial Administration and Control

Number: A1206

Date of Approval: June 21, 2017

Effective Date: October 1, 2017

Department: Financial and Corporate Services

Next Scheduled Review: June 21, 2020

Statement of Directive:

The City of Edmonton is committed to the sound stewardship of financial resources. To this end, the City will ensure that there are efficient and effective tools, processes, practices, and measures for financial administration and control. This supports the effective, appropriate, transparent, and economic use of City money.

Financial administration and control includes all aspects of financial administration including:

- the receipt, handling, and disbursement of City money;
- oversight, management, and financial reporting; and
- the management of program expenditures within approved budgets.

Financial administration and control ensures that City money is well-managed, adequately controlled, and spent only as approved. Financial administration also ensures that accurate information is available for decision-making and the risk of loss, misappropriation, or theft is minimized.

Purpose:

The purpose of this directive is to establish guiding principles, procedures, and processes for financial administration and control to ensure the City follows best practices when handling City money.

Application:

This directive applies to any person who reports to the City Manager or City Auditor and provides services to the City of Edmonton under a contract of employment, contract for the provision of personal services, or in the capacity of agent, student, or volunteer.

Accountability:

Department, branch and section leadership bear primary responsibility for ensuring that financial transactions are prudent and that employees within their area exercise good judgement in determining their propriety. Employees who are responsible for managing program delivery within budgetary allocations are responsible for the financial transactions and results of that program or project including compliance with the financial controls in this directive and its accompanying procedures.

- An employee must not make a payment of City money to an external party prior to approval from

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the appropriate expenditure officer in accordance with the [Expenditure Accountability Framework Procedure](#). Once a payment is approved, the employee must make the payment in accordance with the [Payment of City Money Procedure](#).

- Any employee that receives City money must comply with the [Handling of City Money Procedure](#).
- Any employee that handles petty cash, program cash, or floats must comply with the Imprest Funds Procedure.
- To be reimbursed for business expenses an employee must comply with the [Employee Business Expenses Procedure](#).

The Branch Manager, Financial Services may, if the circumstances of a financial transaction are not adequately addressed by the procedures accompanying this directive, approve exceptions in writing. Any exceptions must provide adequate financial control, appropriate authorization, and mitigate the risk of loss, misappropriation, or theft.

The City Manager, or designate, may conduct reviews, audits, or checks at any time without notice to ensure compliance with this directive, including its accompanying procedures.

Failure to comply with the provisions of this directive and its accompanying procedures could lead to appropriate corrective action, which may include discipline up to and including termination of employment.

Definitions:

Unless otherwise specified, words used in this directive and its accompanying procedures have the same meaning as defined in the [City Administration Bylaw, Bylaw 16620](#).

In addition:

- **“accounting officer”** means an employee who has the authority to review payments that have been approved by an expenditure officer pursuant to the [Expenditure Accountability Framework Procedure](#);
- **“City money”** means funds budgeted, owing, collected, received, or held by any person for the benefit of the City, or held by the City in trust or for any other person;
- **“corporate credit card (CCC)”** is an official City of Edmonton credit card used for City expenses per the Corporate Credit Card Operating Procedures;
- **“expenditure officer”** means the employee who is authorized to approve an expenditure pursuant to the [Expenditure Accountability Framework Procedure](#);
- **“payment”** means the payment (disbursement) of City money to another person typically using one of the following payment methods: cheque, electronic funds transfer, wire, corporate credit card transaction, or another approved settlement method; and
- **“senior expenditure officer”** means the Branch Manager accountable for overseeing compliance with the [Expenditure Accountability Framework Procedure](#) and responsible for financial control within their branch.

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Guiding Principles:

In carrying out their duties under the procedures accompanying this directive, or when acting in situations not explicitly addressed by an existing procedure, employees will be guided by the following principles:

- due diligence will be exercised in all situations; transactions will only be approved by employees that are knowledgeable about the circumstances of the transaction;
- expenditures must be reasonable, appropriate for the circumstance, and allowable for the funding source;
- financial transactions must be undertaken for the benefit of the City of Edmonton and not solely for personal benefit; and
- an appropriate segregation of duties must be maintained.