



## Finance and Audit Committee Decision Note

### Legislative Assembly Capital Project Review and Approval Process

**Issue:** To review the revised *Capital Project Review and Approval Policy* and to recommend acceptance to the Legislative Assembly Management Committee

**Prepared for:** Finance and Audit Committee Consideration – April 23, 2015

#### **Previous Decisions/Considerations:**

##### Legislative Assembly Management Committee – March 11, 2013

**Resolved**, that draft rules be developed for review and approval by the Legislative Assembly Management Committee for capital expenditures over \$5,000, and further include that committee be notified of any capital project that is projected to exceed its budget by 10 percent or more, as well as the expected completion time of each project. (Shane Simpson, MLA).

##### Legislative Assembly Management Committee – May 6, 2014

**Resolved**, that based on the recommendation by the Finance and Audit Committee that the Legislative Assembly Management Committee approve all capital projects less than \$25,000, as a group submission, subject to the requirement that should the initial estimate for any project change by 10 per cent or more or the scope change significantly, that the project be re-submitted to LAMC for approval. Further that LAMC continue to approve all capital projects greater than \$25,000, on an individual basis, subject to the same price and scope change requirements as noted for those capital projects less than \$25,000. (Shane Simpson, MLA)

##### Finance and Audit Committee – February 26, 2015

The Committee considered the 2014/15 capital projects requests. The Committee discussed a proposal to recommend to the Legislative Assembly Management Committee a revision to its May 6, 2014 motion. The proposed modification would permit the Finance and Audit Committee to approve revisions to projected project costs up to a maximum of \$10,000 over the initial capital project estimate. Consideration of this proposal will continue at the March 12, 2015 meeting.

##### Finance and Audit Committee – April 23, 2015

The Committee reviewed the revised *Capital Project Review and Approval Policy* and recommended the policy be referred to the Legislative Assembly Management Committee for consideration and approval.



## Revised Policy for Consideration

### Legislative Assembly Capital Project Review and Approval Policy

1. At the start of each fiscal year, the Finance and Audit Committee will review all capital projects exceeding \$5,000 identified through the annual budget process, as submitted by the Legislative Assembly departments and:
  - a. approve, as a group submission, all capital projects less than \$25,000; and
  - b. recommend to the Legislative Assembly Management Committee for approval all capital projects equal to or greater than \$25,000.
  
2. The Finance and Audit Committee will review all revisions to initial budget estimates for previously approved projects, and may approve proposed revisions up to a maximum of \$10,000. All revisions in excess of \$10,000, or where there is a significant change in the project scope, must be approved by the Legislative Assembly Management Committee. A revised project request and approval form must be completed by the department head for review and approval by the following:
  - a. Legislative Assembly Executive
  - b. Finance and Audit Committee
  - c. Legislative Assembly Management Committee (where applicable)
  
3. Any **new** capital project in excess of \$5,000 but less than \$25,000 that arises during the annual year must be approved by the Finance and Audit Committee. New capital projects equal to or greater than \$25,000 must be approved by the Legislative Assembly Management Committee. Prior to Finance and Audit Committee and/or Legislative Assembly Management Committee approval, a revised project request and approval form must be completed by the department head for review and approval by the following:
  - a. Legislative Assembly Executive
  - b. Finance and Audit Committee
  - c. Legislative Assembly Management Committee (where applicable)
  
4. Should a capital project in excess of \$5,000 be immediately required to address either a health or safety related requirement or a critical system failure situation, a project may proceed subject to a project request and approval form being completed by the department head for review and approval by the Legislative Assembly Executive.



Approval of the emergency expenditure will be conducted via an email vote by Finance and Audit Committee members and the Legislative Assembly Management Committee, if applicable, so as not to delay replacement and/or repair. To assist Finance and Audit Committee members in making the decision, a copy of the completed project request and approval form will be provided. The Clerk of the House will report out on actual costs at the next available Finance and Audit Committee meeting.

5. Any capital project requiring access to Capital contingencies funding must be approved by both Finance and Audit Committee and Legislative Assembly Management Committee. Capital contingencies funding is provided to address unanticipated events that could not be reasonably anticipated when the budget was prepared (e.g. emergency expenditures).
6. All approved capital projects will be monitored on a monthly basis by the Finance and Audit Committee with progress reported out to LAMC on a quarterly basis.