County of Lambton

Financial Services Review

Final Report
January 4, 2022

Disclaimer

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Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommended opportunities as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, The County of Lambton. KPMG has not and will not perform management functions or make management decisions for The County of Lambton.

This report may include or make reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in The County of Lambton nor are we an insider or associate of The County of Lambton. Accordingly, we believe we are independent of The County of Lambton and are acting objectively.

Executive Summary

KPMG LLP ("KPMG") has been retained by the County of Lambton (the "County") to undertake a review of Finance, Facilities and Court Services Division (the "Division"), which is responsible for the delivery of financial services to internal clients and external residents. The mandate of Financial Services includes:

- Financial planning, budgeting, analysis and reporting
- Transaction processing
- Procurement
- Financial components relating to the administration of Provincial Offenses Act ("POA")

A. Background to the Review

The County was approved for funding to undertake a review of its financial services function under the Province's Municipal Modernization Fund (The "Fund"). The overall goal of the review is to enhance the effectiveness and efficiency of the County's financial services, in turn contributing towards operating efficiencies, enhanced financial planning and strategy development, customer service enhancements, long-term financial sustainability and increased value-for-money.

The overall objective of the review is to assess the overall effectiveness and efficiency of the County's financial function, as well as identify potential courses of action that could be considered by the County to enhance efficiencies, reduce costs, improve internal controls and risk management and provide a higher level of customer service. Consistent with this objective, our review included the following work elements:

- A comparative analysis of the County's organizational structure, staffing levels and costs within the Finance, Facilities and Court Services Division in relation to comparable municipalities;
- An analysis of selected financial indicators to comparable municipalities;
- Process mapping of selected financial processes, the purpose of which is to identify opportunities for operational efficiencies and enhancements; and,
- A review of selected financial policies for the County to identify potential areas of enhancement through addressing potential gaps in policy areas and aligning the County's policies with municipal best practices.

Executive Summary

Our review is being undertaken in connection with funding received by the County from the Provincial Municipal Modernization Program (the “Program”). The Program was established by the Province to assist municipalities in identifying potential cost savings from operational efficiencies and other strategies. Pursuant to the provisions of the Program, the County is required to:

- Retain a third party advisor for the purposes of the review, rather than undertaking the review internally;
- Provide public disclosure as to the results of the review, including a statement from its advisors as to the quantum of potential cost savings; and

As outlined in the project charter, the purpose of our review was to identify potential opportunities for improved efficiencies, cost reductions, customer service enhancements and effective risk management.

B. Key Themes

Our review of the Division operations involved three primary approaches to gathering information and identifying potential opportunities for cost reductions and financial reinvestment:

- A review of relevant documentation concerning the County’s financial services;
- A comparison of financial and other performance indicators to selected municipalities; and
- Consultation with County personnel through a series of working sessions during which staff providing input into the County’s processes and ways of working.

We would like to acknowledge the assistance and cooperation provided by staff of the County that participated in the Review. We appreciate that reviews such as this require a substantial contribution of time and effort on the part of County employees and we would be remiss if we did not express our appreciation for the cooperation afforded to us.

As the scope of our review was intended to focus on areas for potential improvements and/or cost reductions, we have not necessarily provided commentary on the numerous positive aspects of the County’s financial services identified during the course of our review. Rather, we have outlined below a number of common themes that have emerged from the Review that we believe could be considered by County staff and Council.

- Based on our review, we note that the Division has strong capabilities in finance and maintains a strong internal control environment, which provides a high level of accuracy and precision with respect to budgeting and financial reporting, as well as detailed oversight over the use of funds.

Executive Summary

- In comparison to selected comparator counties, the County has a relatively low cost for financial services, both in terms of cost per household and cost as a percentage of total expenditures (operating and capital). Given the relative consistency in the nature of financial services for upper tier municipalities, this suggests that the County's finance function is operating efficiently in comparison to other counties.

- Aspects of the County's financial processes are characterized by operating inefficiencies, which lead to increased time and effort on the part of staff. To a large extent, it appears that these operating inefficiencies result from limitations in the County's financial systems, which will require staff to (i) develop so-called work arounds (e.g. Excel spreadsheets) to compensate for the lack of functionality of the County's systems; (ii) accumulate financial information from multiple systems that lack integration; (iii) resolve errors resulting from system design; and (iv) rely on hard copy documentation in the absence of formats that support electronic document management. We also note that in certain instances, the County's focus on internal controls results in procedures that appear to require a disproportionate amount of staff time in comparison to the level of value created.

- In certain instances, we note that staff are sometimes limited in their ability to fully utilize the functionality of the County's systems due to either the absence of sufficient training or insufficient technology assets.

- To a certain extent, the County's policy environment contribute towards operating inefficiencies, particularly with respect to procurement (e.g. relatively low thresholds for competitive procurements), budgeting (e.g. no adoption of multi-year budgets) and approvals for routine financial decision-making processes.

- A comparison of corporate financial indicators to selected counties indicates that:
  - The County has a lower level of reserves and reserve funds that the comparator municipalities, but also has a lower level of outstanding debt.
  - The County has a rate of capital investment that is consistent with the comparator municipalities, indicating a comparable infrastructure deficit;
  - The County has a relatively high level of both operating and capital grants than the comparator municipalities, including relative success in obtaining funding from senior levels of government; and
  - Upper tier taxation, both on a per household basis and as a percentage of household income, is towards the lower end of the range for the selected comparator counties, which could be viewed as indicative of relative affordability for municipal taxes (upper tier only).

Executive Summary

C. Potential Courses of Action

The results of our review have identified two potential categories of strategies that could be undertaken by the County in response to our findings:

1. **Process-focused strategies**, which involve initiatives intended to address the areas of inefficiencies noted through our review. This involves a longer term implementation approach focused on particular objectives, which we suggest could include:

   - Priority 1 – Modifying operating procedures in order to enhance operating efficiencies through a reduction in administrative processes. Representing opportunities that are relatively easy and timely to implement, these are intended to be “quick wins” that provide immediate efficiencies to the County without the need for significant investment in process redesign or information technology solutions.

   - Priority 2 – Undertaking the digitization of documentation retention and retrieval, as well as approvals and other aspects of the County’s financial transaction processing.

   - Priority 3 – Developing a needs assessment and business case for a next-generation enterprise resource planning system (ERP) that provides the County with a single integrated financial management system that meets the functionality requirements of its financial services functions.

2. **Policy-focused strategies,** which involve changes to the County’s policy framework to enhance operational decision-making as well as contribute towards longer-term financial sustainability. These strategies would include both (1) revisions to existing policies; and (2) the development of new policies for key financial decisions, with a suggested focus on:

   - Amendments to the County’s procurement policies to realize efficiencies through (i) increases in approval thresholds to levels commensurate with other municipalities; and (ii) the ability to utilize alternative procurement strategies (e.g. vendor of record) that require less time and effort than more traditional, project-based procurements;

   - The development of a budget policy that supports the implementation of multi-year budgets which, while still requiring Council approval on an annual basis, are expected to reduce the amount of administrative time required for budget preparation; and

   - The development of key financial policies, specifically with respect to debt, reserves and reserve funds and capital financing, that will establish a framework for key financial decisions (e.g. reserve transfers) and reduce the requirement for Council approvals (and associated administrative work).

Executive Summary

D. Potential Benefits

Based on our review of analyses of cost savings achieved by other organizations undertaking continuous improvement initiatives, we have estimated that the potential benefits that could be derived from addressing the identified areas for potential improvement could be upwards of 5% of administrative staff time for financial services personnel, representing the equivalent of up to $175,000 in staffing costs annually. In addition, potential cost savings in non-personnel can also be achieved, particularly as a result of the digitization of document management and the associated reduction in costs associated with the printing, transfer and storage of documentation.

The potential benefits resulting from efficiency gains realized by the County can be in the form of either financial benefits or capacity benefits:

- **Financial benefits** refer to efficiency gains that provide incremental cost savings to the Division through reductions in personnel and other operating costs. The realization of significant financial benefits would require the Division to reduce its workforce in response to identified efficiency gains. However, given the relatively low cost and staffing levels for financial services in comparison to selected counties, we do not suggest that staffing reductions are warranted and, if pursued, may adversely impact the capacity and service delivery of the Division.

  We suggest, however, that efforts to digitize the County's financial processes will result in savings through reductions in the cost of paper supplies, printing and courier/mail service.

- **Capacity benefits** result from workload reductions achieved through efficiency gains, allowing the Division's personnel to focus on other activities. Given that this results in a redirection of staff, as opposed to a reduction in staff, capacity benefits do not result in direct cost savings but rather allow the Division to focus on more strategic and higher value activities such as:

  - Long-term financial planning
  - Key performance indicator development and reporting
  - Personnel-related planning and management, including compensation analysis and attendance management strategies
  - Procurement strategies, including product standardization, vendor rationalization and more efficient procurement approaches (e.g. vendor of record arrangements)

County of Lambton

Introduction to the Review

Introduction to the Review

A. Terms of Reference

The terms of reference for our review were established based on the County's initial draft scope of work outlining the expected scope of services. KPMG's proposal to the County dated August 14, 2020 and KPMG's contract with the County dated August 15, 2019. As outlined in the terms of reference, our review involved three key work elements:

1. A review of the County's financial services and service levels intended to assess:
   - What does the service entail and what is the public policy objective that it seeks to address?
   - What is the rationale for the County's delivery of the service?
   - How does the County's service level compare to a standard benchmark, determined by legislation or service levels established by comparator municipalities?
   - Who are the direct and indirect customers for the service?
   - What are the outputs of the service, both in terms of types and activity?
2. A comparative analysis involving other Ontario counties intended to provide perspective on the County's financial services function and policy environment. Except where noted, the comparative analysis only involved counties in order to ensure consistency with respect to the scale and scope of municipal services under financial administration.
3. A comparative of financial indicators for the County in comparison to selected comparator municipalities in order to assess the County's relatively performance in terms of financial performance and position.

Introduction to the Review

4. The development of process maps that provide, in flowchart form, an overview of (i) the individual worksteps performed by County personnel in the delivery of the services selected for review; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process. In addition, the process mapping process identified areas for potential improvement, including:
   - Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value
   - Client service limitations, representing aspects of the County's operations that may adversely impact on customer satisfaction
   - Financial risk, representing areas where the County's system of internal controls in insufficient to prevent the risk of financial loss
   - Reputation risk, consisting of potential areas where the County's processes may expose it to litigation or reputational risk, including areas where existing measures to mitigate risk are considered insufficient
5. A review of selected financial policies for the County, the purpose of which is to identify potential areas for enhancement through (1) improved operating efficiencies and decision-making; (2) addressing potential gaps in policy areas; and (3) aligning the County's policies with municipal best practices.

County of Lambton

Overview of the County's Finance Function

Overview of the Division

A. Legislative Context

Generally speaking, municipal services can be grouped into one of four categories, reflecting the rationale for their delivery:

- **Mandatory Services** – Services that are required to be delivered by regulation or legislation
- **Essential Services** – Services that, while not mandatory, are required to be delivered in order to ensure public health and safety and/or the effective functioning a municipality as a corporate body
- **Traditional Services** – Non-mandatory, non-essential services that are typically delivered by municipalities of comparable size and complexity and for which a public expectation exists that the service will be provided
- **Other Discretionary Services** – Services that are delivered at the direction of a municipality without a formal requirement or expectation, including services that may not be delivered by other municipalities of comparable size and complexity

Pursuant to Section 286(1) of the Municipal Act, all Ontario municipalities are required to appoint a treasurer "who is responsible for the handling of all financial affairs of the municipality on behalf of and in a manner directed by the council of the municipality". Section 270(1) of the Municipal Act also requires municipalities to adopt policies for the procurement, while the passing of Bill 108 on November 29, 1999 transferred the administration and prosecution responsibility for POA.

In addition to legislation that establishes the requirement for a finance function, the Division's activities and operations are also impacted by other mandatory legislative and regulatory requirement, including but not limited to:

- The Infrastructure for Jobs and Prosperity Act requires all municipalities to establish asset management plans and supporting policies;
- A number of legal agreements impact the County's procurement activities, including the Canadian Free Trade Agreement, the Comprehensive Economic and Trade Agreement and the Ontario-Quebec Trade and Cooperation Agreement;
- The County has a number of mandatory financial reporting requirements resulting from its designation as a Consolidated Municipal Service Manager for the delivery of social services, as well as its delivery of long-term care as required under the Long-term Care Act;
- The maintenance of the County's various facilities is governed by various Provincial legislation.

Based on these legislative requirements, the Division is considered to be a mandatory municipal service. Our review has not identified a significant investment in time and effort on the part of the Division is services that appear to fall outside its legislative requirements, nor have we identified services that are inconsistent with those offered by other counties.

Overview of the Division

B. Organizational Structure and Staffing

The Division in structured into four functional areas, each headed by a manager and reporting to the Division General Manager. Overall, the Division employs a total of 35 full-time equivalent employees ("FTE's"), with a total operating budget of $8.6 million.

A graphical depiction of the Division's organizational structure, staffing, operating costs, levy requirement and responsibilities is provided below.

Finance, Facilities and Court Services Division

Procurement and Project Management Department
Operating Costs - $3.2M
Levy Requirement - $1M
FTE's - 14

- Procurement (including support to County departments)
- Capital project management
- Inventory management (selected stores)
- Facilities maintenance

Financial Administration Services Department
Operating Costs - $1.2M
Levy Requirement - $1M
FTE's - 8

- Transaction processing (payroll, disbursements, revenues)
- External audit coordination
- Financial support to related entities (e.g. Tourism Sarnia-Lambton, Count of Lambton CDC)

Divisional Support Services Department
Operating Costs - $0.7M
Levy Requirement - $0.7M
FTE's - 6

- Budgeting
- Financial reporting (internal and external)
- Financial analysis
- Asset management planning

Court Services Department
Operating Costs - $3.4M
Levy Requirement - $nil
FTE's - 7

- POA payment processing
- POA prosecutions

During 2020, the Division processed a total of $71.6 million in employee wages for 1,617 full and part-time employees; managed $33.1 million in statutory withholdings and benefits; paid 19,959 invoices with a total value of $121.2 million; issued 2,986 cheques and 6,715 EFTs and autopays; processed 1,625 employee expense reports and issued

Overview of the Division

C. Activity Levels

As noted on the following page, the Division provides a range of services to internal and external customers with respect to financial transaction processing, procurement and POA administration. Selected activity indicators for the Division during 2020 include the following:

- Processing $71.6 million in employee wages for 1,617 full and part-time employees;
- Managing $33.1 million in statutory withholdings and benefits;
- Paying 19,959 invoices with a total value of $121.2 million;
- Issuing 2,986 cheques and 6,715 electronic fund transfers and autopays;
- Processing 1,625 employee expense reports with a total value of in excess of $475,000;
- Administering 8,290 Part I and 1,085 Part III Provincial offenses, with 5,687 disposed of before trial and 426 disposed of at trial;
- Providing project management and contract administration to 56 capital (facilities) projects with a total value of approximately $10 million; and
- Issuing 1,783 purchase orders with a total value of $12.1 million.

In a number of cases, these activity measures are lower than historical levels due to the onset of the COVID-19 pandemic in March 2020 and resultant impacts on County operations. For example, the number of POA offenses disposed of (resolved) before trial decreased by 35% between 2019 and 2020.

D. Operating Costs and Funding

The Division is budgeted to incur $8.6 million in operating expenses during 2021, with $2.7 million representing the Division's levy requirement. Non-taxation funding for the Division's operating costs is derived primarily from POA revenues and recoveries from the County's Social Services Division for the Shared Services facility (in turn funded by the Province).

As noted on the following page, the largest single operating cost of the Division is wages and benefits at 42% of total 2021 budgeted operating expenditures. Non-salary costs are most pronounced for Procurement and Project Management (due to the bulk of facility costs being incurred within this department) and Court Services (reflecting the cost of court security, fines paid to other jurisdictions and other non-salary costs incurred in connection with POA administration).

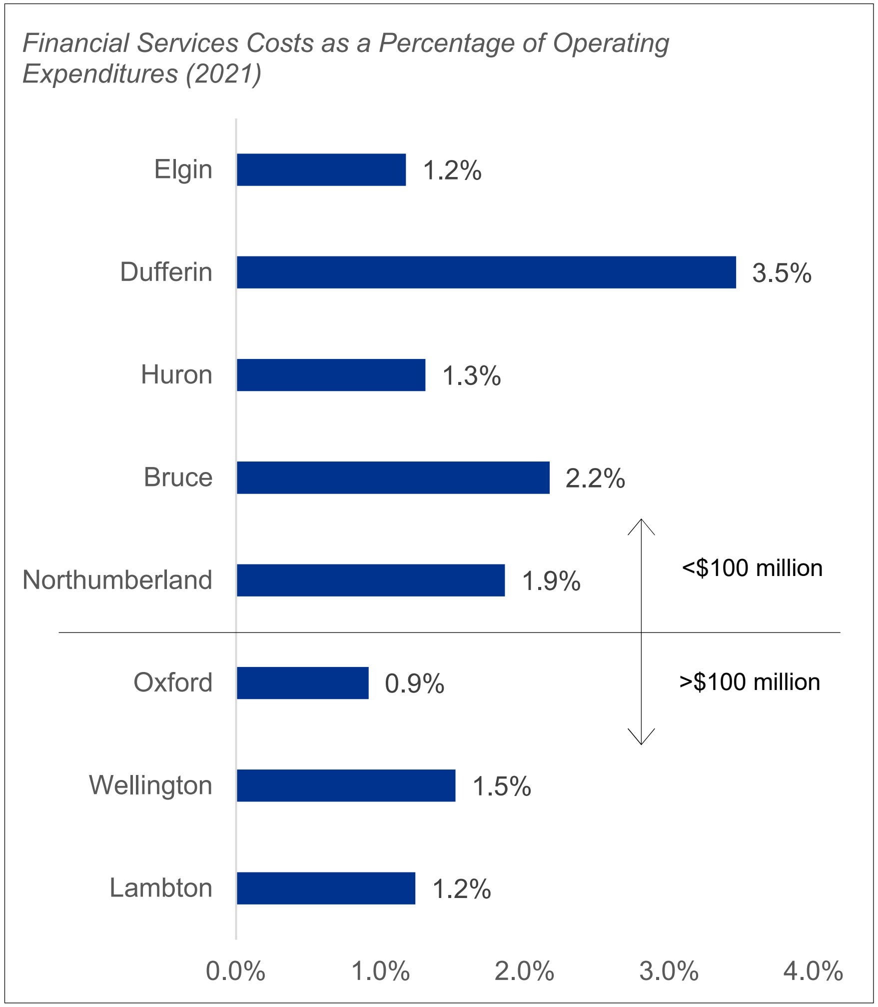
Overview of the Division

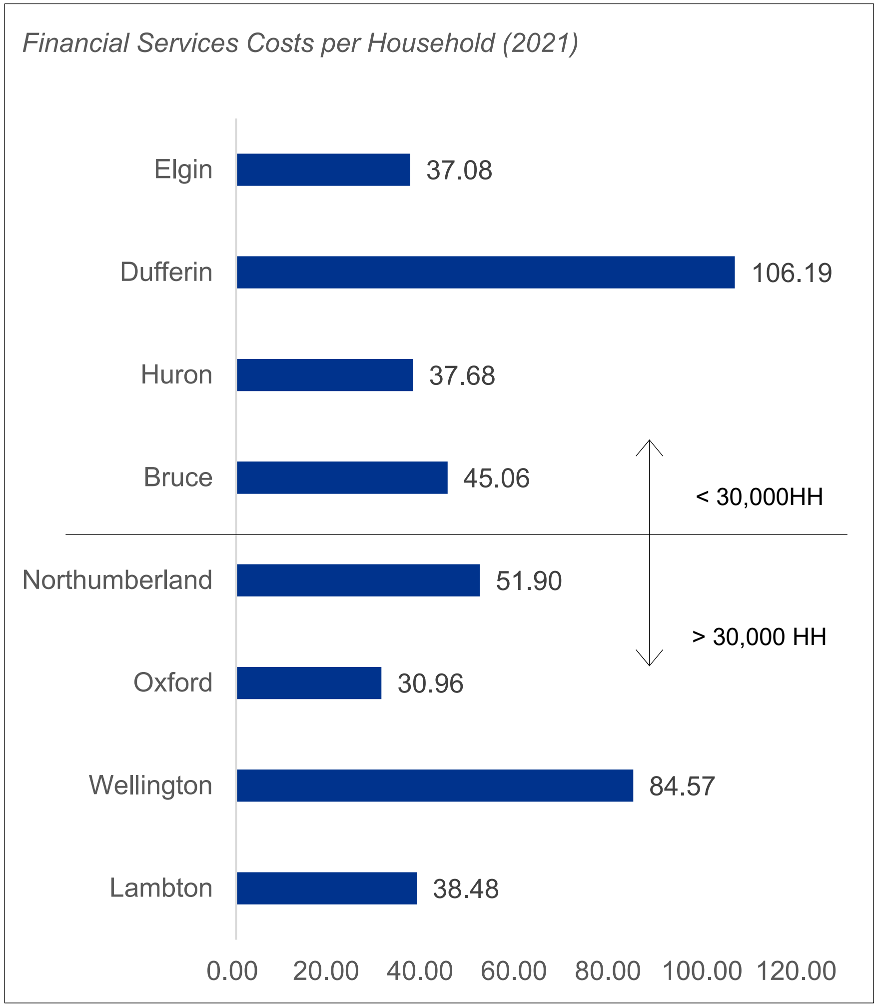
	Financial Administration Services	Divisional Support Services	Procurement and Project Management	Court Services (POA)	Total
Wages and benefits	$1,160,325	$733,543	$1,228,021	$484,110	$3,605,999
Facility costs	–	–	$861,331	$168,620	$1,029,951
Program delivery	$86,001	$30,740	$1,138,713	$2,782,141	$4,037,595
Total operating costs	$1,246,326	$764,283	$3,228,065	$3,434,871	$8,673,545
Non-taxation revenue	($237,829)	–	($2,226,249)	($3,434,871)	($5,898,949)
Levy requirement	$1,008,497	$764,283	$1,001,816	–	$2,774,596

As noted on the following pages, the County is a relatively low cost provider of financial services when compared to selected Ontario counties. Specifically, our analysis of budgeted information for 2021 indicates that the County's cost of financial services (including procurement but excluding facilities management) and POA administration are in the mid to lower-end of the range of comparator counties, measured on the basis of:

- Budgeted costs as a percentage of 2020 reported operating costs;
- Budgeted costs per household; and
- POA wages and benefits as a percentage of total POA revenue administered.

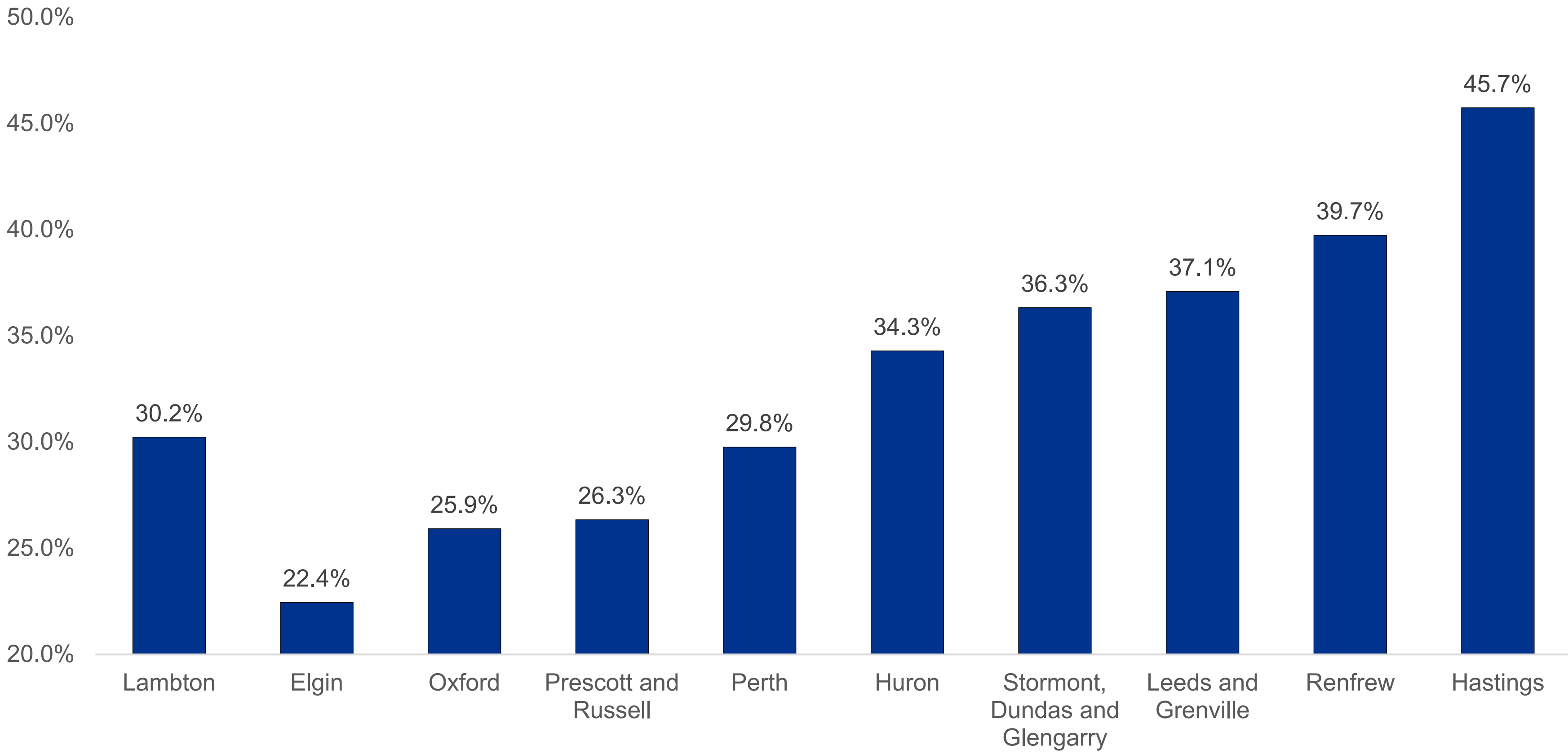
Overview of the Division





Overview of the Division

POA Personnel Wages and Benefits as a Percentage of POA Revenue (2020)



County of Lambton

Key Themes

Key Themes

Our review of the Division operations involved three primary approaches to gathering information and identifying potential opportunities for cost reductions and financial reinvestment:

- A review of relevant documentation concerning the County's financial services which was intended to provide an understanding of the Division's services and resource requirements, as well as provide statistical information concerning levels of activity and performance;
- A comparison of financial and other performance indicators to selected municipalities; and
- Consultation with County personnel through a series of working sessions during which staff providing input into the County's processes and ways of working. These working sessions led to the development of process maps, which provided step-by-step overviews of the Division's processes for service delivery and identified areas for potential improvement with respect to (1) customer service; (2) operating efficiencies; (3) internal controls; and (4) risk management, including the potential for mitigation of litigation, reputational and other risks. These process maps have been provided to the Division under separate cover.

As the scope of our review was intended to focus on areas for potential improvements and/or cost reductions, we have not necessarily provided commentary on the numerous positive aspects of the County's financial services identified during the course of our review. For example, we note that the Division has strong capabilities in finance and maintains a strong internal control environment, which provides a high level of accuracy and precision with respect to budgeting and financial reporting, as well as detailed oversight over the use of funds. Rather, our comments and observations have focused on areas for potential enhancement by the County and include the following key themes identified during the course of our review.

1. **Aspects of the County's financial processes are characterized by operating inefficiencies, which lead to increased time and effort on the part of staff.** During the course of our review, we noted that the County's processes are constrained by:
   - Reliance on paper-based documentation, which requires staff to print, transport, scan, file and retrieve hard copy documentation, increasing the time required for transaction processing, analysis and reporting.
   - Multiple processes driven by multiple systems, which create situations where staff are required to aggregate and reconcile data and information from multiple sources, increasing the time associated with transaction processing and reporting.
   - Staff undertaking low value work, resulting in a disconnect between the level of resources required and the resultant value of the activity being performed.
   - Use of MS Excel to accumulate information in the absence of required functionality within the County's system, which increases the time required for analysis and reporting.

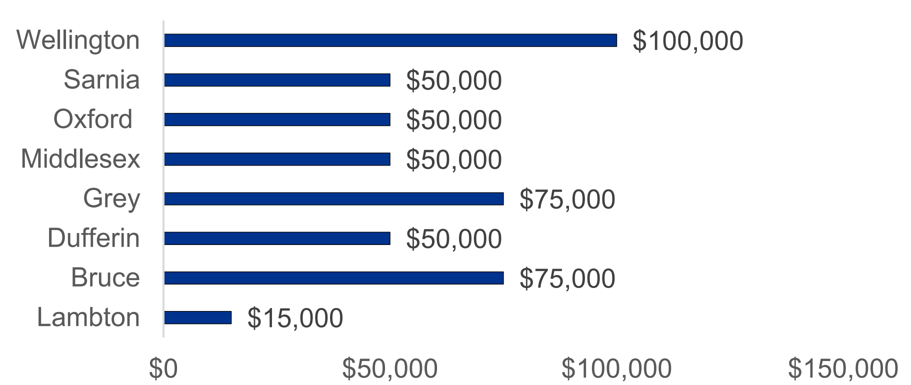
Key Themes

- Preventable errors that require time to reconcile, specifically errors created by other functional departments with respect to data and documentation provided to the Division for processing.
- Excessive time required to complete processes due to slow system speeds, which we understand has become more pronounced since the onset of the pandemic and which extends the amount of time required for staff to generate reports for transaction processing and reporting.

2. **In certain instances, we note that staff are sometimes limited in their ability to fully utilize the functionality of the County's systems due to either the absence of sufficient training or insufficient technology assets.** This finding is particularly relevant to the generation of customer reports that summarize financial and other data in a format that is consistent with the County's external reporting requirements. During the course of our review, we were advised that while the County did have staff that were proficient in generating customer reports, this capacity was lost upon the individual leaving the County. In response to this knowledge gap, we were advised that staff continue to use the reports available to them but identified a training opportunity in generating new reports in the financial system. Staff continue to accumulate information manually or utilize MS Excel workbooks in order to assemble data in the necessary formats, which increase the time demands on staff. We were further advised that in other instances, staff's ability to utilize technology is limited by a lack of software licenses and the ability to access County systems remotely, which is problematic given work from home arrangements resulting from the pandemic and the need for staff to adopt alternative approaches in the absence of licensed access to core systems.

3. **In certain instances, the County's policy environment appears to contribute towards operating inefficiencies**. Based on a review of selected county procurement policies, we note that the County's thresholds for open competitive procurements (e.g. RFPs) is significantly lower than other county governments, increasing the time required for staff to complete procurements of relatively low dollar value items. Similarly, the County has not adopted a multi-year budget policy that would allow for a reduction in the level of work required annually for budget preparation and approval.

Competitive Procurement Requirements



Key Themes

In addition to constraints imposed by the County's existing policies, the Division is also impacted by the absence of relevant financial policies. For example, the County's process for the disposition of year-end surpluses is affected by the absence of a reserve and reserve fund policy that would delegate authority to staff to make such transfers to reserves without the need for Council approval and the associated level of staff reporting. Similarly, the absence of formal policies with respect to debt, budgeting and capital financing also require staff to seek Council approval for matters that may be routine or relatively simple in nature, increasing the time requirements on both staff and members of County Council for routine financial decision-making.

The absence of formal policies for financial matters such as reserves and reserve funds can also be reflected in financial indicators relating to the County's financial performance and position, specifically with respect to financial sustainability, flexibility and vulnerability. In order to provide perspective on these matters, we have included a series of financial indicators in Appendix A, which compares the County's financial performance and position to other selected county governments. These indicators are based on a Statement of Recommended Practice issued by the Public Sector Accounting Board that provides guidance on how public sector bodies should report on indicators of financial condition. As defined in the statement, financial condition is '*a government's financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others*'. In reporting on financial condition, PSAB also recommended that three factors, at a minimum, need to be considered:

- **Sustainability**. Sustainability is the degree to which the County can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in a municipality's assessment base, there is an increased risk that the municipality's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility**. Flexibility reflects the County's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.
- **Vulnerability**. Vulnerability represents the extent to which the County is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants such as OMPF; (ii) conditional operating grants such as Provincial Gas Tax for transit operations; and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government, as the Municipal Act does not allow municipalities to issue long-term debt for operating purposes (Section 408(2.1)).

Key Themes

Recognizing that the selected comparator counties do, in certain instances, (i) provide different services; (ii) operate with different service levels; (iii) have different models for service delivery (e.g. internal resources vs. external service providers); and/or (iv) have different operating environments (e.g. geographic area and climate conditions), there will be differences in terms of financial position and performance. Notwithstanding the potential for differences due to these considerations ,the comparison of corporate financial indicators to selected counties indicates that:

- The County has a lower level of reserves and reserve funds that the comparator municipalities, but also has a lower level of outstanding debt.
- The County has a rate of capital investment that is consistent with the comparator municipalities, indicating a comparable infrastructure deficit;
- The County has a relatively high level of both operating and capital grants than the comparator municipalities, including relative success in obtaining funding from senior levels of government; and
- Upper tier taxation, both on a per household basis and as a percentage of household income, is towards the lower end of the range for the selected comparator counties, which could be viewed as indicative of relative affordability for municipal taxes (upper tier only).

In the absence of formal policies for key financial decision-making elements, specifically budgeting, reserves and reserve funds, debt and capital financing, the County is potentially at risk of inconsistency between Council's long-term strategic direction relating to the County's financial performance and its actual results.

County of Lambton

Suggested Courses of Action

Suggested Courses of Action

The results of our review have identified a number of inefficiencies and other constraints the represent opportunities for potential improvements leading to (1) enhanced value-for-money by better aligning the cost of financial processes with the resultant benefits; (2) more optimized use of staffing resources by freeing up staff to focus on higher value activities, thereby contributing towards the operational sophistication of the Division and County; (3) enhancing the level of customer service for both internal and external customers by focusing the delivery of value and addressing customer service constraints; and (4) contributing towards the long-term financial success of the County through an increased focus on long-term financial planning supported by an appropriate policy framework.

While our review has identified several areas for improvement, we suggest that these are the reflective of the following factors that are the actual root cause issues faced by the County:

- Insufficient support from Information Technology Services to ensure that the full functionality of systems is available and that system limitations are addressed in a timely manner;
- Insufficient investment to update systems to required capabilities and performance that reflects the most current needs of the Division;
- Insufficient investment and focus on training with respect to system functionality and report writing;
- A policy environment that limits operating efficiencies by either establishing threshold that are too stringent or by having gaps as a result of a lack of key policies;
- Preventable errors from functional departments that continue to require staff time by the Division to resolve; and
- The absence of risk-based approach to internal controls in favour of a control environment where low value items are subject to a higher level of internal controls and review.

In response to the findings of the review, we have developed potential courses of action that can be considered by the County in order to address the identified areas of inefficiency and which are intended to contribute towards enhanced value-for-money and long-term financial sustainability. These courses of action, which are summarized on the following pages, are divided into the following categories which are discussed in further detail on the following pages:

1. **Process-focused strategies**, which involve initiatives intended to address potential opportunities for efficiencies and enhancements to the Division's internal controls, customer service and risk management.

2. **Policy-focused strategies**, which involve an assessment of the County's policy framework and how that can enhance risk management and drive efficiencies within the Division's decision making processes.

Process Focused Strategies

The results of our review have identified a number of potential opportunities with respect to the County's financial processes for enhancing operating efficiencies. Recognizing that opportunities are more easily addressed than others, we have suggested three priorities that reflect different timing and ease of implementation.

Priority 1 – Modifying standard operating procedures in order to enhance operating efficiencies through a reduction in administrative processes.

Representing so-called "quick wins", this priority involves making changes to the Division's existing processes which are relatively easy to implement while providing immediate value in terms of streamlining administrative processes. As identified in the process mapping documents, examples of process changes include, but are not limited to:

- Eliminating the maintenance of inventory accounts for low dollar value office items (e.g. pens);
- Discontinuing the development of budgeted benefit costs on an employee-by-employee basis in favour of developing an overall benefit burden rate based on the County's historical benefit costs, adjusted for anticipated future changes, that can be applied to all departments;
- Eliminating the employee-by-employee comparison of payroll registers to the prior payroll register in favour of a risk-based approach that requires review on an exception basis (e.g. employees with changes in payroll greater than a defined percentage or amount); and
- Relying on scanned notices of offence for POA administration as opposed to the original notice, thereby eliminating the need for staff to continually retrieve and file the notices as part of the POA administration processes.

Overall, the results of the process mapping identified 61 potential opportunities for increased operating efficiencies, enhanced customer service, improved internal controls or enhanced risk management. These opportunities, as well as the corresponding recommendations for changes to the County's processes, are presented in separate reports to the County.

Process Focused Strategies

Priority 2 – Undertaking further digitization of documentation and processes

As identified in the process maps, the Division's processes are characterized by a high degree of reliance on hard-copy documentation and manual approvals, which increases the time and cost of transaction processing. While more involved that the immediate "quick-wins" identified as the first priority, we suggest that digitization will provide significant benefits from an operating efficiency and customer service perspective by modernizing the County's financial processes through:

- The replacement of manual approvals (print-stamp-sign-scan-email-print-file) with electronic approvals (either email or system rights)
- The implementation of flat-file uploads and other electronic data transfer formats in order to eliminate duplicate data entry
- The establishment of a central document management system on the County's server in order to provide a single electronic document repository that can be accessed by all staff and facilitate analysis and reporting by eliminating the need to retrieve, refer to and refile hard copy documents.

Priority 3 – Undertaking a review of IT systems and functionality used to support the Division.

The results of the review have identified a number of instances where the County's existing financial systems lack the functionality required by the Division, which we believe is reflective of the fact that the combination of changes to the County's services (including the addition of new requirements by the Province) and general changes to financial processes (e.g. increased use of EFTs as opposed to cheques, increased use of electronic vs. hard copy communication) has rendered the County's existing systems as obsolete and insufficient for its needs. Accordingly, the County may wish to consider developing a needs assessment and business case for a next-generation enterprise resource planning system (ERP) that provides the County with a single integrated financial management system that meets the functionality requirements of its financial services functions.

Policy Focused Strategies

As noted earlier in our report, we have identified opportunities for the County to achieve enhanced operating efficiencies and contribute towards long-term financial sustainability through changes to its policy environment. Specifically, we suggest that the County consider the following potential strategies with respect to financial policies.

1. Revisions to the County's procurement policy

Based on our review, we note that the County's procurement policy has the potential to contribute towards operating inefficiencies through (1) the establishment of competitive procurement thresholds that are relatively low in comparison to other municipalities; and (2) limitations on the use of procurement processes that would result in operating efficiencies (e.g. vendor of record arrangements).

In light of these opportunities, the County may wish to review and adjust its procurement policy to incorporate municipal and broader public sector best practices with respect to approaches and procurement thresholds.

2. Adoption of a multi-year budget process

Pursuant to Section 291(1) of the Municipal Act, Ontario municipalities are allowed to prepare an adopt a budget that extends up to five years, which could provide two key benefits to the County:

- Reducing the level of staff and Council work involved in the preparation and approval of the annual budget; and
- Providing a long-term perspective and plan for operating and capital resource allocations.

While the adoption of a multi-year budget process is expected to streamline the administrative requirements associated with budgeting, it will still require the County to review and formally adopt its budget on an annual basis. Accordingly, staff and Council will have the ability to introduce changes to the multi-year budget on an annual basis as warranted.

The adoption of a multi-year budget process, which has been implemented by a number of Southwestern Ontario municipalities, will require the adoption of a formal policy/by-law.

Policy Focused Strategies

3. Develop of key financial policies

In addition to policies relating to procurement and multi-year budgeting, the County may wish to adopt policies relating to financial decision-making in order to streamline administrative processes relating to financial decision-making as well as contribute towards longer-term financial planning and sustainability. Potential areas for new policies include, but are not limited to:

- Debt, including formally defining appropriate uses for debt, the approved characteristics of debt and debt limits.
- Reserves and reserve funds, including the types of reserves to be established (operating and capital), policies with respect to stabilization reserves, approval requirements for reserve transfers and maximum and minimum reserve amounts.
- Capital financing policies that outline the approach to allocating capital funding (e.g. use of capital envelopes vs. project specific allocations), standardized financing formulae and linkages to reserve and debt policy.

Implementation Framework

In order to assist the County with the implementation of the recommendations identified through our review, we have provided a suggested framework for future implementation activities.

1. Establish a formal transformation working group to oversee implementation activities

The Transformation Working Group ("TWG") is the group tasked with undertaking the planned implementation activities and ensuring movement towards the attainment of the transformation outcomes. Comprised of staff of the Division and other County functions, the TWG would be responsible for:

- Overall planning for transformation activities (who, what, when);
- Establishing working groups comprised of County personnel that would be responsible for specific initiatives; and
- Monitoring and reporting results to management and Council.

While conditional upon the wishes of the County, the potential composition of the TWG could include the following roles:

TWG Member	Resource	Responsibilities
Project sponsor and TWG executive lead	General Manager of Finance, Facilities and Court Services Division	• Provide overall oversight of the transformation process • Provide executive approval for key decisions • Provide information to County Council and Management • Secure County resources as required
Project manager	Manager-Level Resource within the Division	• Oversee day-to-day transformation activities • Coordinate and manage TWG resources as required • Provide regular reporting to project sponsor and other parties as required
Technical resources	External advisors	• Assist with transformation activities that cannot be undertaken by the County due to resource limitations and/or nature of the work
Functional representatives	Finance Division Personnel Information Technology Human Resources	• Provide assistance and advice to project manager on program-specific issues, as well as financial and technological matters

Implementation Framework

2. Develop a formal transformation plan

A formal transformation plan would provide the framework for implementation activities, including outlining (1) key work elements; (2) project timeframes; (3) communication strategies for staff and Council; (4) protocols for reporting on progress and results. Developed by the Project Manager and approved by the Project Sponsor, the transformation plan would then be the basis for monitoring the County's overall progress on the transformation of its redesign of the Division's processes and policies.

3. Establish initiative-specific working groups

In order to assist the TWG with the detailed design of potential changes to the County's processes, we suggest that consideration be given to establishing working groups comprised of County personnel that would be involved in the redesign of specific processes and/or the development of policies. For example, the County may wish to consider establishing specific working groups for the following initiatives:

- Working Group 1 – Process changes based on the results of the process mapping (excluding digitization)
- Working Group 2 – Implementation of digitization strategies
- Working Group 3 – Development of a new procurement policy
- Working Group 4 – Development of new finance-related policies (e.g. debt, capital financing, budgeting, reserves and reserve funds)
- Working Group 5 – Development of needs assessment, business case and RFP for new ERP solution

The suggested composition of each working group is summarized on the following page.

Implementation Framework

Working Group	Priority	Representation						
		Project Sponsor	Project Manager	Finance Division Personnel	Procurement	Information Technology	Human Resources	Legislative Services
1	Process improvements		✓	✓		✓	✓	
2	Digitization strategy		✓	✓		✓	✓	
3	Procurement policy		✓	✓	✓			✓
4	Finance-related policies	✓	✓	✓				✓
5	ERP solution		✓	✓	✓	✓		

4. Undertake implementation activities

Reporting to the TWG through the Project Manager, the individual initiative-specific working groups would then be responsible for the implementation of the findings identified during the course of the review based on the scope of work outlined in the formal transformation plan. Recognizing the difference in focus for the teams, the specific work elements undertaken would understandably differ as summarized below.

Process Changes (Teams 1 and 2)	Policy Development (Teams 3 and 4)	ERP Solution (Team 5)
• Development of future state process maps that address identified opportunities • Implementation of changes on a pilot-project basis, with revisions as required based on results • Revisions to job descriptions, policy and process documents to support implementation of process changes	• Jurisdictional review of policies established by other municipalities • Consultation with County Council • Development of supporting analysis (e.g. scenario analysis, sensitivity modeling) • Drafting of formal policies for approval at appropriate level	• Identification of current needs and limitations with existing system • Jurisdictional review of similar county municipalities to identify potential solutions • Development of formal business case • Development of RFP document for ERP solution, including performance specifications

Potential Benefits

As noted earlier in our report, the intention of our review is to identify opportunities for enhanced operating efficiencies and other benefits for the Division and County as a whole. Our experience demonstrates that potential benefits resulting from these opportunities can be in the form of either financial benefits cost savings or capacity benefits.

- **Financial benefits** refer to efficiency gains that provide incremental cost savings to the Division through reductions in personnel and other operating costs. The realization of significant financial benefits would require the Division to reduce its workforce in response to identified efficiency gains. However, given the relatively low cost and staffing levels for financial services in comparison to selected counties, we do not suggest that staffing reductions are warranted and, if pursued, may adversely impact the capacity and service delivery of the Division.

  We suggest, however, that efforts to digitize the County's financial processes will result in savings through reductions in the cost of paper supplies, printing and courier/mail service.

- **Capacity benefits** result from workload reductions achieved through efficiency gains, allowing the Division's personnel to focus on other activities. Given that this results in a redirection of staff, as opposed to a reduction in staff, capacity benefits do not result in direct cost savings but rather allow the Division to focus on more strategic and higher value activities such as:

  - Long-term financial planning
  - Key performance indicator development and reporting
  - Personnel-related planning and management, including compensation analysis and attendance management strategies
  - Procurement strategies, including product standardization, vendor rationalization and more efficient procurement approaches (e.g. vendor of record arrangements)

Potential Benefits

For the purposes of our review, we have estimated potential capacity gains (i.e. efficiency gains leading to greater capacity and/or the ability to reduce personnel levels), to be approximately 5% of the Division's personnel costs, or approximately $175,000. The 5% financial impact reflects selected empirical analyses undertaken of savings achieved by other organizations undertaking continuous improvement initiatives, specifically those involving LEAN and Six Sigma methodologies[1].

Analysis	Source	Estimated Cost Savings
Cost and Savings of Six Sigma Programs: An Empirical Study	Quality Management Journal	1.7%
City of Kawartha Lakes LEAN Six Sigma Project Analysis	KPMG Analysis	1.9%
Six Sigma Costs and Savings	iSixSigma	1.2% to 4.5%
Is LEAN Worth the Investment?	Thomas Publishing	>5% (31% of respondents) 3% to 4% (36% of respondents) <2% (19%)

With respect to potential benefits to the Division and County, we make the following comments and observations:

- The extent of capacity gains may be higher as functional departments may also achieve operating efficiencies as a result of changes to the Division's processes.
- In a number of instances, the potential opportunities are expected to have one-time costs associated with their implementation.
- Our analysis is intended to reflect the current operations of the County. To the extent that opportunities are implemented over a long-term period, the potential financial impacts may vary.

[1] While multiple definitions of LEAN and Six Sigma exist, the American Society for Quality defines Six Sigma as an improvement effort that focuses on reducing process variations and enhancing process controls (e.g. preventable errors), with LEAN focused on driving out waste through the elimination of non-value added processes and procedures. Both methodologies focus on achieving efficiencies through process improvements, which is consistent with the review of the County's financial services function. As such, we consider the analysis of LEAN and Six Sigma outcomes to be representative of what the County could achieve by addressing the areas for potential improvements identified through our review.

County of Lambton

Appendix A
Financial Indicators

Financial Indicators and Benchmarking

FINANCIAL ASSETS TO FINANCIAL LIABILITIES

This financial indicator provides an assessment of the County's solvency by comparing financial assets (including cash, investments and accounts receivable) to financial liabilities (accounts payable, deferred revenue and long-term debt). Low levels of financial assets to financial liabilities are indicative of limited financial resources available to meet cost increases or revenue losses.

TYPE OF INDICATOR

Sustainability ✓

Flexibility

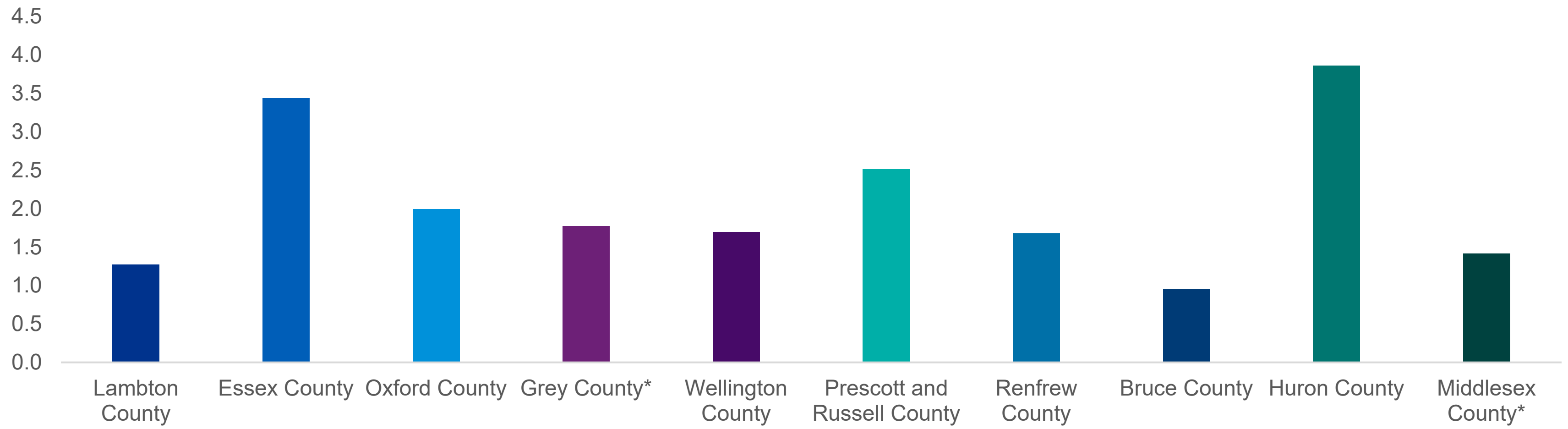
Vulnerability

FORMULA

FIR Schedule 70, Line 9930, Column 1 divided by FIR Schedule 70, Line 9940, Column 1

POTENTIAL LIMITATIONS

- Financial assets may include investments in government business enterprises, which may not necessarily be converted to cash or yield cash dividends
- Financial liabilities may include liabilities for employee future benefits and future landfill closure and post-closure costs, which may (i) not be realized for a number of years; and/or (ii) may not be realized at once but rather over a number of years



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

This financial indicator provides an assessment of the County's ability to absorb incremental expenses or revenue losses through the use of reserves and reserve funds as opposed to taxes, user fees or debt. Low reserve levels are indicative of limited capacity to deal with cost increases or revenue losses, requiring the County to revert to taxation or user fee increases or the issuance of debt.

TYPE OF INDICATOR

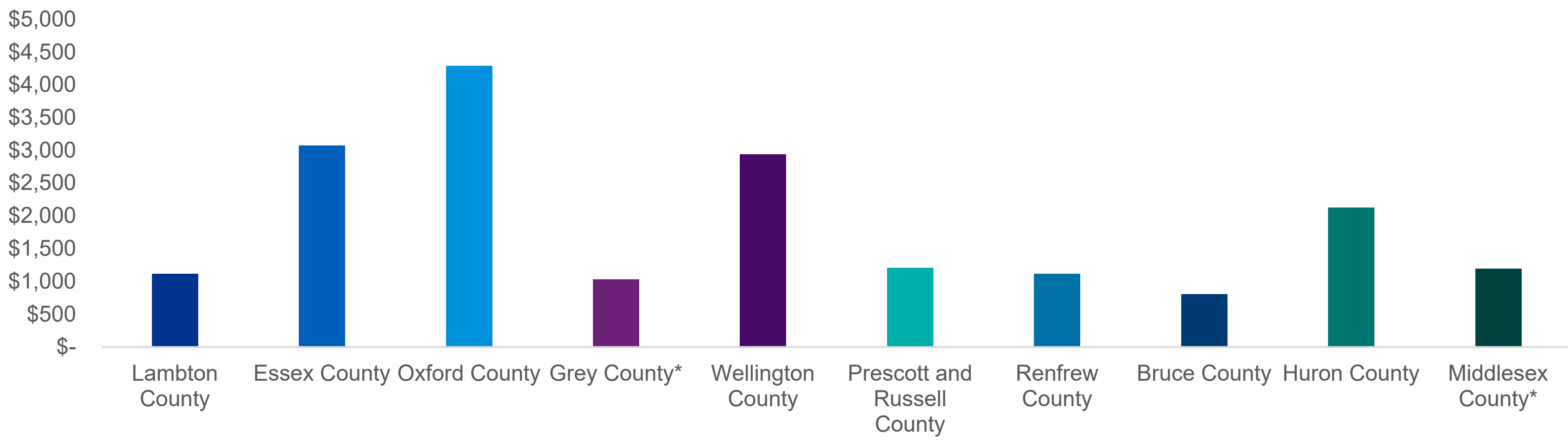
Sustainability	✓
Flexibility	
Vulnerability	

FORMULA

FIR Schedule 70, Line 6420, Column 1 divided by FIR Schedule 2, Line 40, Column 1

POTENTIAL LIMITATIONS

- Reserves and reserve funds are often committed to specific projects or purposes and as such, may not necessarily be available to fund incremental costs or revenue losses
- As reserves are not funded, the County may not actually have access to financial assets to finance additional expenses or revenue losses



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Financial Indicators and Benchmarking

TOTAL OPERATING EXPENSES AS A PERCENTAGE OF TAXABLE ASSESSMENT

This financial indicator provides an assessment of the County's solvency by determining the extent to which increases in operating expenses correspond with increases in taxable assessment. If increases correspond, the County can fund any increases in operating costs without raising taxation rates.

TYPE OF INDICATOR

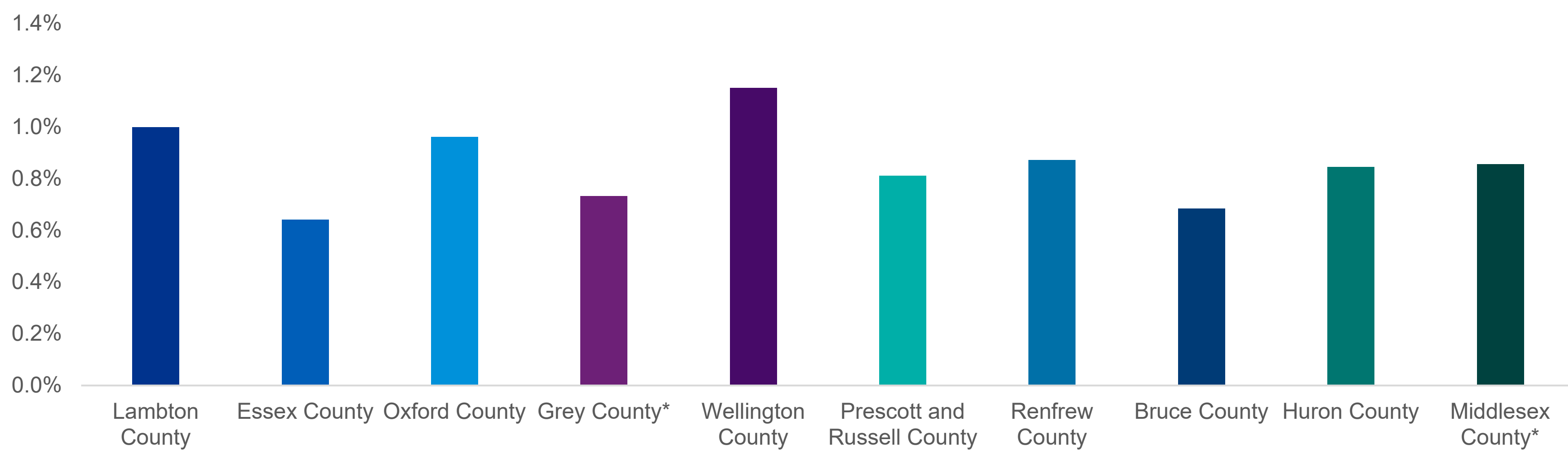
Sustainability	✓
Flexibility	
Vulnerability	

FORMULA

FIR Schedule 40, Line 9910, Column 7 less FIR Schedule 40, Line 9910, Column 16 divided by FIR Schedule 26, Column 17, Lines 9199 and 9299

POTENTIAL LIMITATIONS

- As operating expenses are funded by a variety of sources, the County's sustainability may be impacted by reductions in other funding sources that would not be identified by this indicator.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

This financial indicator provides an assessment of the County's solvency by assessing the extent to which it is sustaining its tangible capital assets. In the absence of meaningful reinvestment in tangible capital assets, the County's ability to continue to deliver services at the current levels may be compromised.

TYPE OF INDICATOR

Sustainability ✓

Flexibility

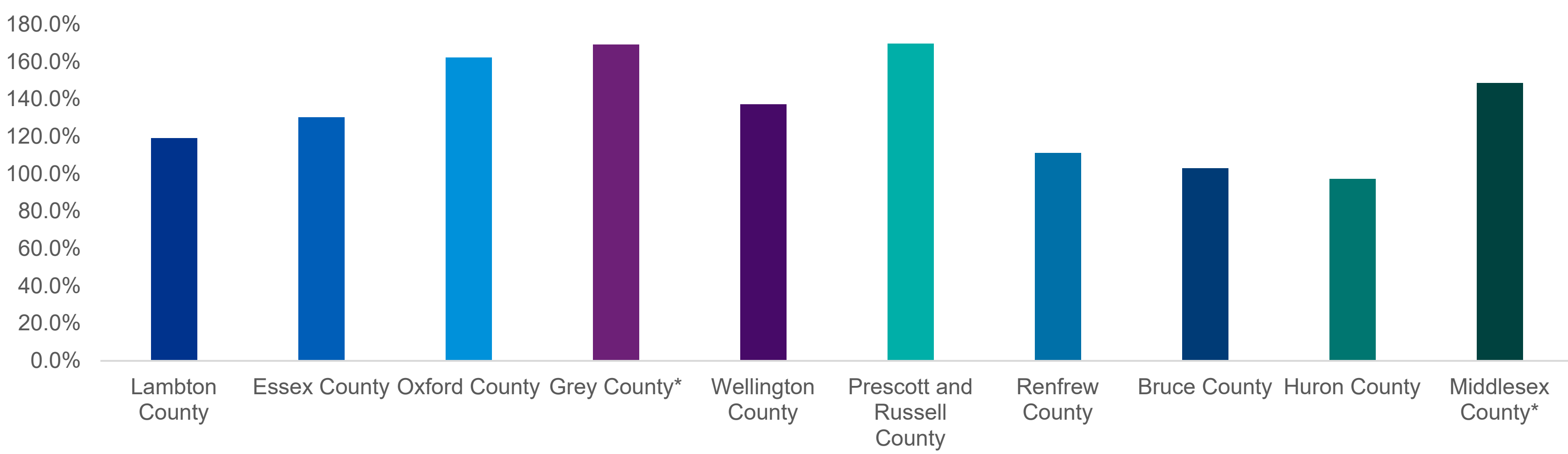
Vulnerability

FORMULA

FIR Schedule 51, Line 9910, Column 3 divided by FIR Schedule 40, Line 9910, Column 16

POTENTIAL LIMITATIONS

- This indicator considers amortization expense, which is based on historical as opposed to replacement cost. As a result, the County's capital reinvestment requirement will be higher than its reported amortization expense due to the effects of inflation.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

RESIDENTIAL TAXES PER HOUSEHOLD

This financial indicator provides an assessment of the County's ability to increase taxes as a means of funding incremental operating and capital expenditures.

TYPE OF INDICATOR

Sustainability

Flexibility ✓

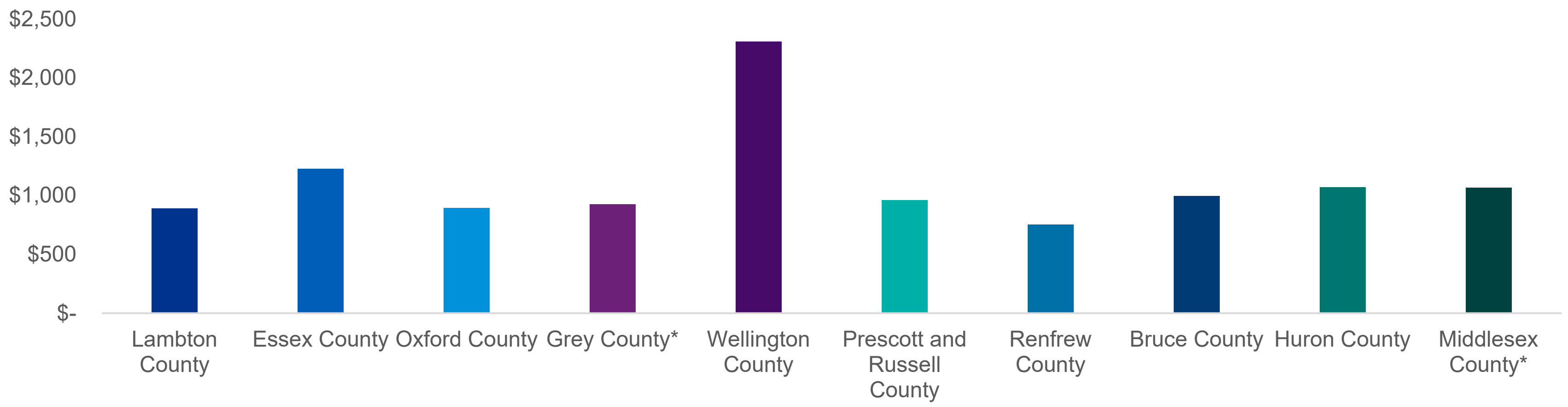
Vulnerability

FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1

POTENTIAL LIMITATIONS

- This indicator does not incorporate income levels for residents and as such, does not fully address affordability concerns.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

RESIDENTIAL TAXATION AS A PERCENTAGE OF HOUSEHOLD INCOME

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes.

TYPE OF INDICATOR

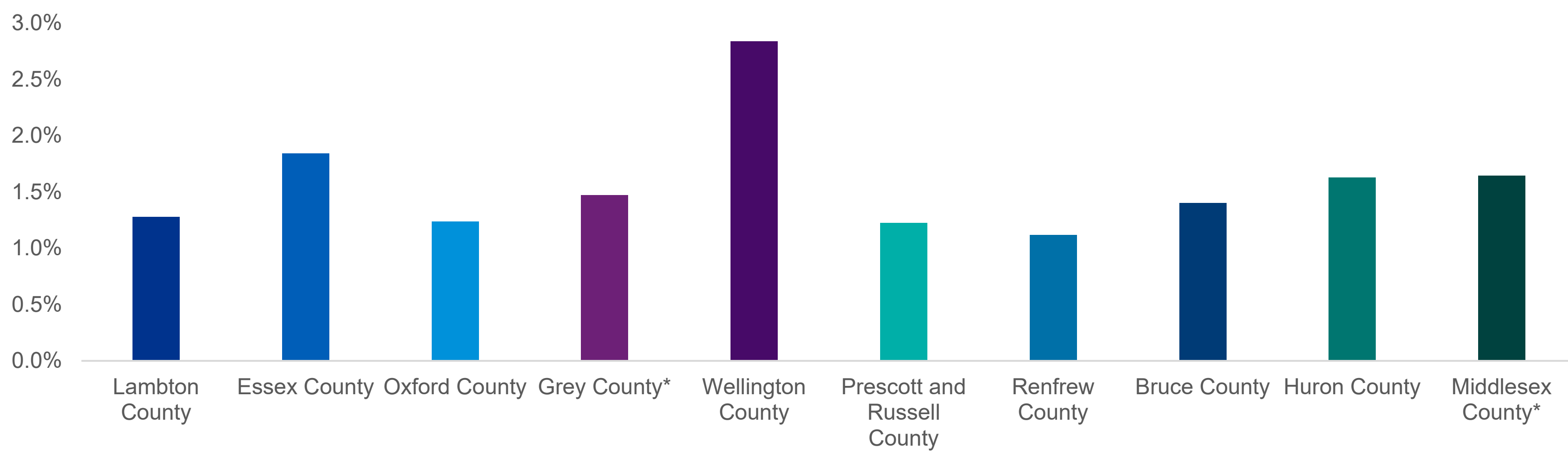
Sustainability	
Flexibility	✓
Vulnerability	

FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1 (to arrive at average residential tax per household). Average household income is derived from the National Housing Survey.

POTENTIAL LIMITATIONS

- This indicator considers residential affordability only and does not address commercial or industrial affordability concerns.
- This indicator is calculated on an average household basis and does not provide an indication of affordability concerns for low income or fixed income households.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

TOTAL LONG-TERM DEBT PER HOUSEHOLD

This financial indicator provides an assessment of the County's ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt.

TYPE OF INDICATOR

Sustainability

Flexibility ✓

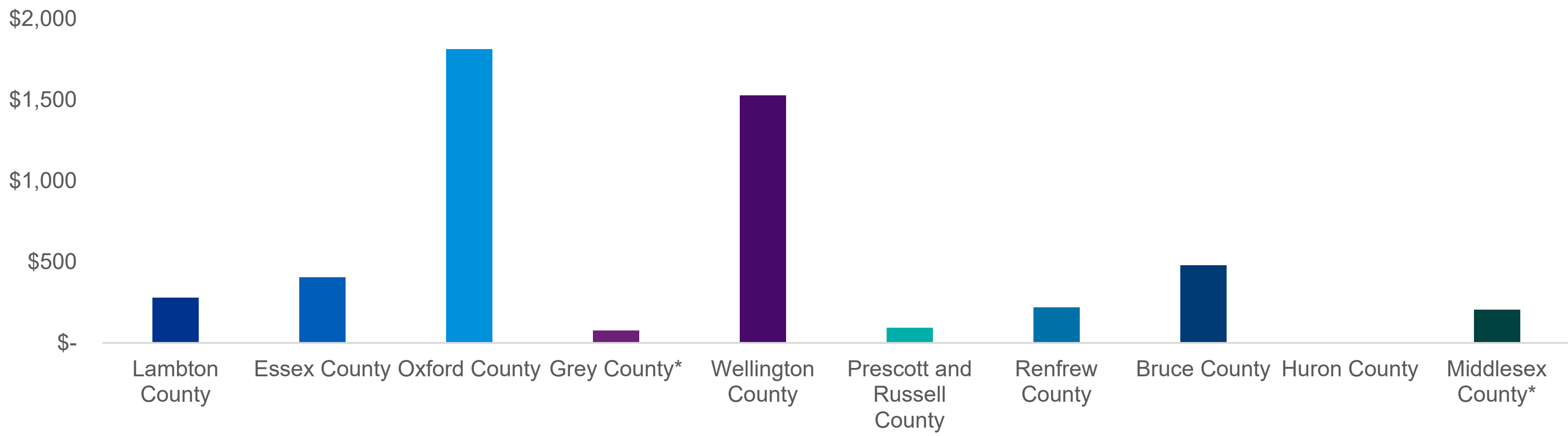
Vulnerability

FORMULA

FIR Schedule 70, Line 2699, Column 1 divided by FIR Schedule 2, Line 0040, Column 1

POTENTIAL LIMITATIONS

- This indicator does not consider the Provincial limitations on debt servicing cost, which cannot exceed 25% of own-source revenues unless approved by the Ontario Municipal Board



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

TOTAL TAXATION AS A PERCENTAGE OF TOTAL ASSESSMENT

This financial indicator provides an indication of potential affordability concerns by calculating the County's overall rate of taxation. Relatively high tax rate percentages may limit the County's ability to general incremental revenues in the future.

TYPE OF INDICATOR

Sustainability

Flexibility ✓

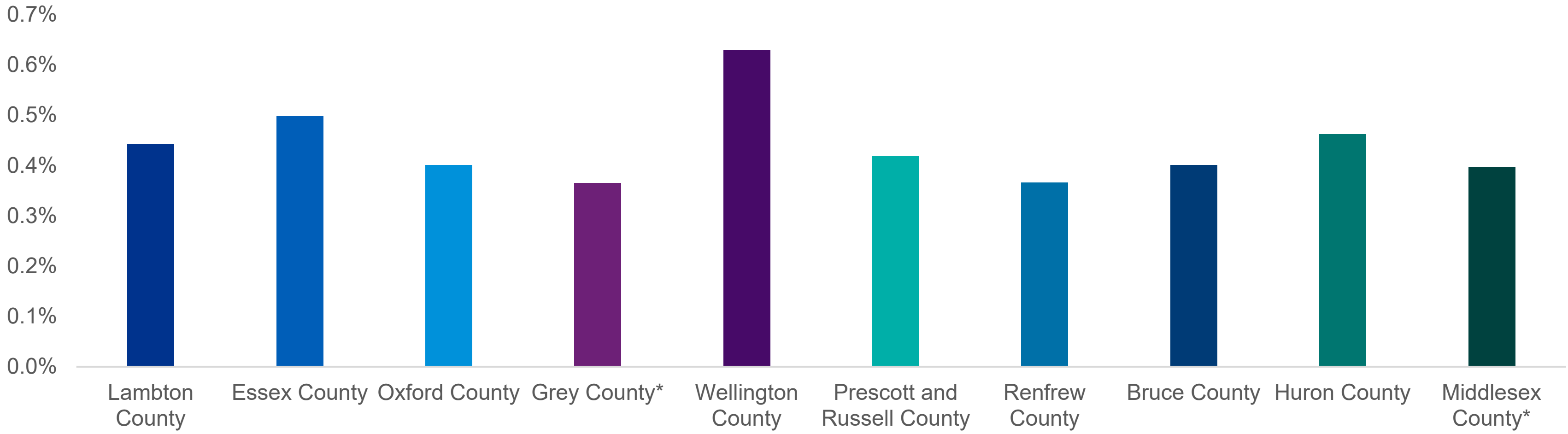
Vulnerability

FORMULA

FIR Schedule 26, Line 9199 and Line 9299, Column 4 divided by FIR Schedule 26, Line 9199 and 9299, Column 17.

POTENTIAL LIMITATIONS

- This indicator considers the County's overall tax rate and will not address affordability issues that may apply to individual property classes (e.g. commercial).



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

DEBT SERVICING COSTS (INTEREST AND PRINCIPAL) AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the County's overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The County's ability to issue additional debt may be limited if debt servicing costs on existing debt are excessively high.

TYPE OF INDICATOR

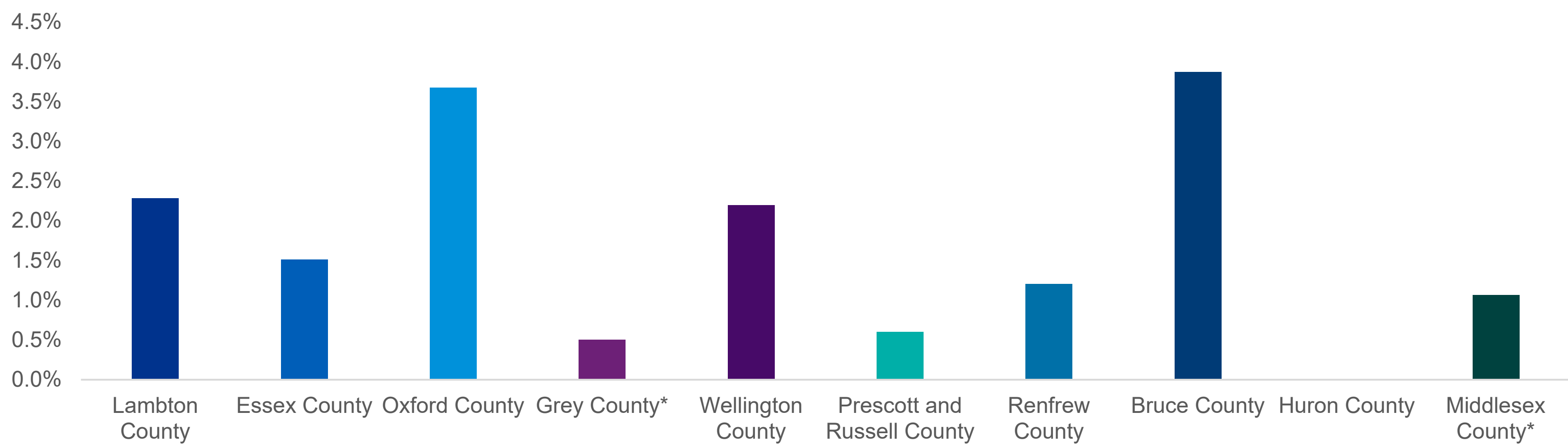
Sustainability	
Flexibility	✓
Vulnerability	

FORMULA

FIR Schedule 74C, Line 3099, Column 1 and Column 2 divided by FIR Schedule 10, Line 9910, Column 1.

POTENTIAL LIMITATIONS

- No significant limitations have been identified in connection with this indicator



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS AS A PERCENTAGE OF HISTORICAL COST OF TANGIBLE CAPITAL ASSETS

This financial indicator provides an indication as to the extent to which the County is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the County is, on average, investing in capital assets as they reach the end of useful life, with indicators of less than 50% indicating that the County's reinvestment is not keeping pace with the aging of its assets.

TYPE OF INDICATOR

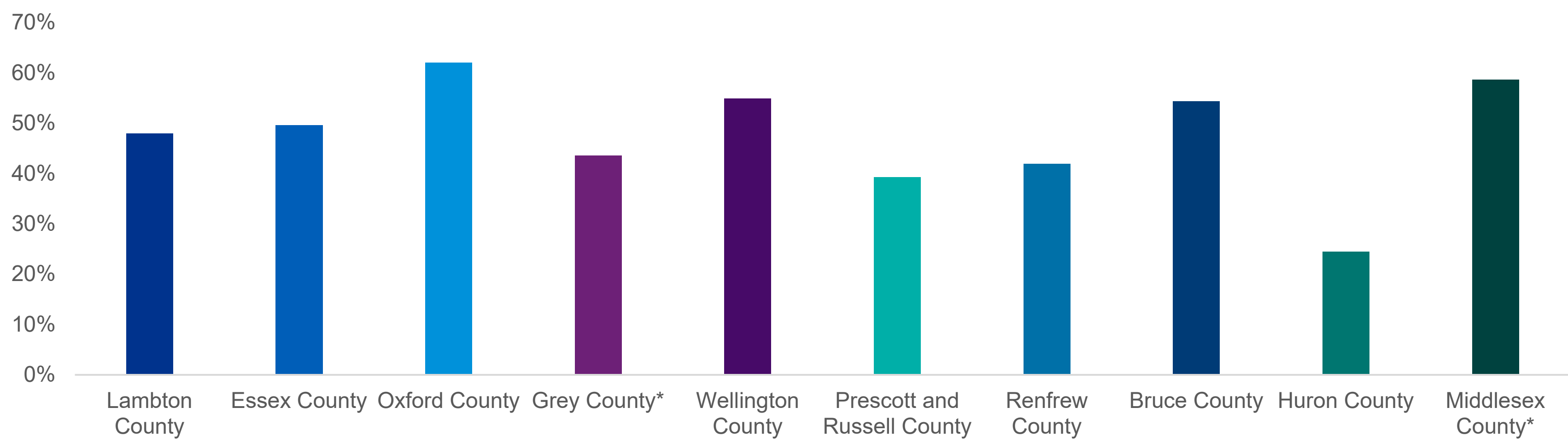
Sustainability	
Flexibility	✓
Vulnerability	

FORMULA

FIR Schedule 51A, Line 9910, Column 11 divided by FIR Schedule 51A, Line 9910, Column 6.

POTENTIAL LIMITATIONS

- This indicator is based on the historical cost of the County's tangible capital assets, as opposed to replacement cost. As a result, the County's pace of reinvestment is likely lower than calculated by this indicator as replacement cost will exceed historical cost.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the County's degree of reliance on senior government grants for the purposes of funding operating expenses. The level of operating grants as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating grants.

TYPE OF INDICATOR

Sustainability

Flexibility

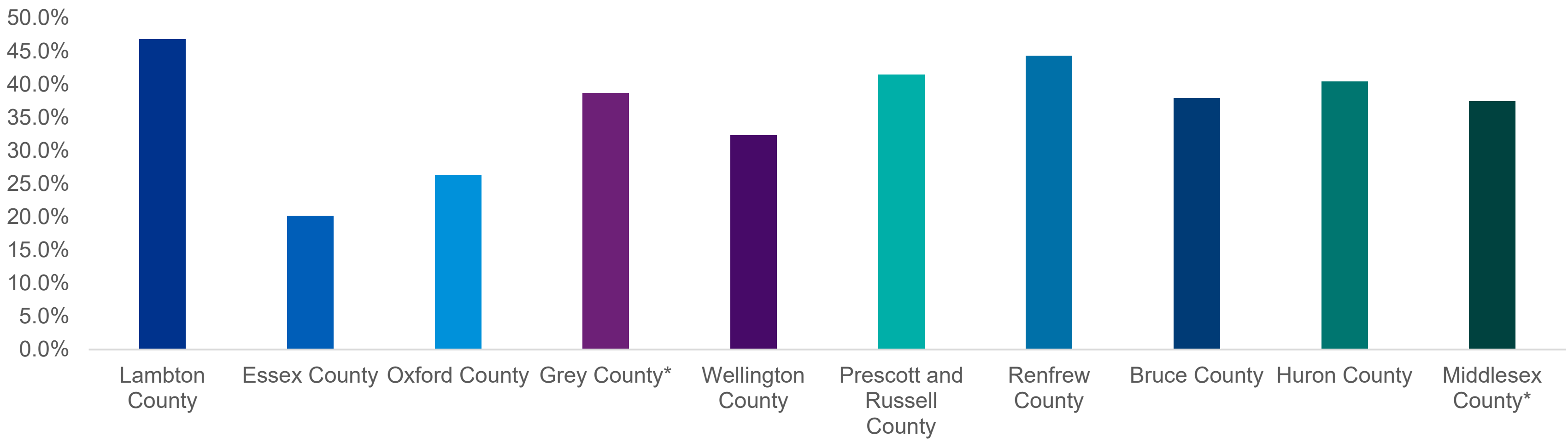
Vulnerability ✓

FORMULA

FIR Schedule 10, Line 0699, Line 0810, Line 0820, Line 0830, Column 1 divided by FIR Schedule 10, Line 9910, Column 1.

POTENTIAL LIMITATIONS

- To the extent possible, the County should maximize its operating grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



** Please note that 2019 data was used for Grey County and Middlesex County as that is the most recent data available for these counties at this time.*

Financial Indicators and Benchmarking

CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

This financial indicator provides an indication as to the County's degree of reliance on senior government grants for the purposes of funding capital expenditures. The level of capital grants as a percentage of total capital expenditures is directly proportionate with the severity of the impact of a decrease in capital grants.

TYPE OF INDICATOR

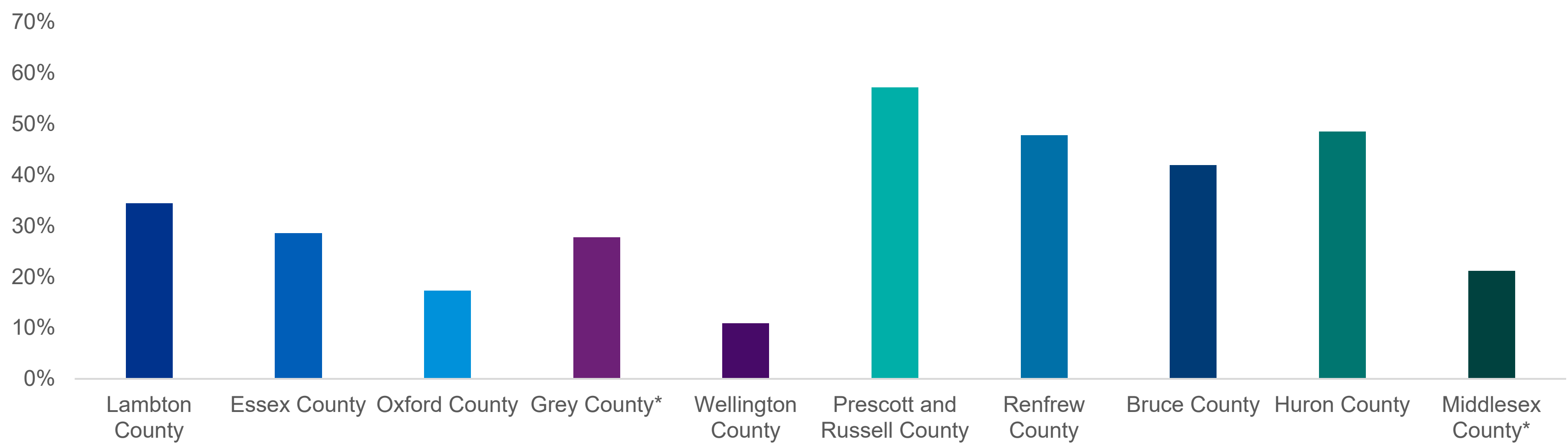
Sustainability	
Flexibility	
Vulnerability	✓

FORMULA

FIR Schedule 10, Line 0815, Line 0825, Line 0831, Column 1 divided by FIR Schedule 51, Line 9910, Column 3.

POTENTIAL LIMITATIONS

- To the extent possible, the County should maximize its capital grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



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