

# Branch — Corporate Accounting and Treasury

## Introduction

The Corporate Accounting and Treasury Branch provides strategic and technical advice related to the development of or refinement of financial policy/directives in the areas of performance reporting, the City's annual report and accounts payable/receivable. The Branch is also responsible to ensure effective and efficient use of the financial components/modules within the City's Enterprise system SAP. The Branch provides oversight and transactional assurances with respect to ticket administration, cash operations and coin processing. The Branch is also responsible for compliance with changes to Public Sector accounting standards through its involvement with the City's external audit process.

MAJOR SERVICES & ACTIVITIES	
Corporate Accounting	Treasury
<ul style="list-style-type: none"><li>• Responsible for annual financial reports and compiling inputs for the City's annual budgets and reports according to legislated requirements.</li><li>• Facilitates external audit process.</li></ul>	<ul style="list-style-type: none"><li>• Responsible for oversight/control and transactional assurance for the City's various cash handling/processing operations.</li><li>• Responsible for efficient and effective processing of accounts payable and receivable including collections.</li><li>• Responsible for ensuring compliance with existing City policy/directives as well as providing advice on amendments related to cash operations.</li></ul>

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## Opportunities and Challenges

The Corporate Accounting & Treasury Branch provides services to its internal customers. These services support the organization in achieving the City's strategic goals. The following are opportunities and challenges facing the Corporate Accounting & Treasury Branch in the immediate and medium term. Opportunities and challenges are identified through internal and external environmental scans, often have impacts beyond one year, and may or may not have budget implications for 2012.

### 1) Enhance Management Reporting Process

**Linkage to Department Outcome:** Enhanced management reporting will serve to move forward the Branch's ability to provide advice and services that contribute to the client's success

**Opportunity:** Contributing to the City's fiscal sustainability starts with ensuring the City has the management reporting framework in place to help Council make effective decisions for the citizens of Edmonton. Establishing a framework around management reporting will ensure a focused approach to developing the reports that achieve maximum value for decision makers. Through enhancing management reporting the City can ensure decisions are made that return the maximum value to the City.

**Action and Timeframe:** The effort towards enhancing management reporting will be pursued over the next 18 months.

### 2) Continuous Improvement to the City's Treasury Processes

**Linkage to Department Outcome:** Continuous improvement in relation to transactional efficiencies serves to move forward the Branch's ability to ensure funds are available to support approved programs and services when required.

**Opportunity:** Administration is committed to continuous improvement of various functional areas. The City's treasury function is one that is highly transactional and voluminous. There will be a review of treasury functions to identify where opportunities exist for efficiency.

**Action and Timeframe:** The effort towards continuous improvement will be pursued during the one to three years.

### 3) Continuous Improvement to Enterprise Financial Systems—SAP

**Linkage to Department Outcome:** Managing the financial information system will serve to move forward all of the department outcomes.

**Opportunity:** Currently the City uses a number of different tools and multiple databases for financial management and reporting. The degree of integration between these tools and databases varies widely. This presents an opportunity to improve governance by integrating core financial management functions. In emphasizing the reduction in duplicate data entry; implementation of internal controls for transactions, reporting and information entry; and standardization of data classifications for financial events, the branch will be able to provide improved financial information for budgeting and financial performance measurement.

The branch will partner with the Client Financial Services branch in continuing to explore the opportunity to fully integrate and improve functionality of financial systems and databases. In doing so, it will leverage what is already in place and identifying potential improvement to ensure that financial decision-making is supported by up-to-date, consistent, supportable information that is easily accessed and distributed

**Action and Timeframe:**

The review of the current gap analysis and implementing the next steps for an improved information management system will continue over the next three to five years.

## Service and Budget Review

In preparation of the 2012 Budget, the Corporate Accounting and Treasury Branch reduced the amount budgeted for telephones and cell phones.

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## Approved 2012 Budget – Branch Summary (\$000)

	2010 Actual	2011 Budget	\$ Change '11-'12	2012 Budget	% Change '11-'12
<b>Revenue &amp; Transfers</b>					
Remittance Processing Fees	\$ 1,116	\$ 1,097	\$ 19	\$ 1,116	1.7
Financial Administration Fees	244	249	7	256	2.8
Various Revenues	1	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>1,361</b>	<b>1,346</b>	<b>26</b>	<b>1,372</b>	<b>1.9</b>
<b>Expenditure &amp; Transfers</b>					
Personnel	6,639	8,201	164	8,365	2.0
Materials, Goods & Supplies	285	648	(12)	636	(1.9)
External Services	512	779	14	793	1.8
Intra-municipal Services	115	323	36	359	11.1
Utilities & Other Charges	146	174	25	199	14.4
Transfer to Reserves	-	-	-	-	-
Subtotal	7,697	10,125	227	10,352	2.2
Intra-municipal Recoveries	-	(1,418)	-	(1,418)	-
<b>Total Expenditure &amp; Transfers</b>	<b>7,697</b>	<b>8,707</b>	<b>227</b>	<b>8,934</b>	<b>2.6</b>
<b>Net Operating Requirement</b>	<b>\$ 6,336</b>	<b>\$ 7,361</b>	<b>\$ 201</b>	<b>\$ 7,562</b>	<b>2.7</b>
<b>Full-time Equivalents</b>	113.0	109.0	1.0	110.0	

# Branch — Corporate Accounting and Treasury

## Budget Changes for 2012 (\$000)

### Revenue & Transfers - Changes

#### **Remittance Processing Fees \$19**

Remittance processing fees are increasing by \$29 due to inflation partly offset by \$10 reduction in expected revenue.

#### **Financial Administration Fees \$7**

Financial Administration Fees are increasing by \$7 due to inflation.

#### **Debenture Administration**

No Change

### Expenditures & Transfers - Changes

#### **Personnel \$326**

An increase of \$123 results from 1.0 FTE being added from a service packages; a training coordinator for SAP and financial systems training. Movement within the salary ranges, changes in benefits, and the last year of a 3-year 1% LAPP contribution increase account for the remaining \$41.

#### **Materials, Goods & Supplies (\$12)**

Decrease due to reduction in printing budget of \$8 and reduction in computer budget of \$4.

#### **External Services \$14**

External Services are increasing due to inflation.

#### **Fleet Services**

No Change

#### **Intra-municipal Services \$36**

Intramunicipal Services increase by \$22 for parking charges, \$10 for IT consulting, and \$4 for inflation.

#### **Utilities & Other Charges \$25**

Increases to financial costs of \$10 (Traffic Tags credit card processing fees), and training costs of \$15.

#### **Intra-municipal Recoveries**

No Change

### Full-time Equivalents - Changes

SAP and Financial Systems Training service package requires one full time FTE.

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## Service Package

### Service Package - SAP and Financial Systems Training

Funded

#### Description

This service package would provide for one permanent, full-time SAP and Financial Systems Training Coordinator position. Focused on SAP and other financial systems including the budget systems, this position will firstly coordinate and conduct a training needs assessment. Based on the completed assessment they will then, in conjunction with users and other departments, design & implement a training program to meet the training needs for all financial staff and end users including managers across the organization. Training would include classroom, online, and one-on-one training including the establishment of "super-users" for SAP and other financial systems.

#### Justification

A large gap has emerged between SAP's capabilities and the City's current use of SAP. Major issues have been identified around financial and management reporting, operating and capital budget processes (including system requirements), Project Systems, as well as a lack of consistent policies, guidelines and standards for various financial processes. A major part of closing this gap and providing better and more consistent service to clients, as well as internally, is the knowledge of and consistency of practices and processes within financial systems. By ensuring that a complete training program is implemented for financial system, tailored to the needs of each user group, this position will ensure that staff have access to the knowledge required to do their jobs and for consistent procedures to be followed throughout financial services.

Without funding there will be no focused training for financial services staff in the use of financial systems. The use of inconsistent processes will continue, and the benefits of consistent, well trained staff, and the efficiencies and the related improvements in service to other departments will be lost.

#### Links to Strategic Goals, Departmental Outcomes & Performance Measures

Strategic Goal(s): This service package supports the City's strategic goal to "Ensure Edmonton's Financial Sustainability."

Department Outcome(s):

5.2.1 The City understands its financial obligations, risks, and opportunities and manages them effectively

5.2.2 Financial Services provides advice and services that contribute to the client's success.

Performance Measure(s):

% of City's performance reporting that has been completed on a quarterly basis

% of clients satisfied overall with Financial Services

#### Impact on Other Departments

This service package will allow Financial Services to improve its service to all departments through a consistent approach, and through more accurate, timely information.

Incremental (\$000)	2012				2013				2014			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget Annualization	\$ 135	\$ -	\$ 135	1.0	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 135</b>	<b>\$ -</b>	<b>\$ 135</b>	<b>1.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>