

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: Municipal 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 develop new financial policies and procedures based on an annual review, as needed.
- 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-010-C

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

Profile of Users: Council, City administration and staff, external auditors, 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, recorded to the correct general ledger accounts, and paid in a timely manner.

Inventory/Volume/Demand:

- 1,395 active vendors.
- 120 staff have operating procurement authority ranging from \$1,000 up to approved budgeted expenditures.
- 30 staff have capital procurement authority ranging from \$10,000 up to approved project budgets.
- 159 staff have procurement cards.
- 19,945 invoices entered in 2022.
- 2023 Operating Expense Budget \$75,263,637; debt repayment \$3,552,817.
- 2023 Capital Expense Budget \$27,040,487.

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 (EFT) and monthly by cheque. Employee expenses are paid monthly. Procurement card statements 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:

- Respond to and address at least 80% of staff and vendor inquiries regarding procurement requirements, general ledger account coding, invoices, payments and vendor set ups within three (3) days.
- Provide regular training to staff regarding the account payables policies, procedures, and other requirements for new employees or new processes.
- Process vendor/payment setup forms within 30 days of receipt.
- Process invoices, employee expense claims, and procurement card transactions within seven (7) days when received on Fridays as per the payment calendar.
- Address 80% of transaction exceptions within seven (7) days, through a combination of root cause analysis, training, and enforcement of City policies and applicable laws.
- Enter or accrue monthly expenditures within 3 calendar days of month end for prior month end closing.
- Pay at least 80% of invoices in less than 28 days following the invoice date and 95% of invoices in less than 60 days following the invoice date.
- Process at least 30% of transactions under \$5,000 by Procurement Card.
- Process at least 70% of invoiced transaction payments by Electronic Funds Transfer
- Pay properly authorized employee expense claims within seven (7) days of month end.
- Process weekly EFT payment runs, and monthly cheque payment runs as per approved payment calendar.
- Prepare and reconcile accounts payable working papers to the general ledger 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; Prompt Payment and Construction Lien Act (Alberta); Unclaimed Personal Property and Vested Property Act and Regulation (Alberta); Excise Tax Act (Canada); Income Tax Act (Canada); Canadian Payments Act (Canada); New West Partnership Trade Agreement; Canada Free Trade Agreement; Canada European Trade Agreement; City Manager's Bylaw; Public Sector Accounting Standards.

Profile of Users: City administration and staff, vendors, and external auditors



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 ensure accurate accounting of what is owed to the City. Ensures that invoices are recorded to the correct general ledger accounts, and invoices are sent out and payments processed 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 2,280 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 general ledger account coding, invoices, and invoice payments received.
- Assist customers with invoices and invoice payments.
- Review lease agreements and invoice requests for correct general ledger account coding and charges.
- Return to staff if errors found 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; Annual User Fees, Rates and Charges Bylaw

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

Profile of Users: City administration and staff, customers, and external auditors

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 for the current budget year that supports day-to-day service delivery by maintaining service levels, proactive maintenance, and purchasing capital assets to accommodate growth. The 10 Year Capital Plan outlines future investment for ageing capital assets that require maintenance or replacement, and future investment in the construction of new public facilities and infrastructure.

Inventory/Volume/Demand: 2023 capital budget \$21.1 million; 10-year capital plan \$285.4 million

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)
- Prepare a 10 Year Capital Plan (5-year capital plan, at minimum, 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 capital project scores and quartiles and update, as needed.

Service Levels:

- Lead the organization through the budget planning process.
- Respond to budget queries within 48 hours.
- Prepare proposed 10-year capital plan, with updates, for Council review - June each year
- Prepare proposed budget document for presentation and Council deliberations - September each year.
- Prepare budget for Council approval - December each year.
- Provide regular budget updates to Leadership Team and Council, as needed.

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, City administration and staff, external auditors, and general public.

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 for municipalities 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, City administration and staff, external auditors, and general public.

Operating Budget and 3-Year Operating Financial Plan Forecasts

PBB Program Area Description/Overview:

Coordinate development of annual operating budget and 3 year operating financial plan 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 in the provision of 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 develop an operating budget each year, and to create and adopt 3-year operating financial plan forecasts to support strong financial management. The forecasts evaluate current and future market conditions to help guide policy and program decisions.

Volume: 2023 operating budget of \$89.4 million (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, rates, and charges according to policy; update as needed.
- 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.
- Prepare 3-year operating financial plan 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.
- Prepare proposed budget document for presentation and Council deliberations - September each year.
- Prepare budget for approval - December each year.
- Provide regular budget updates to Leadership Team and Council, as needed.

Policy Alignment: Operating and Capital Budgets Policy 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, City administration and staff, external auditors, and general public.

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; and process updates and changes to the 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 property assessment for the purposes of levying and collecting property taxes needed to cover budgeted expenditures.

Volume: 11,929 total assessed properties; CRASC 2023 budget \$413,102

Frequency or Response Timing: Services are provided daily, weekly, monthly and annually based on established timelines and procedures. External assessors complete the annual property assessments and information is provided to the Finance department in February each year. External assessors complete the supplementary property assessments and information is provided to the Finance department in October/November 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 external assessor to pre-determined areas of the City requesting updates of assessment information.
- Coordinate re-assessment requests on behalf of property owners.
- Process updates and 305 changes to the property assessment roll as advised by the external assessor.
- Process annual payment of the designated industrial property requisition and quarterly payments of the provincial education requisition on behalf of the Government of Alberta.
- Process annual payment of the Heartland Housing Foundation requisition.

Policy Alignment: Property Tax Policy FIN-027-C

Legislation, Regulations or Standards: Municipal Government Act

Profile of Users: External assessors, Finance department, external auditors, and general public.

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 tax 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, services, and infrastructure needed to support residents, businesses, and industry.

Volume: 11,929 property tax 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:

- Prepare combined annual and supplementary property tax rate bylaw.
- Produce and distribute property assessment notices to all property tax accounts in February each year.
- Produce and distribute property tax notices to all property tax accounts in May each year, with taxes due June 30.
- Manage property tax certificate requests and respond within 48 hours. Continue correspondence with common requestors to encourage online submission through Virtual City Hall.
- Prepare and distribute tax arrears reminder letters advising property owners of outstanding balances and upcoming penalty dates.
- Process property tax penalty waiver applications and prepare for review and decision by Council.
- Manage the monthly tax installment program (Fort Electronic Payment Plan) for automatic withdrawals.
- Monitor and respond (same day) to customer inquiries via telephone 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; Annual Property Tax and Supplementary Property Tax Bylaw; Supplementary Assessment Bylaw C5-20; Annual User Fees, Rates, and Charges Bylaw; Municipal Government Act

Profile of Users: Council, City administration and staff, external auditors, and 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:

- 14,405 active TCA cards growing at an average of 2.69% per year since 2017.
- \$711 million in TCA (historic cost) increasing at an average of 4.03% per year since 2017.
- 48 active capital projects in 2021 declining from 76 in 2017.
- Tracks contributed tangible capital assets (average 10 development agreements with completed 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: Council, City administration and staff, external auditors, and general public.

Utility Billing Services

PBB Program Area Description/Overview:

Manage utility 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 the costs associated with Utility services and ensure the timely and accurate billing for those services.

Inventory/Volume/Demand: 9,613 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/specifications to ensure quality and consistency, and are used for training purposes.

Service Levels:

- Produce and distribute monthly invoices for all active Utility accounts.
- Manage utility E-billing program and continue marketing to promote shift from mailed paper copies to emailed distribution. Approximately 65% of Utility account holders are currently subscribed to E-billing.
- Manage the monthly utility payments program (Fort Electronic Payment Plan) for automatic withdrawals.
- Manage collection of all Utility accounts; produce and distribute monthly disconnection notices for utility 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 water consumption on a weekly basis and contact account holders where necessary. Water Billing Adjustment Program offered on case by case basis.
- Promote and facilitate setup of Customer Water Portal, which allows for utility customers to monitor and track their water usage.
- Process opening and closing of utility accounts daily.
- Monitor and respond (same day) to customer inquiries via telephone and email.
- Manage and facilitate annual program for replacement of aged water meters.

Policy Alignment: Water Billing Adjustment Policy and Procedure

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

Profile of Users: Utility customers, external auditors, and general public.