



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.2.2
Halifax Regional Council
April 26, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Linda Mosher, Chair, Audit & Finance Standing Committee

DATE: April 15, 2016

SUBJECT: Tangible Capital Asset Accounting Treatment (CE020001 - Police Services Replacement Equipment)

ORIGIN

April 13, 2016 meeting of the Audit & Finance Standing Committee, Item No. 12.1.1.

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states "to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

It is recommended by the Audit & Finance Standing Committee that Halifax Regional Council approve an increase to Project Account CE020001 - Police Services Replacement Equipment in the amount of \$551,300 with funding from the approved Halifax Regional Police (HRP) 2015/16 Operating budget with no net change to the Project Budget

BACKGROUND

A staff report dated March 16, 2016 pertaining to Tangible Capital Asset Accounting Treatment (CE020001 - Police Services Replacement Equipment) was before the Audit & Finance Standing Committee meeting at its meeting held on April 13, 2016.

For further information please refer to the attached staff report dated March 16, 2016.

DISCUSSION

The Audit & Finance Standing Committee reviewed this matter at its meeting held on April 13, 2016 and forwarded the recommendation to Halifax Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated March 16, 2016.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated March 16, 2016

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521



P.O. Box 1749
Halifax, Nova Scotia
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Item No. 12.1.1
Audit & Finance Standing Committee
April 13, 2016

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY:

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed

Jean-Michel Blais, Chief of Police, Halifax Regional Police

DATE: March 16, 2016

SUBJECT: Tangible Capital Asset Accounting Treatment (CE020001 - Police Services Replacement Equipment)

ORIGIN

Preparation of the Financial Statements.

LEGISLATIVE AUTHORITY

Halifax Regional Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

The Tangible Capital Asset Policy, which complies with pronouncements of the Public Sector Accounting Board (PSAB), specifically PS 3150 and the Financial Reporting and Accounting Manual, a regulation prescribed pursuant to subsection 451(1) of the Municipal Government Act.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve an increase to Project Account CE020001 - Police Services Replacement Equipment in the amount of \$551,300 with funding from the approved Halifax Regional Police (HRP) 2015/16 Operating budget with no net change to the Project Budget.

BACKGROUND

On April 28, 2015, Halifax Regional Council passed the 2015/16 Project Budget which did not include a budget for Police Services Replacement Equipment. Up until now, there has been no Project Budget for HRP equipment including officer protective equipment, firearms etc., as this equipment has always been funded in the Operating Budget.

For the 2016/17 fiscal year, a Project Budget was approved by Halifax Regional Council for equipment replacement items that meet the criteria for the Tangible Capital Assets Policy.

DISCUSSION

A review of operating purchases in the 2015/16 fiscal year has identified several equipment items that meet HRM's Tangible Capital Assets Policy criteria for small equipment and therefore should be capitalized in a project budget account. In light of this, HRP recommends transferring \$551,300 from HRP's operating accounts to CE020001, Police Services Replacement Equipment. The Police Services Replacement Equipment project account will be managed by Halifax Regional Police staff on behalf of the Halifax Board of Police Commissioners.

FINANCIAL IMPLICATIONS

The following transfers of funding from HRP operating accounts to the Police Equipment Replacement project account should take place. The budget availability has been confirmed by Finance.

Operating Budget Summary:

P250 – Police Fleet	\$ 87,000
P255 – Exhibits and Property	\$287,500
P312 – SES Technical Unit	\$ 19,700
P340 – Criminal Intel Unit	\$ 10,100
P440 – ERT	<u>\$147,000</u>
Total to be Transferred	\$551,300

Project Budget Summary:

Project No. CE020001 – Police Services Replacement Equipment

Cumulative Unspent Budget	\$ 0
Plus: Transfer of funds from Operating	\$551,300
Less: Transfer of expenses from Operating	<u>(\$551,300)</u>
Remaining Balance	\$ 0

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

ALTERNATIVES

As the equipment items identified are all considered small equipment capital assets according to HRM's Tangible Capital Assets Policy, there are no other alternatives as to how these purchases should be accounted for.

For the 2016/17 fiscal year, a Project Budget was approved by Halifax Regional Council for equipment replacement items that meet the criteria for the Tangible Capital Assets Policy.

DISCUSSION

A review of operating purchases in the 2015/16 fiscal year has identified several equipment items that meet HRM's Tangible Capital Assets Policy criteria for small equipment and therefore should be capitalized in a project budget account. In light of this, HRP recommends transferring \$551,300 from HRP's operating accounts to CE020001, Police Services Replacement Equipment. The Police Services Replacement Equipment project account will be managed by Halifax Regional Police staff on behalf of the Halifax Board of Police Commissioners.

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Project Budget Summary:

Project No. CE020001 – Police Services Replacement Equipment

Cumulative Unspent Budget	\$ 0
Plus: Transfer of funds from Operating	\$551,300
Less: Transfer of expenses from Operating	<u>(\$551,300)</u>
Remaining Balance	\$ 0

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

ALTERNATIVES

As the equipment items identified are all considered small equipment capital assets according to HRM's Tangible Capital Assets Policy, there are no other alternatives as to how these purchases should be accounted for.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Craig Horton, Financial Coordinator, Halifax Regional Police, 902.490.4432

Original Signed

Report Approved by:

Jean-Michel Blais, Chief of Police, Halifax Regional Police, 902.490.6500

Original Signed

Financial Approval by:

Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308
