

FINANCE DEPARTMENT

OVERVIEW

The Finance Department keeps the Corporation's financial records, performs banking activities and monitors the activity of other departments to ensure that the County's financial policies are followed. It is the primary liaison with the Corporation's external auditors, as well as federal and provincial tax authorities, and is the lead user department of the Corporation's general ledger, accounts payable, cash receipting, payroll, purchasing and inventory control computer systems.

The Department supplies accounting expertise and services to other public agencies such as the Sarnia-Lambton Economic Partnership and the area Boards responsible for O.P.P. police services and water distribution.

The Finance Department is also responsible for the Administration Building reception staff and the Corporation's payroll. Payroll staff coordinate and process direct deposits for 1, 100 employees on a biweekly basis, the remittance of amounts withheld and the issuance of Records of Employment and T4's among other activities.

In addition, the County's Provincial Offences Administration (POA) Department, which is located in Sarnia and the County's Revenue Development Officer also report to the Corporate Manager, Financial Services. POA staff administer the County's provincial court services and are responsible for setting trials, recording court proceedings, generating transcripts and receiving payments for fines resulting from charges laid by the various police forces operating within the County. The Revenue Development Officer is charged with identifying ways to access and maximize funding for County operations from sources other than the property tax base.

Function:	Finance	POA	Revenue Development
FTEs:	14.85	4.8	1.15
Total Budget:	\$1,201,630	\$1,121,229	\$79,186

CORPORATE SERVICES

DEPARTMENT: Finance
SERVICE UNIT: Accounting
BUDGET YEAR: 2005

Service Level

This function provides accounting, financial reporting and processing support (G/L, A/P, A/R, cash receipting, bank reconciliation) to the 4 County Divisions and 5 independent entities (Community Development Corporation, Sarnia-Lambton Economic Partnership, Lambton Area Water Supply System, Lambton Group Police Services Boards and Lambton County Municipal Association).

In general, service levels are dictated by legislative requirements, although specific functions are also dictated by the Corporation's structure. Therefore, although this function is responsible for the preparation of annual financial statements, charitable returns and the overall integrity of the County's financial records, it does not exercise control over the input of data. That function is performed by staff in individual departments.

Staff provide coordination of the cash receipting functions and issue all cheques (except those from Ontario Works) and function as primary liaisons with the County's bankers. This is increasingly becoming a closely controlled activity as the CIBC now requires all contacts & requests to be conducted through its Toronto Contact Centre rather than at the local bank level. This has necessitated increased documentation and formalization in the applications of rules, etc. as County staff are no longer "known" to the supplier staff on a one-to-one basis.

The role of this function continues to evolve and change as the Province introduces new & expanded reporting requirements. The layout & content of both the Financial Report & Financial Information Report change each year as the requirements of Public Sector Accounting Board are made mandatory. The recent introduction of the Municipal Performance Measurement Program requires the tracking of new statistics, some of which were never previously monitored. The need to track and accurately report on Reserves & Reserve Funds is even more vital now that balances are so low. These demands have been and are being met, as well as all other requirements being complied with no increase in staffing.

Statistics:

General Ledger - 6000 + accounts for 50 departments.

Accounts Payable - On weekly basis, collate cheques (300 to 500) with vendor invoices (400 to 600), then mail cheques & file invoices.

Process monthly bank reconciliations for 7 operating accounts, 14 trusts, 9 reserve funds (e.g. waste management, senior services, museums, library, etc).

Switchboard answers 7500 monthly incoming calls for Admin Building & Library HQ, maintain phone directory, update blue pages, direct counter inquiries and books the use of county van & committee rooms.

CORPORATE SERVICES

DEPARTMENT: Finance
SERVICE UNIT: Internal Audit
BUDGET YEAR: 2005

Service Level

Although primarily a discretionary function, the downloading of services and responsibilities from the Province combined with the de-centralization of many aspects of the County's financial operations makes it difficult for the Corporation to meet its fiduciary responsibilities without internal audit services, which for the County includes Cash Management and Credit Rating /Debt activities. The organization is now too large for managers to know what every employee is doing every minute and an internal audit function is necessary to maintain the necessary levels of assurance demanded by its external auditors, the Province and credit rating agencies. Staff are also not aware of any other Ontario municipality the size and complexity of the County of Lambton that operates without this function.

This function reviews all transactions to determine whether proper procedures were followed. When minor errors or omissions are discovered, the party is advised as to what was wrong and what steps need to be taken to correct the error and prevent its reoccurrence. More serious errors are brought to the attention of the Corporate Manager, Financial Services/ Treasurer who then determines what further actions are to be taken. Results of these reviews are shared with the Corporation's external auditors and form part of their documentation for the County's annual audit.

While these reviews have historically been "document" based (e.g. looking at the physical movement of documents within a specific function), staff are looking to modify practices and introduce the more efficient "cradle-to-grave" system. This approach looks at fewer transactions, but measures a far greater number of parameters thus maintaining or increasing existing assurance levels. A report recommending this change is being prepared for Council's consideration.

Statistics:

- 17 Petty Cash Accounts
- 400 to 600 invoices physically processed that must be reviewed each week
- Number of Comfort Trust Accounts at each of the 3 Homes for the Aged:

LMV	124 Accounts
MGM	166 accounts
North Lambton	116 accounts
(Includes accounts waiting for estate settlement)	
- Average cash on deposit in County Accounts \$1.5 m to \$15 m
- Debenture & bank loan principal and interest payments \$9,933,922

CORPORATE SERVICES

DEPARTMENT: Finance
 SERVICE UNIT: Budgeting & Financial Control
 BUDGET YEAR: 2005

Description of Service	Benefit of the Service	Categorization of the Service	Legislation, Regulations, Standards	Costs and FTE's (Five Largest Expense Categories)	Funding Sources (as a % of Total Funds Required)														
<p>Mandatory</p> <ul style="list-style-type: none"> • Coordination of all aspects associated with the preparation of annual Operating and Capital Budget, 5 Yr Capital forecast and quarterly fiscal forecast and variance reports. • Financial analysis and verification of impact from Provincial funding announcements. • Tax Policy Administration, including liaison with MTE, and MPAC. • Calculation of County Tax Rates. • Administer Budget related computer systems. • Training and support as required. • Conduct analysis and provide financial recommendations and advice to all Divisions to assist them in developing effective & efficient solutions for service delivery. • Completion of various Governmental reports & surveys. • Annual reconciliation of Provincial funding programs. • Annual budget submission for Provincial funding programs. 	<p>Financial Reporting and Accountability to the Residents of Lambton County, elected officials, Administrative staff and senior levels of government.</p> <p>Provision of dedicated financial expertise to all Divisions and departments.</p> <p>Strategic Plan Area of Effort:</p> <p>2. Enhancing Our Communications as the public & lower tier municipalities are provided information about how the County uses its revenues.</p> <p>4. Enhancing Our Organizational Culture as budgeting, variance and software training opportunities are offered to support staff's roles and responsibilities.</p>	<p>Mandatory</p>	<p>Municipal Act and related legislation under which specific funding is provided.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Budget</td> <td style="text-align: right;">\$447,882</td> </tr> <tr> <td>Salary & Benefits</td> <td style="text-align: right;">\$229,768</td> </tr> <tr> <td>MTE</td> <td style="text-align: right;">\$175,000</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">\$36,300</td> </tr> <tr> <td>Postage, Telephone & Office</td> <td style="text-align: right;">\$4,221</td> </tr> <tr> <td>Training & Memberships</td> <td style="text-align: right;">\$2,593</td> </tr> <tr> <td>FTE:</td> <td style="text-align: right;">2.85</td> </tr> </table>	Total Budget	\$447,882	Salary & Benefits	\$229,768	MTE	\$175,000	Capital	\$36,300	Postage, Telephone & Office	\$4,221	Training & Memberships	\$2,593	FTE:	2.85	<p>100 % Levy</p>
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CORPORATE SERVICES

DEPARTMENT: Finance
SERVICE UNIT: Budgeting & Financial Control
BUDGET YEAR: 2005

Service Level

This function is responsible for recording the decisions of Council as established in its annual budget setting process. Staff are also involved in the development of tax policy, its implementation and the annual capping exercise as well. Government legislation and regulations have greatly increased the complexity of Tax Policy formulation and Tax calculations. With the assistance of MTE, staff are able to provide the County and its Lower Tier municipalities the data and information necessary to determine tax policies. Similarly, the introduction of proactive assessment appeals, which this function co-ordinates, is also beginning to stabilize the County's property tax base, thus reducing write-offs and maintaining tax levels.

Once the budget has been approved by Council, this function prepares the reports and other inputs used by General Managers and their staff to perform quarterly variance analysis. These processes have been improved and made more efficient through the use of new/additional budgeting software such as: Crystal Reports, RAC Operating, Capital Plan and Salary Planning. The addition of these new budgeting tools/software has also increased the need for training among staff outside the Department. As a result, beginning this Autumn, the Finance Department will be introducing a comprehensive, standing training program for all staff. This training will address the technical uses of software as well as the basics of budgeting and Variance analysis.

Finally, although changing provincial legislation and funding formulas continue to present a challenge in preparing the County's annual budget, a comparison of the County's Budget setting & Variance Analysis processes with other municipalities shows them to be competitive with other organizations this size. Regardless, staff continue to examine new processes and methods which may be useful to Council and Staff in increasing the efficiencies and quality of information available.

Statistics:

The County's budget has grown from \$ 89,597,101 in 1998 to \$128,647,738 in 2005.

A total of 70 Final Budget Books are printed each year. An Average of 75 copies for each version of the County's draft budgets (2 – 4) are also produced.

CORPORATE SERVICES

DEPARTMENT: Finance
 SERVICE UNIT: Payroll / Data Processing
 BUDGET YEAR: 2005

Description of Service	Benefit of the Service	Categorization of the Service	Legislation, Regulations, Standards	Costs and FTE's (Five Largest Expense Categories)	Funding Sources (as a % of Total Funds Required)												
<p>Mandatory</p> <ul style="list-style-type: none"> • Bi-weekly processing of Payroll. • Financial administration of benefit programs, premiums and amounts withheld. • Maintenance of employee Absence Banks. • Annual reporting & reconciliations (e.g. T4s). • Data Processing (final postings) of Payroll. • Accounts Payable. • Accounts Receivable and Journal entries to General Ledger. • Printing of all Accounts Payable cheques. 	<p>The County avoids grievances from Unions by ensuring that all employees are paid properly and promptly.</p> <p>Centralized processing of all A/P payments to all outside vendors and employees ensures that the County's debt are paid when due.</p> <p>Strategic Plan Area of Effort:</p> <p>4. Enhancing Our Organizational Culture by providing a single, central point for processing and equal, service to all departments & functions within the County.</p>	<p>Mandatory</p>	<p>Canada Revenue Agency, (CCRA)</p> <p>Human Resources Development Canada, (HRDC)</p> <p>WSIB</p> <p>Employer Health Tax</p> <p>Employment Standards Act, (ESA)</p> <p>Employers Guide To T4's</p> <p>OMERS Pension</p> <p>Ontario Labour Board</p>	<table border="0"> <tr> <td>TOTAL</td> <td align="right">\$238,262</td> </tr> <tr> <td>Salary & Benefits</td> <td align="right">\$221,078</td> </tr> <tr> <td>Countywide Payroll Exp.</td> <td align="right">\$8,680</td> </tr> <tr> <td>Postage, Telephone / Office</td> <td align="right">\$4,313</td> </tr> <tr> <td>Training & Memberships</td> <td align="right">\$4,191</td> </tr> <tr> <td>FTE:</td> <td align="right">3.70</td> </tr> </table>	TOTAL	\$238,262	Salary & Benefits	\$221,078	Countywide Payroll Exp.	\$8,680	Postage, Telephone / Office	\$4,313	Training & Memberships	\$4,191	FTE:	3.70	<p>100% Levy</p>
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CORPORATE SERVICES

DEPARTMENT: Finance
SERVICE UNIT: Payroll / Data Processing
BUDGET YEAR: 2005

Service Level

PAYROLL

Biweekly processing of direct deposits to 1220 employees representing 720 FTEs with a gross value of \$1,467,553.93

Annual T4s

2004 – 1500

2003 – 1416

2002 – 1316

In the last 4 years the County has moved from TDL payroll and ADP HR systems to VADIM Payroll, INFO HR Services and now Advance Tracker Scheduling Software. Once fully operational, these systems will be fully integrated meaning that new information and/or changes will now only need to be entered once. Similarly, when fully deployed, these systems will greatly reduce the amount of duplicate data and time entry that is currently required to process each payroll. This will increase the accuracy while reducing the time required by all employees to properly record and input details of their work. Payroll staff are also currently in the process of moving all employees to Electronic Pay Advices from paper advices. This will save on paper and time as well as reduce the department's need for unreliable folding/inserting machines.

This function is also responsible for the proper accounting and remittance of all withholding taxes and payments. Staff perform reconciliations to ensure that the County is paying the proper premiums for EHT, group life, OMERS and other such benefits as well as processing of separation certificates and other such reporting when employees terminate. They also calculate and process all changes to remuneration, including retro payments associated with the County's 11 Collective Agreements, Exempt, Management Groups and Casual/Contract Employees.

DATA PROCESSING

Data Processing has been using VADIM Financial Systems since May of 2001 and since 2005 has used YARDI for Housing accounts payable. Staff are also currently testing Electronic Funds Transfer (EFT's) for employee expense forms with the intent of eventually moving to our vendors.

Statistics:

Coordinate the processing of all transactions to 5 different ledgers.

Process & print 300-500 cheques each week from Vadim

Process & Print an additional 50-100 cheques from YARDI

Process and input 1100 timesheets bi-weekly

CORPORATE SERVICES

DEPARTMENT: Finance
 SERVICE UNIT: Provincial Offences Court Administration
 BUDGET YEAR: 2005

Description of Service	Benefit of the Service	Categorization of the Service	Legislation, Regulations, Standards	Costs and FTE's (Five Largest Expense Categories)	Funding Sources (as a % of Total Funds Required)														
<p>Discretionary</p> <ul style="list-style-type: none"> • Court Administration Daily POA court support, trial coordination and office administration inquires. • Fine Processing Processing of payments locally and for other municipalities and entry into ICON (includes parking). • Collection/Enforcement In-house collection for overdue accounts within 60 days, referral to third party collection agency, suspension of drivers licences, preparation of input for cases before the Court. 	<p>Higher profile with MAG of issues heard in POA Courts.</p> <p>“Net Contributor” function, the revenues from which are used to reduce dependence on property tax revenues.</p> <p>Strategic Plan Area of Effort:</p> <p>5. Development of Partnership Enhancement Activities as the Department collects and processes By-law fines on behalf of area municipalities and administers P.O.A. matters for all enforcement agencies operating in the County. Provides revenue collection services for all County departments as required.</p>	<p>Discretionary</p>	<p>Regulations within Provincial Offences Federal and Contravention Acts.</p> <p>Rules for Civil Enforcement</p> <p>Memorandum of Understanding (M.O.U.)</p> <p>Policy and procedures within Local Side Agreement.</p> <p>Municipal By-laws</p> <p>Master Court Plan</p> <p>Criminal Code</p> <p>Collections Act.</p> <p>The Municipal Act.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Budget</td> <td style="text-align: right;">\$1,121,229</td> </tr> <tr> <td>Victim Fine Surcharge</td> <td style="text-align: right;">\$350,000</td> </tr> <tr> <td>Salary and Benefits:</td> <td style="text-align: right;">\$287,700</td> </tr> <tr> <td>Rent:</td> <td style="text-align: right;">\$149,000</td> </tr> <tr> <td>Collection Commission:</td> <td style="text-align: right;">\$45,000</td> </tr> <tr> <td>Adjudication:</td> <td style="text-align: right;">\$35,000</td> </tr> <tr> <td>FTE:</td> <td style="text-align: right;">4.8</td> </tr> </table>	Total Budget	\$1,121,229	Victim Fine Surcharge	\$350,000	Salary and Benefits:	\$287,700	Rent:	\$149,000	Collection Commission:	\$45,000	Adjudication:	\$35,000	FTE:	4.8	<p>0% Levy</p>
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CORPORATE SERVICES

DEPARTMENT: Finance
 SERVICE UNIT: Provincial Offences Court Administration
 BUDGET YEAR: 2005

Service Level

As part of its realignment of responsibilities with municipalities, the Province downloaded the responsibility for POA Courts to municipalities. However, as there was not a court in every municipality, the process was optional and dependent on the local municipalities reaching agreement with the Province. In Lambton County, responsibility for the POA was assumed by the County itself under a Memorandum of Understanding.

The County is responsible for all costs – both capital and operational – but is allowed to keep all revenues generated through the payments of fines excluding those related to local By-laws, Parking and the Province’s Victim Surcharge.

POA also uses the first “e-commerce” application on the County’s website. Through an agreement with RBC/Paytickets, defendants have the option of and ability to pay their fines on-line.

While the County is responsible for administrative matters, its authority does not extend to the scheduling &/or sitting of the Courts themselves. That responsibility lies with the Regional Chief Justice of the Peace (a Provincial appointment). This and the fact that the Ministry of the Attorney General has continuing authority regarding the general operations of all courts within the Province means that the majority of staff’s time is spent coordinating conflicting demands among these parties (not to mention enforcement agencies). This is achieved through the use of:

- Master Court Plan (Average current time to trial is 3 months).
- Strong working relation with Justices and Crown Attorney.
- Liaison with local members of the bar, police enforcement agencies and court security.
- Keep all parties current with policy and procedural changes as well as changes in the Master Court Plan.

Statistics (2004):

Total number of offences:	15,417
Total fine of Fines assessed:	\$2,143,219
Value of fines paid via Paytickets (August to December):	\$90,000
2005 Grant Payments: City of Sarnia Court Security	\$465,515
Area Municipal Policing Costs	\$600,000

CORPORATE SERVICES

DEPARTMENT: Finance
 SERVICE UNIT: Revenue Development
 BUDGET YEAR: 2005

Description of Service	Benefit of the Service	Categorization of the Service	Legislation, Regulations, Standards	Costs and FTE's (Five largest Expense categories)	Funding Sources (as a % of Total Funds Required)																		
<p>Discretionary</p> <ul style="list-style-type: none"> • Maintain awareness of funding programs that may benefit the County, local municipalities & community. • Promote & Develop partnerships for funding proposals. • Coordinate and facilitate the preparation of requests for funding. • Develop & foster relations with senior government officials. • Municipal Liaison for community development projects. 	<p>Identification of funding from sources other than property taxes to reduce levels of taxation, increased services or both.</p> <p>Strategic Plan of Area Effort:</p> <p>1. Building Our Local Economy through more government support, funding & private sector investment.</p> <p>3. Community Development Initiatives to raise the profile of the County, increasing its ability to secure funding from senior governments & other sources.</p> <p>5. Development of Partnership Enhancement Activities by actively pursuing collaborations with other partners via joint revenue generating ventures.</p>	<p>Discretionary</p>	<p>There is no direct legislation that impacts this service.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Budget</td> <td style="text-align: right;">\$79,186</td> </tr> <tr> <td colspan="2">No capital budget component.</td> </tr> <tr> <td colspan="2">Largest Components:</td> </tr> <tr> <td>Salary & Benefits</td> <td style="text-align: right;">\$73,686</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$2,500</td> </tr> <tr> <td>Telephone</td> <td style="text-align: right;">\$1,500</td> </tr> <tr> <td>Training</td> <td style="text-align: right;">\$1,000</td> </tr> <tr> <td>Office Supplies</td> <td style="text-align: right;">\$250</td> </tr> <tr> <td>FTE:</td> <td style="text-align: right;">1.15</td> </tr> </table>	Total Budget	\$79,186	No capital budget component.		Largest Components:		Salary & Benefits	\$73,686	Travel	\$2,500	Telephone	\$1,500	Training	\$1,000	Office Supplies	\$250	FTE:	1.15	<p>100% Levy</p>
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CORPORATE SERVICES

DEPARTMENT: Finance
SERVICE UNIT: Revenue Development
BUDGET YEAR: 2005

Service Level

The Revenue Development function is relatively new, having been first authorized by Council for the 2004 Budget year. The incumbent has spent the majority of his time expanding the County's awareness of what grants and other resource based funding initiatives are available. In addition, this position has increased the expertise available to the County with regards to the writing of formal business plans in support of funding requests.

Additionally, an increasing number of funding proposals require that the municipality partner with other organizations as a requirement for funding. This position also has the responsibility of identifying such partnerships and with keeping the County ready to react to such opportunities on short notice.

Finally, Senior levels of government and other funding agencies frequently require high levels of accountability for the administration of programs and services. Again the creation of this position allows for coordination of administration, consolidated reporting and improved analysis of results vs. expectations. This summer's Student Funding Initiative is an example of this.

While there is no direct legislation that impacts on this service, the complexity of grant attainment and development is a direct consequence of increasing legislative requirements and standards. Accordingly, the incumbent must be aware of many obscure items of legislation and how they impact on the County's ability to obtain alternate, non-tax funding.

Applications assisted with have included;

Trillium Foundation (Ontario Visual Heritage Project - \$75,000 & Youth Teen Initiative Libraries - \$75,000)

Summer Career Placement – HRSDC, Summer Job Service – Job Connect

Canada Ontario Municipal Rural Infrastructure Program - \$1.4 million

Green Municipal Funds - \$35,000

PTO Gas Tax Rebate

Ontario Arts Council (\$25,000)

GeoSmart (\$250,000)

Canada Ontario Volunteer Initiative (\$15,000)

Collaborative Efforts with external Partner Organizations:

City of Sarnia, Town of Petrolia, Town of Plympton-Wyoming, The Village of Point Edward, Township of Dawn Euphemia, Township of Ennis Killen, Township of Brooke Alvinston, Township of Warwick, Village of Oil Springs, Township of St. Clair, Municipality of Lambton Shores, Sarnia Lambton Economic Partnership, Tourism Sarnia Lambton, Heritage Sarnia Lambton, Sarnia Lambton Chamber of Commerce, Grand Bend Chamber of Commerce, YMCA of Sarnia Lambton, Nova Chemicals, Southwest Ag Development, Sarnia Lambton Inter-jurisdictional Council, United Way, Organization for Literacy in Lambton, Big Brothers, Big Sisters, Sarnia Lambton Training Board, Lambton College, Lambton Kent District School Board, St. Clair Catholic School Board