



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: January 28, 2020

Report Number: FS-2020-02

Subject: Financial Management Policy

Recommendations

It is recommended:

That Report No. FS-2020-02 Financial Management Policy **be received;**

And that the Financial Management Policy as appended to FS-2020-02 **be adopted.**

Background

The purpose of this policy is to provide decision-making guidance to allow for financial sustainability through changing conditions.

Financial sustainability is about being mindful of the financial well-being of future generations. It requires:

- Servicing of current needs of the municipality,
- Providing a strong foundation for future needs,
- Flexibility to meet unforeseen challenges and take advantage of opportunities as they arise.

Long-term financial planning aligns the Town's financial capacity with the Town's strategic priorities, vision and long-term service objectives.

Comments

The Financial Management Policy is divided into three sections:

- Goals and Objectives,
- Key Principles, and
- Financial Policy Framework.

Goals and Objectives

The policy has several goals and objectives, including:

- Providing reference to decisions involving the use of funds,
- Guiding policy creation,
- Ensuring financial operational activities are implemented as intended by Council,
- Setting forth principles to maintain financial stability and sustainability,
- Promoting sound financial management by providing accurate, timely, concise and relevant information on the Town's financial condition,
- Ensuring legal and effective use of financial resources through internal control systems,
- Protecting the ability to maintain a solid credit rating and meet debt obligations, and
- Defining roles and responsibilities related to financial management.

Key Principles

The foundation of the Financial Policy Framework is the set of overarching principles of responsible financial management. The principles outline the Town's basic philosophy on financial matters and align with the Town's strategic plan. The following principles apply to all decisions:

- Respect the taxpayer,
- Be transparent and accountable,
- Manage financial condition,
- Look and plan ahead,
- Manage assets for serviceability, affordability and longevity,
- Manage long term liabilities,

- Invest pragmatically, and
- Diversify revenues.

Financial Policy Framework

The Financial Policy Framework is guided by the Key Principles and consists of eight distinct elements. The elements categorize areas of financial management and include:

- Budget and Financial Planning,
- Revenues,
- Expenditures,
- Reserve and Reserve Funds,
- Asset Management Planning,
- Debt,
- Investment, and
- Accounting, Auditing & Financial Reporting.

Fundamentals, accountabilities and reference documents are identified for each element.

As this policy aligns with the Town's strategic priorities, it should be reviewed/updated by Council and Administration for each new term of Council at a minimum.

Consultations

Chief Administrative Officer
Lisa Armstrong Consulting

Financial Implications

There are no financial considerations to the implementation of this policy.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

**Attachment
Number**

**Attachment
Name**

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Financial Management Framework Policy