

# Department — Financial Services

## Introduction

Financial Services plays a key strategic role as an enabler of complex undertakings. Excellence in financial management through the development of analytical capabilities is a core deliverable, but so is the provision of strategically focused information and advice.

Financial Services is focused on providing technical and strategic financial advice and direct financial services to other City departments and works closely with City authorities, boards and commissions. Financial Services supports effective stewardship of the City's financial resources and the provision of financial controls and processes. Working with other City departments, the department is moving forward on implementation of integrated corporate performance management with incorporation of performance measurement in budget.

Changing economic circumstances challenge the City of Edmonton in planning effectively to fund needed programs and infrastructure. Financial Services is taking a lead role in developing *The Way We Finance* focused on the City's goal of ensuring Edmonton's Financial Sustainability. *The Way We Finance* will provide guidance for resource planning and financial decision-making on an on-going basis and will support the implementation of Council's ten-year strategic priorities.



BRANCHES		
Assessment and Taxation Branch	Client Financial Services Branch	Corporate Accounting & Treasury
<ul style="list-style-type: none"> <li>• Provide accurate and fair valuations for property and business owners with Business Revitalization Zones (BRZs)</li> <li>• Manage and collect property and business taxes</li> <li>• Responsible for accounting, collection, and distribution of the Alberta Education Tax</li> <li>• Provide technical analysis and advice on forecasting and review of property taxation.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide technical and strategic financial advice and direct financial services (budget, accounting, reporting and process improvement) to client departments.</li> <li>• Responsible for Capital and Operating budgets, long range financial planning, and development of infrastructure resource strategy for the City</li> <li>• Responsible for managing the City's investment portfolio</li> <li>• Coordinate strategic planning services including corporate performance measurement</li> </ul>	<ul style="list-style-type: none"> <li>• Develop financial policies and directives, maintain internal controls and prepare financial reporting in compliance with legislated and professional standards</li> <li>• Accountable for billing and collection of City revenues and payment of City's bills</li> </ul>

# Department — Financial Services

## STRATEGIC ROADMAP

### 10-YEAR GOAL



### CORPORATE OUTCOMES

- The City has well managed and sustainable assets and services
- The City has a resilient financial position
- The City has balanced revenue streams that are sustainable



- The City of Edmonton delivers valued, quality, cost-effective services to its citizens

### DEPARTMENT OUTCOMES

- Funds are available to support approved programs and services when required
- The collection of property and BRZ budgeted tax requirements are in compliance with municipal bylaws, provincial legislation, and Council priorities
- Financial Services provides an oversight function of the City's financial regulatory responsibilities
- The City understands its financial obligations, risks, and opportunities and manages them effectively
- Financial Services provides advice and services that contribute to the client's success
- Fair property and business (BRZ) assessments which meet legislative and statutory requirements, and business requirements
- Financial Services provides advice and services that support to the diversification of the City's revenue streams
- A strategic organization with a culture that is responsive, innovative and adaptive, advancing corporate-wide programs to achieve the City Vision

# Department — Financial Services

## DEPARTMENT SCORECARD

### 10-YEAR GOAL



### DEPARTMENT MEASURES

### STATUS TREND 3-YEAR TARGET 2010 ACTUAL 2011 FORECAST

% of time the cash balance falls outside +/- 5% of the forecasted position



+/- 5%

2.5%

Midpoint of +/- 5%

Maintaining a low bad debt status %

TBD

n/a

0.02%

% of investments in compliance with legislative and City policy requirements



100%

100%

100%

% of clients satisfied overall with Financial Services

TBD

73%

66.7%

% of assessments compliant with Provincial standards by legislated date



100%

100%

100%

% of unqualified audit opinions City receives on annual consolidated financial statements and financial information returns



100%

100%

100%

% of borrowing bylaws advanced to City Council for first reading within 90 days of budget approval (excluding local improvements)

TBD

n/a

n/a

% level of financial resources set aside for emergent events (Financial Stabilization Reserve) is within the range set out in the policy



100%

100%

100%

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



100%

100%

100%

% of audit findings with financial implications that have action plans addressed within 18 months of report completion



100%

100%

100%

% of performance measures (corporate and department) with valid data and information reported

TBD

n/a

n/a



## LEGEND

### STATUS DESCRIPTION

- Measure is meeting or exceeding established target
- Measure is moderately off of established target
- Measure is not meeting established target

TBD - In development

n/a - Currently not available

### TREND DESCRIPTION

- Measure is trending favourably up over last reporting period
- Measure is trending unfavourably up over last reporting period
- Measure has not changed over last reporting period
- Measure is trending unfavourably down over last reporting period
- Measure is trending favourably down over last reporting period



# Department — Financial Services

## Summary and Highlights of 2012 Budget

The City's long range strategic plan, *The Way Ahead*, contains six, ten-year priority goals, one of which is to "Ensure Edmonton's Financial Sustainability." To support this goal, Financial Services is responsible for development and implementation of financial strategies that support the delivery of the Council's strategic outcomes; and for provision of technical and strategic advice to City departments to promote consideration of immediate and longer term implications, opportunities and risks and alignment with the City's financial strategies.

The following outlines the priorities that will enable Financial Services to support the organization in achievement of the City's strategic plan.

### The Way We Finance

Financial Services is taking a lead role in developing *The Way We Finance*, which will provide a decision making framework for identifying and analyzing the resource requirements associated with the implementation of the other "Ways" strategic plans and for prioritizing implementation plans within available means.

The *Way We Finance* will examine the financial impacts of the economic environment and strategic priorities of the City and provide guidance for resource planning and financial decision making on an ongoing basis. The potential effectiveness of any proposed financial strategies in addressing challenges and capitalizing on opportunities will also be examined. The financial analysis framework will continue to be updated and used for corporate analytical and decision making purposes on an ongoing basis. *The Way We Finance* will consist of three major components: the financial governance framework, financial policies and strategies, and a ten-year long range financial plan (LRFP).

The project deliverables have been under development. It is expected that the first draft for *The Way We Finance* will be presented to Council at the end of the second quarter in 2012.

### Renewing and Optimizing Enterprise Financial Systems—SAP

Effective oversight and management of financial information enables Financial Services to provide strategic advice to the corporation. The renewal and optimization of the enterprise financial management information system (SAP) will improve how financial data is collected, analyzed and presented. This will improve the accuracy and relevance of information supporting Council decision-

making and accountability to the citizens.

### Continuous Improvement of Capital and Operating Budgeting Processes and Software

Financial Services will be reviewing the current capital and operating budgeting processes in 2012 to ensure that transparency and accountability are appropriately reflected. This effort will not only consider process streamlining, but also move forward Financial Services' ability to provide advice and services that contribute to the client's success. Appropriate business cases will be developed that propose technology changes or improvements to enhance the transparency and efficiency of the processes.

In addition, the Department will need to ensure that the Tax Assessment and Collection System (TACS) continues to provide accurate and fair assessments. This system is used for corporate analytical and decision making purposes, therefore, it is crucial that the system provides added value in facilitating Council's budget decisions.

### Increasing Department's Long Range Financial Planning Capabilities

A crucial output of *The Way We Finance* is the long range financial plan. It will make Edmonton's financial situation clear and accessible to citizens, businesses and Council. It will provide Council with essential information for making decisions that are both financially responsible and responsive to community needs. It will provide a comprehensive review of the City's financial conditions that will also help frame discussions with other levels of government and the community. It will also focus on challenges to the City's financial sustainability and identify strategies to promote long-term financial sustainability.

Financial Services is leading the preparation of the City's long range financial plan—in conjunction with *The Way We Finance* initiative. This requires resources to develop an in-depth understanding of the issues facing the organization and to engage stakeholders from within and outside of the organization.

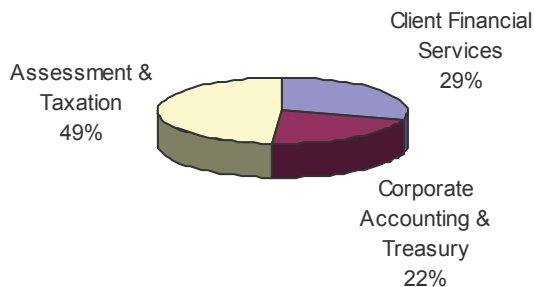
# Department — Financial Services

## Approved 2012 Budget – Department 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
Debenture Administration	75	91	(46)	45	(50.5)
Grants	27	-	-	-	-
Various Revenues	24	8	-	8	-
<b>Total Revenue &amp; Transfers</b>	<b>1,486</b>	<b>1,445</b>	<b>(20)</b>	<b>1,425</b>	<b>(1)</b>
<b>Expenditure &amp; Transfers</b>					
Client Financial Services	12,914	11,374	190	11,564	1.7
Corporate Accounting & Treasury	7,697	8,707	227	8,934	2.6
Assessment & Taxation	18,520	19,178	161	19,339	0.8
<b>Total Expenditure &amp; Transfers</b>	<b>39,131</b>	<b>39,259</b>	<b>578</b>	<b>39,837</b>	<b>1</b>
<b>Net Operating Requirement</b>	<b>\$ 37,645</b>	<b>\$ 37,814</b>	<b>\$ 598</b>	<b>\$ 38,412</b>	<b>1.6</b>
<b>Full-time Equivalents</b>	<b>476.6</b>	<b>465.1</b>	<b>4.0</b>	<b>469.1</b>	

Budget details are provided at the Branch level

### Where the Budget will be spent



### Funding by source

