

2015-18

Department Business Plan

Financial Services

Reporting Period: Q2/2016

Goal 1: Strathcona County finances continue to comply with legislation and are communicated to the community.

Outcome: Strathcona County complies with Public Sector Accounting Standards (PSAS) and the Municipal Government Act and Regulations, and provides meaningful communication to the public.

Progress Update		
Initiative	Status <i>IP: In Progress NS: Not Started C: Complete WI: With Issue</i>	Milestones/Deliverables Achieved
Identify and implement changes to comply with upcoming PSAS (Public Sector Accounting Standards) updates	IP	<p>As is desirable, the annual audit continues to result in an unqualified opinion of Strathcona County's financial statements.</p> <p>PS3260 Liability for Contaminated Sites accounting standard was successfully implemented, as reported in the Strathcona County Financial Statements for the year ended December 31, 2015.</p> <p>The County will build on the successful implementation of PS3260 Liability for Contaminated Sites accounting standard to ensure ongoing compliance. This will be achieved through further development of a sustainable annual process, which will include continued inter-departmental cooperation and communication.</p>
Review and evaluate existing financial lead policies by 2018 and develop new policies as required	IP	<p>A number of key policies have been reviewed and updated including: Allocation of Year-End Surplus, Financial Reporting, Tangible Capital Assets Financial Reporting, Investments and the Financial Reserves policy. Upon discussion and review, four policies have been realigned to other departments.</p> <p>The Debt Management policy is currently under review and development. Seven additional policies have also been reviewed and a report is currently under development to recommend administrative updates.</p> <p>The remaining seven financial lead policies are planned for review by 2018; however, due to emergent priorities and unexpected complexities, the Financial Services Policy review may take longer than anticipated.</p>

		<p>Financial Services is undertaking the development of a Long Term Financial Sustainability Plan. A significant component of this initiative is to consider existing policies and develop new policies, as required.</p>
<p>Strengthen the reporting of financial information and performance measurement through enhanced communication (i.e. Quarterly Management Reports) to the community and align these improvements with the Business Plan and Budget Implementation project</p>	<p>IP</p>	<p>Quarterly Management Reporting enhancements have been continuously implemented since 2015. The management reports have been enhanced through the use of a stand-alone report format that presents the information to Council and the public in a manner that is consistent with high quality public financial reports and also provides a consistent look and feel with the budget and annual report communications. The quarterly management reports now include semi-annual (Q2, Q4) Corporate Business Plan Reporting to align with the Business Plan and Budget Implementation project.</p> <p>As a reflection of the continued efforts to strengthen the reporting of financial information, Strathcona County was recently presented the Canadian Award for Financial Reporting from the Government Finance Officers Association, which is awarded to local governments whose financial reporting displays a spirit of transparency and full disclosure.</p> <p>In the first quarter of 2016, Council expense reporting was updated to provide a new report format including an allocation of costs to the key functions in addition to the expense types. This additional information explains not only what the expense was, but generally why it was incurred, such as if it was in support of public relations, professional development or general business. These reporting changes also include the enhancement of the administrative activities from a fully manual process to a fully automated process. This initiative has been a collaborative effort between Finance, Information and Technology Services, and the Office of the Elected Officials.</p>
<p>Identify and implement changes to comply with updated Purchasing Card Industry (PCI) standards</p>	<p>IP</p>	<p>A third party consultant with expert level knowledge in the PCI standards has been selected through a competitive process. They began on site in March 2016 with the expectation that the phase 1 (assessment) report will be completed followed by the commencement of phase 2 (implementation).</p>

		After a short delay to ensure that key participants had a common understanding of the current PCI standards, the phase 1 report will be reviewed this fall.
Develop a program of internal control reviews for future implementation with supporting documentation	IP	The objective of this initiative is to maintain and strengthen the system of financial controls in place at the County. The establishment of an internal review committee has been reprioritized until a later date, based on resource capacity. As an interim alternative, priority processes continue to be identified and specifically addressed as capacity allows.

Opportunities, Challenges and Other

There are a number of upcoming Public Sector Accounting Standard (PSAS) changes including:

- PS2200 Related Party Transactions
- PS3420 Inter-Entity Transactions
- PS3210 Assets
- PS3320 Contingent Assets
- PS3380 Contractual Rights

To ensure full compliance with these standards for the December 31, 2018 financial statements, proactive research and planning will be required.

Due to emergent priorities and unexpected complexities, the Financial Services Policy review may take longer than anticipated. This project will be continually monitored and appropriate adjustments will be made to the schedule accordingly.

Further opportunities to integrate both financial and qualitative content into corporate communication and reporting will continue to be explored, such as the inclusion of departmental core function and programmatic reporting.

In 2017, it is anticipated that temporary resources will provide the increased capacity required to focus on the development of a program of internal control reviews including engaging stakeholders, establishing the corporate committee, and determining priority target areas based on corporate risk.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Annual audit results confirm compliance	Unqualified Opinion (2013)	Unqualified Opinion (2015)	Unqualified Opinion (2018)
Meaningful communication to the public (TBD)	TBD		TBD

Goal 2: Financial Services provides meaningful information to support decision making and long-term financial planning.

Outcome: A long-term financial plan is being established to support sustainability and is incorporated into decision making.

Progress Update		
Initiative	Status <i>IP: In Progress</i> <i>NS: Not Started</i> <i>C: Complete</i> <i>WI: With Issue</i>	Milestones/Deliverables Achieved
Continue to develop and implement the Business Plan and Budget Implementation (BPBI) project including multiyear budgeting, in coordination with Corporate Planning and Intergovernmental Affairs, Communications, and other departments	IP	This project is multiyear in nature with completion planned to occur in 2017/2018. In 2016, milestones will include: <ul style="list-style-type: none"> Phase 1 of Priority Based Budgeting (PBB) has begun where the PBB tool has been integrated in the budget direction and guidelines. Phase 2 will be to utilize the PBB tool during budget development which is in progress. Open Data will be deferred to 2017 due to other competing demands. GIS mapping for capital projects will be utilized during the capital committee and ET budget reviews. The intention is that this information will also be available online for the public during the Council review process. An ongoing focus on communication and the narrative for continual improvements in public engagement. A pilot document has been completed for one division which outlines the service programs derived from the PBB activity. The pilot document is still under review to determine the correct level of information. Multiyear budgeting will be re-reviewed in 2016 and the launch will be determined depending on the overall progress of the BPBI project.
Develop and maintain the Fiscal Impact Model for evaluation of new major growth scenarios	NS	This initiative is to purchase updated software for the fiscal impact model. It is pending more research to determine the software required.
Partner with operations departments to develop Asset Infrastructure Management (AIM) plans and policies	IP	Financial Services is represented by two active members on the Strathcona Network of Asset Managers (SNAM) technical working committee and the Finance Director is a committed member of the Asset Infrastructure Management (AIM) Steering

		<p>Committee.</p> <p>These committees are focusing on the development of a corporate asset management policy and framework.</p>
<p>Develop a long-term financial plan in support of the Economic Sustainability Framework</p>	IP	<p>Research and identification of the basic objectives and components of the Long Term Financial Sustainability Plan (LTFSP) have been completed. Some components have been separately reviewed and updated (i.e. reserve and surplus policies) or are currently in progress (i.e. debt management policy) and will need to be reconfirmed in the context of the LTFSP.</p> <p>Development of the LTFSP project plan is in progress including determination of scope, project timeline, resource requirements, and change management considerations.</p>

Opportunities, Challenges and Other

Hiring and training new staff will continue to challenge the BPBI project. As well, the BPBI project will continue to be challenged to coordinate with the numerous other county priority projects.

The opportunity to utilize InDesign software to create narrative documents has been deferred until next year due to competing demands and resourcing.

The Fiscal Impact Model initiative continues to face challenges coordinating information between departments and consultants, as well as aligning with direction in a dynamic environment.

Initial development of the long-term financial sustainability plan has been fast tracked. Emergent projects and competing priorities continue to create capacity concerns while key resources for this project are new to Strathcona County therefore further consideration is required to ensure appropriate resources are aligned with corporate expectations both in development and sustainability of the LTFSP.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Percentage of achievement of milestones towards implementing long-term financial planning	0% (2014)		90% (2018)

Goal 3: Financial Services supports the organization with efficient and effective processes and tools to enable daily operations.

Outcome: Financial Services provides consistent tools, processes and standards to support the County financial function.

Progress Update		
Initiative	Status <i>IP: In Progress</i> <i>NS: Not Started</i> <i>C: Complete</i> <i>WI: With Issue</i>	Milestones/Deliverables Achieved
Complete Business Process Reviews for financial functions	IP	<p>The Business Process Mapping (BPM) project addressed the majority of critical financial processes in 2015 and as of March 2016 has now concluded. Targeted "quick wins" and "opportunity assessments" for key functions are being continually evaluated and implemented where immediate value is added and the payback period makes it worthwhile.</p> <p>In addition, the deliverables created by the BPM project, such as the future-state process maps, are currently being utilized to engage financial staff in departments across the County to confirm the Enterprise Resource System (ERP) requirements.</p> <p>A sustainment methodology to maintain the financial business process maps and support continuous improvement is still to be developed.</p>
Evaluate and enhance the Enterprise Resource Planning (ERP) and other related financial systems in coordination with the vendor, Information Technology Services, Human Resources, Utilities, Procurement Services branch and other department stakeholders	IP	<p>The corporate ERP Replacement project is now approved. A long list of potential ERP improvement opportunities is being evaluated and prioritized. Financial staff throughout the organization are working together to define the ERP financial requirements.</p> <p>Targeted improvements identified from the Business Process Review project continue to be implemented based on a constant consideration between the immediate value of improvements in the current financial systems and those that should wait for the ERP Replacement Project.</p> <p>Other financial systems continue to be upgraded and maintained such as Questica Budget, Insight Reporting and Bellamy.</p>

<p>Evaluate and develop an improved variance reporting system by 2018</p>	<p>IP</p>	<p>An evaluation of the current Excel based variance model and related operational departmental Excel spreadsheets has been completed and future state requirements were mapped in 2015.</p> <p>Based on the approval of the corporate ERP Replacement project, it was decided to delay the development and implementation of a best-of-breed software solution until after the ERP project completion.</p> <p>As an interim alternative, for a limited scope and budget, a vendor has been engaged to deliver key targeted improvements to the current Excel based model. The immediate benefits that will be realized include reducing manual work, enhancing key functionality and addressing additional departmental needs.</p> <p>A small group of stakeholders is currently being engaged to perform some preliminary testing and comment on a proof-of-concept model. Full implementation is scheduled for Q1 of 2017.</p>
<p>Evaluate and enhance financial reporting tools for financial statements, department reporting, public communication, and other ad hoc requirements</p>	<p>NS</p>	<p>After being deferred in 2015, this initiative was supported in 2016. The FIN Metrics and Reporting Lead will be starting in Q3 to work closely with the finance operational department staff, FIN module Subject Matter Experts (SMEs) and the financial Analysis and Reporting Tools (ART) user group to look for targeted improvements and opportunities within the existing financial reporting activities and tools.</p> <p>In addition, an identified objective for the corporate ERP Replacement Project is to implement an improved ERP reporting solution. Many of the expected deliverables from this initiative will be linked to or rolled into the ERP Replacement Project.</p>

Opportunities, Challenges and Other

There are a significant number of opportunities that have been identified through the Business Process Reviews, both for process improvements, as well as for targeted financial systems improvements. Acknowledging that maintaining status quo for the next few years is not an option while we move forward with the ERP replacement project, the challenge is to focus on those improvements whose immediate value justifies implementation, while simultaneously managing expectations from stakeholders for those improvements best addressed through ERP replacement.

The review of the current variance model and departmental operational spreadsheets confirmed that stakeholder needs with respect to variance analysis and reporting are very complex. With the deferral of the initiative for the software solution, the alternative solution will not deliver every requirement that a new system would but will still deliver key improvements that will serve stakeholder needs better than the current model. The challenge is to manage current expectations with current improvements while aligning with the ERP Replacement Project timelines.

There is an opportunity with the development of the BPM sustainment activities which will be incorporated into the core business function with a goal towards becoming a Business Process Management "Centre of Excellence" that can be a source of pride for the Strathcona County finance function.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Overall satisfaction of internal stakeholders regarding processes and tools (ERP Scorecard)	62.3% (2015)		75% (2018)

Goal 4: Financial Services provides excellent customer service and support to the organization.

Outcome: Consistent training and financial advice are provided to stakeholders in a timely, professional manner.

Progress Update		
Initiative	Status <i>IP: In Progress NS: Not Started C: Complete WI: With Issue</i>	Milestones/Deliverables Achieved
Incorporate corporate County Connect System into business processes	IP	The Finance Department has recently been engaged by the corporate project team and has started work on the FIN department's targeted service requests for the County Connect 2016 project schedule. It is expected that up to five FIN services will be implemented and available by the end of 2016.
Develop Strathcona County financial training programs for existing and new employees in financial positions	IP	Various financial training activities have been developed. Internal courses for the use of Insight Reporting software (basic and advanced) have been developed and continue to be provided to employees. A draft "new accountant" reference manual has been created and is currently being refined. Staff continue to have access to hands on training material using cerlox resources such as, "Quick Financial Guide" and "JD Edwards A Basic Introduction". New training courses and/or cerlox training and reference material was created in 2015 such as: "Accounts

		<p>Receivable Training Manual", "Bellamy Training for Treasury & Risk Management" and "Reserves Reporting Tool".</p> <p>Additional opportunities for training development will continue to be identified and addressed as required.</p>
<p>Manage user groups such as the Insight Reporting User Group, Resource Information System (RIS) User Group and Steering Committee, Crystal Report User Group, Financial Connections Group, etc.</p>		<p>Communication and customer focus continues to be a priority for the Financial Services department. Financial Services continues to lead and coordinate committees, user groups and engagement activities to ensure opportunities for input, coordination, sharing information and networking are encouraged.</p>

Opportunities, Challenges and Other

There is an opportunity to provide a minimum standard of consistent financial training to new staff in financial roles across the organization with the development of the "new accountant" reference manual. Before implementation, an opportunity to present and review the proposed materials with the FIN department and those involved in the FIN function across the organization will occur in Q3 of 2016.

Internal communication continues to be an objective for Financial Services. Options to increase communication to clients, stakeholders and user groups through modernized publications, the internal website, and accessible meeting minutes and reference materials are constantly being considered. The challenge with these activities continues to be balancing these communication initiatives with ever increasing resource demands for other project work.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Overall satisfaction of internal stakeholders regarding service and support	TBD (2014)		TBD (2018)

Goal 5: Financial Services maintains an encouraging, positive environment for staff to grow and participate.

Outcome: Employees are satisfied, empowered and motivated to learn, achieve and innovate.

Progress Update		
Initiative	Status <i>IP: In Progress</i> <i>NS: Not Started</i> <i>C: Complete</i> <i>WI: With Issue</i>	Milestones/Deliverables Achieved
Actively practice and encourage open communication, active listening and participation	IP	<p>Financial Services continues to hold monthly staff meetings and supervisor meetings, as well as weekly Management Team meetings. All staff are invited to provide agenda items and to participate in the discussion. Further, individual branch meetings are regularly held to encourage discussion amongst smaller working teams.</p> <p>An annual spring workshop is held to encourage staff engagement in developing and maintaining the department's mission statement, corporate values and other department considerations. Team building activities also strengthen communication and willingness to participate amongst staff.</p> <p>A celebrations and suggestions box that was implemented in 2015 to allow staff an opportunity for further communication continues to be successful, allowing staff opportunities to provide feedback, ideas, and accomplishments for celebration.</p>
Provide timely and meaningful recognition and feedback	IP	<p>Staff in the department have participated in the Performance Planning and Review process, and have received performance plans for the upcoming year. Staff continue to be engaged on a regular basis for one-on-one performance conversations.</p>
Encourage participation in relevant training	IP	<p>In addition to specific training required for priority activities, there are a number of recurring opportunities for Financial Services staff to participate in learning and development including corporate training (i.e. Supervising for Results), Government Finance Officers Association activities, Risk and Insurance Management Society, financial system training, Service and Support Seminars, etc.</p> <p>In addition a number of staff are choosing to</p>

		<p>further their personal education in programs such as NACLAA, accounting courses, University degree, CPA program, and project management training through NAIT.</p> <p>It is important to maintain a current level of understanding and knowledge of best practices in the municipal accounting field and all related matters.</p>

Opportunities, Challenges and Other

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Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Financial Services staff satisfaction	81.9% (2014)	next review 2016	85% (2018)