



Section: Treasury	Policy Number: T-01-13
Subsection: Budgeting	Effective Date: July 3, 2013
Subject: Budget Variance Reporting	Revision Date:

Budget Variance Reporting

Background:

On an annual basis the Municipality of West Grey establishes its goals, expectations, and priorities by developing a budget. Because budgets reflect an estimation of anticipated revenues and expenditures, it is important to monitor the actual results compared to budget on an ongoing basis.

Purpose:

The objective of this policy is to outline actions required for Budget Variance Reporting which helps to ensure adequate financial controls are maintained for effective planning, budgeting, monitoring of revenues and expenditures, and reporting.

Scope:

This policy applies to all Municipal departments, boards and commissions, agencies and other organizations falling within the reporting entity of the Municipality.

Policy:

1. Each person primarily responsible for a financial budget is required to report variances to that budget as per the schedule noted in Section 2 of this policy. Variances are actual results compared to the original budget for the year.
2. Variance Reports will be issued according to the following schedule:

Variance Report Issued Date	Report Period Covered	Report to Council
July	January to June	August
October	July to September	November
January	October to December	February

3. Each person primarily responsible for a financial budget should review the Variance Report and provide explanations where both the actual year to date amount varies from the budgeted amount by \$5,000 or more and/or results in a variance of 10% or greater for both negative and positive variances.
4. Each person primarily responsible for a financial budget should review the Variance Report and advise of any forecasted variances which may vary from the budgeted amount by \$5,000 or more and/or result in a variance of 10% or greater for both negative and positive variances projected by yearend. Included with any forecasted variances should be any mitigating actions to be taken by the Department to control the remaining revenues or expenditures in that category or within other categories to offset the forecasted variance as necessary.