# Corporate Policy

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| **Policy #:** | SER-012-001 |
| **Division:** | Finance |
| **Effective Date:** | June 16, 2026 |
| **Review Period:** | Annually/Quarterly |

**Policy Title:** Financial Services – Level of Service Policy

## Purpose & Scope

The purpose of this policy is to define the Town of Creston's Level of Service (LOS) for Financial Services so that Council, the public, and staff share a clear and consistent understanding of what financial information is produced, when it is provided, and how performance is measured.

This policy establishes service expectations for Financial Services in four areas: transparency and accountability, decision support, compliance, and performance management.

- Transparency and accountability: reporting that supports public trust through clear, plain-language communication where possible.
- Decision support: reporting that enables Council and senior leadership to make timely decisions related to budgets, reserves, capital planning, and risk.
- Compliance: reporting that meets applicable legislative, regulatory, and audit requirements.
- Performance management: reporting that includes measurable indicators (KPIs) to track timeliness, quality, and financial sustainability.

This policy applies to:

- Corporate financial reporting prepared by the Finance function;
- Reports provided to Council, the public, and senior leadership; and
- Statutory and non-statutory financial disclosures produced by the Town.

## Definitions

- **ERP System:** Enterprise Resource Planning system is software that helps an organization manage and integrate core operations: finance, payroll, purchasing, inventory, and reporting, in one central system.

## Service Statement (what residents receive, in plain language)

Residents can expect the Town of Creston to provide clear, accurate, timely, and transparent financial reporting that supports informed decision-making, public accountability, and long-term financial sustainability, in plain language. Residents can expect the Town to manage day-to-day financial operations in accordance with industry best practices.

## Performance Targets (3–8 KPIs; with exact definitions)

## KPIs follow the CSEI standard: clear, measurable, and understandable.

### KPI 1 — Annual statutory financial reporting

**Target:** 100% of legislated financial reporting completed and filed by reporting deadline.

**Definition:** Audited consolidated financial statements by May 15th of every year, the annual Statement of Financial Information (SOFI) report, and the Town's annual report by June 30th of every year.

### KPI 2 — Annual budget preparation

**Target:** Draft annual budget presented in plain-language format with key changes, risks and trade-off identified for public review by March 1st of each year.

### KPI 3 — Management Discussion & Analysis (MD&A)

**Target:** Provide a quarterly management discussion and analysis financial report to Council to support oversight and decision making within 30 days after the end of each quarter.

**Definition:** The financial analysis includes reserve balances, material changes and drivers, actual to budget results, and other key pertinent financial information.

### KPI 4 — Query Intake

**Target:** Residents can expect an acknowledgement ≤ 2 business days of receiving an inquiry.

**Definition:** An acknowledgement may conclude the inquiry or provide a timeline to resolution.

### KPI 5 — Vendor Payments

**Target:** ≥ 90% of invoices paid within 30 calendar days of receipt.

## Measurement & Data Sources (systems, owners, frequency)

| KPI | Data Source | System / Owner | Frequency |
|---|---|---|---|
| Annual audited financial statements | Statements | Finance | Annually |
| Annual SOFI report | SOFI report submission package | Finance | Annually |
| Annual report | Annual report publication package | Finance | Annually |
| Public budget communication | Public Budget documents | Finance | Annually |
| MD&A | ERP System | Finance | Quarterly |
| Response time for public and internal inquiries | Email records, call logs, and service request tracking | Finance | Quarterly |
| Vendor Payments | ERP System | Finance | Quarterly |

## Standards & Compliance

- Applicable legislation and regulatory requirements that govern municipal financial reporting and disclosure

- Audit and assurance requirements, including cooperation with external auditors and timely provision of supporting documentation
- Council direction, corporate governance practices, and approved policies related to budgeting, reserves, and financial management

Where requirements change (e.g., new guidance, revised disclosure expectations, or changes in reporting formats), Finance will assess impacts and propose updates to templates, schedules, and timelines as required.

## Data Quality & Governance

- **Accuracy:** Source transactions and balances must be reviewed and corrected before reports are finalized.
- **Completeness:** Reports must include all required accounts, entities, and disclosures relevant to the reporting period.
- **Timeliness:** Reporting timelines will be planned in advance, with interim milestones for data entry, review, and approvals.
- **Consistency:** Standard templates and definitions will be used so that trends can be compared across periods.
- **Documentation:** Key assumptions, adjustments, reconciliations, and explanations for material variances will be documented and retained in accordance with records management practices.

## Variance & Risk Tolerance (how/when LOS flexes; escalation & comms)

The Town recognizes that extraordinary events (e.g., emergencies, system changes, audit complexity) may affect reporting timelines or capacity.
Where deviations occur:

- Impacts will be communicated clearly to Council;
- Temporary adjustments will be documented; and
- Normal service levels will be restored as soon as practicable.

This risk-aware flexibility aligns with CSEI variance principles.

## Roles & Responsibilities (Council/CAO/Director/Managers

**Council**

- Establishes overall governance direction and expectations for financial transparency, accountability, and reporting.
- Approves budgets, financial policies, reserve strategies, and key financial decisions.
- Receives, reviews, and considers financial reports and performance information in support of its governance and oversight role.
- Provides direction to the CAO through resolutions and policy and does not engage in day-to-day financial administration.

**Chief Administrative Officer (CAO)**

- Acts as Council's principal advisor on financial management, risks, and reporting implications.
- Ensures that Council's financial reporting expectations are clearly communicated to the Director of Finance.
- Oversees the administration to ensure financial reporting, controls, and processes support Council direction and legislative requirements.
- Brings forward financial risks, capacity constraints, or material variances that may affect service levels or reporting timelines.

**Director of Finance/Deputy Director of Finance**

- Is accountable for the delivery of the Finance Level of Service outlined in this policy.

- Ensures the accuracy, completeness, timeliness, and integrity of all corporate financial reporting.
- Develops and maintains financial reporting frameworks, schedules, templates, and KPIs.
- Coordinates audit activities, statutory filings, and public financial disclosures.
- Provides clear, plain-language financial information and advice to Council, the CAO, and senior leadership.
- Identifies financial risks, emerging issues, and variances, and recommends mitigation strategies.

**Administrative Staff**

- Prepare financial data, reconciliations, analyses, and reports in accordance with approved standards, timelines, and procedures.
- Maintain source system integrity and supporting documentation for financial reporting.
- Support continuous improvement of reporting processes, tools, and controls.
- Escalate data quality issues, timing risks, or unusual transactions in a timely manner.

## Reporting (monthly internal; quarterly Council; annual public)

**Monthly (Internal)**

- KPI performance updates (where measured monthly)
- Budget-to-actual summaries and notable variances
- Reserve activity snapshots (where applicable)
- Emerging risks, upcoming deadlines, and required decisions

**Quarterly (Council / Governance)**

- KPI performance updates (where measured quarterly)
- Financial ratios and reserve reporting, including trend commentary
- Explanations for material variances, risks, and mitigation actions

**Annual (Public / Statutory)**

- Audited financial statements (including presentation to Council prior to public release where required)
- Annual report and other legislated disclosures
- Plain-language summaries or supporting communication that improves public understanding

## Continuous Improvement (how targets evolve; lessons learned)

This policy will be reviewed annually to:

- Confirm continued alignment with Council expectations
- Refine KPIs and financial indicators as data maturity improves
- Support continuous improvement in financial transparency and accountability

## Appendices

**Appendix A — Reporting calendar and key annual deadlines**

This appendix summarizes key annual Finance reporting and budgeting deadlines using a combination of BC legislative requirements and the Town's internal target dates. Internal target dates are intended to create sufficient lead time for review, public consultation, bylaw readings, adoption, and production activities.

| Activity / Deliverable | Legislative Deadline | Internal Target | Notes / Rationale |
|---|---|---|---|
| Budget strategy meeting and Council budget direction | Not legislated | October | Sets assumptions, service level discussions, and project direction early enough for departments to prepare detailed budget submissions. |
| Department operating budgets, capital sheets, and one-time requests completed | Not legislated | Mid to late October | Internal sequencing from the attached budget schedule shows this work should be completed before consolidated operating review begins. |
| Public budget engagement opens | Public consultation required before five-year financial plan adoption | November to February | Community Charter section 166 requires a public consultation process before plan adoption; the Town's internal schedule opens engagement well in advance. |
| Water and sewer rate review, bylaw readings, and adoption | No fixed provincial date identified | December | The attached schedule places utility rate decisions in December so rates are settled before final financial plan and tax deliberations. |
| Draft budget available for public review | Supports section 166 consultation | January - March | Provides residents and Council with a working draft early enough to inform revisions before bylaw readings. |
| Public meeting on five-year financial plan and first three readings | Must follow consultation under section 166 and occur before tax rate bylaw adoption | January - March | The internal schedule targets late February so Council can consider public input and still leave time for adoption and later tax rate setting. |
| Five-year financial plan bylaw adoption | Must be adopted before the annual property tax bylaw | By May 15 | Community Charter section 165 requires annual adoption of a five-year financial plan by bylaw before the tax rate bylaw is adopted. |
| Review tax rates for property classes | Supports tax rate bylaw adoption before May 15 | April - May | Internal review timing allows class rate decisions and bylaw drafting before the statutory mid-May deadline. |
| Annual property tax bylaw adoption | On or before May 15 | By May 15 | Community Charter section 197 requires the annual property tax bylaw to be adopted on or before May 15. The Town's internal schedule |

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| | | | targets late April to preserve time for tax notice preparation. |
| Audited annual financial statements submitted and made available | By May 15 | By May 15 | BC local governments must provide audited financial statements to the Inspector of Municipalities by May 15 and make them available for public inspection. |
| Property tax notices calculated, printed, and mailed | Tax notices must be delivered each year | Mid-May | Community Charter section 237 requires delivery of tax notices each year. Mid-May is the Town's internal target in the attached schedule and aligns with timely notice before July tax due dates used by many BC municipalities. |
| Annual report made available for public inspection | Before June 30 and at least 14 days before annual report meeting | By June 16 | Community Charter sections 98 and 99 require the annual report to be available for public inspection and considered at a public meeting after at least 14 days of public availability. |
| Annual report meeting and Council consideration | Before June 30 | By June 30 | Council must consider the annual report and submissions from the public before June 30. |
| Statement of Financial Information (SOFI) completed and published | By June 30 | By June 30 | Under the Financial Information Act, the Town must prepare and make the SOFI available by June 30 each year. |

Annual reporting aligns with Sections 98, 99, 167, and 197 of the Community Charter, in addition to Section 2 of the Financial Information Act.