

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

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 cheques or electronic funds transfer payments lists shall be signed by:

One of the following elected officials:	AND One of the following staff:
<ul style="list-style-type: none"> • Warden • Deputy Warden 	<ul style="list-style-type: none"> • CAO; • Deputy CAO; • Clerk • Treasurer.

(2) In an exceptional or urgent circumstance, two staff members will be permitted to sign IF:

- (a) The expenditure is provided for in the budget OR the expenditure is an “out of budget” expense specifically provided for by council resolution; AND

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May 18, 2021:

- Amended by:

- Deleting in Sub-section 5(2)(d) “during a period that the CAO is absent, otherwise incapacitated or in a circumstance that would be perceived as a conflict for the CAO to sign”;
- Deleting in Sub-section 5(2)(e) “Municipal Clerk” and replacing with “Treasurer”; and
- Deleting Sub-section 5(2)(f) “the Deputy Municipal Clerk during a period that the Municipal Clerk is absent, otherwise incapacitated or in a circumstance that would be perceived as a conflict for the Municipal Clerk to sign.”

June 21, 2022:

- Amended by:

- Adding in Sub-section 5(2)(f) “the Manager of Finance.”

February 2023:

- Amended by:

- Deleted Sub-section 5(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).*” and re-numbered subsequent sections (this will be included in the Purchasing Policy and / or the Purchasing Card Policy when updated)
- Changes in following section – clarified signing by one elected official and one staff person
- Added new Sub-section 5(2) – clarified limited and exceptional circumstances that two staff persons may sign