

**2015-18**

**Department Business Plan**

**Corporate Finance**

**Reporting Period: Q2/2018**

**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.*

<b>Progress Update</b>		
<b>Initiative</b>	<b>Status</b> <i>IP: In Progress NS: Not Started C: Complete WI: With Issue</i>	<b>Milestones/Deliverables Achieved</b>
Identify and implement changes to comply with upcoming PSAS updates	IP	<p>As is desirable, the annual audit continues to result in an unqualified opinion of Strathcona County's financial statements.</p> <p>The new 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. The County will build on this successful implementation 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> <p>Ongoing general compliance is addressed through periodic updates to internal processes such as the Tangible Capital Asset Administrative procedures. Continuous improvement is required for ongoing compliance as standards are often updated. A number of new standards will require implementation for the December 31, 2018 financial statements to be completed after year end in 2019. To ensure full compliance with these standards research, planning and process development has commenced.</p>
Review and evaluate existing financial policies by 2018 and develop new policies as required	IP	<p>Most financial lead policies have been reviewed and updated accordingly. Two key policies have been revised, three policies have been realigned to other departments, four policies have been rescinded, and five policies have been updated with minor changes.</p> <p>Three more policies are being reviewed and updated in 2018 including Donations, Expenditure Proposal Exceeding Approved Budget, and Financial Review of Fiscal Related Recommendations to Council. Also, a new cash handling policy is under</p>

		<p>development.</p> <p>Due to the volume and complexity of policies in addition to other projects and emergent priorities, the final three policies will be reviewed in 2019 including Employee Business Expenses, Securities and Risk Management. Upon completion of this review, a plan will be developed to ensure regular review of financial lead policies.</p> <p>It is important to note that the Long Term Financial Sustainability Framework was approved by Council on March 27, 2018. A significant component is to reconsider existing policies and develop new policies as required such as a policy regarding revenues.</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>C</p>	<p>Quarterly Management Reporting enhancements have been continuously implemented since 2015, resulting in a standard format that is professional, consistent, and repeatable, and shares a common look and feel with other financial reporting documents. 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 awarded the Canadian Award for Financial Reporting from the Government Finance Officers Association for a third year in a row.</p> <p>In 2016, Council expense reporting was updated. The new report improves the transparency of Council expenses, as well as results in efficiencies by automating the reporting process. This initiative was a collaborative effort between Corporate Finance, Information and Technology Services, and the Office of the Elected Officials.</p> <p>To strive for continuous improvement, opportunities to improve the reporting of financial information and communication will be pursued on an ongoing basis.</p>

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Identify and implement changes to comply with updated Purchasing Card Industry (PCI) standards	IP	Due to challenges with internal capacity and consultant company ownership changes, this project has experienced delays. The IT component of this project is much larger than originally anticipated therefore additional costs and resources may be required. An assessment is currently underway to identify how to address the remaining gaps. Full compliance is reliant on the Perfectmind implementation or Class upgrade.
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 a formalized system of internal controls with an internal review committee has been delayed as improvement to priority processes continue to be identified and specifically addressed as capacity allows. A temporary resource is being established to develop a project plan including a vision, scope and approach for engaging stakeholders, establishing the corporate review group, and determining priority target areas based on corporate risk.

### Opportunities, Challenges and Other

There are a number of upcoming Public Sector Accounting Standard (PSAS) changes required for the December 31, 2018 financial statements, including:

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

The review of the financial lead policies will be completed in 2019. Three policies will be outstanding at the end of 2018 due to competing projects, emergent priorities and the extensive engagement that is required for each policy.

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.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Annual audit results confirm compliance	Unqualified Opinion (2013)	Unqualified Opinion (2017)	Unqualified Opinion (2018)
Public awareness that Strathcona County's financial information is available on the web (very aware/moderately aware)	41.8% (2016)	35.5% (2017)	TBD (2018)

**Goal 2: Corporate Finance 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.*

<b>Progress Update</b>		
<b>Initiative</b>	<b>Status</b> <i>IP: In Progress NS: Not Started C: Complete WI: With Issue</i>	<b>Milestones/Deliverables Achieved</b>
Develop a long-term financial framework in support of the Economic Sustainability Framework	C	On March 27, 2018 the Long Term Financial Sustainability Framework (LTFSF) was approved by Council as the highest level financial document in the County. It sets the basis for continuous long-term planning by establishing financial sustainability principles, consolidating financial strategies, and identifying the long-term financial planning process.
Partner with operations departments to develop Asset Infrastructure Management (AIM) plans and policies	IP	The Corporate Finance Director is a committed member of the Capital Asset Management (CAM) committee (formerly AIM). The Capital Analyst represents Corporate Finance on the technical working groups (i.e. formerly SNAM). These committees are focused on developing a corporate approach to asset management including governance, policy, framework and processes.

<b>Opportunities, Challenges and Other</b>
<p>The completion of the LTFSF provides opportunity to ensure a consistent approach that considers all financial components for financial decision making. The challenge remains to incorporate consideration of the LTFSF into the corporate culture.</p> <p>One member of Corporate Finance will participate in the vendor selection for the next phases of the project.</p>

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

**Goal 3: Corporate Finance supports the organization with efficient and effective processes and tools to enable daily operations.**

*Outcome: Corporate Finance provides consistent tools, processes and standards to support the County financial function.*

<b>Progress Update</b>		
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Complete Business Process Reviews for financial functions	C	<p>The Business Process Mapping (BPM) project was completed in 2016 and addressed the majority of critical financial processes. 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>The deliverables created by the BPM project, such as the future-state process maps, are now available to be utilized to engage financial staff in departments across the County to confirm the Enterprise Resource System (ERP) requirements and look forward to an improved business future state. The SC Business Transformation (BT) project will review and leverage these finance process maps in 2018 when the BT project partner joins the team and will create processes for continual sustainment of BPM.</p>
Evaluate and enhance the Enterprise Resource Planning (ERP) and other related financial systems in coordination with the vendor, Corporate Planning, Information Technology Services, Human Resources, Utilities, Procurement Services branch and other department stakeholders	IP	<p>The corporate Business Transformation project is approved and underway. This is a multi-year project that will result in implementation of a new Enterprise Resource Planning (ERP) system of which finance is a core function, as well as transformation of structure and processes to develop and sustain a modern financial function based on best practices. Corporate Finance is a key business leader and active participant in this project.</p> <p>Targeted improvements identified from the Business Process Review project continue to be evaluated and implemented based on constant consideration between the immediate value of improvements in the current financial systems and those that should wait for the Business Transformation project.</p>

		Other financial systems continue to be upgraded and maintained such as Questica Budget, Insight Reporting and Bellamy.
Evaluate and develop an improved variance reporting system by 2018	C	<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>Lessons have been learned from a review of the existing Excel based model. Although smaller targeted improvements may be implemented to the Excel model during the year as a typical operational improvement strategy, this project has been stopped to enable alignment to the corporate SCBT 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 Business Transformation project, the challenge will be to focus on those improvements whose immediate value justifies implementation, while simultaneously managing expectations from stakeholders for those improvements best addressed through the Business Transformation project.

Opportunities are endless as the transformation project commences. The challenge will be balancing priorities for subject matter experts as they participate in the project but still deliver daily operations. This ongoing challenge for the organization is to manage existing people, processes, technologies and business strategies to ensure that operational management continues to have proper importance and focus while remaining dedicated to the transitional phases of replacement and working through full operational change.

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

**Goal 4: Corporate Finance provides excellent customer service and support to the organization.**

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

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Incorporate corporate County Connect System into business processes	IP	The Corporate Finance department has been engaged throughout this corporate project. Accounts Receivable, Insurance Claims, Corporate Visas and Electronic Fund Transfers have developed services for implementation into County Connect. Just prior to implementation, the corporate project was paused for further definition.
Develop Strathcona County financial training programs for existing and new employees in financial positions	IP	<p>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. New training courses and/or cerlox training and reference material was created in 2015 such as: "Accounts Receivable Training Manual", "Bellamy Training for Treasury &amp; Risk Management" and "Reserves Reporting Tool". The new Corporate Finance "Quick and Friendly Onboarding Guide" and reference manual has been created and shared with all CFIN staff. The Onboarding Guide and the Administrative accompaniment has become a mandatory part of the department's new staff onboarding process in 2017.</p> <p>Development and improvement of financial training materials and opportunities is an ongoing requirement to support a successful financial function. In 2018, an introduction to the financial function within Strathcona County will be developed. Further materials will be created in conjunction with the SCBT project and will be sustained within a coordinated financial training program after implementation.</p>

**Opportunities, Challenges and Other**

Over the next couple years, the challenge will be to balance the continuation of implementation into County Connect with the resource dedication required for the Strathcona County Business Transformation project.

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Overall satisfaction of internal stakeholders regarding service and support	TBD (2014)	76.4% (2017)	TBD (2018)

**Goal 5: Corporate Finance maintains an encouraging, positive environment for staff to grow and participate.**

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

<b>Progress Update</b>		
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Actively practice and encourage open communication, active listening and participation	C	<p>Corporate Finance continues to hold monthly staff meetings and periodic 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. This is now supported with a bulletin board celebrating successes.</p> <p>Staff participation and communication will remain an ongoing focus. These established base activities will provide a foundation on which to improve.</p>
Provide timely and meaningful recognition and feedback	C	<p>Almost all 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> <p>In addition to an annual department event recognizing staff, a Success Bulletin Board</p>

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		has been implemented to celebrate and recognize successes within the department. Continual focus on staff feedback and celebration is required to ensure recognition remains meaningful.
Encourage participation in relevant training	C	<p>In addition to specific training required for priority activities, there are a number of recurring opportunities for Corporate Finance's 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>Staff have been encouraged to participate in secondment opportunities throughout the organization to encourage further learning, understanding, and connections throughout the organization. In addition, a number of staff are choosing to further their personal education in programs such as NACLAA, accounting courses, University degree, CPA program, and investment certification.</p> <p>Training will remain an ongoing concern, as 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

Key Performance Indicator/Measures	Benchmark	Progress Update (include year)	Target
Financial Services staff satisfaction	81.9% (2014)	89% (2017)	85% (2018)