

<p>THE MUNICIPALITY OF THE COUNTY OF ANNAPOLIS POLICY AND ADMINISTRATION MANUAL</p>	<p>AM – 6.6.6</p>
<p>Section Financial Administration</p>	<p>Subject Signing Authorities Policy</p>

1. APPLICATION

The separation of duties is a powerful internal control. To increase the chance an error is caught before a transaction is complete and to ensure that decisions are not based on erroneous data, it is important to establish internal controls that prevent one person from controlling a process from start to finish. Given the number of employees at the County of Annapolis a complete separation of duties is not realistic. However, a clear policy around signing authority is one way to reduce the risk of error or fraud.

2. AUTHORITY FOR POLICY

Sub-sections 13(3); 16(4) and 31(2)(d)(i) of the *Municipal Government Act*

3. POLICY INTENT

To clarify internal control mechanisms relating to the signing of cheques or issuing of electronic funds transfers.

4. DEFINITIONS

In this Policy,

- (1) “CAO” means the County’s Chief Administrative Officer;
- (2) “County” means the Municipality of the County of Annapolis.
- (3) “Municipality” means the Municipality of the County of Annapolis.
- (4) “Person Responsible” means the person designated as having budget responsibility for a specific cost centre.

5. ADMINISTRATION AND GENERAL PROVISIONS

- (1) All expenditures in excess of \$5,000 shall be made by cheque or electronic funds transfers (i.e., not by credit card, cash, other tender types).
- (2) All cheques or electronic funds transfer payments lists shall be signed by two of the following designated signing authorities:
 - (a) the Warden;
 - (b) the Deputy Warden;
 - (c) the CAO;
 - (d) a Deputy CAO during a period that the CAO is absent, otherwise incapacitated or in a circumstance that would be a perceived as a conflict for the CAO to sign;
 - (e) the Municipal Clerk;
 - (f) the Deputy Municipal Clerk during a period that the Municipal Clerk is absent, otherwise incapacitated or in a circumstance that would be a perceived as a conflict for the Municipal Clerk to sign.
- (3) When being presented with cheques to sign or electronic funds transfers to approve, a signing officer shall also be presented with purchase orders or expenditure approvals initialed or signed by the Person Responsible for the cost centre to which the expenditure is to be assigned.

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(4) Upon approval for distribution of Electronic Funds Transfer by designated signing authorities, the Accounts Payable Clerk will upload the SAP payment file to the bank. A second staff member with bank access must then approve the file for release.

<p align="center">Municipal Clerk’s Annotation for Official Policy Book</p>	
<p align="center">I certify that this policy was adopted by Municipal Council as indicated below:</p>	
<p><i>Seven (7) Day Notice.....</i></p>	<p align="right"><i>Sept. 10, 2019</i></p>
<p><i>Council Approval</i></p>	<p align="right"><i>Sept. 23, 2019</i></p>
<p align="center"><i>Carolyn Young</i> Municipal Clerk</p>	<p align="center"><u>September 23, 2019</u> Date</p>
<p align="center">At <u>Annapolis Royal</u> Nova Scotia</p>	

Approved March 18, 2014

Amendments

April 18, 2017:

- included additional permission for a Deputy CAO to sign in circumstances that the CAO may be incapacitated or in a circumstance that would be a perceived as a conflict for the CAO to sign.

May 16, 2017:

- adding permission for the Senior Administrative Assistant to sign in circumstances that the Municipal Clerk may be absent, incapacitated or in a circumstance that would be a perceived as a conflict for the Municipal Clerk to sign.

May 21, 2019:

- In Section 3 added “or issuing of electronic funds transfers;”
- In Sub-section 5 (1) replaced “\$10,000” with “\$5,000;” and added “or electronic funds transfers;”
- In Sub-section 5 (2) added “or electronic funds transfer payments lists;”
- In Sub-section 5 (3) added “or electronic funds transfers to approve;”
- Added Sub-section 5 (4).

September 17, 2019:

- - In Sub-section 5 (2) (f) replaced “Senior Administrative Assistant” with “Deputy Municipal Clerk” to reflect changes to job title.