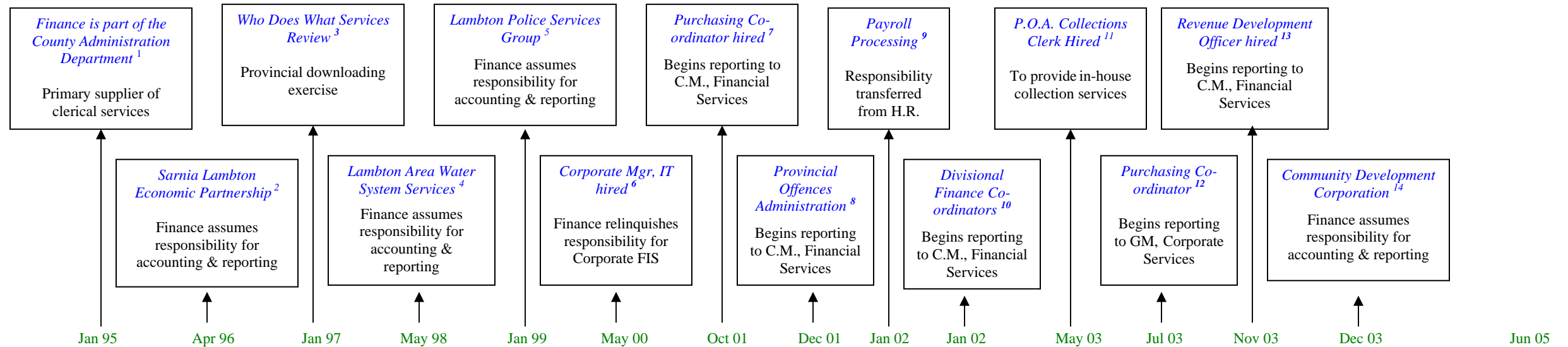


CORPORATE SERVICES DIVISION FINANCIAL SERVICES DEPARTMENT

HISTORICAL IMPACTS/REPORTS TIMELINE



CORPORATE SERVICES DIVISION FINANCIAL SERVICES DEPARTMENT

HISTORICAL IMPACTS/REPORTS BACKGROUND

Finance is part of the County Administration Department (Jan 95) ¹

In January 1995 the Finance Department was just beginning to be formed from what was then called the “Administration Department”. Duties and responsibilities included:

- Communications (telephone and fax),
- Mail handling and reception services,
- Financial Information Systems,
- Administration & Library Head Quarter reception services,
- County finance and treasury functions,
- Budget preparation and administration,
- Administration of Purchase of Service contract for IT.
- Staffing was set at 10.7 FTEs

Establishment of Sarnia Lambton Economic Partnership (Apr 96) ²

- Agreement was reached between County and City of Sarnia to jointly operate and fund a semi-independent economic development department.
- County Council agrees to supply accounting services including maintenance of general ledger, bank reconciliation, accounts payable and statement preparation as well as banking arrangements.
- No change in staffing.

Province of Ontario “Who Does What” Service Provision Review (Jan 97) ³

- Also known as “Mega Week”.
- Announcement that Province was realigning service delivery responsibilities.
- Resulted in downloading of additional responsibilities to the County which in turn increased both complexity and breath of accounting services performed by municipalities.

- The change from tax “levies” to tax “rates”. Prior to this change, tax policy was handled by what is now MPAC and there were 2 mill rates that applied to all classes of property. Tax administration for upper-tier municipalities was virtually non-existent. This change required the County to retain the services of an outside consultant (Municipal Tax Equity) and redeploy the Department’s senior staff’s time to administer tax related activities.
- No change in staffing.

Lambton Area Water Supply Systems (LAWSS) (May 98) ⁴

- Who Does What exercise resulted in lower-tier municipalities being given responsibility for the Lambton Area Water System.
- An independent Board is established to oversee the System.
- County Council agreed to supply accounting services to LAWSS including maintenance of general ledger, bank reconciliation, accounts payable and statement preparation as well as banking arrangements.
- No change in staffing.

Lambton Group Police Services Board (Jan 99) ⁵

- Who Does What exercise resulted in lower-tier municipalities losing Provincially paid Provincial Police (OPP) services.
- Those area municipalities being policed by the OPP decided to enter into a joint contract for its services.
- An independent Board was established.
- County Council agreed to supply accounting services including maintenance of general ledger, bank reconciliation, accounts payable and statement preparation as well as banking arrangements and payroll services.
- No change in staffing.

Corporate Manager, Information Technology Hired (May 00) ⁶

- KPMG Consulting Report (1999) which recommended the County hire a full-time Manager of Information Technology Services was accepted by County Council.
- Responsibility for maintaining the Financial Information System is transferred from Finance Department to newly created Information Technology Department.

Purchasing Co-ordinator Hired (Oct 01) ⁷

- Way Forward Committee recommendation from May 2001 to create the position of Purchasing Co-ordinator was implemented.
- Purchasing Co-ordinator placed in Finance Department to report to Corporate Manager, Financial Services /Treasurer.
- Incumbent expected to provide guidance, oversight to all County departments.
- Created a Corporate Purchasing Policy which was approved by County Council.
- Assumed responsibility for implementation of centralized computer inventory systems.
- Staffing increased by 1 FTE.

Provincial Offences Administration (Dec 01) ⁸

- Provincial Who Does What review determined that municipalities should assume responsibility for the delivery of Provincial Offences Act court services.
- Council signed a “Memorandum of Understanding” with the Province to deliver these services in Lambton County.
- Municipal court facilities constructed in the Lambton Shared Services Centre.
- In 2001 CAO delegated responsibilities for court administration, excluding prosecution which is retained by Solicitor/Clerk, to the Corporate Manager, Financial Services/Treasurer. Finance Department assumes responsibility for all non-ICON related financial processing.
- Staffing increased by 3.6 FTEs as a result of the POA transfer.

Payroll Processing Transferred from Human Resources (Jan 02) ⁹

- Way Forward Committee recommendation from May 2001 was implemented.
- Payroll processing responsibilities and staff transferred from Human Resources Department.
- Finance becomes responsible for all payroll processing functions.
- Staffing increased by 1.4 FTEs transferred from Human Resources Department.

Divisional Finance Co-ordinators (Jan 02) ¹⁰

- Way Forward Committee recommendation from May 2001 was implemented.
- Finance Co-ordinators who were then resident in Senior Services/Homes and Social Services began reporting to Corporate Manager, Financial Services/Treasurer.
- Physically relocated to Finance Department.
- Responsible for providing advice and support to the General Managers and divisional staff on corporate finance matters and policies.
- Staffing increased by 2 FTEs transferred from Senior Services/Homes and Social Services.

Provincial Offences Administration Collections Clerk (May 03) ¹¹

- Staff identified that the effectiveness of external collection agency is falling and that the private collection firm on contract appeared to be concentrating its efforts on new/easy delinquent fines, resulting in little action on old fines transferred from the Province.
- Corporate Manager, Financial Services prepared Report recommending the creation of an “in-house” collections Clerk.
- Council approved the position on a 4 day a week basis.
- Staffing is increased by 0.8 FTE.

Purchasing Co-ordinator's Reporting Relationship Changed (Jul 03) ¹²

- Administrative decision to change reporting structure for Purchasing Co-ordinator from Corporate Manager, Financial Services/Treasurer to General Manager, Corporate Services.
- Staffing is reduced by 1 FTE.

Revenue Development Officer Hired (Nov 03) ¹³

- Way Forward Committee recommendation from May 2001 was implemented.
- Revenue Development Officer mandated to identify non-tax sources of revenue which could be leveraged to reduce the County's reliance of funding from its tax base and allow existing service levels to be maintained or improved at the lowest cost possible.
- Incumbent initially reports to G.M., Corporate Services, but is assigned to report to the Corporate Manager, Financial Services after a few months as the position's functions are consistent with the evolving mandate of the Finance Department.

- Staffing is increased by 1 FTE.

Community Development Corporation Created (Dec 03) ¹⁴

- Agreement reached between County, the City of Sarnia and the University of Western Ontario Research Park that led to the creation of the County of Lambton Community Development Corporation (CDC)
- CDC acquired title to and was mandated to operate a Research and Development Park in the former Canadian headquarters of Dow Chemical.
- CDC Board requested and Council agreed to supply accounting services including maintenance of general ledger, bank reconciliation, accounts payable and statement preparation as well as banking arrangements and payroll services.
- Finance also responsible for financing arrangements and requirements
- No change in staffing.

**CORPORATE SERVICES DIVISION
FINANCIAL SERVICES DEPARTMENT**

HISTORICAL IMPACTS SUMMARY

The accompanying *Historical Impact/Reports Timeline* provides an overview of the major events that have impacted and subsequently governed what services the Finance Department delivers. Additional details regarding each event may be found in the footnotes contained in the accompanying *Historical Impacts/Reports Background* document.

Business Process Reviews

Finance is one of the oldest county functions and departments in what is now the Corporate Services Division. Prior to the implementation of the *Way Forward Committee's* recommendations, the 2 major impacts on the department were the introduction of the GST and the Province's *Who Does What* service review in 1997. GST required new accounting procedures, new reporting requirements and new expertise, the impacts of which continue to impact the Department's operations to this day.

Similarly, the Province's *Who Does What* exercise and its transfer of additional responsibilities – with resultant accounting requirements – to the County also impacted the department by creating increased complexity in financial administration. This is best demonstrated by:

- The change from tax “levies” to tax “rates”. Prior to this change, tax policy was handled by what is now MPAC and there were 2 mill rates that applied to all classes of property. Tax administration for upper-tier municipalities was virtually non-existent. Now, the County requires the services of an outside consultant (Municipal Tax Equity) and the Department's senior staff's time to administer tax related activities.
- Changes to the County's Budget. In 1990 the County had 22 departments and an operating budget of \$19 million. In 2005, the number of departments has grown to 50 and the operating budget to \$117 million.

The Who Does What process also resulted in Finance ultimately assuming responsibility for Provincial Offence Act administration. Although originally a direct report to the CAO, the Corporate Manager, Financial Services/Treasurer assumed oversight responsibilities for all POA functions except prosecution at the end of 2001.

While these increased responsibilities and complexity resulted in minor reorganizations of reporting lines and responsibilities within the department, they also led to recognition that County's existing main accounting computer system (a departmental responsibility prior to the creation of the IT Department) was inadequate to handle the increased volume and reporting requirements. It also marked the beginning of the Finance Department's evolution away from a focus on treasury functions to the provision of full-service financial administration.

This need to change and expand the focus of the department was confirmed by the County's *Way Forward Committee* in 2001. This Committee's recommendations resulted in the Finance Department giving up primary responsibility for the input of accounts payable and cash receipting to individual departments and assuming responsibility from Human Resources for payroll processing. Two existing finance positions then resident in the Social Services and Senior Services/Homes were also consolidated into the Department and physically relocated to Wyoming. Finally, the position of Purchasing Co-ordinator was recommended and staff were directed to consider creating an additional new position that would concentrate on identifying and accessing new non-tax sources of revenue for the County.

These changes were implemented over a number of years. In 2001 the Data Processing function was decentralized with the introduction of the VADIM Financial Information System and the Purchasing Co-ordinator was hired. The Payroll function and Finance Co-ordinators were transferred in January 2002. A Revenue Development Officer was hired in 2003, at about the same time the Purchasing Co-ordinator's reporting was moved to the Division's General Manager via the Solicitor/Clerk's Department.

Also in 2003, Council approved the creation of Collections Clerk in the Provincial Offences Administration office. While the focus of this position is recovery of unpaid and defaulted POA fines, the incumbent also assists other County departments with their collection & civil enforcement requirements.

Finally, the Province of Ontario has decided to implement the recommendations of the CICA's Public Sector Audit & Accounting Board with regards to accounting for government entities. This has resulted in changes to financial statement presentation standards and requirements, the resulting increased complications of which have impacted on all aspects of accounting for the County's activities.

Review of Staffing Levels

With the changes to the role and responsibilities – both nature and scope – of the Department since 1990, staffing levels (excluding POA) have increased. In 1990 Finance had a staffing complement of 8.7 FTEs. In 2006, the complement is now 15.1 FTEs plus another 4.4 FTEs in POA. However, 3.4 FTEs of the increase in the Finance Department proper represents transfers of existing positions into Finance from other County departments. It should also be noted that the Administration Building reception staff are part of the Department's staffing complement.

Benchmarking and Performance Measures

At present the primary impact from benchmarking and performance measurement requirements on the Finance Department is that Finance staff are normally involved in the recording, analysis and computation of them.

Although there is little in the way of benchmarking and performance measurements directly related to financial operations, staff continue to monitor and investigate all possible sources for them. This is accomplished via active involvement with staff organizations such as the Municipal Finance Officer's Association, Municipal Court Managers Association, Chatham-Kent Lambton Administrators Group and the Association of Municipal Managers, Clerks and Treasurers of Ontario as well as continuous review of pronouncements from professional bodies such as the Institute of Chartered Accountants of Ontario, the Certified General Accountants of Ontario and the Society of Management Accountants.

Other potential sources for benchmarking and performance measurement continually monitored are other municipalities, Provincial Ministries, Association of Municipalities of Ontario, Federation of Canadian Municipalities, Canadian Institute of Chartered Accountants as well as private industrial practice.