

## MONITORING REPORT

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**Subject:** Board Policy A.4, Financial Condition  
**Prepared by:** Danielle McDonald, Chief Executive Officer  
**Prepared for:** Ottawa Public Library Board  
**Meeting of:** May 14, 2012  
**Date of preparation:** April 26, 2012

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Executive Limitations Policy A.4 Financial Condition was approved by the Board on February 25, 2002 and was last revised on September 12, 2011. It states:

*With respect to the actual, ongoing condition of the organization's financial health, the Chief Executive Officer shall ensure and promote the development of fiscal prudence and follow Board priorities established in Ends policies and consistent with the Public Libraries Act, R.S.O. 1990, c. P.44.*

*Accordingly, the CEO shall:*

1. *Expend less or equal funds than are available unless the debt guideline in A.4.2. is met.*

At 2011 year end, the Library had a net operating surplus of \$56,785, 0.16% under the approved City of Ottawa contributed funding of \$36,628,461. The Library Reserve fund has been increased by this surplus amount resulting in a year-end balance of \$393,070.

I report compliance.

2. *Not Borrow in amounts that cannot be repaid by certain, otherwise unencumbered revenues within 60 days.*

The OPL had no debt in 2011. The OPL did not borrow any amounts in 2011.

I report compliance.

3. *Settle the payroll and pay for ongoing services in a timely manner.*

Payroll services are provided to OPL by the Financial Services Department of the City of Ottawa. Managers are trained on SAP to access HR report and compensation detail. Any identified mistakes made regarding payroll were corrected as quickly as possible.

I report compliance.

4. *Acquire, encumber or dispose of real property only with Board approval.*

All real property transactions are approved by the Board. There were no sales of real property in 2011.

I report compliance.

5. *Use any specifically designated Reserves and/or Reserve Funds, only with Board approval.*

All withdrawals from the OPL reserve were made according to the 2011 budget which is approved by the OPL Board and City Council. The amount withdrawn from the reserve fund was \$2.809M as part of the pay-as-you-go contribution previously approved; this funded the approved capital projects for 2011 and the last year of the Employee Sick Bank payout as per union negotiation.

I report compliance.

6. *Make tax payments or other government-ordered payments or filings accurately and within prescribed timelines.*

All tax filings were made accurately and on time.

I report compliance.

7. *Authorize purchases that follow City of Ottawa Purchasing By-Law and Financial Services policies and procedures and not make any purchase/commitment to any expenditure of more than \$100,000 without Board approval.*

Library staff has brought all purchases of this nature before the Board for its approval. Staff bring requests before the Board if the purchase is over \$100,000 and builds this requirement into the timelines for each of these projects. When exceptions are required, the Board is consulted and approval is sought.

I report compliance.

8. *Adequately enforce the terms and conditions that are set out in written contracts with suppliers.*

Library staff diligently enforces the terms and conditions of written contracts.

I report compliance.

9. *Aggressively pursue receivables after a reasonable grace period. (Note that some flexibility may be exercised when collecting borrowers' fines.*

The Library's primary receivable is fines and fees. The collections of these receivables are managed according to the Policy and Procedures of the Accounts Receivable Division of the City of Ottawa. Overdue fines and fees are collected using the following process: Library cards are renewed once a year. In order to renew a Library card all outstanding charges must be paid off. As well, once a user has charges that are over \$50.00 s/he may not use her/his Library card until the outstanding charge is reduced to below this amount. When an account exceeds \$50, a bill is sent and if it is not paid within 30 days, the account is sent to a recovery agency specializing in libraries. Staff and the recovery agency exercise discretion when dealing with individual users and the payment of their fines.

I report compliance.

10. *Keep complete, accurate financial records in accordance with generally accepted accounting procedures, the requirements of the Ontario Public Libraries Act and the City of Ottawa.*

The OPL keeps complete and accurate financial records in accordance with the generally accepted accounting principles. Official financial records are stored in accordance with the City's Records Management policy and OPL requirements.

I report compliance.

11. *Have an annual audit performed that conforms to the Ontario Public Libraries Act, the Municipal Act and any relevant federal legislation, the results of which shall be presented to the Board.*

The City of Ottawa conducts an annual audit. The Library is included in the City audit as a separate note as accepted and filed with the Ministry of Culture as a condition for receiving the annual provincial grant.

I report compliance.

12. *Publish, without undue delay, to the Board, the results and recommendations of the Auditor(s) and the Administrative response thereto.*

The annual audit and financial statements are presented to the Board in September of each year.

I report compliance.

13. *Publish a financial report.*

Upon completion of the 2011 audit, the auditors will issue the City of Ottawa audited statements. The Library portion of the city audit will then be submitted to the Board for approval and publication. As a board document, the annual audit report is posted on the City and Library websites.

I report compliance.

I hereby present my monitoring report on Executive Limitations Policy A.4 Financial Condition. I certify that the information contained in this report is true.

Signed: \_\_\_\_\_  
Danielle McDonald, CEO

Date: \_\_\_\_\_