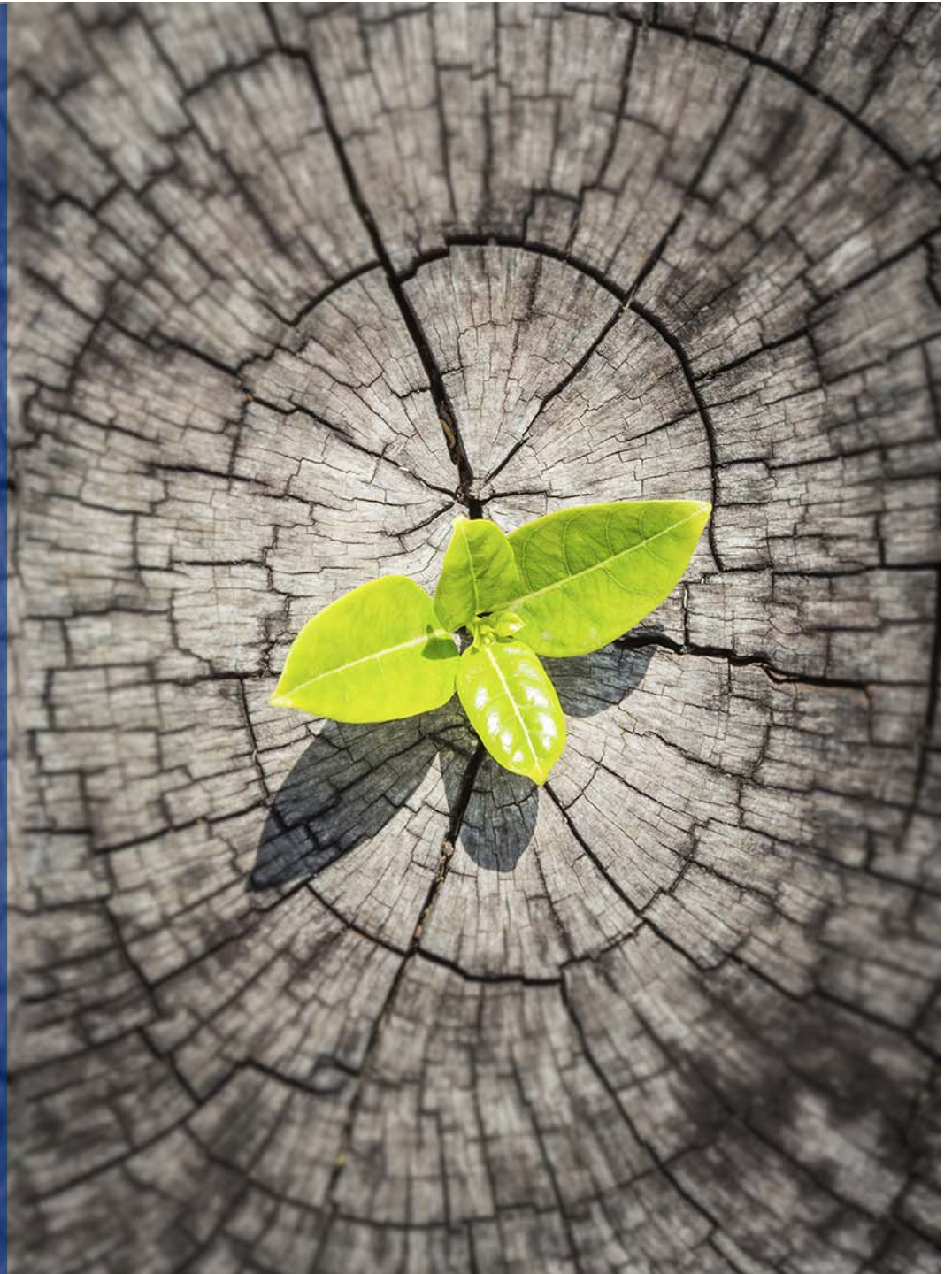




Town of Cobourg

# Finance Process Maps

Payroll, Accounts Payable, Credit Cards, Taxes  
and Collection, Other Accounts Receivable



# Introduction

## A. Overview of our engagement

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- Process maps for the delivery of the service;
- Identified areas for potential enhancement, as applicable; and
- Suggested operational changes that could be considered by the Town as a means of enhancing operating efficiencies and customer service, improving risk management and addressing potential internal control weaknesses.

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## B. Our approach

As part of our review, KPMG facilitated discussion with Town staff to identify the individual steps in the process under review, as well as any issues that were perceived as impacting operating efficiencies, customer service, internal controls or risk management.









The approach adopted to review the Town's processes reflected the LEAN concept of value-stream mapping. While there are many different definitions of LEAN, we define LEAN thinking as the belief that there is a simpler, better way through a continuous drive to identify and eliminate waste, or inefficiencies and errors, in day-to-day work. It is about making work environments efficient and effective, so organizations can provide higher quality of services to their customers. LEAN helps create time for quality improvement to be part of everyday routine activity.

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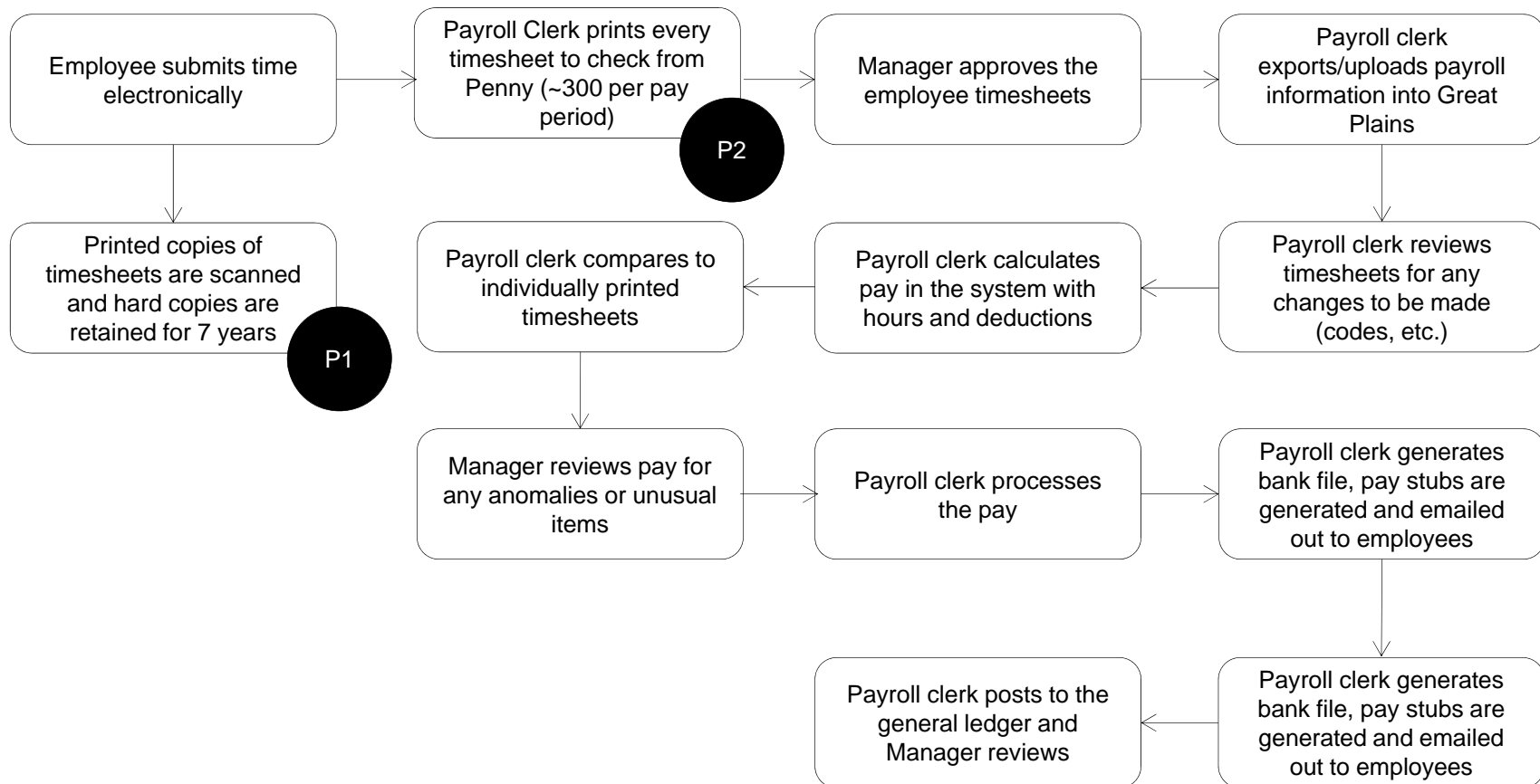
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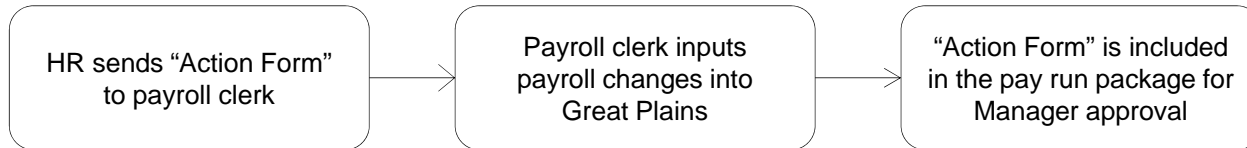
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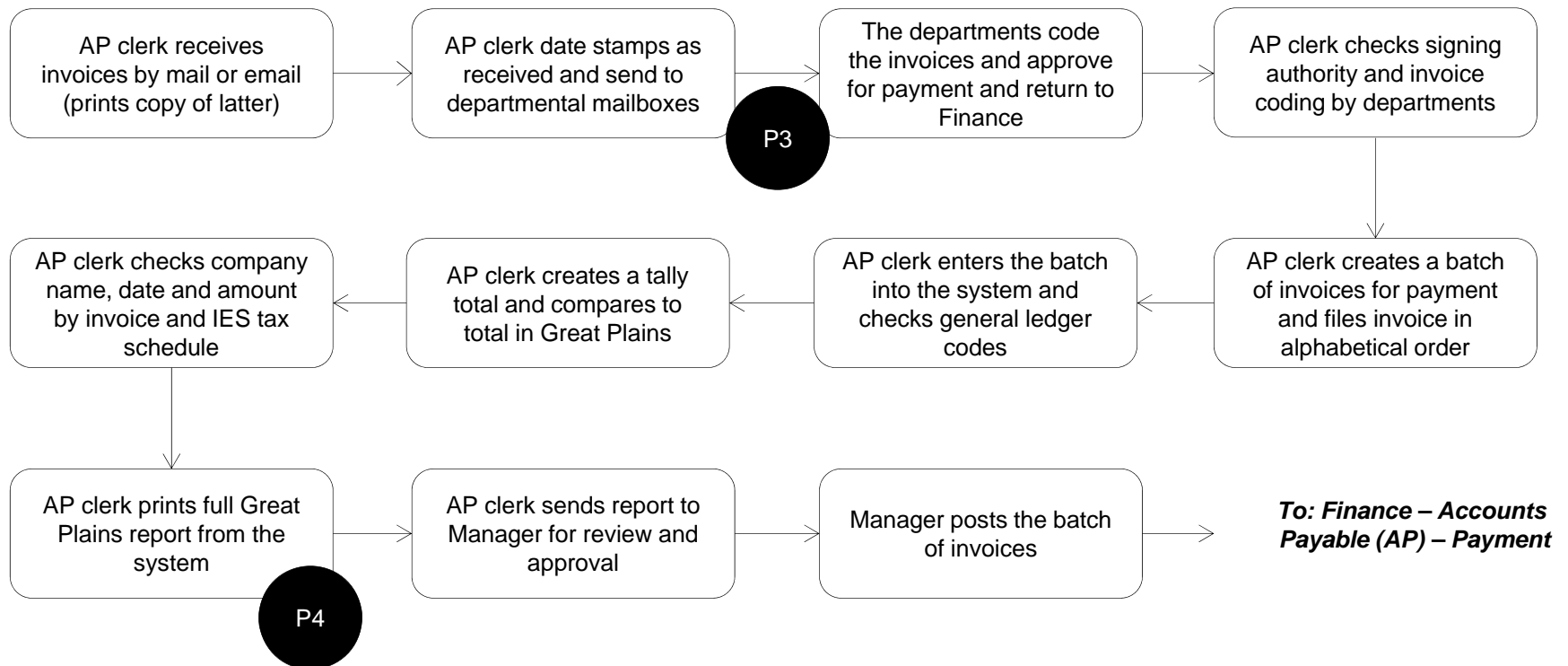


# Finance - Payroll Changes

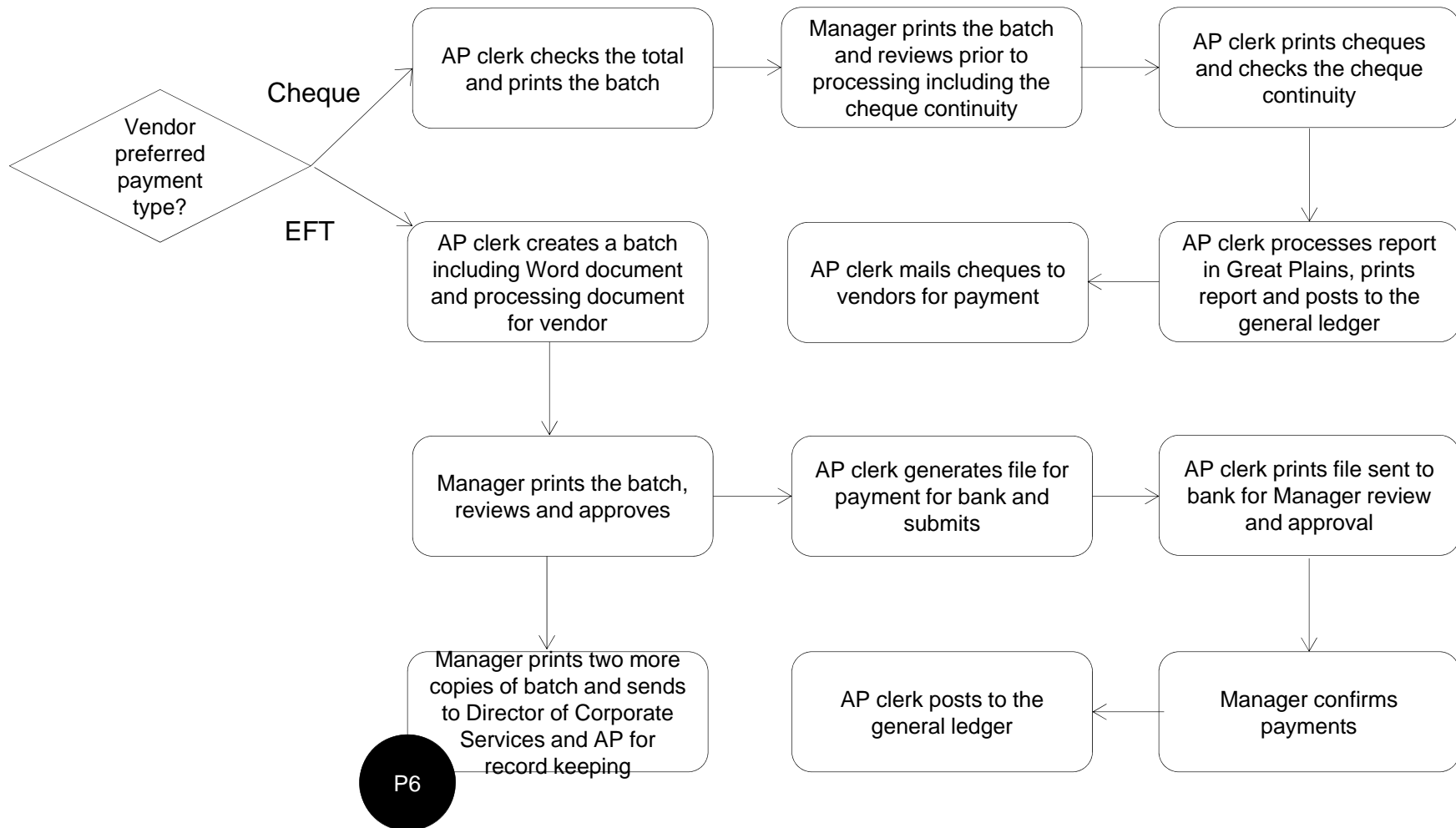




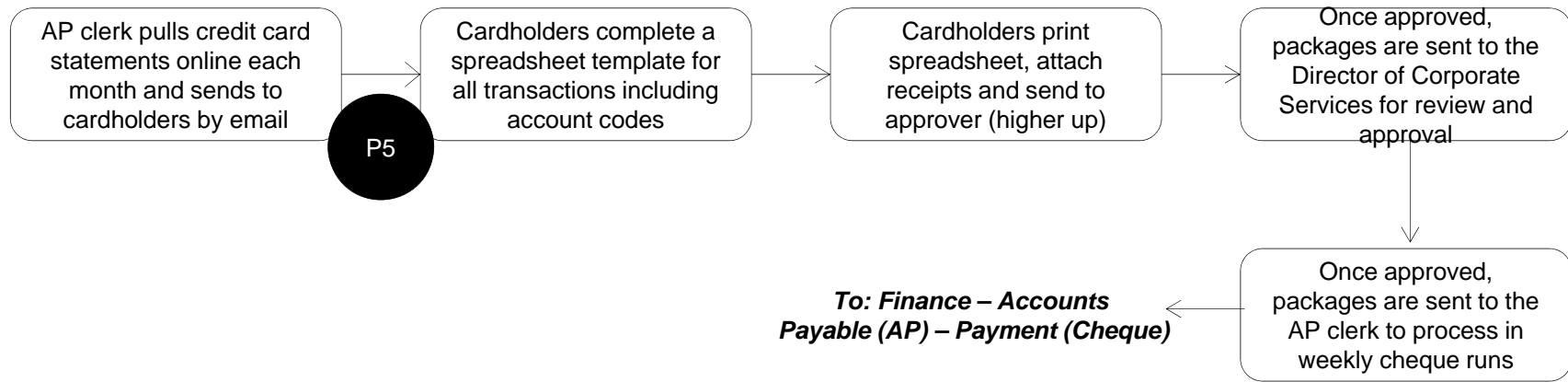
# Finance - Accounts Payable (AP) - Recording



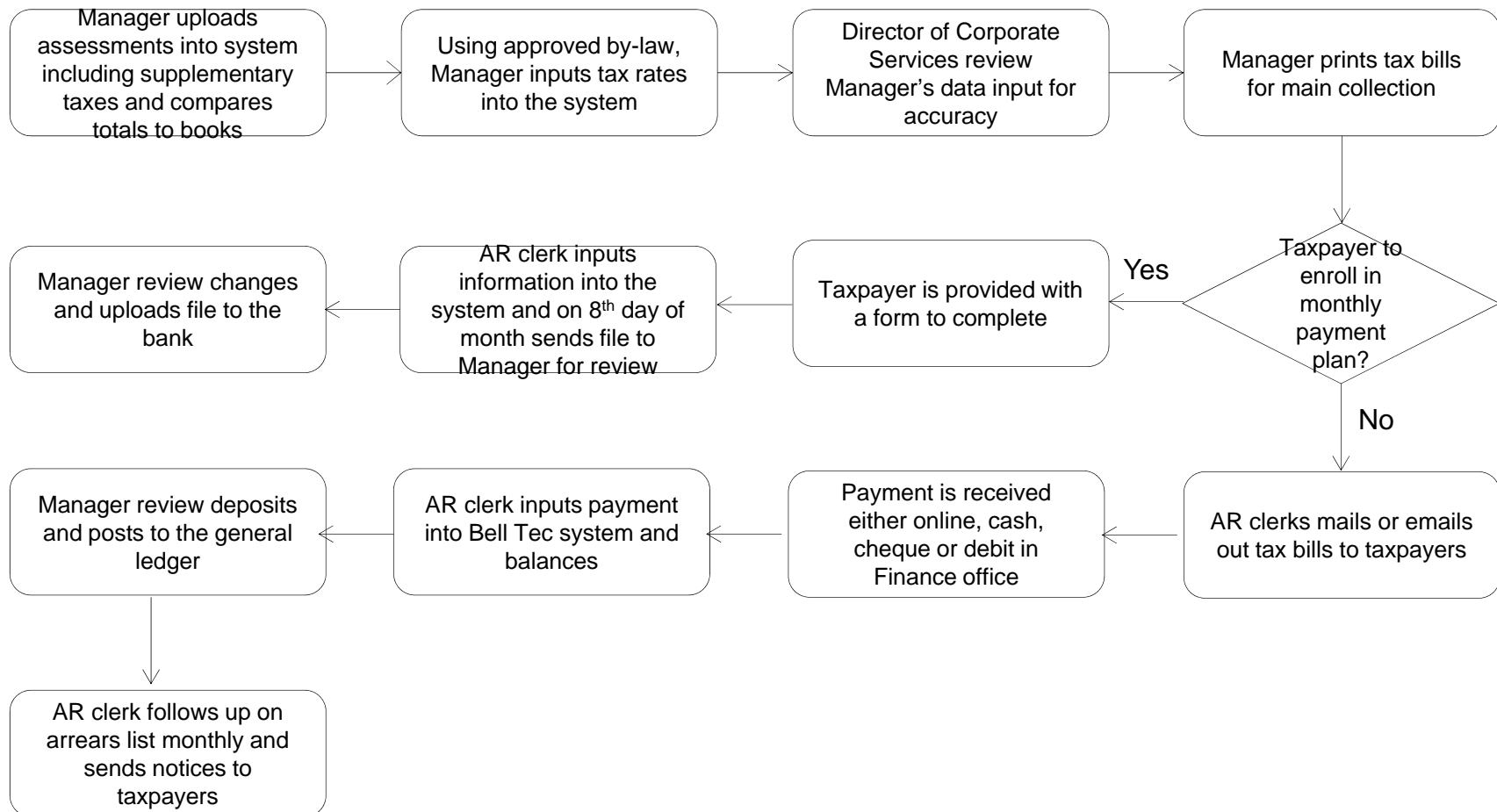
# Finance - Accounts Payable (AP) - Payment



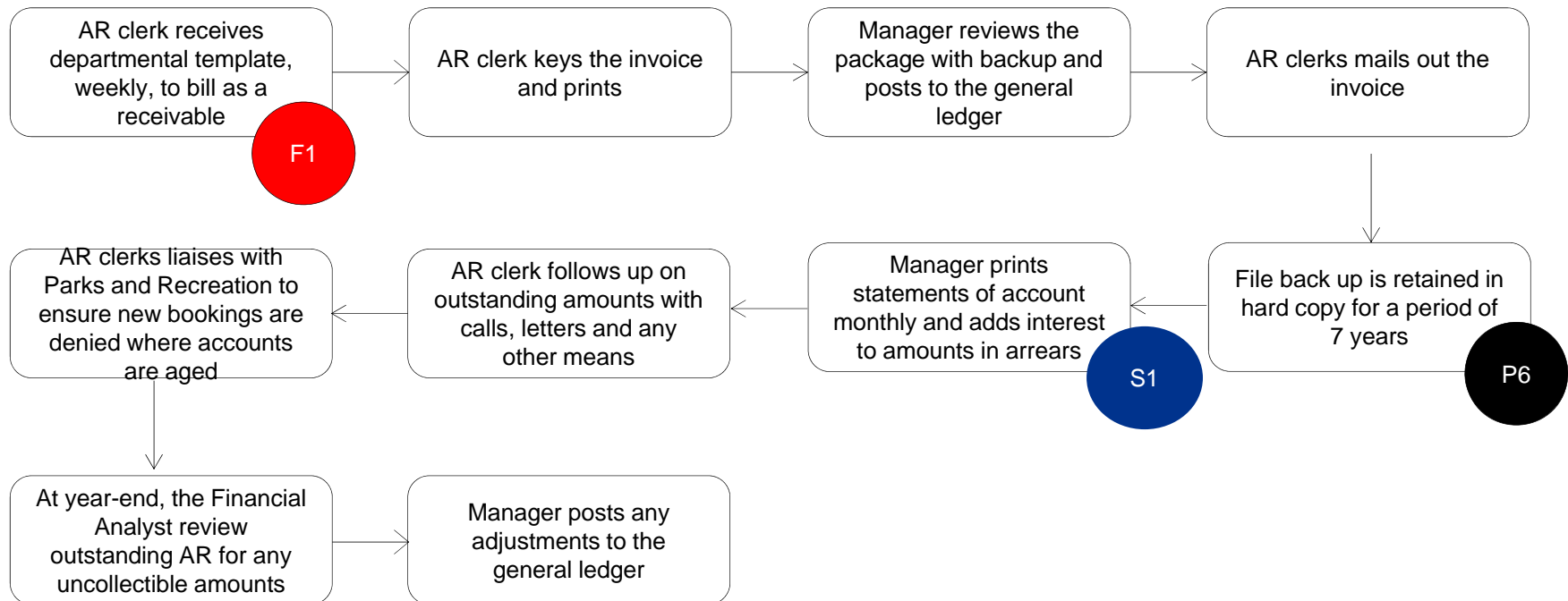
# Finance - Credit Cards



# Finance - Taxes and Collection





# Finance - Other Accounts Receivable



## Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b> We understand that hard copies of timesheets are printed in hard copy then scanned . Printed hard copies are retained in files for a period of seven years.</p>	<p>We recommend the full reliance on the digitization of file retention to reduce not only the duplication but the volume of paper retained and related storage.</p>
<p><b>P2</b> We understand that timesheets are printed individually from Penny to compare to timesheets uploaded into Great Plains.</p>	<p>We recommend the exploration of linking systems such as Penny and Great Plains to reduce the manual effort required to compare the input between systems.</p>
<p><b>P3</b> We understand that typically invoice approval is manual with paper moving between departments. In light of COVID, invoices have been emailed for departmental approval.</p>	<p>We recommend that departmental approval remain electronic post-COVID to eliminate the time lag in approval and the movement of paper between departments.</p>
<p><b>P4</b> We heard on several occasions that documents are printed in hard copies to facilitate the cross-checking between reports and systems as the Finance team are working with single screens.</p>	<p>We recommend that the Finance team be provided with second screens to enable the electronic cross-checking of documents and eliminating the need to use paper.</p>
<p><b>P5</b> We understand that all credit card transactions must be entered manually in a spreadsheet.</p>	<p>We recommend giving consideration to the opportunity to work with VISA to obtain an electronic download of all transactions to eliminate the manual input of information each month, by card.</p>
<p><b>P6</b> We understand that finance backup or supporting documentation is retained in hard copy for a period of seven years.</p>	<p>We recommend the digitization of file retention in a central location to reduce the volume of paper retained and increase the accessibility of information.</p>

# Potential Courses of Action

Issue	Potential Course of Action
<p> We heard there is very often a lag in the timeliness of receiving bill backs in Finance and there is a concern over the completeness of charge backs that make it to Finance for processing.</p> <p>In particular, we heard that there is no ownership of financial reporting, billing and accounts receivable in particular, in the Building and Planning department.</p>	<p>We recommend that the Town provide education to departments the importance of timely billing and that Finance proactively reach out to departments on a regular basis for the existence of any charge backs.</p> <p>We recommend that the Town continue to explore ways for the departments to work together to ensure all monies owing are billed and collected.</p>
<p> We heard that there is no way to run a developer statement of account at any point in time in a reasonable amount of time.</p>	<p>We recommend that the Town continue to explore ways to be able to provide this information on a timely basis including the use of City Works to streamline the deposit process and have adequate backup to validate accuracy of financial information or invoicing fees and deposits in the system to be able to generate accurate system-generated reporting at a point in time.</p>





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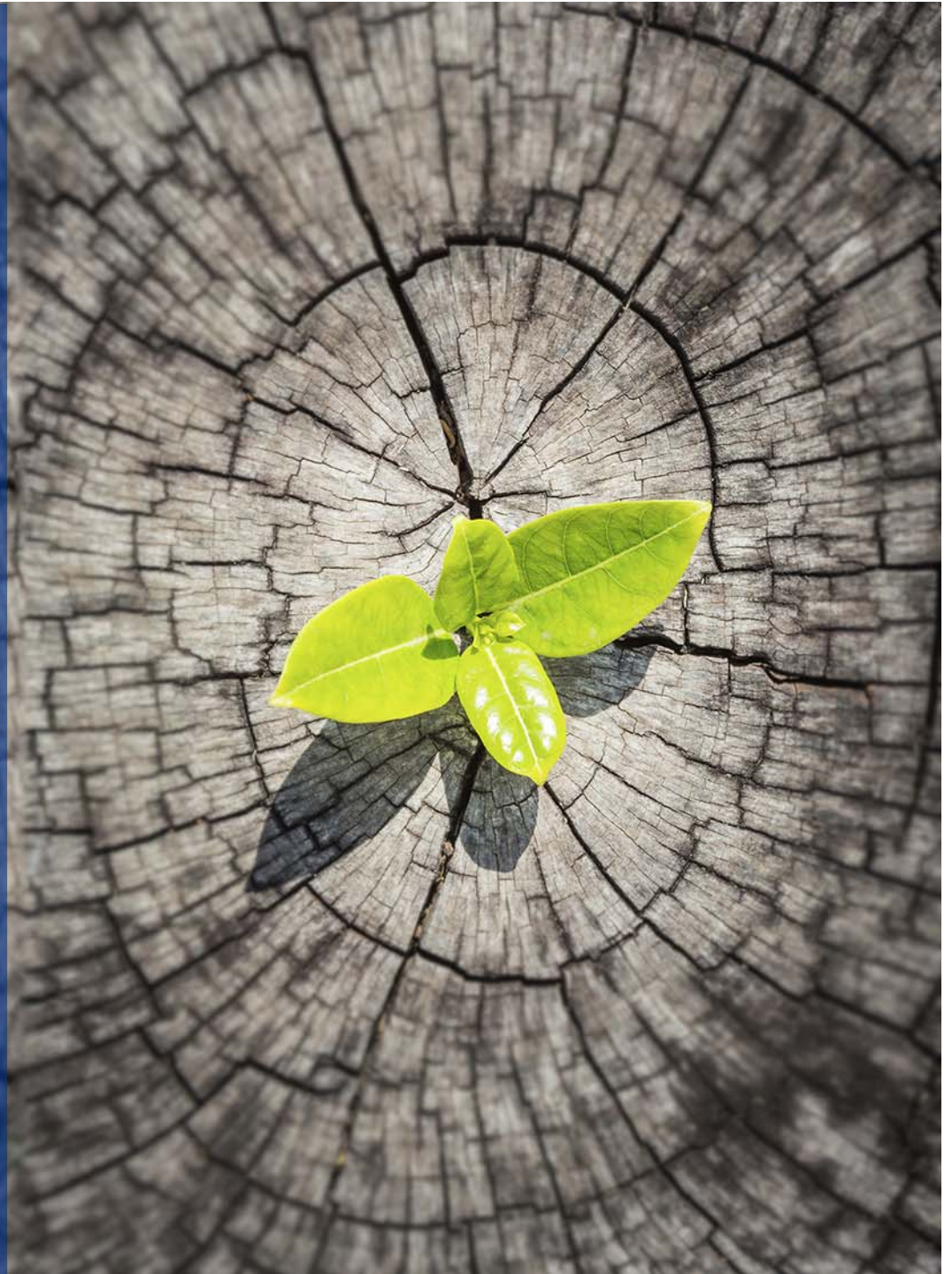
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Town of Cobourg

# Human Resources Process Maps

Recruitment  
Onboarding



# Introduction

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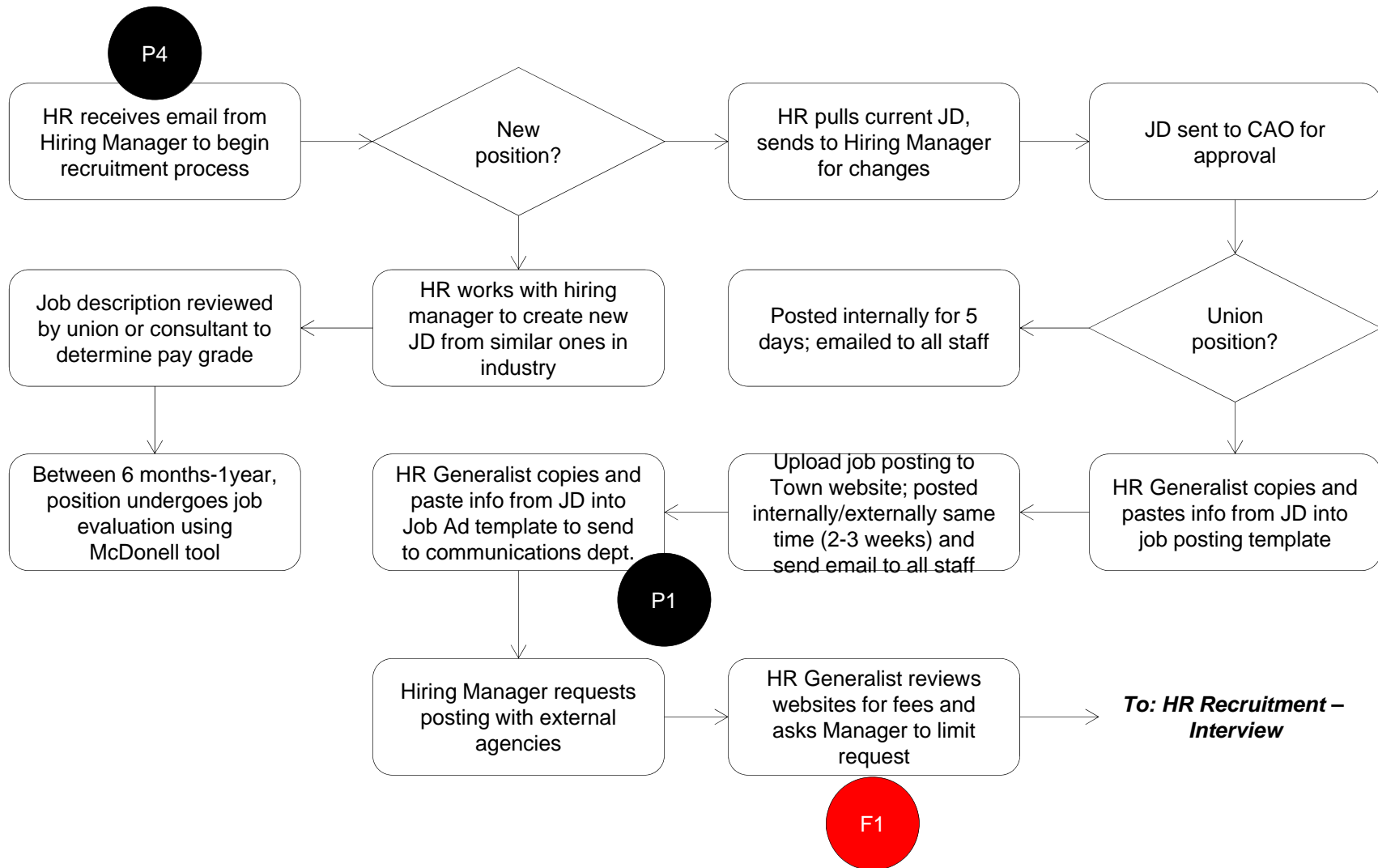
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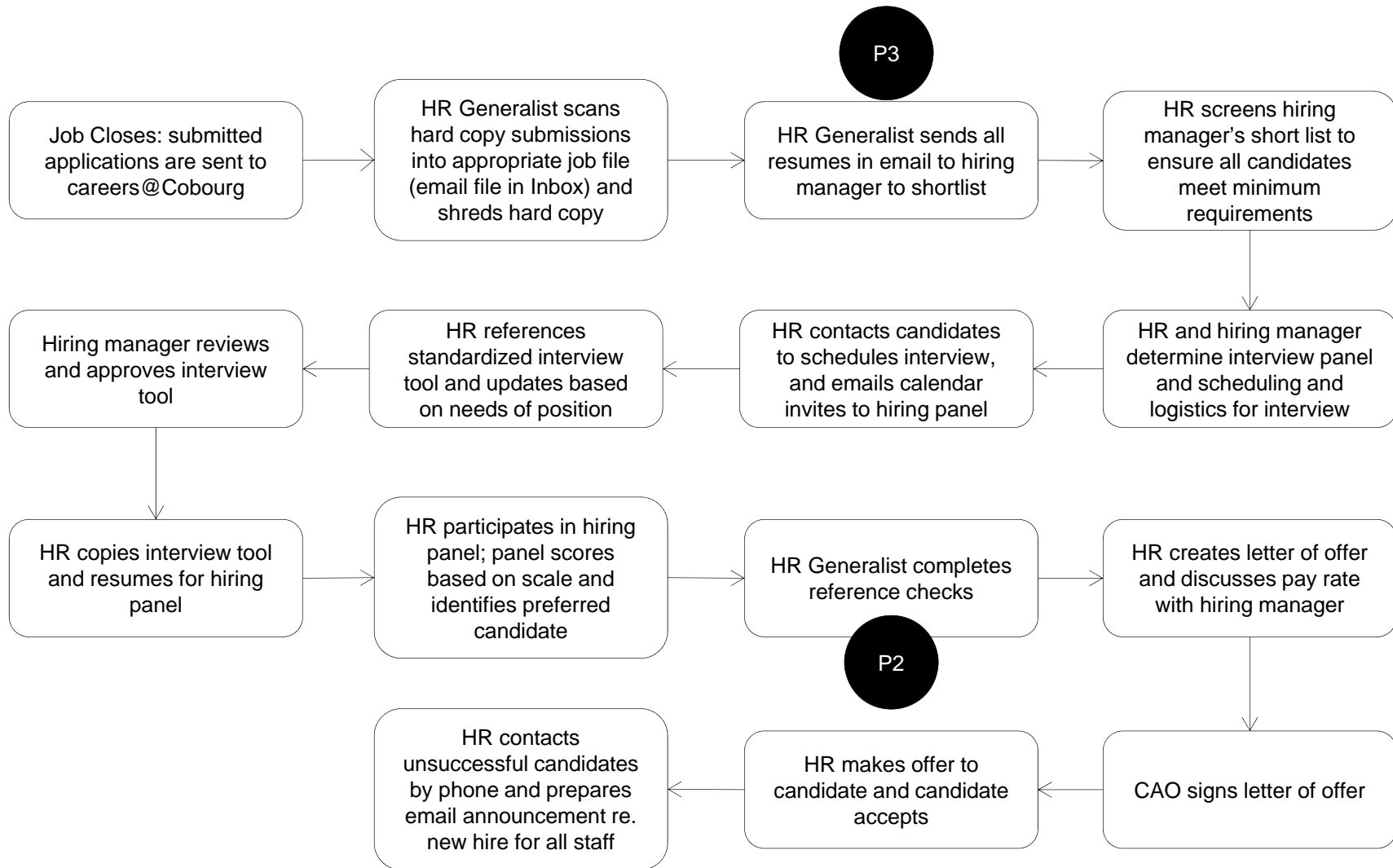
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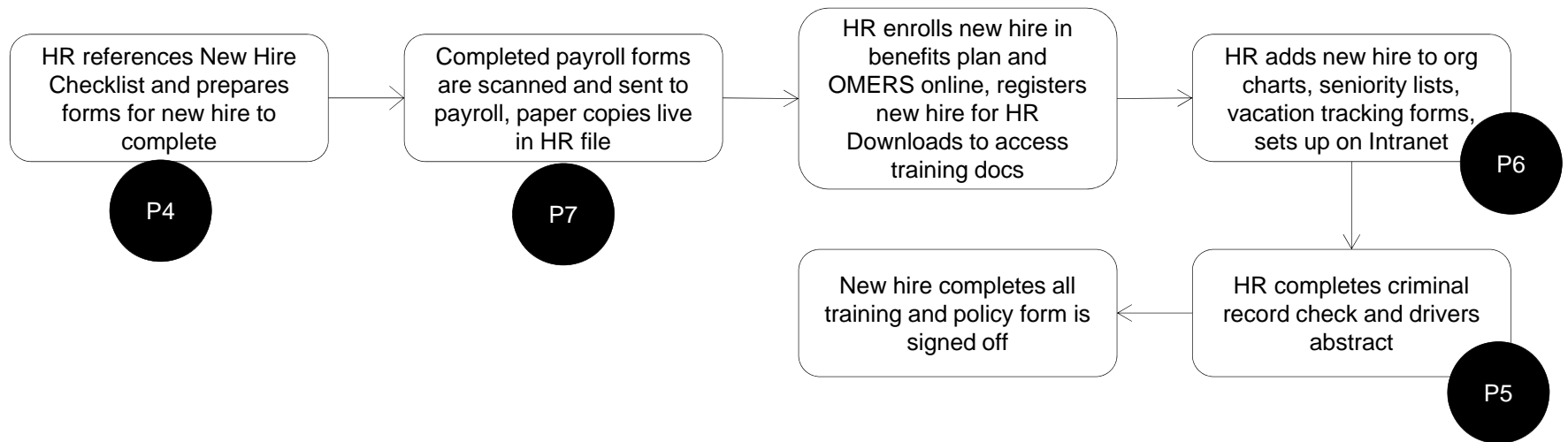
# HR - Recruitment - Job Posting



# HR - Recruitment - Interview



# HR - Onboarding



# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b> Staff advised that transferring the job posting details into various job posting sites and communications templates is a very administratively heavy tasks requiring significant time spent copy and pasting.</p>	<p>We recommend the Town's job posting templates be streamlined to match the job description templates and all templates merged into one master document. Macros could be enabled to complete the transfer of information from the master JD into the posting templates, which would create capacity for the HR Generalist to focus on higher value work. Alternatively, the Town could consider providing the HR Generalist with access to administrative support for the recruitment process which would create additional capacity for the HR professional.</p>
<p><b>P2</b> We understand there is no access to a private area for the HR Generalist to complete confidential phone calls such as reference checks.</p>	<p>We recommend the HR Generalist be provided access to a private space with a closed door to complete confidential phone calls such as reference checks.</p>
<p><b>P3</b> We understand the HR Generalist saves all candidate resumes in their email Inbox and emails all resumes to hiring manager.</p>	<p>We recommend that candidate resumes be saved on a shared drive and that the hiring manager access the resumes in this shared location. This would minimize the risk that candidate resumes would be mistakenly emailed to the wrong recipient as well as create capacity for the HR Generalist from having to manage these files within her email Inbox.</p>
<p><b>P4</b> We understand that summer student recruitment is not centralized and the onboarding process for all staff is not standardized. We heard that hiring managers complete recruitment and onboarding in an ad hoc manner and new employee experience and training can vary greatly by department.</p>	<p>We recommend that summer student recruitment and all staff onboarding be centralized and lead by HR. This would ensure each new employee experience is consistent, create additional capacity for hiring managers, and standardize critical policy and procedure training for new hires, minimizing risk this would be overlooked or missed at the departmental level.</p>
<p><b>P5</b> We understand HR completes a criminal record check and driver's abstract after the new hire has begun their employment with the Town.</p>	<p>We recommend that any required background checks be completed by HR prior to the start date of any new employee. This will minimize risk that a new hire does not meet the qualifications of the position after they have begun employment with the Town.</p>

# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P6</b></p> <p>We understand vacation is calculated based on hire date, not calendar year. Staff advised this results in significant HR and payroll staff time is spent updating vacation allotment on a bi-weekly basis.</p>	<p>We recommend the Town consider changing vacation accrual to annual instead of based on hire date. This would create capacity for both HR and payroll staff to spend time on higher value work and streamline vacation calculations for all staff.</p>
<p><b>P7</b></p> <p>We understand HR tracks annual pay increases in spreadsheet and completes HR Action Form and sends to payroll for processing. We heard that payroll also tracks annual pay increases and there appears to be duplicated efforts in this area.</p>	<p>We recommend that annual pay increases remain as a function of payroll and HR be removed from tracking the standard annual increments for unionized staff.</p>
<p><b>F1</b></p> <p>We were advised there is no centralized budget for recruitment costs. Staff advised that recruitment costs lie with each department when they are incurred but there is no line item budget for recruitment on an annual basis.</p>	<p>We recommend that the Town consider budgeting annually for recruitment costs. This will provide flexibility to departments hiring for key positions and enable maximum exposure in order to recruit the most qualified candidates for the Town.</p>



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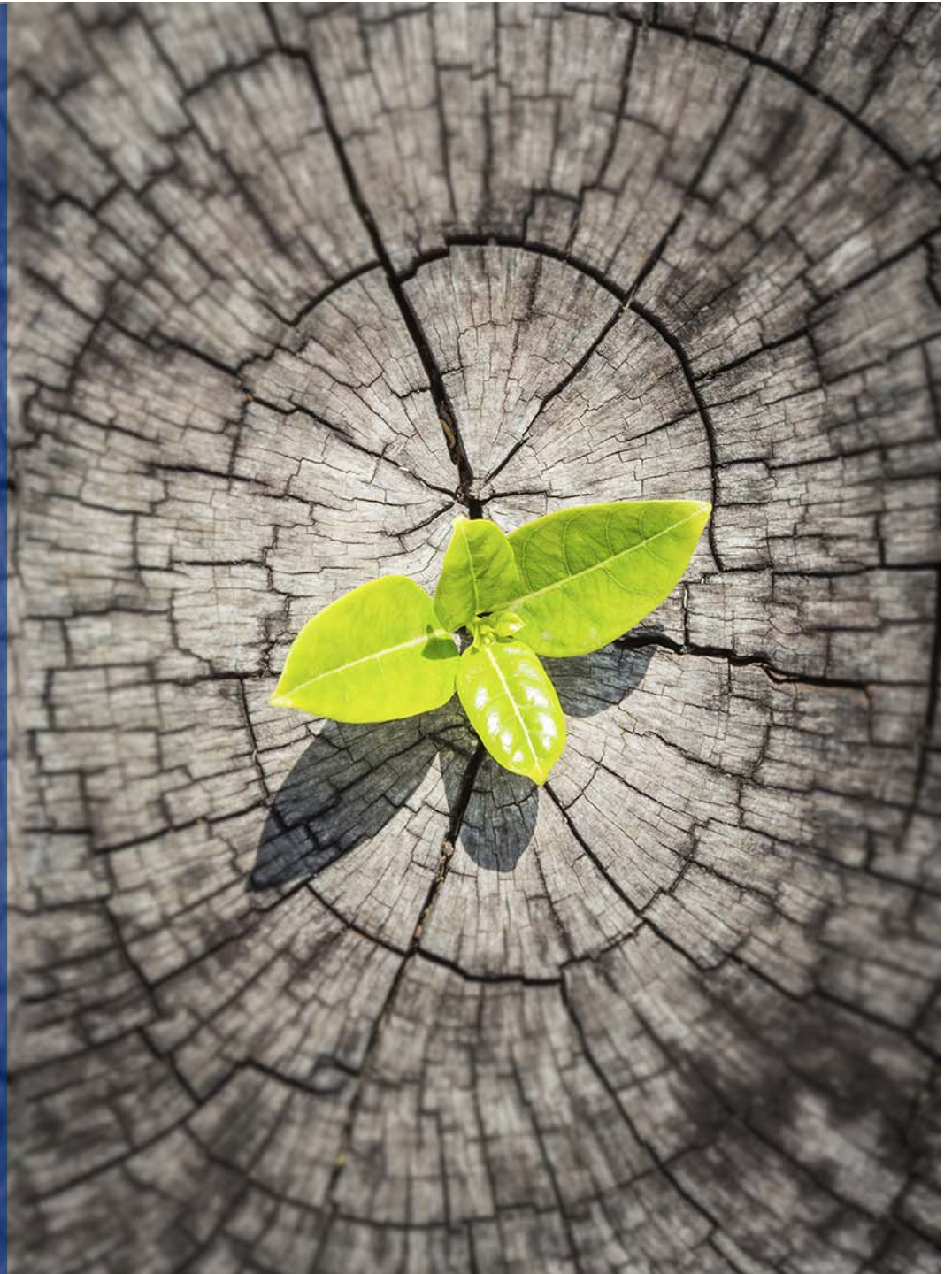




Town of Cobourg

# Planning and Development Process Maps

Site Plan & Subdivision Approval  
Planning Applications





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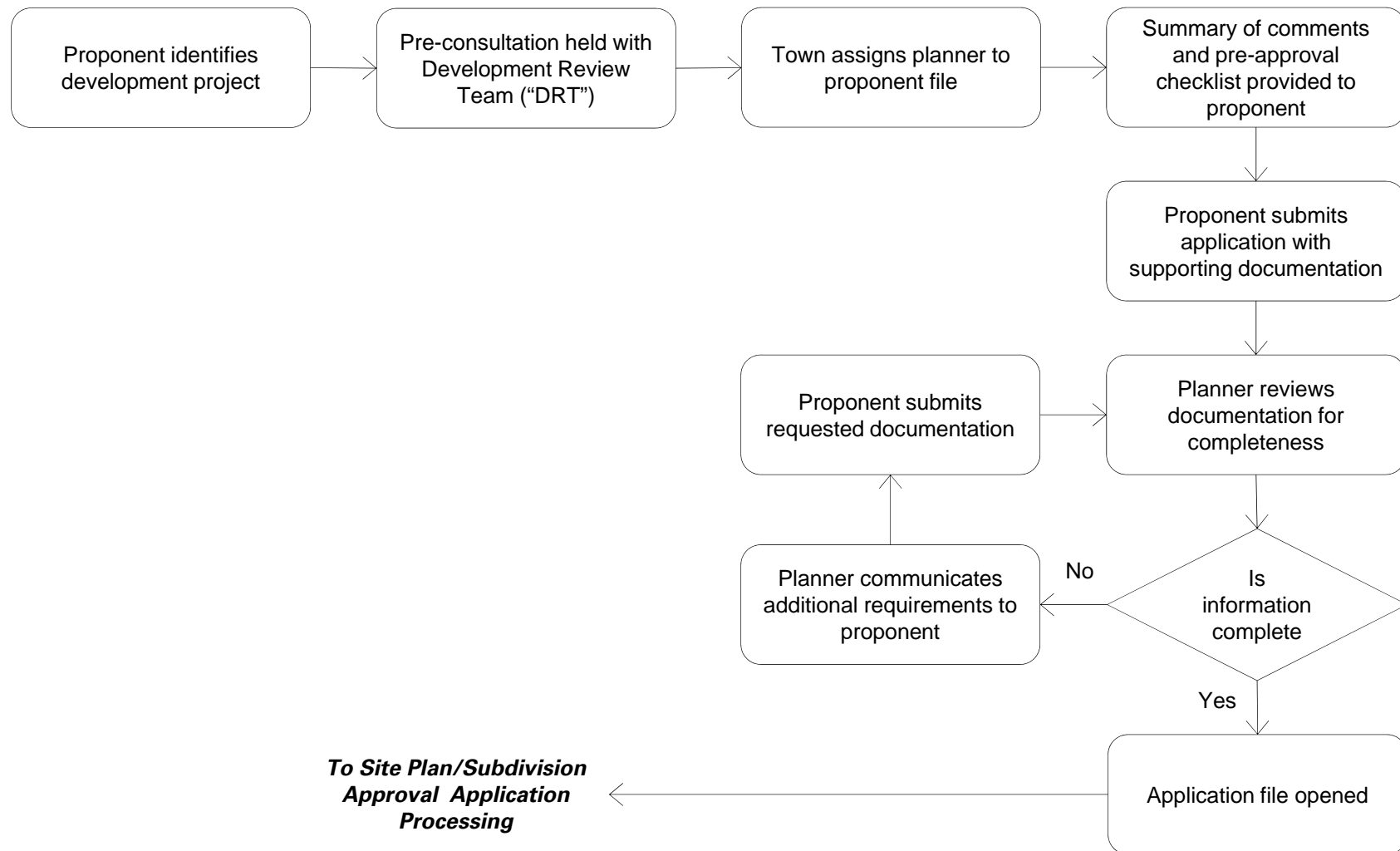
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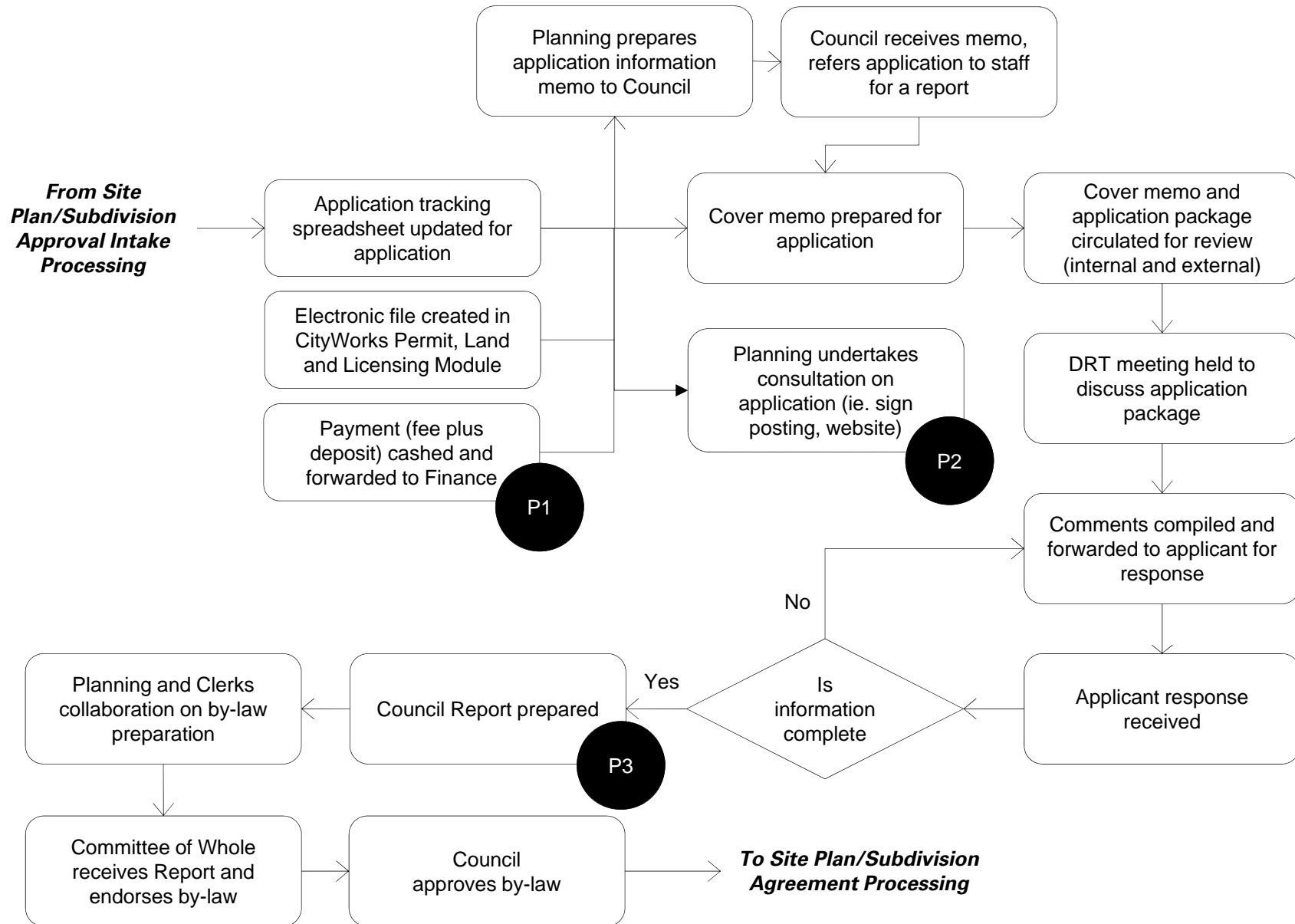
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# Site Plan/Subdivision Approval Application Intake

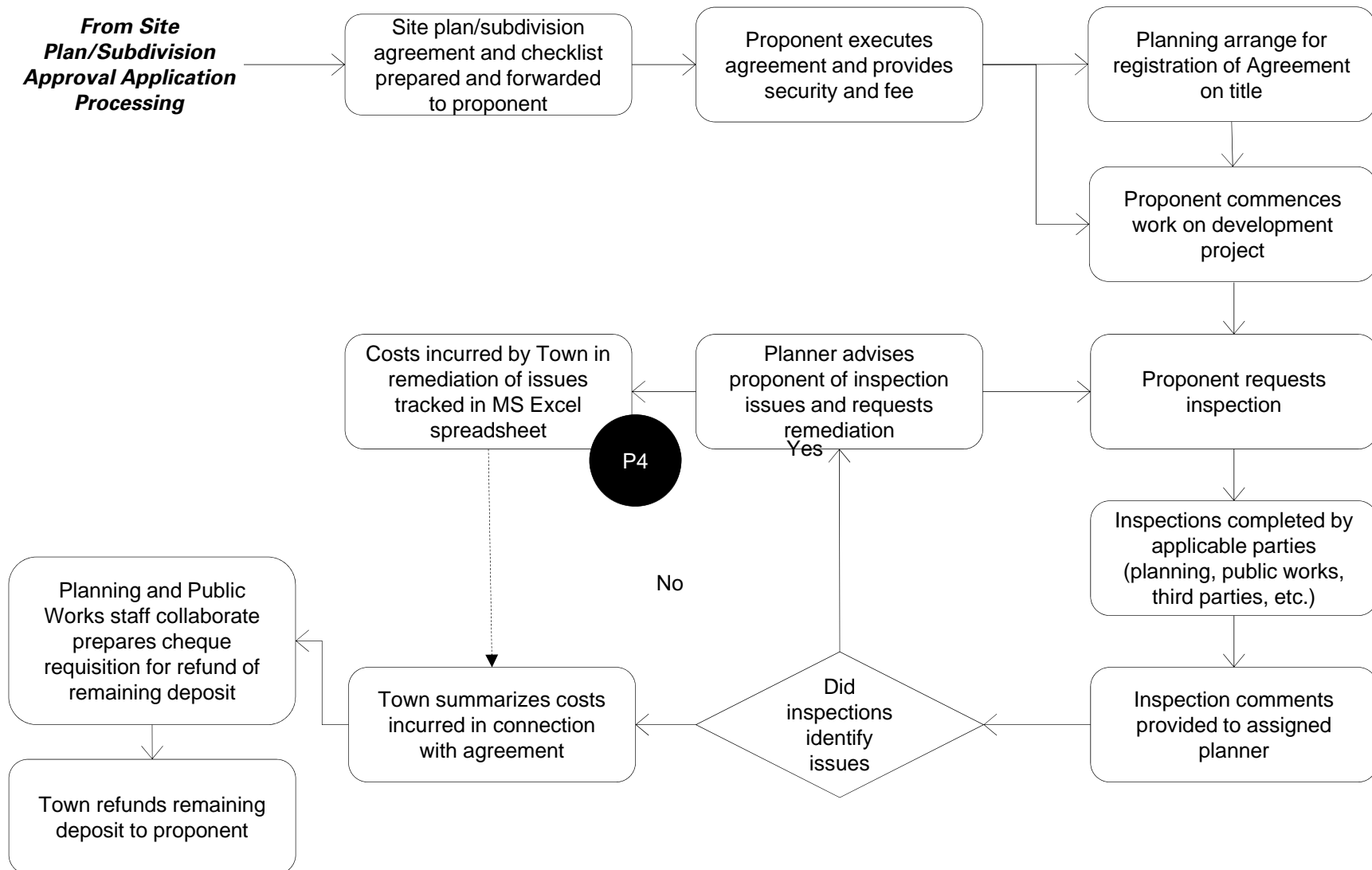


# Site Plan/Subdivision Approval Application Processing





# Site Plan/Subdivision Agreement Processing



# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b></p> <p>We were advised that prior to the COVID-19 pandemic, Planning was required to provide four hard copies of deposit summaries for funds received in connection with site plan/subdivision applications and other development applications. We further understand that the Town has now implemented an electronic submission for funds being deposited in connection with planning applications.</p>	<p>As a means of enhancing operational efficiencies through the elimination of manual work efforts, the Town may wish to consider permanently adopting electronic reporting by Planning to Finance for payment receipts and depositing.</p>
<p><b>P2</b></p> <p>While the Planning Act does not require any public consultation methods for these technical applications, the Town's Public Notification Procedures (effective January 2020), require sign posting and website notification.</p>	<p>In order to reduce the administrative time and cost associated with technical applications, the Town may wish to consider revising its notification procedures to the standard established in the Planning Act.</p>
<p><b>P3</b></p> <p>While the provisions of the Planning Act allow Council to delegate responsibility for site plan/subdivision application approvals to Town staff, the Town's current processes require approval by both the Committee of the Whole and Council. As a result of the requirement for Council approval, Town staff are required to complete a number of work efforts, which add between five to 10 hours of staff time and 2 ½ – 3 weeks of additional processing per application.</p>	<p>As a means of reducing the overall processing time for site plan /subdivision application approvals, and recognizing that Council approves almost all site plan/subdivision applications the Town may wish to consider delegating approval authority to the Director of Planning &amp; Development.</p>
<p><b>P4</b></p> <p>Under the Town's financial processes, costs incurred in connection with the resolution of matters identified through site plan/subdivision agreement inspections are not specifically matched to site plan/subdivision applications in its financial records. As a result, a number of Town departments (Planning, Public Works, Parks) are required to track costs incurred in MS Excel spreadsheets, with a final reconciliation required prior to the release of proponent deposits. This represents a duplication of work efforts as costs are recorded by staff in multiple Town departments.</p>	<p>As a means of reducing the extent of work required to process proponent deposits, the Town may wish to consider revising its chart of accounts to create individual general ledger accounts for each site plan/subdivision application. This is intended to significantly reduce the amount of time required to determine the balance of remaining deposits as expenses will be coded to individual applications. At the same time, the use of individual accounts would facilitate the Town's ability to monitor site plan/subdivision applications, identifying those that have been outstanding for a number of years for follow up or closure.</p>



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Town of Cobourg

# Planning and Development Process Maps

Official Plan & Zoning By-law  
Amendments,  
and Draft Plans of Subdivision Applications



# Introduction

## A. Overview of our engagement

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This report outlines the Town's processes with respect to the above-noted services and includes:

- Process maps for the delivery of the service;
- Identified areas for potential enhancement, as applicable; and
- Suggested operational changes that could be considered by the Town as a means of enhancing operating efficiencies and customer service, improving risk management and addressing potential internal control weaknesses.

***Our review relied heavily on the contributions and knowledge of Town personnel and we would like to express our appreciation and thanks for the assistance provided to us by staff.***



# Introduction

## B. Our approach

As part of our review, KPMG facilitated discussion with Town staff to identify the individual steps in the process under review, as well as any issues that were perceived as impacting operating efficiencies, customer service, internal controls or risk management.









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# Introduction

LEAN methodologies are intended to help organizations identify and address one of eight typical types of inefficiencies.

Inefficiency	Description	Examples
 <b>Defects</b>	Work or services that are not completed correctly the first time.	Departments key in hours worked incorrectly, requiring payroll to fix errors.
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 <b>Non-utilized talent</b>	Not utilizing all of the skills of employees.	Incurring overtime because staff working in other departments cannot be used.
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 <b>Extra processing</b>	Spending extra time and effort for an activity, including duplication of efforts.	Developing Excel spreadsheets to track information that is already available in MIS.

# Introduction

## C. How to read our report

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Potential areas for improvement include:

**P** Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value

**S** Client service limitations, representing aspects of the Town's operations that may adversely impact on customer satisfaction

**F** Financial risk, representing areas where the Town's system of internal controls is insufficient to prevent the risk of financial loss

**L** Litigation risk, consisting of potential areas where the Town's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

Where areas for potential for improvement have been identified, we have provided suggested courses of action that could be considered by the Town as part of future implementation efforts.



# Introduction

## **D. Restrictions**

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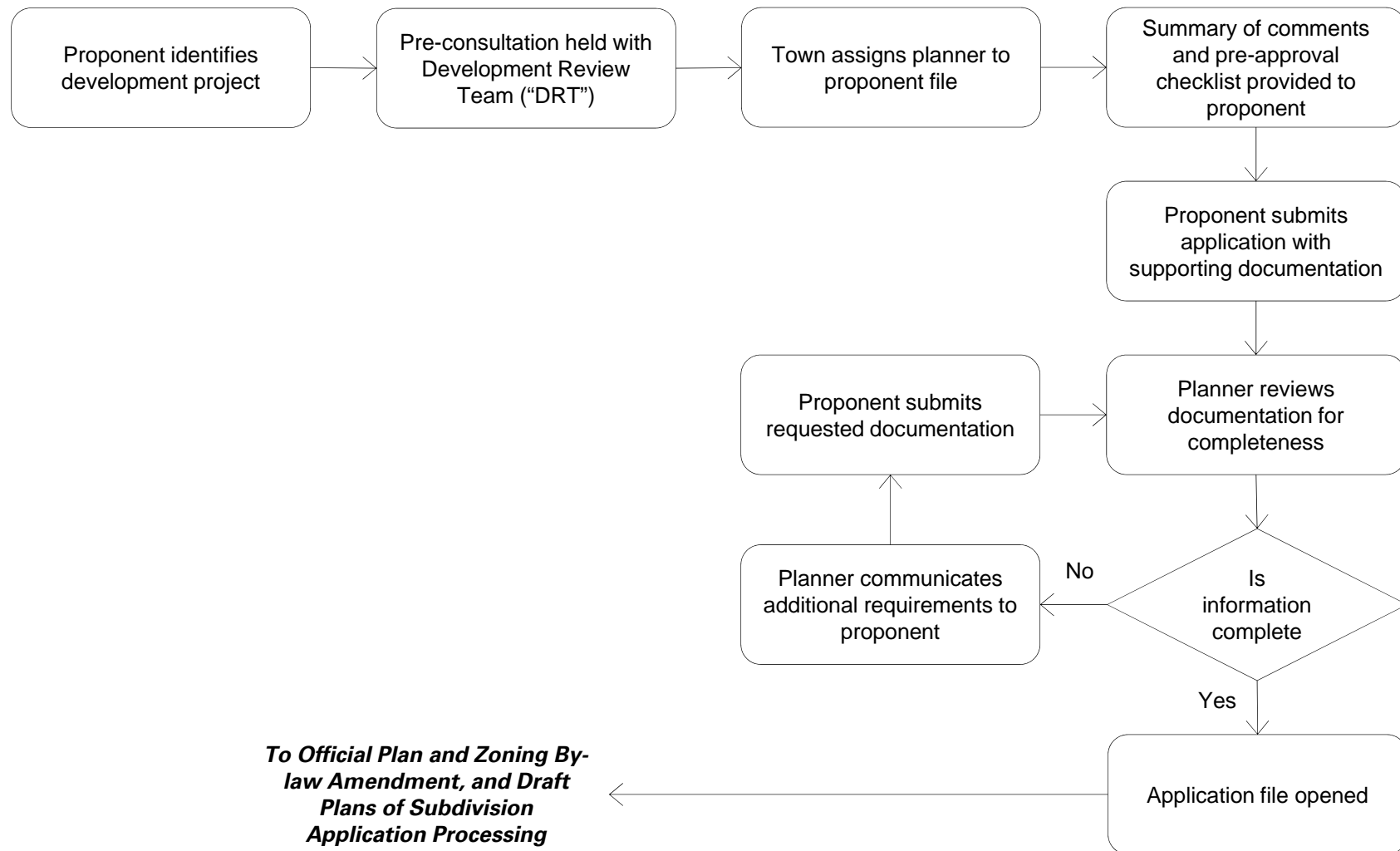
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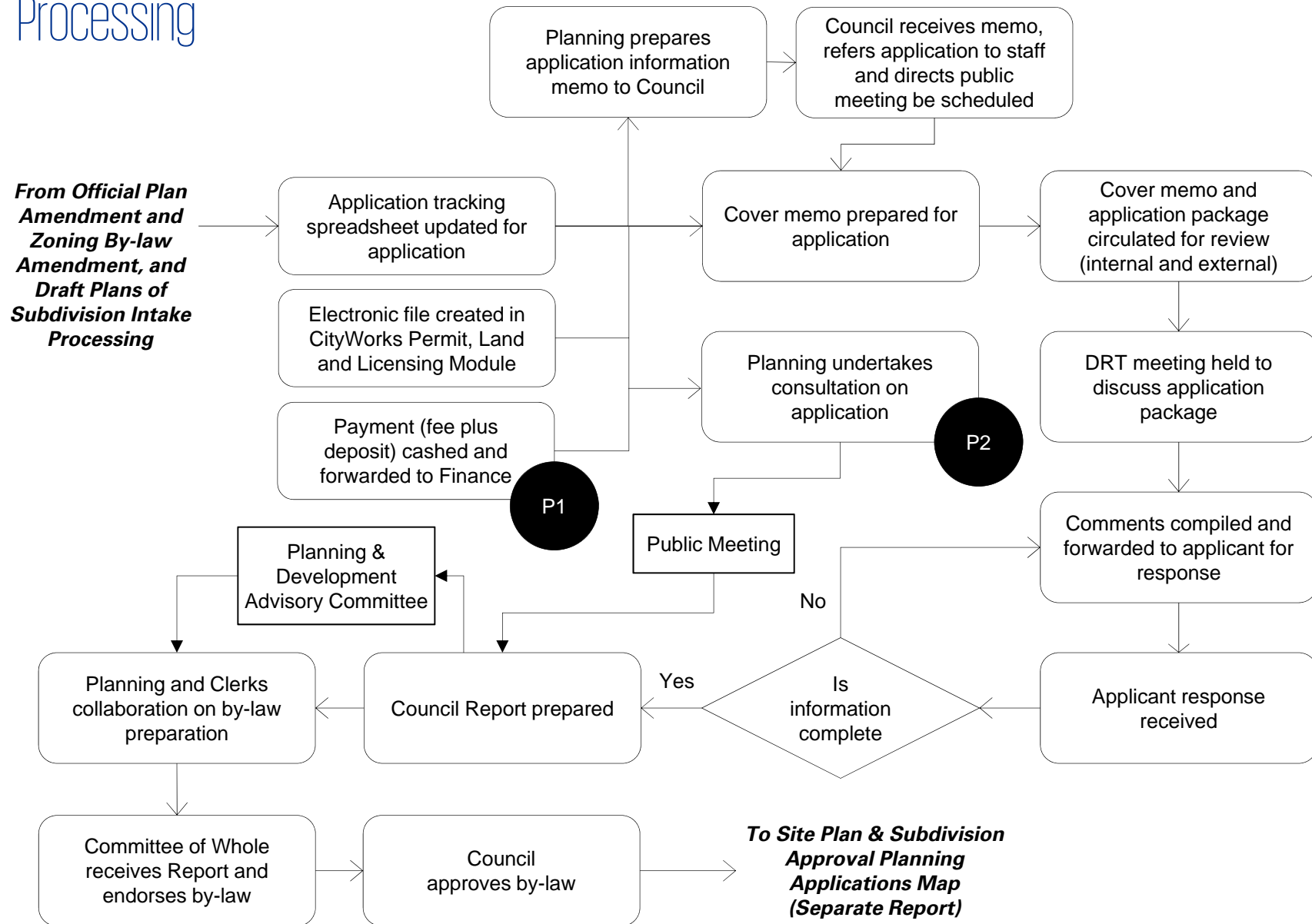
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# Official Plan & Zoning By-law Amendment, and Draft Plans of Subdivision Application Intake



# Official Plan & Zoning By-law Amendment, and Draft Plans of Subdivision Application Processing



# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b></p> <p>We were advised that prior to the COVID-19 pandemic, Planning was required to provide four hard copies of deposit summaries for funds received in connection with site plan applications and other development applications. We further understand that the Town has now implemented an electronic submission for funds being deposited in connection with planning applications.</p>	<p>As a means of enhancing operational efficiencies through the elimination of manual work efforts, the Town may wish to consider permanently adopting electronic reporting by Planning to Finance for payment receipts and depositing.</p>
<p><b>P2</b></p> <p>In connection with Official Plan and Zoning By-law Amendment, and Draft Plans of Subdivision applications, the Town's public notification process includes a level of notification that is excess of the minimum requirements of the Planning Act. Currently, the Town's notification includes (1) publication in a local newspaper with sufficient general circulation; (2) mailings to property owners within a certain distance of the subject property; and (3) sign posting at the site. This exceeds the requirements of the Planning Act, which requires either (1) or (2) and (3), but not all three.</p>	<p>As a means of reducing the overall time and cost for processing Official Plan and Zoning By-law Amendments, and Draft Plans of Subdivision applications, the Town may wish to consider reducing its notification requirements to those required by the Planning Act.</p>



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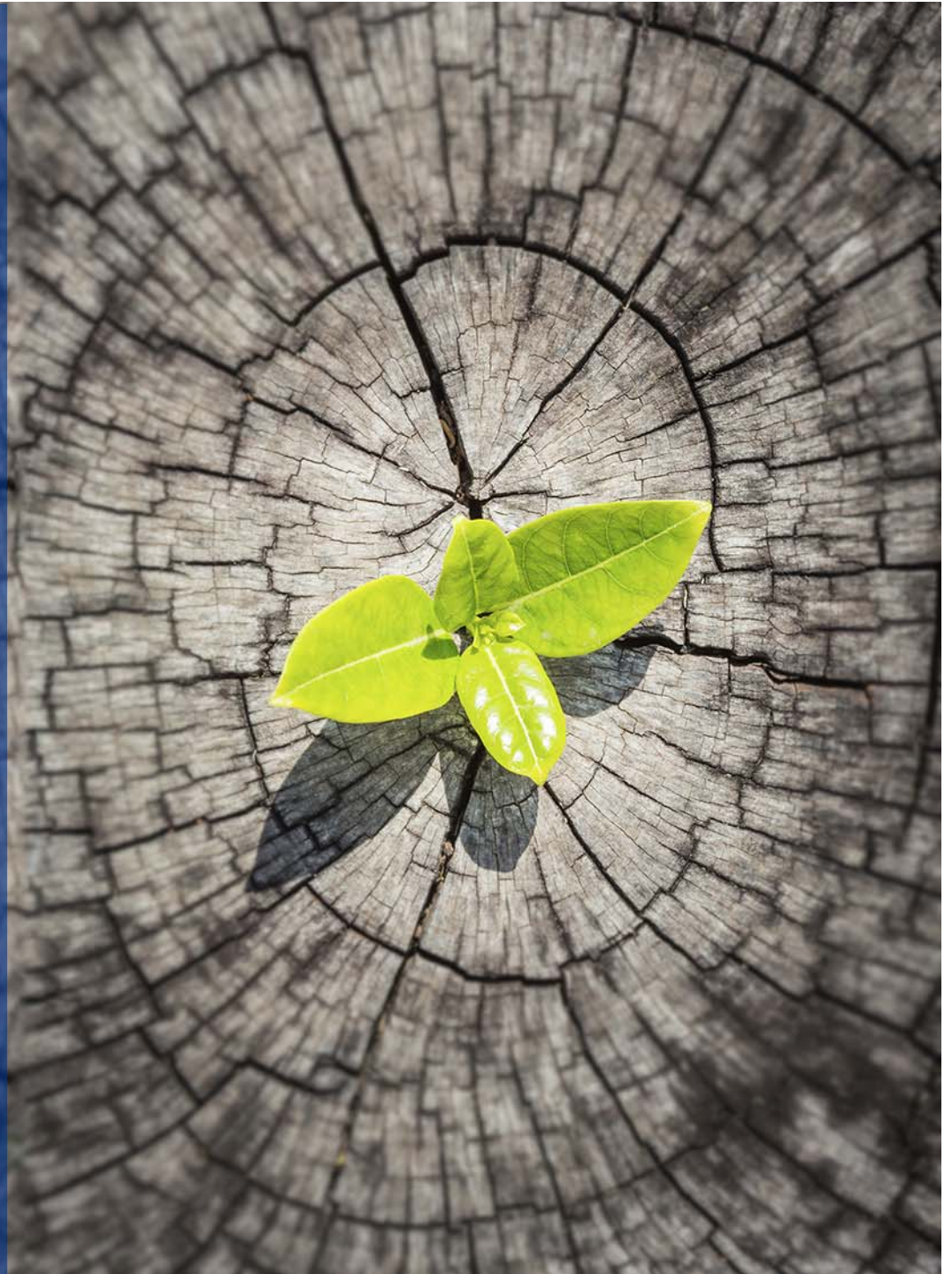
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Town of Cobourg

# Planning and Development Process Maps

Heritage Permit Applications  
Committee of Adjustment Applications





# Introduction

## A. Overview of our engagement

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This report outlines the Town's processes with respect to committee of adjustment and heritage permit applications and includes:

- Process maps for the delivery of the service;
- Identified areas for potential enhancement, as applicable; and
- Suggested operational changes that could be considered by the Town as a means of enhancing operating efficiencies and customer service, improving risk management and addressing potential internal control weaknesses.

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As part of our review, KPMG facilitated discussion with Town staff to identify the individual steps in the process under review, as well as any issues that were perceived as impacting operating efficiencies, customer service, internal controls or risk management.

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# Introduction

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Client service limitations, representing aspects of the Town's operations that may adversely impact on customer satisfaction



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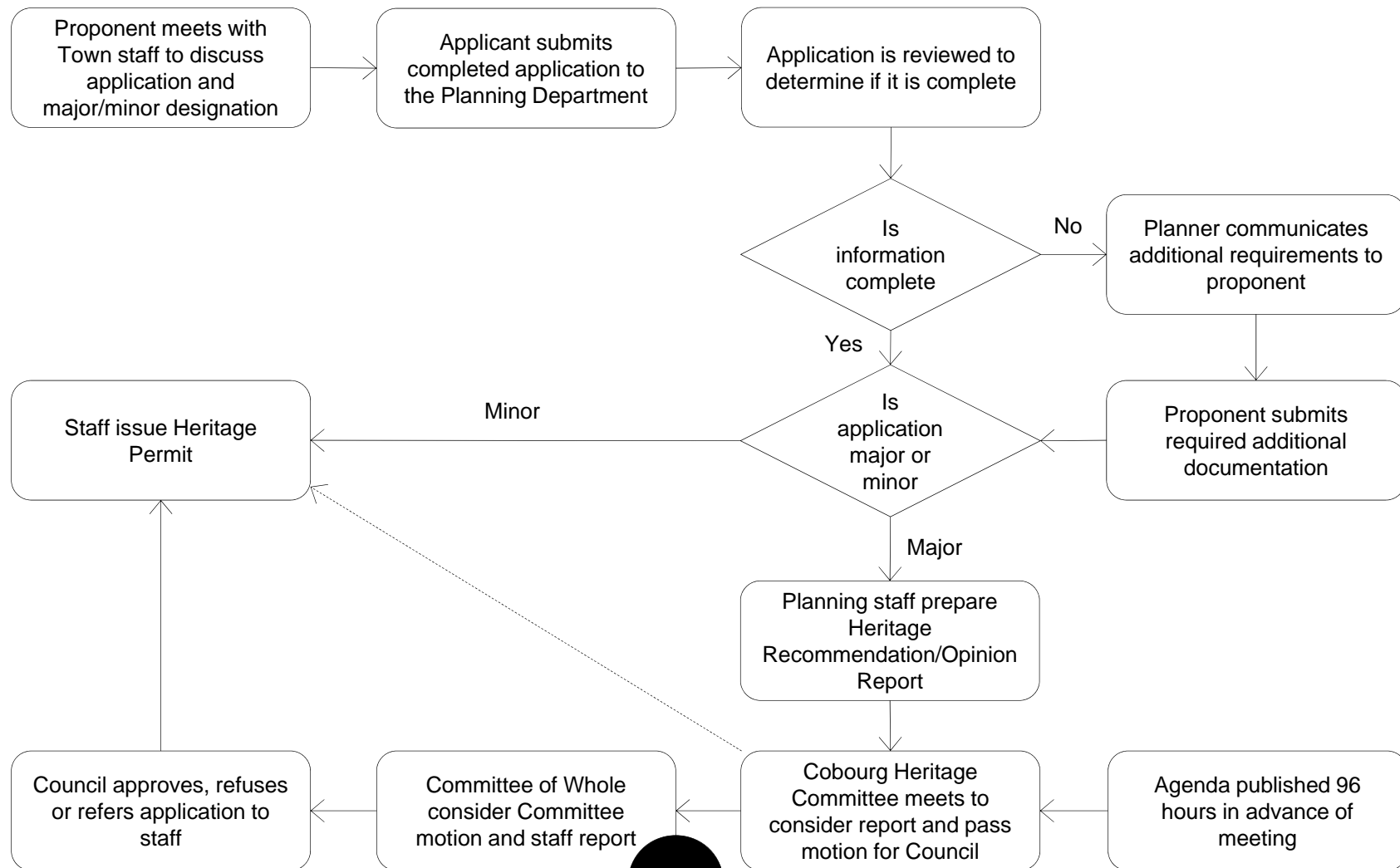
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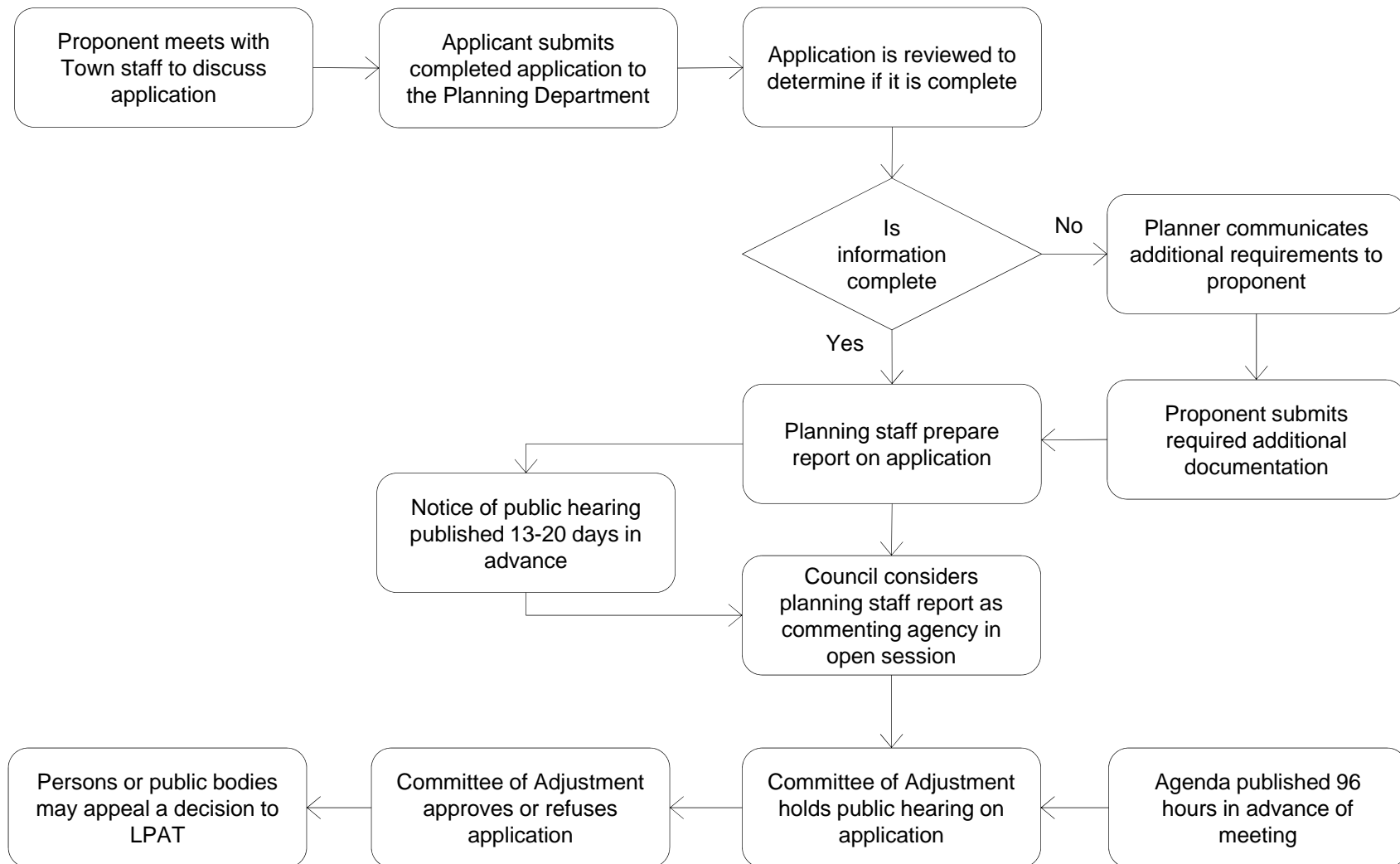
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# Heritage Permit Applications



# Committee of Adjustment Applications



# Potential Courses of Action

Issue	Potential Course of Action
<div data-bbox="191 423 306 542">P1</div> <p data-bbox="352 418 1024 513">Currently, the process to bring the heritage planning report to Council adds two to three weeks to the issuance of a heritage permit.</p>	<p data-bbox="1066 418 1877 513">The Town may wish to consider delegating certain types of “major” heritage approvals to staff provided the Cobourg Heritage Committee has considered it and recommends approval.</p>



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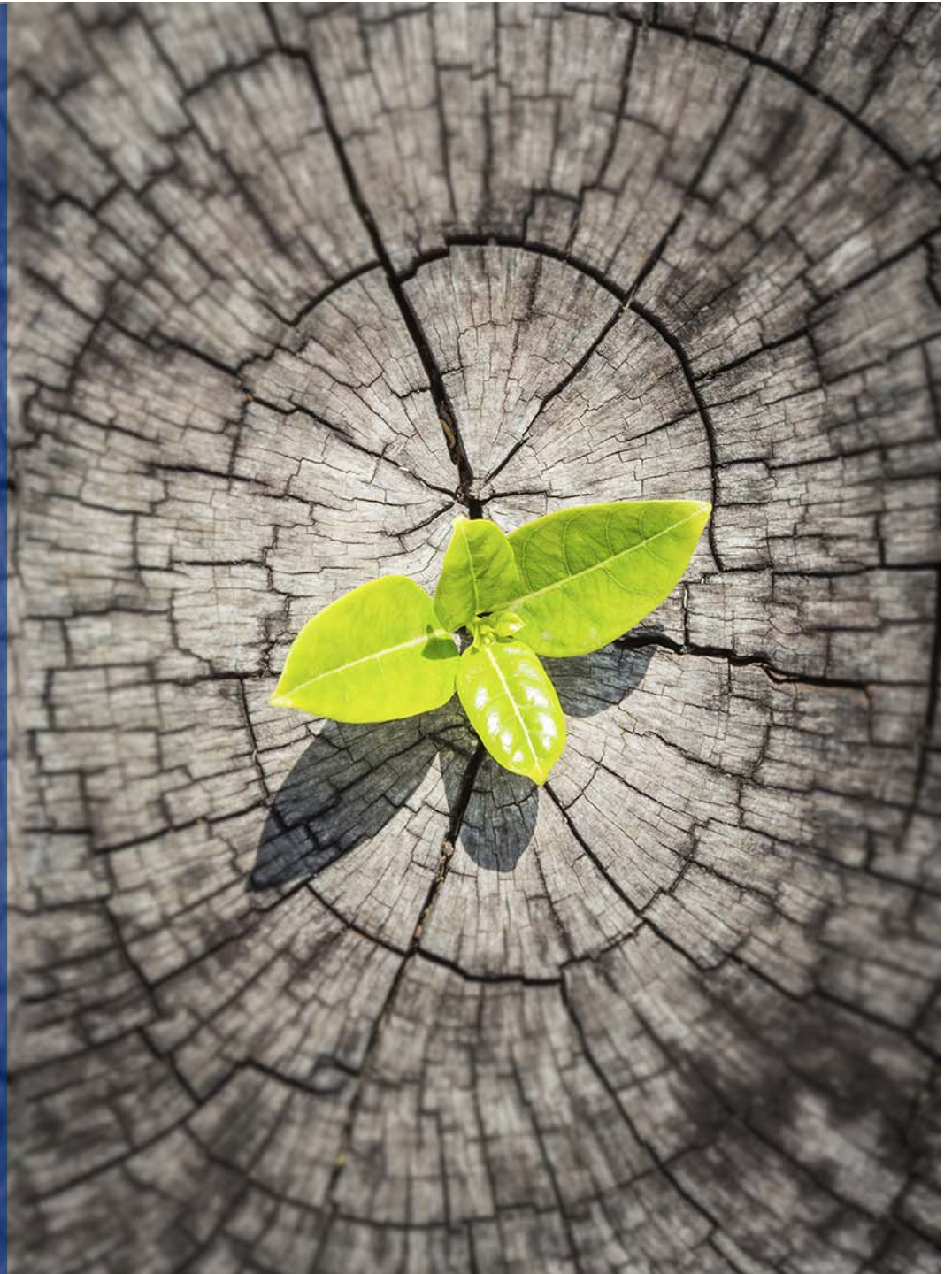




Town of Cobourg

Planning and Development  
Process Maps

Building Permit Applications





# Introduction

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This report outlines the Town's processes with respect to building permit applications and includes:

- Process maps for the delivery of the service;
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# Introduction

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In certain instances, our review did not identify potential areas for improvement. In other cases, we have provided suggested courses of action that could be considered by the Town as part of future implementation efforts.

# Introduction

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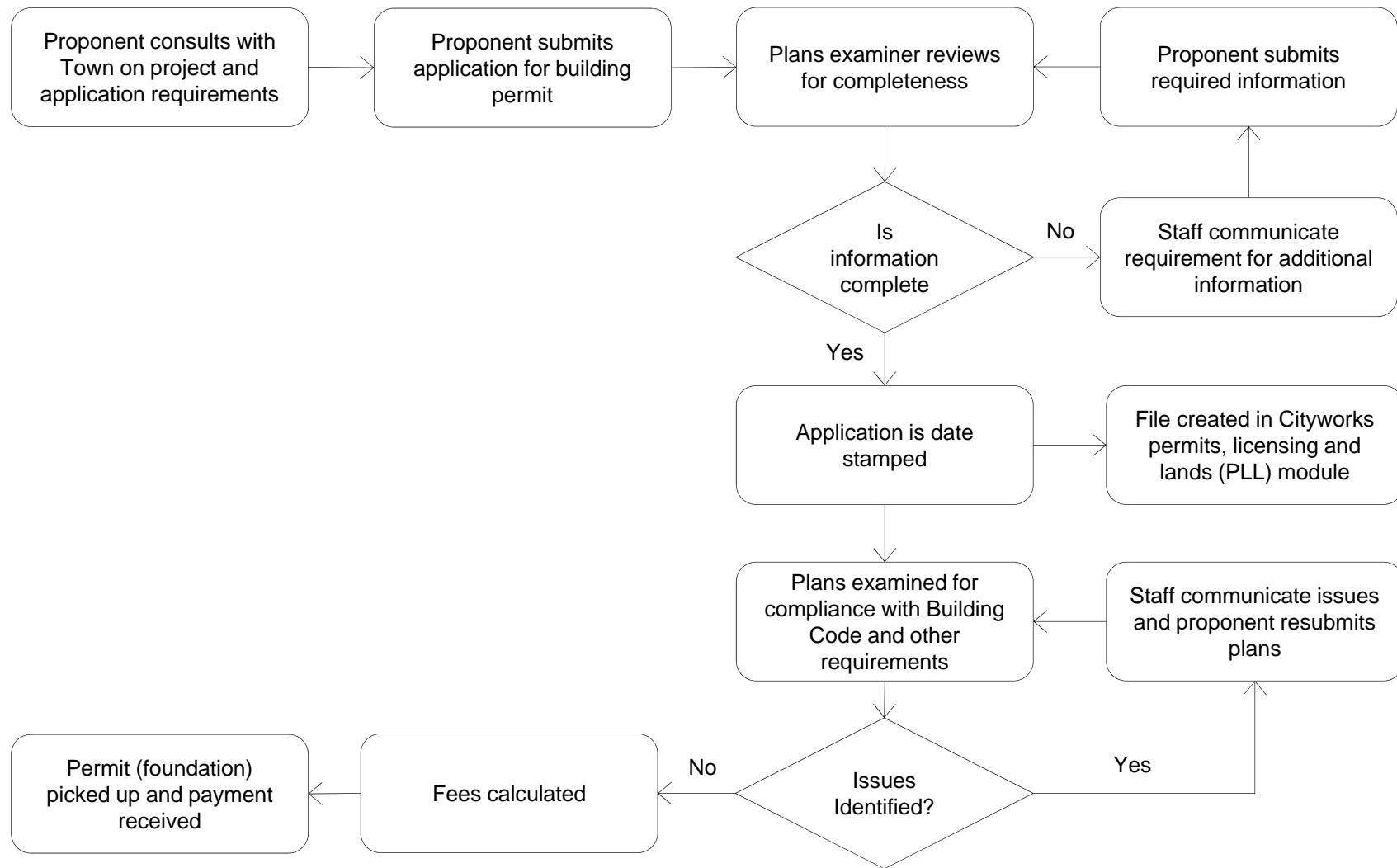
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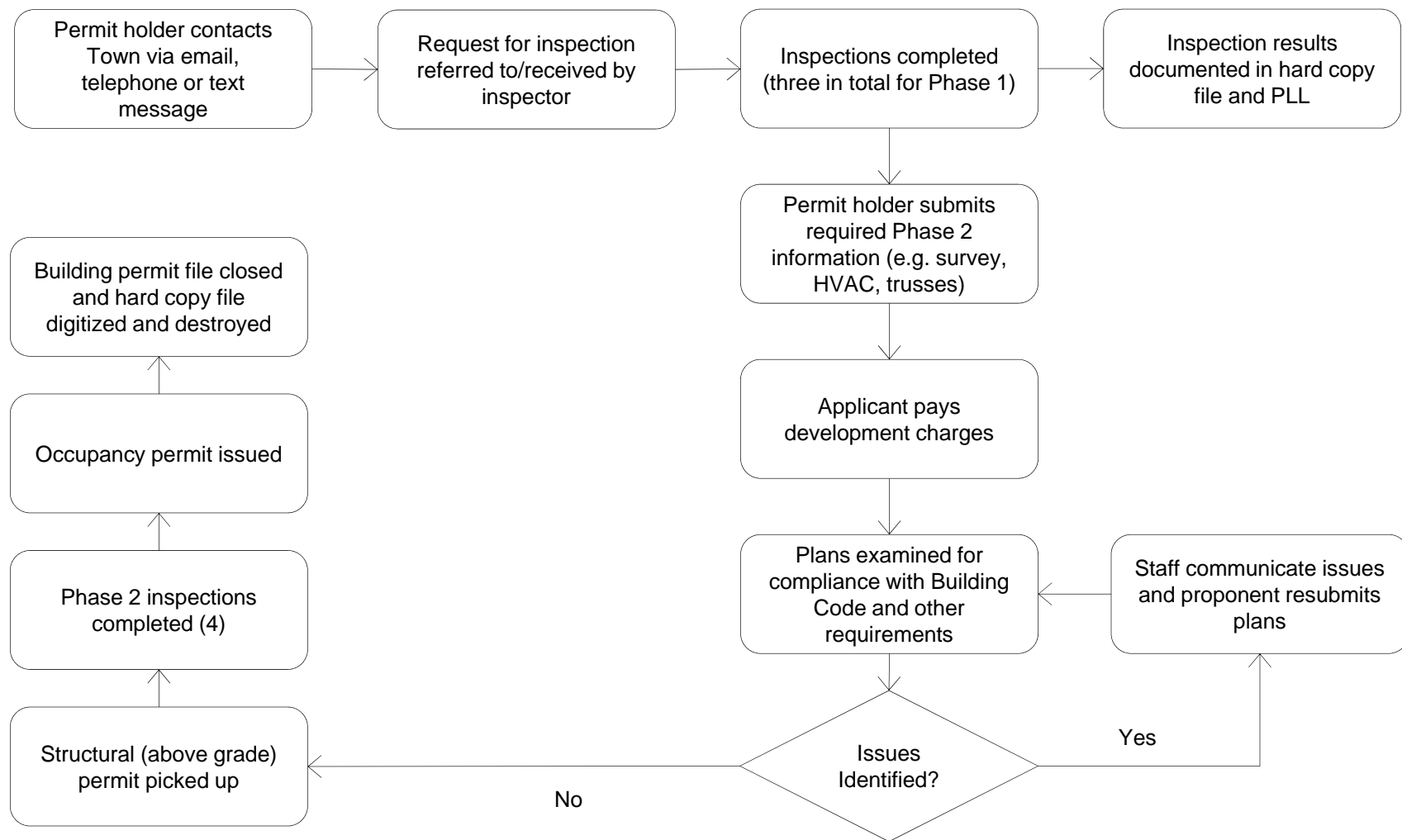
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# Residential Building Permit Applications



# Residential Building Permit Inspections (Phase 1 and Phase 2)





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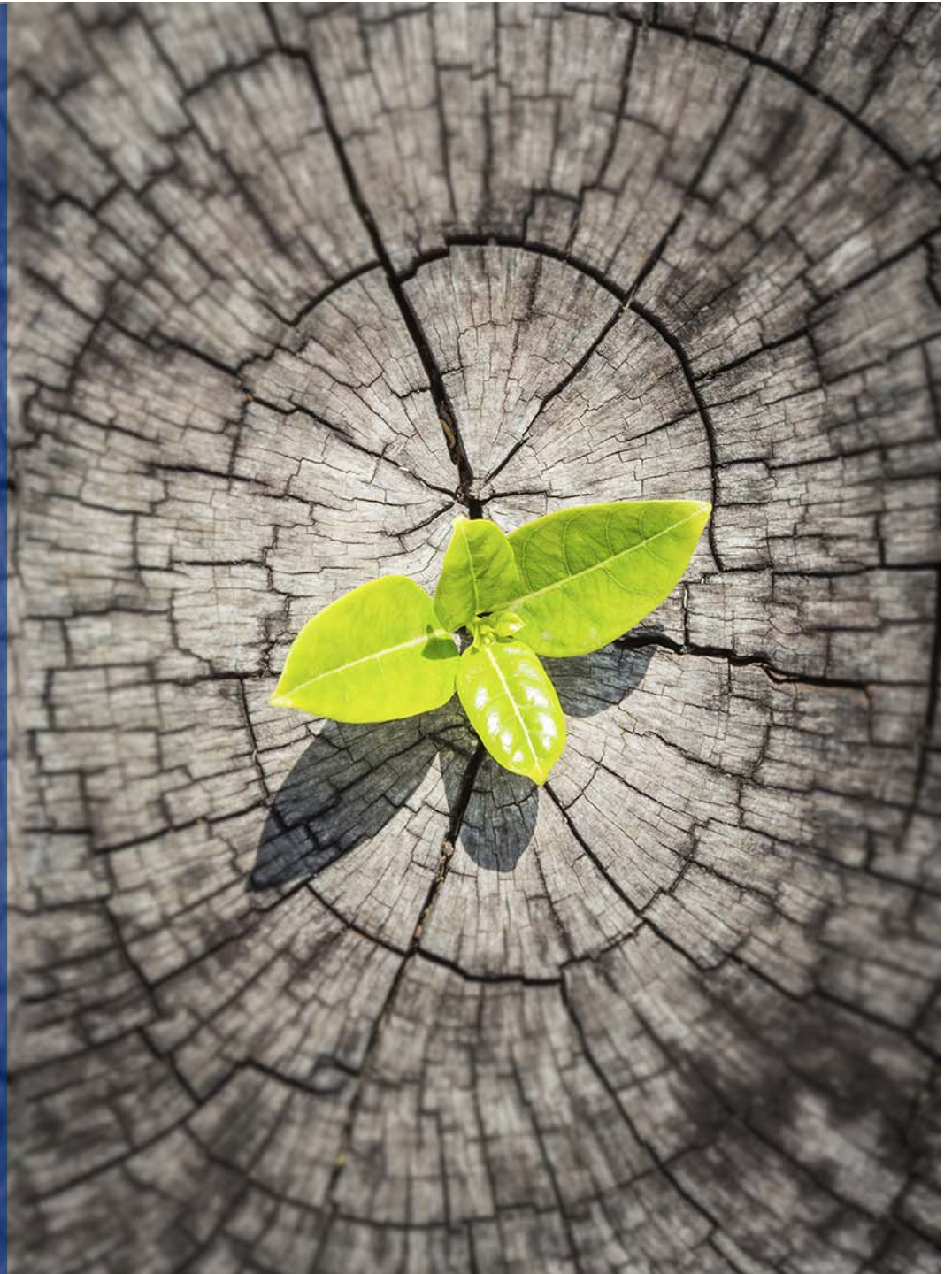




Town of Cobourg

# Public Works Process Maps

Capital Projects



# Introduction

## A. Overview of our engagement

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This report outlines the Town's processes with respect to the above-noted services and includes:

- Process maps for the delivery of the service;
- Identified areas for potential enhancement, as applicable; and
- Suggested operational changes that could be considered by the Town as a means of enhancing operating efficiencies and customer service, improving risk management and addressing potential internal control weaknesses.

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## B. Our approach

As part of our review, KPMG facilitated discussion with Town staff to identify the individual steps in the process under review, as well as any issues that were perceived as impacting operating efficiencies, customer service, internal controls or risk management.









The approach adopted to review the Town's processes reflected the LEAN concept of value-stream mapping. While there are many different definitions of LEAN, we define LEAN thinking as the belief that there is a simpler, better way through a continuous drive to identify and eliminate waste, or inefficiencies and errors, in day-to-day work. It is about making work environments efficient and effective, so organizations can provide higher quality of services to their customers. LEAN helps create time for quality improvement to be part of everyday routine activity.

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# Introduction

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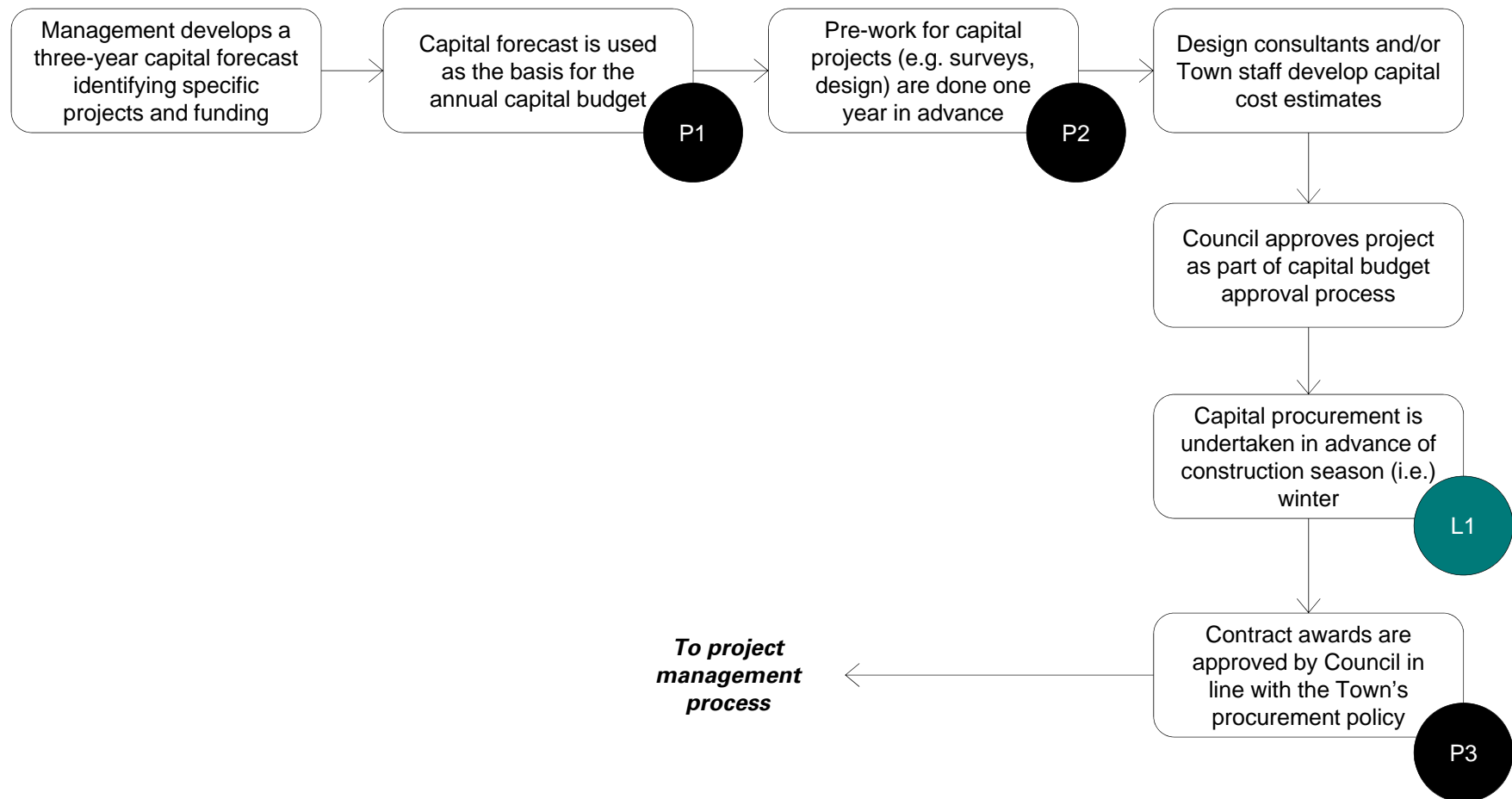
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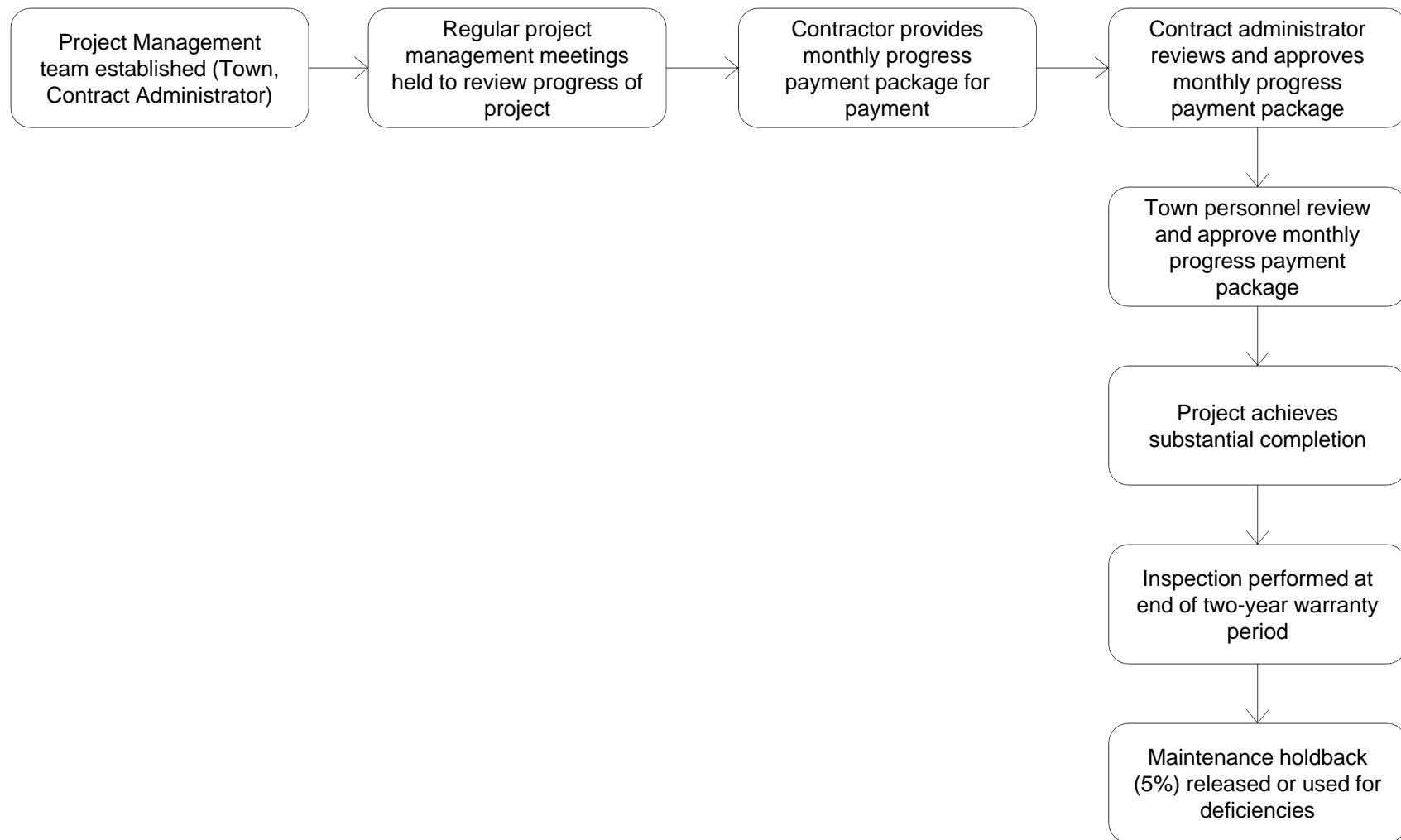
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# Capital Planning and Procurement



# Project Management





# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b></p> <p>Currently, the Town develops its capital budget on a project-by-project basis, which could leave to variability in the level of funding provided to departments for capital project. In the event of limited resources and competing capital requirements, the ability to undertake a longer term capital development program may be constrained as the level of available funding may vary significantly from year to year.</p>	<p>In order to provide a consistent stream of capital funding, as well as to allow departments to accumulate funding over multiple years for major projects, the Town may wish to establish a capital envelope system, whereby capital funding is allocated to departments based on a consistent formula (i.e. percentage of total capital funding), with the distribution reviewed on a periodic basis (e.g. every four years to coincide with the term of Council). As part of the capital envelope system, the Town may also wish to consider establishing limits on the maximum amount of unspent capital that can be accumulated by an individual department, with excess amounts reallocated to other departments within the Town.</p>
<p><b>P2</b></p> <p>We understand that Northumberland County has established a Qualified Services Roster Program (QSRP) for professional consulting firms, however, Staff have not been permitted to participate in the program due to the higher level for non-competitive procurements adopted by County Council. The QSRP allows non-competitive procurement up to \$100,000 and a minimum of three (3) quotations up to \$500,000 where as the Town's procurement policy requires a minimum of three (3) quotations for any works valued over \$5,000 and a formal competitive bid process for all works valued over \$50,000.</p>	<p>The Town may wish to consider revising its Purchasing Policy to increase Authority and Dollar Thresholds for all goods and services purchases as well as amending the Policy to include a clause that permits participation in a Qualified Services Roster Program where thresholds for consulting services supersede the Authority and Dollar Thresholds for all other goods/services. Utilizing the QSRP will increase procurement efficiencies and save on staff resources.</p>

# Potential Courses of Action

Issue	Potential Course of Action
<p><b>L1</b></p> <p>The Town currently does not have a centralized procurement or project management function. While Public Works has experience and expertise with complex procurements and project management of major capital projects, the requirement for individual departments to conduct their own procurements exposes the Town to potential financial and litigation risk in the event of a failed procurement or project delivery.</p>	<p>In order to reduce its risk exposure relating to procurement and project delivery, the Town may wish to consider the establishment of a centralized procurement function that would be responsible for (1) procurement support for Town departments; (2) standardization of procurement processes, including procurement documents and standard terms and conditions; (3) maintenance of a centralized contract registry; and (4) implementation of best practices for municipal procurements.</p>
<p><b>P3</b></p> <p>We were advised that the process for obtaining Council approval involves a considerable degree of staff time and effort, even in instances where projects have been approved as part of the budget process and the procurement process results in a project cost that is consistent with, or even less than, the budgeted amount approved by Council.</p>	<p>In order to streamline the approval process for capital projects, the Town may wish to adopt a three-stream approach that involves different reporting requirements from staff based on the following categories:</p> <ul style="list-style-type: none"> <li>• Reduced level of reporting – projects where the procurement results in a cost that is equal to or less than the budgeted cost</li> <li>• Medium level of reporting – projects where the procurement results in a cost that exceeds the budgeted amount but does not exceed a prescribed threshold (e.g. 2%), with the requirement for staff to identify funding for the variance</li> <li>• Current level of reporting – projects that are unbudgeted or where the procurement results in a cost that exceeds the prescribed threshold</li> </ul> <p>As part of the implementation of this opportunity, the Town should consider the required changes to its procurement policy as well as its delegation of authority policy (if applicable).</p>



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Town of Cobourg

# Public Works Process Maps

Work Orders



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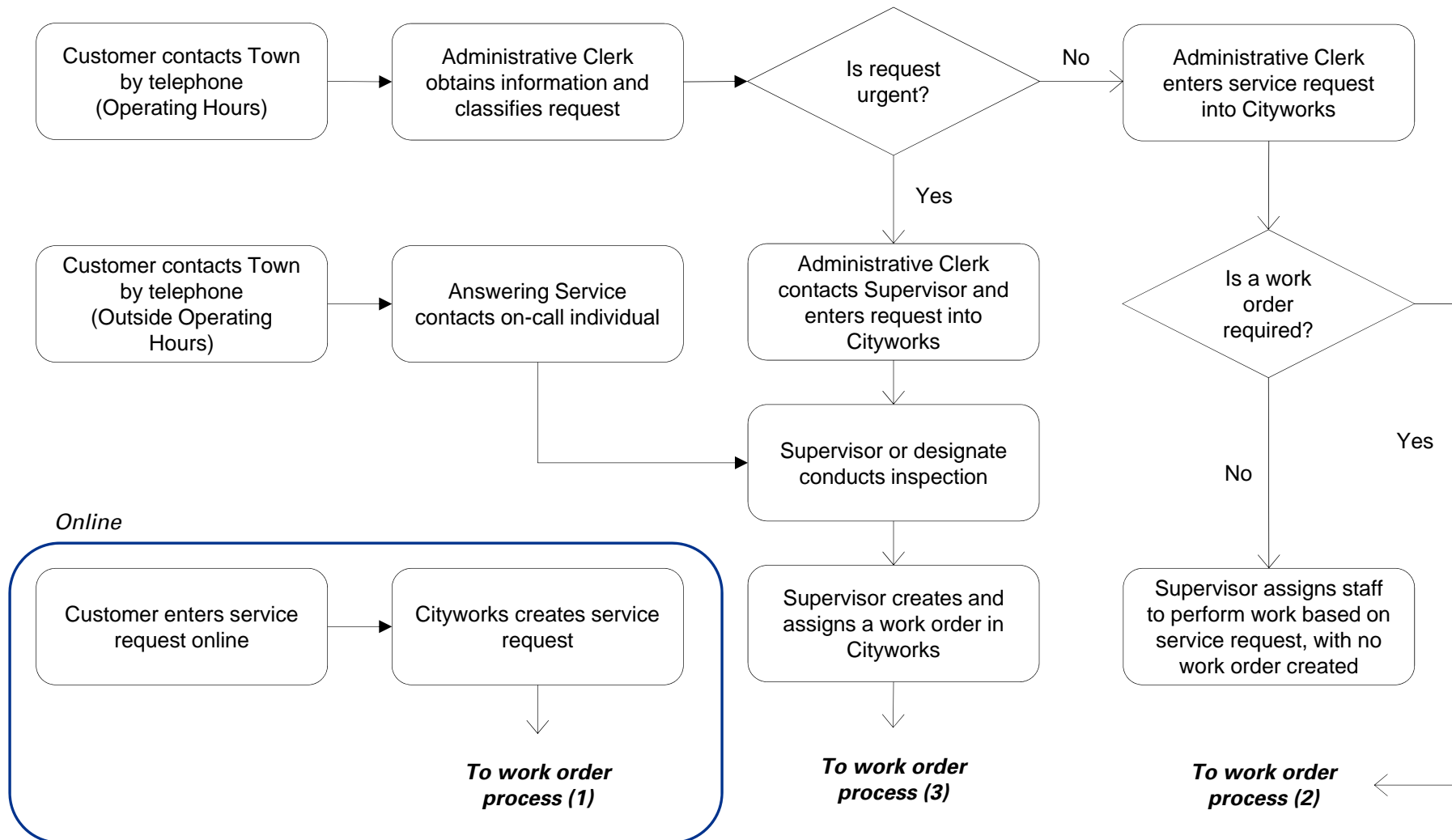
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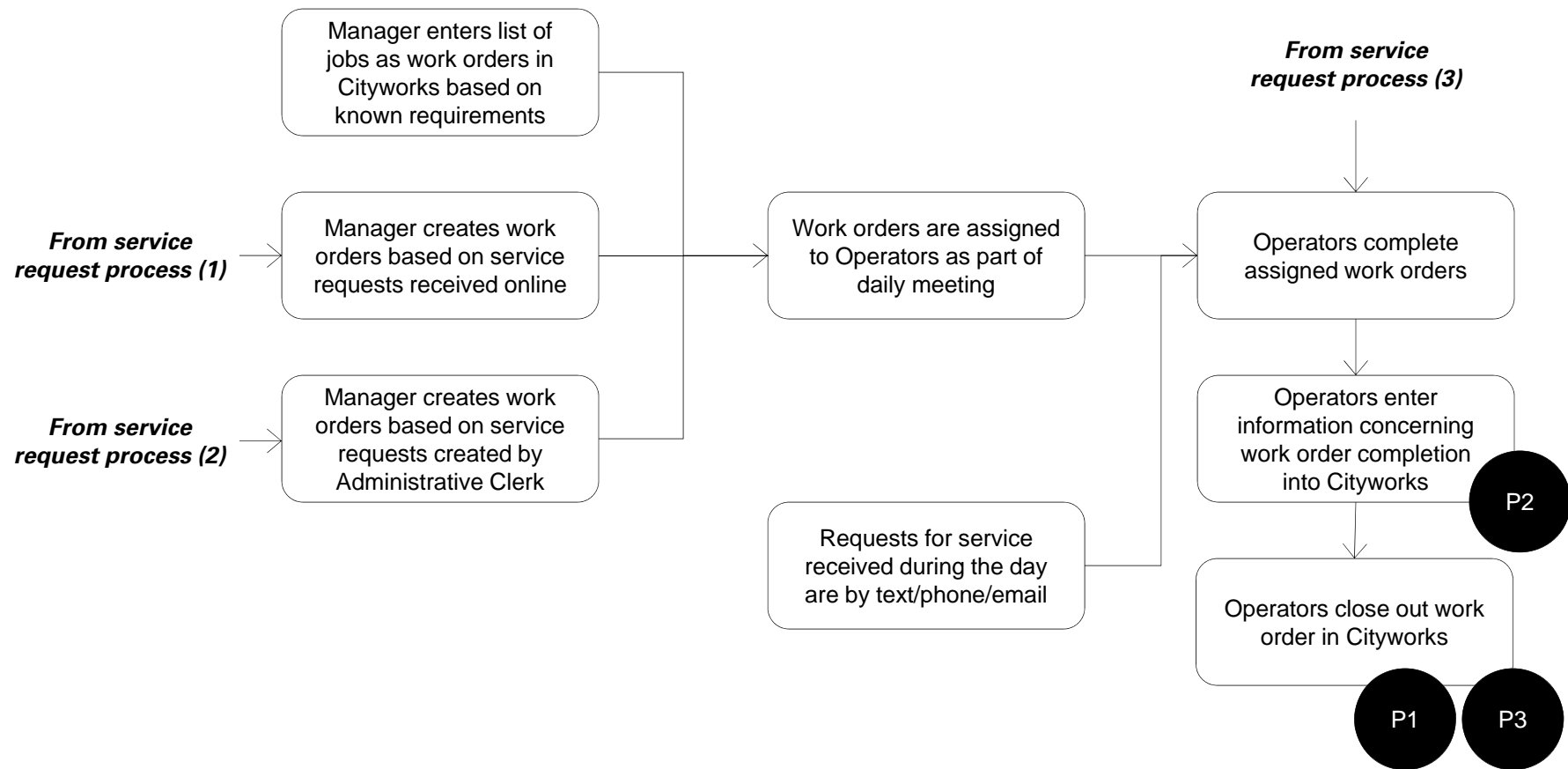
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# Service Requests



# Work Order Process



# Potential Courses of Action

Issue	Potential Course of Action
<p><b>P1</b></p> <p>We understand that the Town has not established formal service level standards for request for service and as a result, variability may exist as to when requests for service are addressed. In certain instances, this may lead to concerns over the responsiveness of the Town to resident requests and may also result in the Town providing a higher than expected level of service by assigning resources to requests that are not priorities.</p>	<p>In order to clearly communicate customer service expectations and service levels, the Town may wish to consider establishing service level standards for service requests. For example, the Town could establish a standard whereby residents requesting high priority requests for service are contacted within a specified timeframe (e.g. 48 hours) to confirm that the request for service is being addressed. This contact could be in the form of either a phone call or email message. Given the volume of requests for service and the Town's resources, low priority requests for service (e.g. animal removal, roadside garbage complaints) would not require service level standards as it would be inefficient to create and monitor work orders for these activities.</p>
<p><b>P2</b></p> <p>The Town's Cityworks system does not currently link to its financial systems. As a result, there is a duplication of data entry with respect to hours worked, vehicle and equipment usage and materials used in the completion of the assigned work orders.</p>	<p>The Town may wish to consider implementing an interface between its Cityworks system and its financial processing system in order to eliminate the need for duplicate data entry. While conditional upon the functionality of its systems, this interface could be in the form of either (1) a system-to-system direct transfer of data; and (2) a so-called flat file upload, where information is downloaded from the Cityworks system and uploaded electronically into the Town's financial processing system. While this would require a service agreement with the software provider (Esri), we understand that this type of interface has been adopted by Northumberland County. In connection with this opportunity, consideration could be given to undertaking a maturity assessment of the Town's use of Cityworks which would identify (1) the current state; (2) the desired future state; and (3) identified gaps to be addressed. The Town may wish to undertake this assessment across all functional areas and not just Public Works in order to identify other opportunities for efficiencies across the corporation.</p>

# Potential Courses of Action

Issue	Potential Course of Action
<div data-bbox="193 461 308 574">P3</div> <p>While the Town's financial services function provides regular reporting to Public Works with respect to operating costs, the level of detail is not considered to be sufficient to allow for the effective management of Public Works. As such, Public Works maintains a separate MS Excel spreadsheet that records operating costs at a higher level of detail than the Town's financial reports. This represents a duplication of work effort in that financial information is recorded twice.</p>	<p>The Town may wish to consider revising its financial reporting framework to provide an appropriate level of detail for the management of its Public Works function. This would entail the establishment of sub-categories within timesheet codes that would allow the Town to better understand the assignment of resources, as the level of detail currently available does not reflect all tasks undertaken by Public Works.</p>



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