

2021

## FINANCIAL SERVICES

### Department Service Levels

#### Overview

Financial Services, under the guidance of the Chief Financial Officer, is responsible for all aspects of the City's financial management including budgeting, investment, planning, record keeping and purchasing. The department also manages Fiscal Services, which is responsible for debt management, financial reserves, property taxes, and utility rates. Financial Services supports all municipal departments and residents by ensuring the City has the financial means to fund ongoing and new programs and initiatives to meet the needs of our growing community. The department provides the financial services, processes, policies and procedures required to ensure the City is fiscally sound and is accountable and transparent in the management of public funds.



CITY OF  
FORT SASKATCHEWAN

## DEPARTMENT SERVICE LEVELS

Service level documentation includes Priority Based Budgeting (PBB) data to support service level understanding and enhance understanding of program costs.

PBB is a business planning and budgeting tool to help better understand City programs. Prioritization through results and attributes scoring shares new information about programs and the budget.

Results are drawn from the City's strategic plan and other guiding documents.

Attributes are additional characteristics that also affect a programs overall relevance and prioritization.

Individual results/attributes are scored 0 to 4 with score of 4 being critical in achieving result/attribute and score of 0 not having influence.

The total combined score of results and attributes places individual programs in a quartile grouping with quartile 1 and 2 programs more aligned with strategic goals, results and attributes and quartile 3 and 4 programs less aligned.



## Accounting Services and Treasury Management

### **PBB Program Area Description/Overview:**

Provide accounting and financial advisory services to support the organization and inform decision-making; develop financial policies and procedures; research best practices; analyze financial impacts to the organization and report to stakeholders; review contracts and agreements for financial implications. Manage and account for all monies flowing in and out of the organization; plan for and respond to the organization's daily, weekly and monthly cash needs; transfer surplus funds to investments mandated by policy and legislation, to generate positive investment returns; track all investments and report on investment performance.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** To ensure proper management, accountability, and transparency in the handling of the City's cash, investment, and financial transactions.

**Demand:** Demand for this program is anticipated to remain flat.

**Frequency or Response Timing:** Services are provided daily, weekly, monthly, and annually based on established timelines and procedures, as well as on an ad hoc basis, as needed.

**Standard Operating Procedures/Specifications:** Accounting and financial advisory services must adhere to generally accepted accounting principles, Canadian Public Sector Accounting Standards (PSAS), and relevant legislation, as established and updated from time to time. Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

Accounting Services:

- Analyze financial impacts to the City of alternate courses of action, perform research into best practices, and report findings to stakeholders, as needed;
- Provide regular, ongoing financial and accounting support to departments to inform departmental decision-making, and to ensure the proper recording and reporting of financial transactions;
- Based on their individual review dates, review the current set of financial policies and procedures to determine if any updates are required, and review on an annual basis for any new financial policies and procedures that should be developed;
- Review contracts and agreements for financial implications, as needed.

Treasury Management:

- Monitor and maintain cash flows on a daily, weekly, and monthly basis; perform 30/60/90-day cash flow forecasts on a regular basis for planning purposes;
- Review for potential to invest surplus cash funds allowed for under the City's Investment Policy on a monthly basis, or more frequently, as necessary;
- Track all pertinent investment details including purchase dates, principle, interest, maturity dates, etc. and update investment schedules as needed.
- Report on investment performance according to the City's financial reporting policy.

**Policy Alignment:** Cash Handling Policy FIN-007-A; Debt Management Policy FIN-028-C; Financial Reserves Policy FIN-021-C; Investments Policy FIN-01-C

**Legislation, Regulations or Standards:** Municipal Government Act; Public Sector Accounting Standards

**Profile of Users:** Council, Administration and staff, and general public.

## Accounts Payable

### **PBB Program Area Description/Overview:**

Provide accurate, timely processing and payment of all vendor invoices and staff expense claims; ensure proper authorization and compliance with procurement policy; manage vendor list; process queries.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** Accounts payable ensures accurate accounting of what is owed to City vendors and staff for City procurements. Ensures that invoices are properly approved following guidelines in procurement policies and procedures and paid in a timely manner.

### **Inventory/Volume/Demand:**

- 961 active vendors.
- 141 staff have operating procurement authority ranging from \$1000 up to approved budgeted expenditures.
- 36 staff have capital procurement authority ranging from \$10,000 up to approved project budgets.
- 133 staff have procurement cards.
- Average invoices entered 11,371 per year
- 2021 Operating Expense Budget \$68,010,714, Debt repayment \$3,455,206
- 2021 Capital Expense Budget \$9,708,000

**Frequency or Response Timing:** Enquiries from vendors and staff are handled daily; Invoices are received and entered daily. Payments to suppliers are made weekly by electronic funds transfer and monthly by cheque. Employee expenses are paid monthly. Procurement cards are paid monthly.

**Standard Operating Procedures/Specifications:** Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

- Assist staff and vendors with inquiries regarding proper procurement requirements, account coding, invoices, payments and vendor set ups.
- Distribute purchase order books to staff.
- New vendor setup within 30 days of receiving new vendor form emails.
- Review Invoice and procurement card purchases for correct account coding and staff procurement authorization.
- Return to procuring staff if errors.
- Enter correct and complete invoices into Great Plains.
- Import Bank of Montreal procurement card purchases monthly from BMO Spend Dynamics.
- Record monthly procurements within 3 calendar days of month end
- Prepare EFT and cheque invoice payment runs Net 30 days or as per payment indication on invoice.
- EFT and cheque payments as per yearly payment calendar

- Ensure all working papers are reconciled within 15 working days of month end

**Policy Alignment:** Accounts Payable Procedure- FIN-002; Procurement Card Policy and Procedure- FIN-003-A; Procurement Policy and Procedure- FIN 020-C; Vendor Management- SAF-026-A; Employee Business Expense Policy and Procedure- FIN-012-A; Council Remuneration & Expenses- GOV-009-C

**Legislation, Regulations or Standards:** Municipal Government Act; Public Sector Accounting Standards

**Profile of Users:** Administration, procuring staff, vendors.

## Accounts Receivable

### **PBB Program Area Description/Overview:**

Provide accurate, timely processing and receipt of all customer invoices and proper tracking and collection of amounts owed to the City; manage aged receivables; review customer accounts; process queries.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** Accounts receivable ensures accurate accounting of what is owed to the City. Ensures that invoices are sent out in a timely manner for customers doing business with the City.

**Volume:** 53 monthly lease/rental invoices; ~22,600 customer accounts in total (set up automatically with UT/Tax accounts in GP); average 2280 invoices per year

**Frequency or Response Timing:** Enquiries from customers and staff are handled daily; Invoice requests are received and entered weekly and monthly; Finance charges are applied monthly. Statements are emailed monthly.

**Standard Operating Procedures/Specifications:** Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

- Assist staff with inquiries regarding account coding, invoices, and invoice payments received.
- Assist customers with invoices and invoice payments.
- Review lease agreements and invoice requests for correct account coding and charges.
- Return to staff if errors on requests.
- Enter correct and complete invoice information into Great Plains or Intelli to produce invoices for customers.
- Record monthly invoices within 3 calendar days of month end
- Administer monthly finance charges on overdue invoices.
- Contact customers regarding overdue invoices.
- Send Account statements to customers monthly.
- Ensure all working papers are reconciled within 15 working days of month end

**Policy Alignment:** Accounts Receivable Procedure; Fees and Charges Bylaw (2021)

**Legislation, Regulations or Standards:** Municipal Government Act; Public Sector Accounting Standards

**Profile of Users:** Administration, staff, customers.

## **Capital Budget and 10 Year Capital Plan**

### **PBB Program Area Description/Overview:**

Coordinate development of annual capital budget and 10 year capital plan; ensure compliance with budget policy; analyze budget data for accuracy and reasonability; determine impacts on debt limits, reserves, municipal tax requirement, etc.; utilize fiscal impact model to assess budget assumptions and prepare what-if scenarios; provide assistance during budget deliberations; maintain budget tracking/reporting software and tools.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** The capital budget funds the City's infrastructure that supports day-to-day service delivery by maintaining service levels, proactive maintenance and purchasing assets to accommodate growth. The 10 Year Capital Plan outlines investment for ageing capital assets that require maintenance or replacement and investment in the construction of new public facilities and infrastructure.

**Inventory/Volume/Demand:** Prepared and maintain 2021 budget of \$9,683,000

**Frequency or Response Timing:** Each calendar year

### **Standard Operating Procedures/Specifications:**

- Budget tools must be accessible to staff
- Budget processes follow the annual budget timeline
- Council touch point – budget communication with Council (various updates)
- Produce a 10 Year Capital Plan (5 year capital plan is required by the MGA)
- Roll the 10 Year Capital Plan – drop previous year and add a tenth year
- Ensure that budget initiatives align with department business plans and the strategic plan
- Annually review project scores and quartiles

### **Service Levels:**

- Lead the organization through the budget planning process
- Respond to budget queries within 48 hours
- Produce a budget document for Council deliberations - September each year
- Produce a budget for approval – December each year
- Provide budget updates to Leadership Team and Council

**Policy Alignment:** Operating and Capital Budget FIN-024-C; User Fees and Charges Policy and Procedure FIN-009-C; Financial Reserves Policy FIN-021-C; Debt Management Policy FIN-028-C

**Legislation, Regulations or Standards:** Municipal Government Act

**Profile of Users:** Council, department directors and staff, the public, external auditors.

## Financial Accounting, Reporting, Compliance and Controls

### **PBB Program Area Description/Overview:**

Manage full-cycle accounting and financial reporting processes; prepare and present tri-annual and annual reports; perform month-end and year-end procedures; coordinate financial statement audit and reporting; ensure compliance with accounting standards and legislation; monitor and maintain effective internal controls.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** To establish credibility in reporting the City's financial operations to both internal and external stakeholders, ensure compliance with accounting standards and legislation, and maintain an effective system of internal controls.

**Demand:** Demand for this program is anticipated to remain flat.

**Frequency or Response Timing:** Services are provided daily, weekly, monthly, tri-annually, and annually based on established timelines and procedures.

**Standard Operating Procedures/Specifications:** Financial accounting and reporting services must comply with generally accepted accounting principles, Canadian Public Sector Accounting Standards, and relevant legislation, as established and updated from time to time. Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

- Manage the City's full-cycle financial accounting and reporting processes;
- Prepare and present tri-annual and annual financial reports in accordance with the City's financial reporting policy;
- Coordinate the annual audit process with external auditors, prepare consolidated financial statements, and present to Council for approval;
- Ensure the City's continued compliance with accounting standards and relevant legislation;
- Perform regular reviews of internal controls to ensure their effectiveness at reducing the City's risk exposure to appropriately low levels.

**Policy Alignment:** Management & Financial Reporting Policy FIN-025-C

**Legislation, Regulations or Standards:** Municipal Government Act; Public Sector Accounting Standards

**Profile of Users:** Council, Administration and staff, external auditors, and general public.

## Operating Budget and 3 Year Financial Planning Operating Forecast

### **PBB Program Area Description/Overview:**

Coordinate development of annual operating budget and 3 year financial plan operating forecasts; ensure compliance with budget policy; analyze budget data for accuracy and reasonability; determine budget impacts on debt limits, reserves, municipal tax requirement, etc.; utilize fiscal impact model to test budget assumptions

and prepare what-if scenarios; provide assistance during budget deliberations; maintain budget tracking/reporting software and tools.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:**

The Operating Budget determines how much the City will bring in and spend within a fiscal year to cover the day-to-day spending on services. The Operating Budget also provides fiscal accountability, resource allocation, financial management, internal control and management information to deliver desired results that benefit our citizens and businesses.

Under Alberta's Municipal Government Act, the City is mandated to create and adopt 3-year operating financial plan forecasts to support strong financial management. The forecast evaluates current and future market conditions to guide policy and program decisions.

**Volume:** Prepared and maintain 2021 budget of \$78,834,893 (including Utilities).

**Frequency or Response Timing:** Each calendar year

**Standard Operating Procedures/Specifications:**

- Budget tools must be accessible to staff
- Budget processes follow the annual budget timeline
- Annual review of User Fees and Charges for cost recovery and inflation
- Spread the annual operating budget into twelve months for triannual variance and forecast
- Remove previous year's one-time items from the current budget
- Council touch point – budget communication with Council (various updates)
- Ensure that budget initiatives align with department business plans and the strategic plan
- Three-year operating forecast as required by the MGA
- Review and update City programs and program costing (Priority Based Budgeting (PBB))
- Review program scores and quartiles when/if strategic plan or other significant City plans change (could happen after an election year)

**Service Levels:**

- Lead the organization through the budget planning process
- Respond to budget queries within 48 hours
- Produce a budget document for Council deliberations - September each year
- Produce a budget for approval – December each year
- Provide budget updates to Leadership Team and Council

**Policy Alignment:** Operating and Capital Budget FIN-024-C; User Fees and Charges Policy and Procedure FIN-009-C; Financial Reserves Policy FIN-021-C; Debt Management Policy FIN-028-C

**Legislation, Regulations or Standards:** Municipal Government Act

**Profile of Users:** Council, department directors and staff, the public, external auditors.



## Property Assessment and Assessment Roll Changes

### **PBB Program Area Description/Overview:**

Coordinate the annual and supplementary property assessment process with external assessors ensuring proper data collection, integrity, and all necessary deadlines are met; ensure proper reporting to Alberta Municipal Affairs (AMA); manage payments for assessment services under contract with the Capital Region Assessment Services Commission (CRASC); process invoices for designated industrial property assessments under agreement with AMA; process updates and changes to property assessment roll.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** The City relies on a fair and accurate assessment as the basis for determining the Property Tax Rate needed to cover budgeted expenditures.

**Volume:** 11,623 assessed parcels; CRASC 2021 budget is \$434,900

**Frequency or Response Timing:** Services are provided daily, weekly, monthly and annually based on established timelines and procedures. Assessments are completed annually and are received by the City in February of each year.

**Standard Operating Procedures/Specifications:** Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

- Produce and distribute annual Request for Information (RFI) letters on behalf of the Assessor to pre-determined areas of the City requiring an update of assessment information
- Coordinate re-assessment requests on behalf of property owners
- Process 305 Assessment changes to tax rolls as advised by the Assessor
- Process annual payment for Government of Alberta Designated Industrial Property Requisition invoice

**Policy Alignment:** Property Tax Policy FIN-027-C

**Legislation, Regulations or Standards:** Municipal Government Act

**Profile of Users:** General Public, Finance Department, External Auditors.

## Property Tax Rates, Annual and Supplementary Property Taxes, Tax Arrears and Tax Recovery

### **PBB Program Area Description/Overview:**

Establish property tax rates linked to annual budget and ensure compliance with tax policy; process tax requisitions; prepare annual and supplementary tax bylaws; communicate property tax rates and impacts to taxpayers; generate and distribute annual and supplementary property tax notices ensuring proper collection and recording of all property tax revenues; process payments; maintain customer accounts; administrate monthly installment program; provide customer service; respond to queries. Manage tax certificates; apply outstanding taxes and arrears penalties; administrate tax recovery proceedings.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** The City relies on property taxes as its primary source of revenue to fund the programs and infrastructure that support our residents, businesses and industry.

**Volume:** 11,623 assessed properties

**Frequency or Response Timing:** Services are provided daily, weekly, and monthly on established timelines and procedures.

**Standard Operating Procedures/Specifications:** Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

**Service Levels:**

- Prepare annual and supplementary tax rate bylaws.
- Produce and distribute Annual Property Tax Notices to all 11,623 property tax roll account holders.
- Manage Property Tax Certificate request and respond within 48 hours. Continue correspondence with common requestors to encourage online submission through Virtual City Hall.
- Prepare and distribute arrears reminder letters to advice of outstanding balance and next penalty dates.
- Process Property Tax Penalty Waiver applications and prepare for review by Council.
- Manage Fort Electronic Payment Plan for monthly automatic withdrawals.
- Monitor and respond (same day) to customer inquiries via phone and email.
- Prepare Annual Tax Arrears List before March 31 each year and forward to Land Titles Office. Administrate Annual Tax Recovery Process and provide notifications to stakeholders as required.

**Policy Alignment:** Property Tax Policy FIN-027-C; Property Tax Penalty Waiver Policy and Procedure FIN-029-C and FIN-029-A

**Legislation, Regulations or Standards:** Tax Installment Program Bylaw C10-18; Property Tax and Supplementary Property Tax Bylaw C16-20; Supplementary Assessment Bylaw C5-20; Fees and Charges Bylaw C36-20; Municipal Government Act

**Profile of Users:** Council, Administration and Staff, External Auditors, General Public.

## **Tangible Capital Asset Management**

**PBB Program Area Description/Overview:**

Manage the accounting and reporting of tangible capital asset (TCA) activities; ensure accountability, transparency and proper planning for growth, replacement and maintenance of TCA; analyze, monitor and report on the timing and spending of all capital projects.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:**

- Meet legislative and PSAS requirements for financial statement presentation
- Compliance with Asset Management Policy GOV-025-C
- Supports:
  - effective decision making regarding tangible capital assets
  - consistent, reliable reporting on asset condition, meeting operational needs
  - Budget and long term financial planning
  - oversight of capital project expenditures

**Inventory/Volume/Demand:**

- 14,057 active TCA cards growing at an average of 2.8% per year since 2016
- \$684 million in TCA (historic cost) increasing at an average of 4.3% per year since 2016
- 61 active capital projects on average since 2017 (no data for 2016) with a 14% decline per year
- Tracks contributed tangible capital assets (average 8 FACs per year)

**Frequency or Response Timing:** Interim and annual financial reporting in April, June, October; Management reports required monthly within 15 working days of month end.

**Standard Operating Procedures/Specifications:** TBD

**Service Levels:**

Customer Service Levels:

- Accurate TCA Register
- Accurate Capital Project Tracking
- Timely reporting (including financial and condition reporting)
- Information supports operational and capital investment decisions
- Minimize / promptly respond to audit concerns

Technical Service Levels:

- Record capital expenditures within 8 calendar days of month end
- Record capital asset additions, disposals, and depreciation within 15 working days of month end
- Verify capital project status within 15 working days of month end
- Ensure all working papers are reconciled within 15 working days of month end
- Review all open developer agreements at least monthly for FAC status
- Verify existence, condition, impairment status, and estimated remaining useful life of all immobile TCA at least once every 5 years on a rotational basis, and all mobile TCA at least annually

**Policy Alignment:** Asset Management Policy GOV-025-C; Tangible Capital Assets Policy FIN-018-A; Management & Financial Reporting Policy FIN-025-C; Procurement Policy FIN-020-C

**Legislation, Regulations or Standards:** Municipal Government Act; Public Sector Accounting Standards

**Profile of Users:** Internal users

## Utility Billing Services

### **PBB Program Area Description/Overview:**

Manage billing processes ensuring proper collection and recording of all utility revenues; process meter reads; generate and distribute bills; process payments; maintain customer accounts; collect outstanding amounts; review consumption data and perform follow up procedures; manage service disconnections and reconnections; administer monthly instalment program; provide customer service; respond to queries.

For detailed information about program cost, revenue, full-time equivalent, basic program attributes, and program results, refer to the [Program Summary Report](#).

**Reason for Offering:** To recover costs for Utility services offered within the City and to ensure timely and accurate billing for those services.

**Inventory/Volume/Demand:** 9,332 active Utility Accounts

**Frequency or Response Timing:** Services are provided daily, weekly, and monthly on established timelines and procedures.

**Standard Operating Procedures/Specifications:** Financial Services utilizes procedure manuals to document standard operating procedures to ensure quality and consistency, and are used for training purposes.

### **Service Levels:**

- Produce and distribute monthly invoices for all 9,332 active Utility accounts.
- Manage E-billing program and continue marketing to promote shift from mailed paper copies to emailed distribution. Approximately 52% of account holders are currently subscribed to E-billing.
- Manage Fort Electronic Payment Plan for monthly automatic withdrawals
- Manage collection of Utility accounts, produce and distribute monthly disconnection notices for arrears accounts, and attempt contact with each account holder. Manage monthly disconnection of water services. On average 150 notices are sent each month with typically fewer than 10 physical disconnections.
- Monitor excessive consumption and contact account holders where necessary. Water Billing Adjustment Program offered on case by case basis.
- Process opening and closing of utility accounts on a daily basis.
- Monitor and respond (same day) to customer inquiries via phone and email.

**Policy Alignment:** Water Billing Adjustment Policy and Procedure

**Legislation, Regulations or Standards:** Waterworks Bylaw C10-20; User Fees and Charges Bylaw C36-20

**Profile of Users:** General public