



Corporate Services Functions Review for Automation of Processes

Prepared for the Town of Pelham by:



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Executive Summary

F.H. Black and Company Incorporated (FHB) was engaged by the Town of Pelham (Pelham) to complete a formal review of nine (9) Corporate Services functions and recommended areas of automation. Throughout the review and analysis process, FHB considered new software solutions and ways to leverage existing software to improve process efficiencies and automation. As new solutions were reviewed, FHB focused on multi-faceted tools that could be applied in tandem. We are pleased to provide Pelham with our findings and recommendations.

Our Process

Leveraging FHB's decades of experience working with public sector finance and budget departments across North America, we applied a standardized approach to the Corporate Services review.



Planning

The process began by FHB & Pelham prioritizing and grouping the nine items identified within the Request for Proposal (RFP). During discussions, an additional area of concern was identified. Replacement of the current report solution for iCity was added to the list.

Prioritized Listing

1. Automation of Capital Budget Book (#6 from RFP)
2. Bank Reconciliations and Month-End Close (#2 and #4 from RFP)
3. Payroll Automation (#1 from RFP)
4. Procure-to-Pay and Automation of invoice payment go paperless (#5 and #9 from RFP)
5. Address look up automation: utility bills (#8 from RFP)
6. Internal Controls and Data mining of procurement Cards (#7 and #3 from RFP)
7. Management reports / IntelliVIEW / RIM (newly identified based on discussions)

Stakeholder Identification

Upon completion of the prioritized listing, internal stakeholders for each process/area were identified. While this review was for Corporate Services, many of these processes impact staff from other departments. It was important that staff were interviewed both internal and external to Corporate Services to ensure that the appropriate solutions were recommended. This resulted in a comprehensive listing of staff to interview, and facilitated proceeding to the data gathering stage.

Data Gathering & Analysis

FHB requested and received a collection of process documentation as well as related adopted policies. These documents were used both as a guide to interview staff and to document processes and analyze efficiencies. Throughout discussions with Pelham staff, our emphasis was on understanding the processes, identifying the existing pain points and quantifying the time spent. In quantifying the time spent, processes were broken down into underlying tasks and reviewed with staff to determine the time spent directly on the activity and any potential delays.

Solution Selection

Based on this analysis, FHB leveraged their experience with hundreds of public sector clients to identify potential solutions and survey the market for solutions where necessary. Specifically, FHB:

1. Considered better utilization of software currently owned/used by Pelham;
2. Where no opportunity to leverage existing solutions was determined, FHB considered tools used commonly in public sector organizations;
3. Lastly applications utilized in other sectors were also explored.

As part of our investigation and subsequent to initial broad website review, numerous product demonstrations and interviews were scheduled to evaluate product offerings and to obtain cost estimates. The focus of these interviews was to assess if the solutions are:

1. Compatible/integrate with Pelham's existing software
2. Scalable as volume changes
3. Adaptable to potential future changes
4. Functional in the municipal sector
5. User friendly
6. Appropriate for the Town's size and complexity

Report Preparation

Armed with the knowledge obtained, FHB leveraged its unique expertise in public sector software solutions to survey the market. Throughout the preparation stage, FHB considered existing software used by Pelham, potential solutions available to assist with automation of time consuming and cumbersome processes, and any existing software functionality that is expected to be sunset in the near future. During the preparation stage, FHB also assisted with the preparation of preliminary information for Pelham's application to the Province of Ontario's Municipal Modernization Program Intake 3 - Implementation Stream. As the grant took a solutions rather than a process approach, the preliminary findings were grouped into six main categories:

1. Automated Purchase and Payment Solution
2. Automated Reconciliation Process
3. Capital Budget Book Automation
4. Procurement Process
5. Report Automation and Data Mining
6. Software Functionality Enhancements

Upon submission of the grant application, focus returned to the drafting and preparation of recommendations based on FHB's findings.

Review

Upon completion of a draft report, FHB and Pelham staff reviewed the recommendations. This review facilitated an opportunity for staff to ask any questions or voice any concerns. FHB has made every effort to ensure that the most practical, feasible solutions are recommended. This is based on the information collected from Pelham staff and our experience in the public sector.

Finalization

The report is finalized, and ready for submission to Pelham for adoption. It is important to note that the recommendations provided within this report are laying the ground work for the next phase, implementation.

Our Findings

FHB's review of existing processes revealed a number of opportunities for process improvement using both current and proposed solutions. Throughout the data gathering and analysis stage, three over-arching themes became apparent:

1. Manual tasks are performed where better alternatives exist.
2. Lack of staff availability traps processes in a reactive, inefficient state.
3. Defined policies are not applied consistently corporate wide.

1. Manual Tasks

Throughout our interviews, it was frequently identified that staff either tracked data manually, re-keyed existing data into the system and/or manipulated data in Excel. These approaches are:

1. Time consuming
2. High Risk - Due to human error, there is an increased risk to data integrity and accuracy for Pelham.
3. Manual entry also requires additional staff time for review and verification to ensure the data's accuracy.

Examples of manual tasks for automation include:

- Matching transactions
- Renumbering chart data
- Reviewing data with identifiable exceptions
- Keying of mailing address data
- Re-keying from PDF format reports

2. Lack of Availability & the Inefficiency Trap

During our interviews it was obvious that Pelham staff are engaged. They care about Pelham's well being and want to improve their processes. As is the case with many municipalities, there is a finite amount of staff time to complete ever increasing daily tasks, let alone business process improvement projects. As a result, staff's duties require focus on their day-to-day responsibilities at the cost of improvement initiatives.

The lack of time to focus proactively on process improvement is difficult to resolve:

1. Broken, manual processes are very time consuming.
2. This lack of availability prevents time to identify & implement process improvements.
3. Existing tasks remain manual & new tasks are addressed in the most immediately implementable method as opposed to the most efficient approach.
4. Manual tasks lead to increased errors and a consequent need for extensive, time consuming review.

Should Pelham successfully implement the recommendations in this report, Pelham can break this cycle. For example, time saved from manual matching and data manipulation can be reallocated to analysis, research and planning. Also, lessons learned from the current automation implementations can be adopted by staff to improve other processes in the corporation.

3. Policies Challenges

The Town of Pelham has approved administrative policies to help guide their business practices. We understand that some of the policies are being revised by staff as they are seen as outdated and no longer meeting the municipality's needs. For example, the Purchasing Policy S402-00 is currently under review by staff as the policy was last updated in March 2012 and the dollar thresholds have not been adjusted for inflation.

Ensuring that policies are reflective of optimal business processes will be critical to ensuring maximal efficiency. If not, policies will not be followed and often lead to reactive, time-consuming extra work by staff as they try to retroactively bring everything in line with the approved policy.

These policy reviews are consistent with the recommendations within this report which will require changes to the current methodology, regardless of the introduction of new software or use of existing tools. Once updated, education, training and senior management support will be required. If policies, and by extension, their associated procedures, are not clearly communicated, supported by all areas of the corporation, and enforced, the efficacy of the recommendations will be reduced.

In addition to the identification of the over-arching themes, FHB identified detailed findings for each component area reviewed. A detailed summary of findings can be found in Appendix G (pg. [73](#)).

Our Recommendations

FHB is providing Pelham with both general and automation recommendations for each component area reviewed. It is important to note that in some scenarios, while automation recommendations exist, they do not involve the purchase of new software, but rather leveraging the functionality of existing tools. Each recommendation carries its own evaluation of cost and benefit, as well as timelines to accomplish implementation.

Component Area	Recommendations
Automation of Capital Budget Book	Utilize CaseWare and Questica to automate the Capital Budget and Quarterly Reporting
Bank Reconciliation & Month-End Close	Implement an accounting automation software solution for task management and for transaction matching and reconciliations.
Payroll Automation	<p>Leverage the additional functionality within the iCity software by using:</p> <ul style="list-style-type: none"> • input controls to identify maximums for time banks, • import / export feature to reduce manual data entry and manipulation, • reporting tool to reduce manual calculations and target data to be reviewed. <p>Supplement the reporting and import/export tools within iCity with Microsoft Power Query to further customize outputs.</p> <p>Adapt the pay codes to improve data entry and reporting.</p> <p>Review policies and procedures with staff.</p>
Procure-to-Pay	<p>Invest in an automated procure-to-pay solution to reduce manual effort and administration and increase internal controls.</p> <p>Update and review policies and procedures to complement the transition to software.</p>
Automation of Request for Proposal Process	<p>Create a centralized template library for bids and their associated evaluation grids.</p> <p>Use an attribute or tickbox in Questica to identify jobs that will require bidding.</p> <p>Develop project management templates in Microsoft Planner to facilitate communication and oversight throughout the bidding processes.</p> <p>Expand the use of Bids & Tenders by using their evaluation module, questions modules and template resources.</p> <p>Format internal pricing schedules using Microsoft Power Query for compatibility with the Bids & Tenders requirements.</p>
Utility Billing	<p>Generate arrears letters using the mail merge option within iCity.</p> <p>Estimate meter readings with iCity.</p> <p>Track service connections, disconnections and the associated billing task through the work order feature within iCity.</p> <p>Produce exception reports using Microsoft Power Query to target anomalies in the billing process.</p> <p>Collaborate with Public Works to use Public Service Request to share information relevant for meter readings and servicing.</p>
Management Reports and Data Mining	Implement an accounting automation software solution for task management and for transaction matching and reconciliations.

When considering business process improvement, the benefits should be considered from two perspectives:

- 1) Quantitative Benefits - measurable time (and consequently effective cost) savings. If the estimated benefit of the solution over a five (5) year period greatly exceeds the cost of the improvement over the same period, proceeding with the project is typically warranted and easily justified.
- 2) Qualitative Benefits - difficult or impossible to measure benefits. An often overlooked consideration are those improvements that are not easily calculated but are still significantly impactful. Speed & accuracy of service delivery has an unarguable benefit to members of the community but are hard to assign a dollar value. Similarly, increasing staff engagement by eliminating manual drudgery benefits the corporation. Automation assists with easing knowledge transfer and process continuity when turnover does occur.

As Corporate Services is responsible for the finance, purchasing, payroll and information technology functions, shifting time from manual tasks to research and planning has a broad effect on the corporation. For example, improved service delivery, revenue generation and cost savings could be found from:

- i. Researching and applying for grants.
- ii. Investigating bulk purchasing and standardization.
- iii. Analyzing current practices for cost efficiencies (lease vs. buy).
- iv. Reviewing best practices from other municipalities.
- v. Engaging with the community to gather input for new initiatives.
- vi. Leveraging technology to improve service delivery

In our experience, qualitative benefits can be just as impactful as quantitative benefits for the efficiency and effectiveness of a corporation and the value it provides its stakeholders.

1) Quantitative Benefits

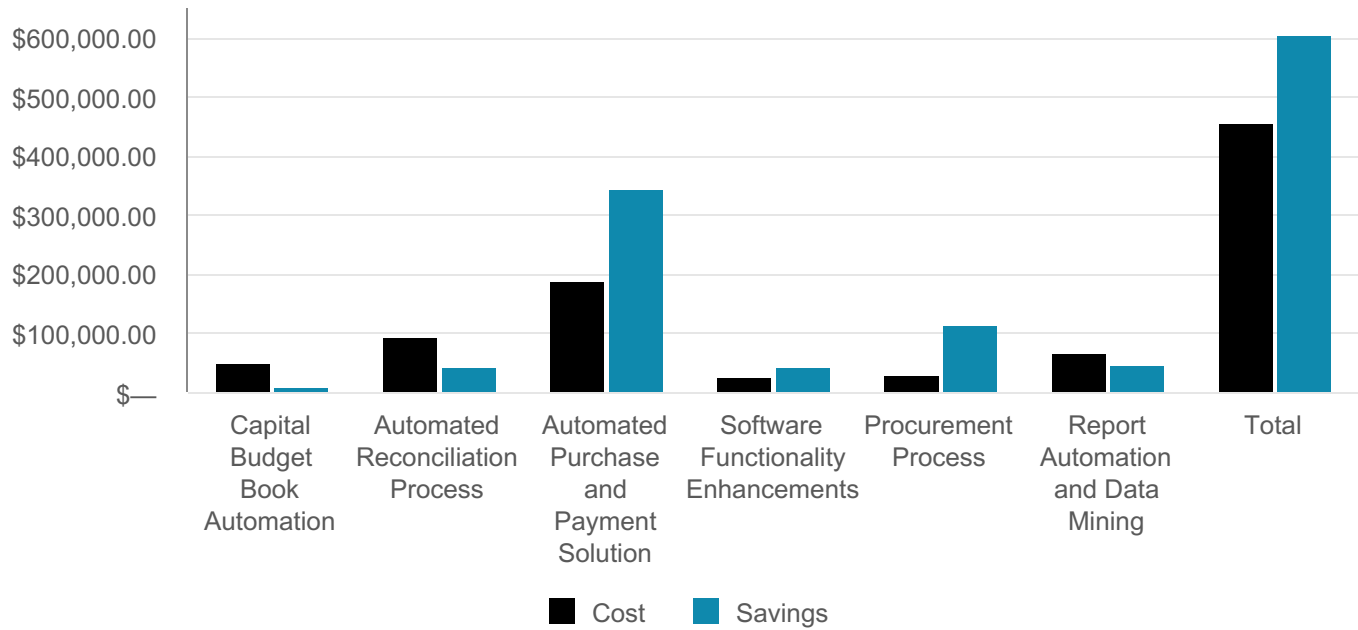
As some of the solutions overlap process areas reviewed, the chart below is summarized by solution so that the total costs and savings can be compared. The Year One costs include the total costs for the first year of implementation (including annual software). The Ongoing Costs represent the expected reoccurring annual costs. Lastly, the Value of Annual Savings reflects the approximate dollar value of the active hours saved.

Recommended Software Solution	Processes	Average* Estimated Cost		Value of Anticipated Annual Time Savings**
		Year One	Ongoing Costs	
Capital Budget Book Automation		\$ 35,600	\$ 4,050	\$ 2,200
CaseWare Working Papers and Questica Integration	Capital Budget	\$ 35,600	\$ 4,050	\$ 2,200
Automated Reconciliation Process		\$ 45,400	\$ 12,400	\$ 8,900
Automated Task Management and Reconciliation Software	Bank Reconciliation	\$ 45,400	\$ 12,400	\$ 8,900
Automated Purchase and Payment Solution		\$ 43,450	\$ 36,250	\$ 69,200
Procure-to-Pay Software	Procure to Pay	\$ 43,450	\$ 36,250	\$ 69,200
Software Functionality Enhancements		\$ 26,600	\$ —	\$ 8,600
iCity	Payroll	\$ 17,400	\$ —	\$ 5,400
iCity	Utility Billing	\$ 9,200	\$ —	\$ 3,200
Procurement Process		\$ 29,750	\$ —	\$ 23,000
Microsoft Planner	Requests for Proposals	\$ 11,550	\$ —	\$ 8,000
Bids & Tenders and Templates	Requests for Proposals	\$ 18,200	\$ —	\$ 15,000
Report Automation and Data Mining		\$ 53,700	\$ 3,200	\$ 9,200
Excel Power Query	Payroll	\$ —	\$ —	\$ 200
Excel Power Query	Utility Billing	\$ —	\$ —	\$ 1,200
Microsoft Power BI / Power Query	Management Reports	\$ 53,700	\$ 3,200	\$ 7,800
Total		\$ 234,500	\$ 55,900	\$ 121,100
Total Estimated Costs - Low end of the Range		\$ 170,200	\$ 43,200	\$ 121,100
Total Estimated Costs - High end of the Range		\$ 298,800	\$ 68,600	\$ 121,100

*Calculated as the average of the low and high cost estimates.

** Calculated as the active time saved multiplied by the appropriate hourly wage (including benefits)

Projected Five Year Cost and Savings



2) Qualitative Benefits

There are also many qualitative benefits of significance. As many recommendations share these benefits, they have been summarized below.



Staff Retention

Staff have a finite amount of time, and it is often monopolized with manual and time-consuming tasks. As staff fatigue, efficiencies decline, causing further pressure. Combined with the general trend of increasing workloads experienced by municipal finance departments, this situation necessitates overtime (often unpaid) and limits ability for time off. The end result is increasing frustration, and eventually staff turnover. Automating low-value, recurring, manual processes allows staff to keep up with workload and focus on more rewarding work, ultimately mitigating staff burnout.



Communication and Oversight

Technology allows information to be centrally maintained and accessed by those who need it, regardless of where they are in the corporation. This centralization facilitates improved oversight and reduces the silos of information as all team members can share information and see what needs to be done, by whom and by when.



Increased Internal Controls

Automating solutions improve internal controls by adding preventative controls and automating some of the existing detective controls. Preventive controls are cost effective as they stop an issue from occurring. For example, input controls (rules) can be built into the process to enforce compliance and reduce errors. Detective controls focus on identifying an issue after the fact and thus need to be timely. Automating reconciliations and exception reports can increase the frequency of this type of control.



Becoming Proactive

Redirecting time saved through automation to more valuable proactive tasks adds value to the corporation. It also empowers staff to take more ownership of their job and to find time for ongoing innovation and improvement. Tax dollars are more efficiently spent as staff time can be invested in finding cost reductions, improving services, or additional revenue generation rather than administering paperwork.



Scalability and Resiliency







Manual processes rely entirely on human processing availability, efficiency, and physical document flow. As volumes increase, additional human resources must be assigned to the task. Finding, training and supporting staff as demands increase takes considerable time and expense. Paper-based decentralized processes put the organization at risk when access to physical documents is disrupted. Implementing the appropriate tools allows the Corporation to process increasing volumes of transactions and manage business interruptions without adding staff resources or decreasing outputs.



Reduction in Processing Delays

Paper-driven business processes are often delayed by routing issues, misplaced documents and lack of effective oversight. Moving to digital processes immediately eliminates many of these challenges. It also supports automated notification and escalation, resulting in improved service delivery for internal and external stakeholders.

The table below summarizes the significant qualitative benefits by project:

						
	Staff Retention	Communication and Oversight	Increased Internal Controls	Becoming Proactive	Resiliency	Reduction in Processing Delays
Capital Budget Book Automation	✓			✓	✓	✓
Automated Reconciliation Process	✓		✓	✓	✓	✓
Automated Purchase and Payment Solution	✓	✓	✓	✓	✓	✓
Software Functionality Enhancements in iCity	✓		✓	✓	✓	✓
Procurement Process	✓	✓	✓	✓	✓	✓
Report Automation and Data Mining	✓	✓	✓	✓	✓	✓

✓ Minimal Impact

✓ Moderate Impact

✓ Significant Impact

Next Steps

Depending on Pelham's success in securing funding under the Province of Ontario's Municipal Modernization Program, the affordability of the recommendations will vary. In addition, Pelham may be required to follow specific guidelines within the Purchasing Policy, such as approval of a sole source supplier and/or implementing a Request for Proposal process which will impact timelines.

We suggest the following next steps:

1. Share the recommendations report with senior management for their detailed review,
2. Ratify the findings and estimated savings with senior management, If significant disagreement is uncovered, forward the summarized concerns to FHB for consideration and potentially recommendation revision.
3. Hold a 2 to 4 hour consulting session(s) with FHB to:
 - a. Rank the recommendations,
 - b. Identify implementations that can occur concurrently,
 - c. Discuss staff resources, availability and preferred timeline,
 - d. Ratify implementation plans with appropriate/impacted staff members,
4. Proceed with the selected implementations/contracting (as necessary and as directed by purchasing policy).
5. Compare vendor recommended implementation plan and proposed fees against those in this report to identify and understand differences.

It should be noted that the implementation plans noted for each of these projects are not expected to occur in sequential order. Rather, some can occur concurrently dependent on Pelham's resource availability.

Regardless of the recommendation(s) selected, FHB is available to assist with the implementation processes should you desire.

We appreciate the opportunity to have been of assistance and look forward to being of continued service to the Town of Pelham in the facilitation of automation and the elimination of manual, repetitive, non-value added tasks.

Automation of Capital Budget Book

The Town of Pelham has invested in two tools to assist with their budget creation and reporting, CaseWare Working Papers (CaseWare) and Questica Budget (Questica). The focus of this review was to identify areas where these tools could be leveraged for the automation of the Capital Budget Book, similar to the current automation experienced for the Operating Budget Book. Throughout this process FHB considered not only the Annual Capital Budget Book, but also how this information could be used for quarterly reporting.

Summary of Findings

Capital budget Excel sheets require repetitive manual manipulation

Current Process

Staff enter their budget information into Questica, which is subsequently extracted to Excel and manipulated for reporting purposes.

Pain Point

The process is significantly reliant on manual tasks that are time consuming. Each time a new iteration of the budget information in Questica occurs, fresh data is extracted and the impacts must be followed through the budget document(s) to ensure that everything is properly updated.

Impact to Pelham

The manual data manipulation, compilation and reviews of the report occupy at a minimum 9 to 11 hours of the Deputy Treasurer's time. Further there is considerable risk of human error as data is manipulated, copied, linked and reviewed.

Reserve forecasts are no longer linked within Excel, and require manual entry

Current Process

When the budget process was converted to Questica, the linked spreadsheets no longer functioned to forecast the reserves. The Deputy Treasurer now manually compiles these forecasts and updates them each time there is a change to the proposed budget.

Pain Point

Updating information is manual and requires pulling data from various sources. There is currently no time-efficient method to identify an estimated reserve balance based on the prior year's ending balance and the current capital forecasts. In addition, there is no ability for staff to quickly provide an updated summary of reserve forecasts based on adjustments to the capital budget in Questica.

Impact to Pelham

Staff time is being dedicated to updating spreadsheets and flowing a change in the capital forecasts through the report. The time spent on this task varies based on the number of changes to the proposed budget. It is estimated that this time could be reduced by 50% if the process was automated. In addition, any reduction in manual keying or copying/pasting of data reduces the risk of data entry errors.

Capital Projects are manually renumbered after each change to the budget

Current Process

There are 12 individual spreadsheets maintained during the budget process that contain the capital projects. These sheets are populated based on the projects entered in Questica by various departments. Once populated, the Financial Analyst sequentially numbers the projects. As projects are added or removed during the budget process, the Financial Analyst must renumber them to maintain the proper project sequence. These project numbers are used as a reference in the future rather than having to track the costing centre which is applied to

the project in iCity. It is vital to ensure that they are sequentially numbered to avoid gaps for audit and tracking purposes.

Pain Point

Due to the experience of the Deputy Treasurer with the operating budget in CaseWare, there is knowledge that there is a faster way to manage these projects. As CaseWare has not yet been implemented for the Capital Budget, these opportunities have not been leveraged.

Inaccurate project renumbering creates additional work as time must be spent investigating why a number was skipped, and if a project was missed or red lined.

Impact to Pelham

There is non-value added time being used by the Financial Analyst (approximately 1 hour per revision) to maintain these sheets, whereas a table in CaseWare could automatically renumber as items are added or removed. Due to the manual nature of this task, it can easily result in a typo or non-sequential numbers.

Quarterly capital actual to budget reporting is manually maintained in Excel

Current Process

On a quarterly basis, Pelham staff must spend time compiling the capital budget information into Excel, which includes manual data entry.

Pain Point

The existing process consists of inputting data rather than leveraging exports and imports. Significant time is required annually to manually compile and update the Excel spreadsheets.

Impact to Pelham

The first quarter takes approximately 5 hours to compile, whereas the following quarters require approximately 2 hours of time each. Another 9 hours is required annually to account for commitments in these reports. Staff time could be better spent on review and analysis of the figures. As it is a manual process, there is a higher chance of entry errors versus an import/export situation.

Recommendation

General Recommendations

While specific items have been noted below, FHB also recommends leveraging the Questica support site to capitalize all on its capabilities.

Solutions for Automation

Utilize CaseWare and Questica to automate the Capital Budget and Quarterly Reporting

The recommended solution for automation is the continued implementation of CaseWare, focused specifically on the Capital Budget Book. The reasons for CaseWare being recommended are:

- Pelham is currently using CaseWare for their Operating Budget Book and Operating Financial Reporting throughout the year, so the cost to implement is minimized.
- Staff are familiar with the software solution.
- Shared formatting, schedules and data occur between the Capital and Operating Budget Books. Thus centralizing the reporting would be valuable.
- An integration tool exists between Questica and CaseWare. This can be leveraged to automate the import budget data and narratives from Questica into CaseWare with minimal manual intervention.

- Quarterly reporting is currently produced for the Operating Budget using the CaseWare tool.

Through the use of CaseWare, staff can import information from various sources into a central location, without the need for manual entry of data. As information is grouped and linked within the solution, any changes are pushed through to all documents when updated. This reduces the need to chase changes through all potential document locations. Finally, through the use of CaseWare's year-end close process, the information can be rolled forward to the following year, reducing the need to manually shift current year information into the prior year columns where comparisons are required.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

Recommended Software Solution	CaseWare Working Papers and Questica Integration			
Total Implementation Costs	\$	26,900	to	\$ 44,300
Software: Annual Investment	\$	1,400	to	\$ 6,700
Implementation Support	\$	23,100	to	\$ 33,400
Training	\$	2,400	to	\$ 4,200

Included in the analysis was a review of potential time savings for staff with the implementation of the recommended software solution.

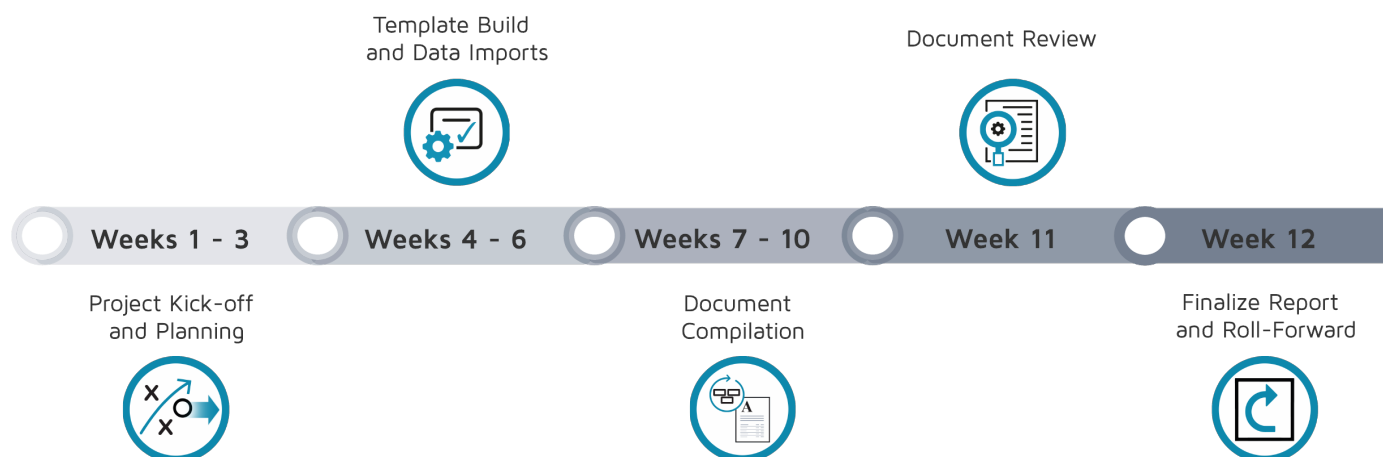
Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Data exported from Questica and entered into reporting spreadsheets. This would be replaced by an import into CaseWare.	8 hours	2 hours	6 hours
Manual review of document to trace through changes made to budget lines to ensure that all figures/charts/narratives have been updated. Through the use of formulas, groupings and linking within CaseWare the risk of error is significantly reduced as data will update throughout the document.	10 hours	3 hours	7 hours
Manual renumbering is required to be done by staff when there are changes to the capital projects lists. This has a high risk of error, and again requires tracing changes through documents. Through the use of CaseWare, the numbering can be generated by a formula, and updated as items are added or removed.	2 hours	1 hours	1 hours
With the implementation of Questica, the reserve forecasts no longer have linked spreadsheets to populate them. Through leveraging both tools within Questica and CaseWare, these schedules can be populated with minimal manual interference by staff.	20 hours	10 hours	10 hours

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Quarterly reporting is completed through the use of Excel spreadsheets, which is both time consuming and contains a high risk of error. With some work within Questica, and imports into CaseWare, a comprehensive quarterly capital report could be generated. Through the use of CaseWare, iCity commitments information could also be leveraged.	20 hours	10 hours	10 hours
Total Estimated Hours	60 hours	26 hours	34 hours
Estimated Value of Time to be Reinvested			\$ 2,200

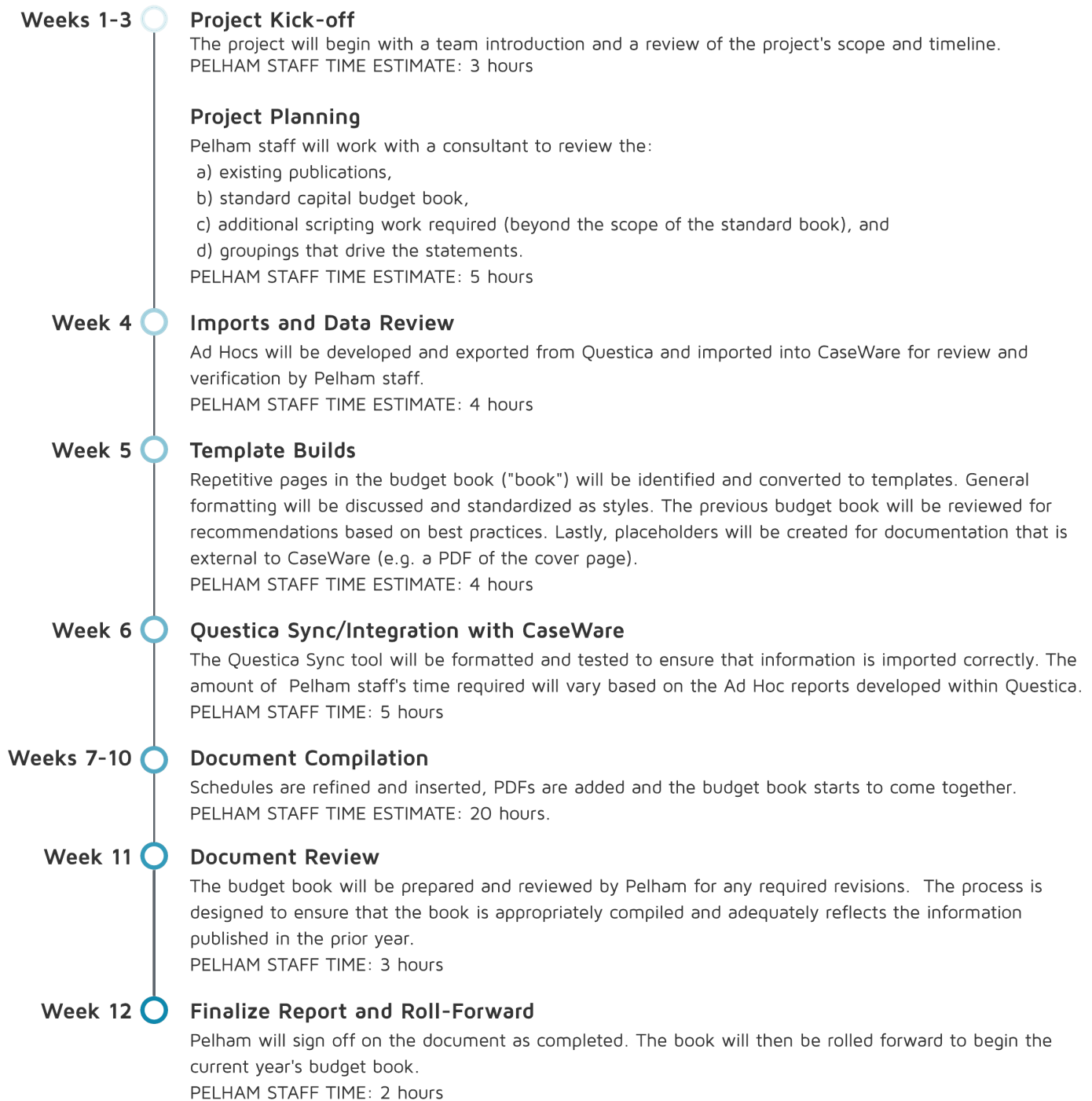
Implementation Plan

The implementation plan focuses on the setup of the standard CaseWare Capital Budget Book. Through discussions with staff, it has been identified that there is a desire for some customization which requires dedicated scripting in CaseWare. The addition of scripting may extend the "Template Build and Data Imports" stage by a week or two. It is important to note that during any implementation or consultation with FHB there is a standing one hour weekly meeting for staff to attend.

Annual Capital Budget Book Implementation Plan

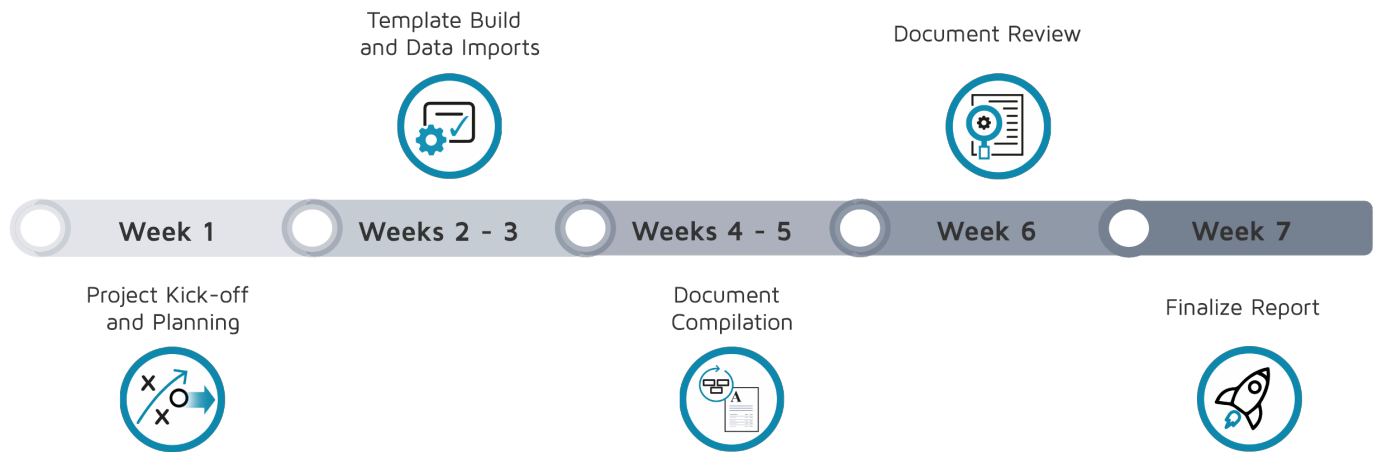


Annual Capital Budget Book Timeline



Quarterly Capital Reporting Implementation Timeline

Subsequent to the annual book, a review and implementation of quarterly reporting would occur.



Quarterly Capital Reporting Implementation Plan



Bank Reconciliation & Month-End Close

Bank reconciliations are a vital detective control to help ensure that the financial records are accurately stated. Reconciliations are reactive, rather than proactive, as they identify errors after they have already occurred. Thus, to maximize effectiveness, they need to be prepared on a timely basis to limit the time frame that errors remain undetected and uncorrected.

Month end closes serve as both a directive and preventive control. Month end close procedures act as a directive control by requiring staff to ensure that all activity for the period is recorded, reconciled and reviewed. When the month is closed (locked in the accounting system), a preventive control is then put in place to stop unauthorized retro-active changes to the period that may have already been reported.

In assessing these processes, FHB interviewed staff and reviewed Pelham's internal processes to identify potential process improvements. While efforts have been made to make the bank reconciliation process more efficient using Microsoft Excel, there is still a lot of data gathering, manipulation and manual transaction matching. Further, it was noted that, although Pelham does not perform a formal month end close, staff perform many reconciliations and transaction reviews as part of the monthly variance reporting process.

Summary of Findings

Bank reconciliations require manual manipulation and matching

Current Process

Bank reconciliations are prepared monthly by the Financial Analyst in Microsoft Excel using transaction data imported from the bank and iCity. While exporting the bank data is not onerous, the transaction data from iCity requires filtering the data through IntelliVIEW before exporting it into Microsoft Excel. As the matching process requires the preparer to manipulate and manually match the activity, exporting all general ledger (GL) activity into one spreadsheet is not practical. Instead, five separate IntelliVIEW reports are run to split the transactions into categories such as: general cash disbursements, general cash receipts, payroll, transfers, property tax, and utility billings. Once the data from the systems have been exported and manipulated, transactions are manually matched by the preparer. Where possible, the transaction categories are used to help expedite this process. Once this is complete, the prior month's bank reconciliation is copied for updating. Outstanding items from the previous reconciliation are reviewed, updated, and transactions for the current period are added. Lastly, unusual items are investigated, and any required journal entries are prepared.

Pain Point

The data exports and manipulations needed to prepare the bank reconciliation require accessing two separate systems and generating numerous reports. Further, this process relies on IntelliVIEW, a product no longer supported by iCity. Once in Excel, manual matching is required as transactions are not posted to their respective systems in a consistent 1 to 1 ratio. Consequently, reconciliations are performed using transaction types and the process of elimination to match transactions.

Impact to Pelham

On average, it takes 3 days to prepare the bank reconciliation. This impacts the timeliness of preparation, causing errors to remain undetected and uncorrected longer. These delays increase the risk that decisions are based on inaccurate information and the risk of the error repeating.

Month end closes are not currently being performed

Current Process

At present, closes are performed at year end as part of preparing the annual Consolidated Financial Statements. This practice is not uncommon for municipalities as the reconciliations, accruals, and other supporting processes are manual. However, there are 10+ additional reconciliations prepared monthly for the variance reporting to the Senior Leadership Team (SLT) and Council.

Pain Point

Journal entries that are missing or incorrectly booked are often not identified until late in the process during the account reconciliation process or preparation of the variance analysis report.

Impact to Pelham

Identifying an error this late in the process leads to additional time required to investigate the unexpected variance. It also leads to repetitive work to post or correct the journal entry, correct reconciliations, and update variance analysis reports.

Recommendation

General Recommendations

FHB recommends standardizing the naming convention of specific transactions posted to the general ledger to improve the manual transaction matching process.

FHB recommends formalizing the soft month end process with a closing checklist that details the department responsible, task due date, assigned preparer, assigned reviewer, and task dependencies. Additional efficiencies can be achieved by progressing towards continuous accounting activities where closing tasks are incorporated into staff's daily routine, combined with automated workflow processes. This recommendation adds additional oversight and reduces the time required to reconcile accounts at year end.

Solutions for Automation

Implement an accounting automation software solution for task management and for transaction matching and reconciliations.

Accounting automation software can provide Pelham with solutions to reduce the time to manually match transactions, improve the transparency and review process of account reconciliations, and provide a closing task management workflow.

As Pelham's current software does not meet the organization's needs, external vendors were considered. While FHB was not engaged to conduct a formal RFP process potential vendors were reviewed using the criteria outlined in Solution Selection of the Executive Summary. The following three vendors were investigated further Blackline, Trintech and FloQast. Based on limited number of users required, and the requirement to create customizable matching rules, Trintech's Adra product is recommended.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

Recommended Software Solution	Automated Task Management and Reconciliation Software			
Total Implementation Costs	\$	35,200	to	\$ 55,600
Software: Annual Investment	\$	12,400	to	\$ 12,400
Implementation Support	\$	21,800	to	\$ 41,300
Training	\$	1,000	to	\$ 1,900

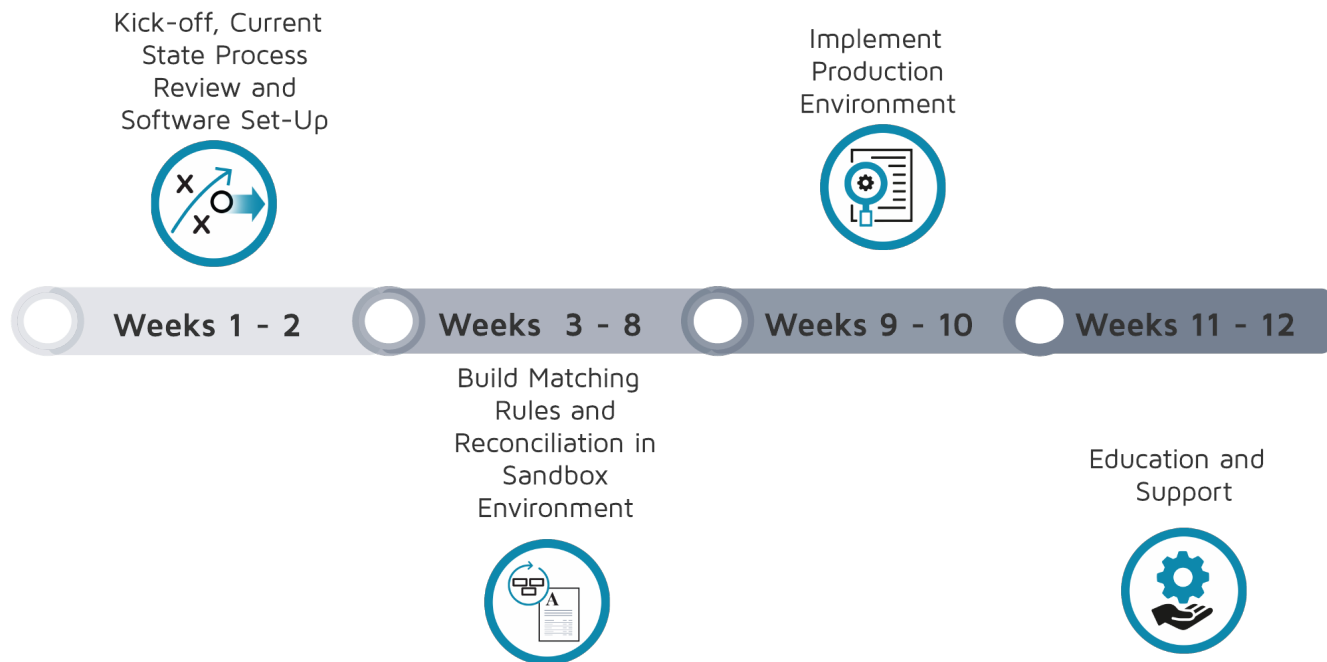
The estimated time savings associated with the implementation have been summarized in the table below.

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Preparation of the monthly bank reconciliation	36 days	12 days	24 days
Total Estimated Days	36 days	12 days	24 days
Estimated Value of Time to be Reinvested			\$ 8,900

Implementation Plan

The plan outlined below focuses on the automation of the bank reconciliation. However, it should be noted that use of this software could be expanded to other reconciliations and the automation of monthly end close processes.

Bank Reconciliation Implementation Timeline



Bank Reconciliation Implementation Plan

Weeks 1-2 **Project Kick-off**

The project will begin with a team introduction and a review of the project's scope and timeline.

PELHAM STAFF TIME ESTIMATE: 3 to 5 hours

Current Process Review

The most recently completed bank reconciliation will be used to confirm data sources, review current procedures and discuss desired pass rules.

PELHAM STAFF TIME ESTIMATE: 5 to 7 hours

Software Set-Up

The base configurations for the software and import settings will be determined. Specifically, the base options, data import and automatic integration options will be reviewed with Pelham.

PELHAM STAFF TIME ESTIMATE: 5 to 7 hours

Weeks 3-5 **Build Matching and Test Rules in a Sandbox Environment**

Data from the bank statement and the accounting system will be imported into the program. "Rules" will be created to teach the software to identify and match transactions from the bank to the accounting system. These rules are then tested and refined as necessary.

PELHAM STAFF TIME ESTIMATE: 5 to 10 hours

Weeks 6-8 **Build and Test the Reconciliation in a Sandbox Environment**

Opening data and support from the previous reconciliation will be imported and combined with the previously created rules to recreate the prior month's reconciliation.

PELHAM STAFF TIME ESTIMATE: 5 to 10 hours

Weeks 9-10 **Implement Production Environment**

The final reconciliation process will be imported from the sandbox to the live production environment.

PELHAM STAFF TIME ESTIMATE: 3 to 5 hours

Weeks 11-12 **Education and Support**

Training and support will be provided. The focus will be on helping team members feel comfortable with the system and providing guidance on building additional matching rules.

PELHAM STAFF TIME ESTIMATE: 2 to 3 hours

Payroll Automation

Legislation and employee expectations surrounding payroll require that it is timely and precise. There is no room for error, delays, or down time. It is important that initial time entry is as accurate as possible, that payroll staff have sufficient time to review the data for correctness and compliance, and that payments are made on time. The current state has many corrections to the data, delays in approvals, and manual data manipulation. This increases the risk of error and can delay the process.

Summary of Findings

Staff can access all codes in the time entry module, resulting in miscoding of time

Current Process

Pelham requires that all staff use the iCity Online Time Entry module. Upon login, staff must select the appropriate code for the time they are recording, and enter their hours. This information requires supervisor approval. Bi-weekly, the Payroll Clerk pulls the data file and uploads it to iCity for processing.

Pain Point

The Payroll Clerk is required to make frequent corrections to the information submitted. The most common reasons for correction are:

- **Miscoded time:** Staff must select the correct code. The system displays all codes to all staff, not just those that are applicable to their role.
- **Statutory Holidays (Stat):** The system currently does not clearly identify if the time entered are hours worked on the Stat, or if it is the employee's entitlement per the Employment Standards Act.
- **Multiple shifts in a day:** Sometimes part-time/seasonal staff work multiple shifts in a day, and their time looks similar. It is difficult to identify if these entries are duplicates or legitimate hours.

Impact to Pelham

The Payroll Clerk spends two hours each pay reviewing submitted data (PA4190), following up with supervisors, and making corrections to ensure accuracy so that employees receive the correct pay.

Time sheet approval deadlines are not observed

Current Process

Staff are required to enter their time into the iCity Online Time Entry module. Currently, full-time staff are only required to enter the exceptions into the system rather than all their hours. For example, if a member of inside staff is using vacation to be off for a day, they will record the vacation time. Part-time staff/seasonal staff enter their entire time sheet. Once information is entered into the system, the supervisor should be reviewing the information and approving the time prior to 12:30pm on Monday of a pay week.

Pain Point

The Payroll Clerk is required to follow-up with approvers once the deadline has passed. The most common issues are that the supervisor has forgotten to approve the entry, and/or the employee has forgotten to enter their time into the system. There can also be challenges with availability. Supervisors may be on vacation, out of office, or tied up in meetings. In these cases the Payroll Clerk must either delay issuing payroll, or make the judgement call to run payroll without the proper approvals in place.

Impact to Pelham

Approval timelines for payroll processing are not always met. As a result, the process is unnecessarily rushed to ensure that payments are processed on time. This increases the likelihood of errors.

Time sheets are approved by supervisors but require frequent adjustments by the Payroll Clerk

Current Process

Timesheets are required to be approved prior to 12:30pm, Monday, on pay weeks. In order to approve employee time, the supervisors must log into the iCity Online Time Entry module. Once in the module, they review the time worked that has been entered by their part-time staff, and the exceptions entered by their full-time staff. Upon completion of the review, the supervisor approves the time entry.

Pain Point

Once approvals are received by the Payroll Clerk, the information is reviewed for adherence to policies. This includes ensuring that the balances in time banks, vacation, sick and overtime do not exceed the allowed amounts.

Impact to Pelham

The Payroll Clerk carefully reviews time that has already been approved. While some balances are easy to vet, for example, the allowable amount of overtime in a bank, others are more difficult. If a staff member was away, did not enter the vacation time properly on their timesheet, and the supervisor approved it, the Payroll Clerk may not catch this error. When the issue is identified after payroll has been processed, additional adjustments and steps must now be performed to process the correct value through payroll. This time is included in the two hours per pay reviewing PA4190.

Manual calculations are done to verify that part-time hours do not exceed maximum

Current Process

A part-time employee should not exceed a maximum of 44 hours.

Pain Point

To ensure that this is the case, the Payroll Clerk manually calculates the total hours for the pay period. Manual calculations are time consuming and prone to error.

Impact to Pelham

If an employee exceeds the 44 hour maximum, the Payroll Clerk must reach out to the approver to verify if the appropriate time codes have been used. This results in delays processing payroll, and requires additional time of both the Payroll Clerk and the approver.

Manual calculations are done to verify that vacation, sick and banked time are within limits

Current Process

Banks are tracked by the Payroll Clerk in spreadsheets. As staff use time, the Payroll Clerk must manually calculate the sick banks to ensure that the 12 day maximum is not exceeded.

A summary of bank usage is provided to the Senior Leadership Team and management. These reports are created from re-keying PA5030 reports that have been saved in PDF format.

Pain Point

Manual calculations are time consuming. There is no warning set up in the ERP system to flag when an employee has exceeded the maximum permitted.

Impact to Pelham

The Payroll Clerk often has to reach out to the approver to verify and notify of the corrections required, as well as re-working the current or following payroll for the appropriate adjustments. Corrections and re-work are costly in terms of time required.

Manually reviewing CPP and EI eligibility each pay period

Current Process

When setting up a new employee, the Payroll Clerk must indicate if their wages are CPP and/or EI applicable. Every pay period an employee's eligibility is double checked for CPP. Employees who turn 18, 65 or 70 need their information updated to properly reflect the deduction requirement.

Pain Point

The review of staff eligibility for CPP each pay period adds additional steps to a time-sensitive process. As the software system does not flag these instances, it is a manual process.

Impact to Pelham

Per the Canada Revenue Agency, a monetary fine can be assessed against employers who fail to deduct the CPP and EI contributions for their employees. Currently, that fine is 10% of the amount not withheld. However, if the penalty is assessed more than once in a calendar year the fine increases to 20%.

Manually calculated pay rate changes

Current Process

The Payroll Clerk manually calculates and adjusts the pay rate for each employee impacted by a rate change. On January 1st there is an increase that relates for the cost-of-living adjustment (COLA). On September 20, 2021, the implementation of a stepped pay grid was approved by Council, with increases to be reviewed annually.

Manual calculations are also performed when there is the need for retroactive pay, or if there is an employee termination requiring severance.

Pain Point

Salary increases are a manual calculation and there is individual data entry into iCity for COLA or other general increases. The new rates are calculated in a spreadsheet and must be manually keyed into the system.

Impact to Pelham

There is a risk of error for manual processes. Time spent on repetitive calculations and data entry can be reallocated to analysis and review.

Recommendation

General Recommendations

Ownership regarding the accuracy and timeliness of timesheet data should be shifted from the Payroll Clerk to staff and time approvers. While it is important for the Payroll Clerk to review submissions for reasonability, staff throughout the corporation need to begin to understand the importance of the data entry, submission and approval stages. FHB recommend that both staff and supervisors receiving training, supplemented with a reminder checklist, to ensure that all stakeholders are aware of their responsibilities and timeframes. Employee sign off after the completion of this training is also recommended to enhance accountability.

Solutions for Automation

Our review of the software module identified the following features that are being underused in iCity. They have been presented for further investigation and implementation during the second stage of the grant. Recommendations also include the potential use of Power Query to assist with exception reporting.

iCity

Pay Code Clarity

The process to obtain pay code clarity is twofold. First, additional pay codes should be established within the system so that the options available to employees align with their needs. For example, adding a new code for split shift 1 and split shift 2 worked on the same day will help employees enter time accurately, reducing errors as well as making reviews for approval and reasonability faster. Statutory holidays worked and not worked can be set up in a similar fashion.

Second is using the functionality built into iCity to limit pay codes by employee within the iCity Desktop Online Time Entry Module. When pay codes are limited so that employees only see the applicable options, the risk of error through the use of an incorrect pay code is greatly reduced. The setup relating to limiting Online Time Entry code availability appears to be combined with multiple iCity setup sections related to pay codes, occupation codes and access rights.

FHB acknowledges that staff have investigated options in the past to limit the pay codes that are displayed to employees within the iCity Desktop Online Time Entry Module without success. We are recommending that these options be investigated further as the documentation for iCity indicates that this functionality exists.

Use the "import unapproved only" option (PA4190)

Built into iCity is the ability to import reports for unapproved time only. Reviewing for unapproved time is currently included with all time entry review prior to importing it into iCity. By filtering for unapproved time only, the payroll clerk can pinpoint which supervisors need to be contacted.

Utilize additional settings for reporting (PA5030)

A number of selections can be utilized in PA5030 in place of the current manual process. Summary listings can be generated by Category, Pay Code and Date Range, with the resulting reports being short and specific to the item being reviewed. This eliminates all of the calculation time and much of the review time currently occurring for part-time hours, sick, vacation and banked time.

Leverage the warning options in Employee Setup (PA1010)

A number of detective control options in PA1010 can be explored. For example, maximums can be set for vacation, sick, and banked time accruals. If set, a system warning appears when employees are in a credit position for any of these banks.

Additionally, there are settings to flag for last increment date and next increment date based upon levels attached to occupation codes.

Minimize re-keying for reports by using export/import features

Whenever there is re-keying time, an import/export option should be explored, with the csv version of the file used instead of the PDF version. For example, PA5040 can be run by date range, pay period, month or year. The result is reported in hours and days. This can be exported to a csv file, eliminating calculation and re-keying time. The csv file can be used to automatically populate reports for the approving supervisors and the Senior Leadership Team.

Automate retroactive pay and pay increase calculations

For retroactive pay runs, PA5180 Create Retro Pay Transactions module should be explored and tested for correct output. A successful outcome would eliminate calculation and re-keying time.

For pay increases, PA4300 Percentage Increases can be used to update the Occupation Rate Table. Percentage increases can be applied by Occupation Code ranges. This module should be explored and tested for correct output. A successful outcome would eliminate calculation and re-keying time.

Target the information needed with additional iCity reports

Banked balances can be reviewed in multiple ways within iCity. PA5370 Banked Time Accrual Report shows balances added and used by time period, in dollars only. PA5040 Accrual Transaction Report can be viewed in summary or in detail (hours and days). Additionally, parameters can be set in PA5030 to calculate the banks. A combination of the PA5370 and PA5040 reports can be designed for banked time accrual reporting in the preferred format.

GL5070 is being used for variance reporting to the Senior Leadership Team. A review of PA5310 Overtime Report in combination with PA5030 specified for part-time hours can help isolate overages.

Excel Power Query

Supplement the reporting and import/export tools within iCity with Microsoft Power Query to further customize outputs.

Power Query is a useful tool to perform repeatable data analysis. It can be used to generate exception reports much more quickly than manual processes. This is an option for lengthy reports or large data sets that remain after implementing the above recommendations.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

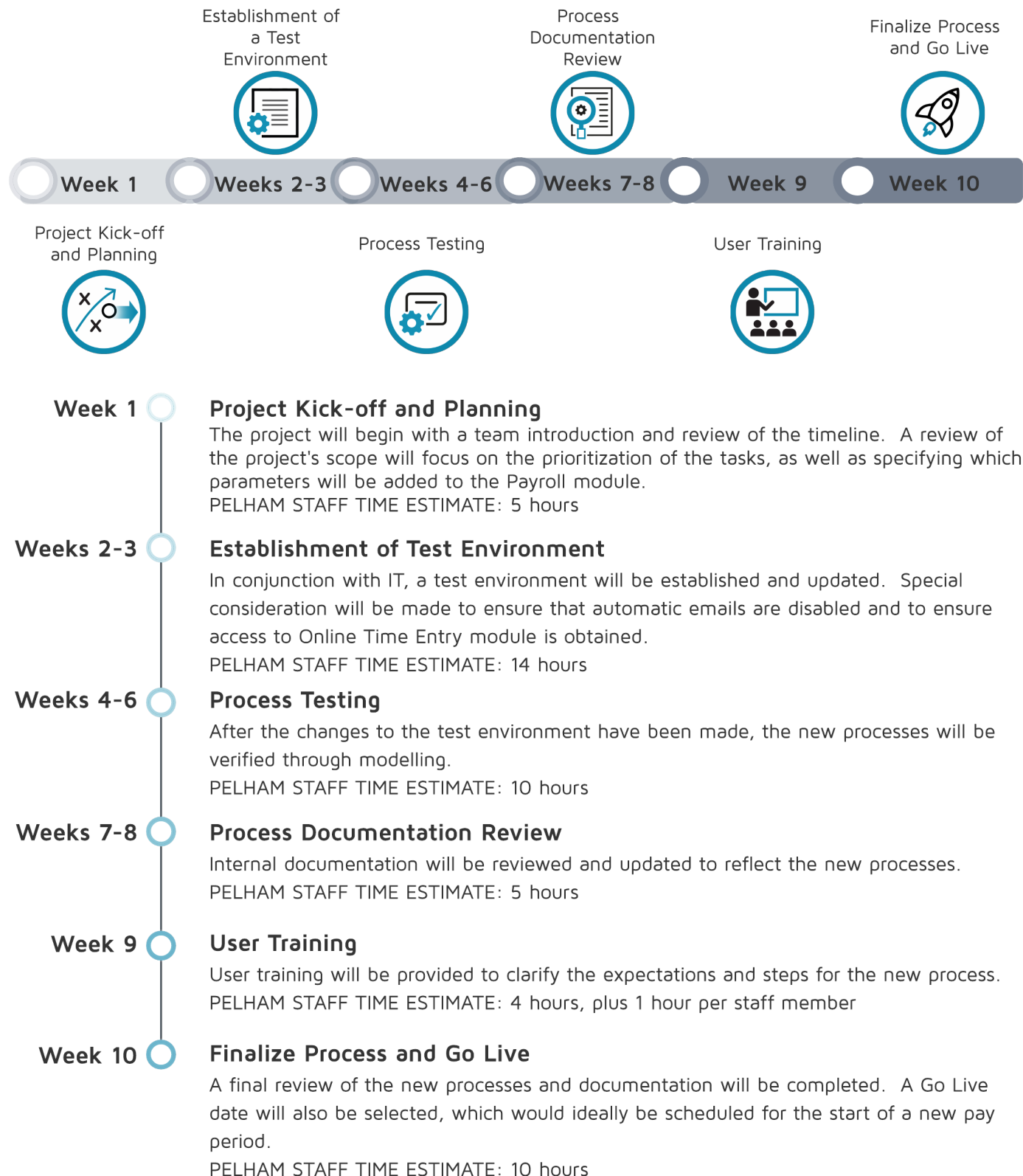
Recommended Software Solution	iCity	Excel Power Query
Total Implementation Costs	\$ 12,700 to \$ 22,100	
Software: One-time investment	Pelham already owns iCity	Included with Office 365 planned upgrade. Consulting costs have been included in the Management Report section.
Software: Annual Investment	No new annual costs for iCity	
Consulting	\$ 12,000 to \$ 20,900	
Training	\$ 700 to \$ 1,200	

Included in the analysis was a review of potential time savings for staff with the implementation of the recommended software solution.

Process Description	Current State Estimated Active Time	Solution Estimated Active Time	Estimated Savings per Year
iCity			
Reviewing PA4190 Time Sheet Entries for correctly coded time	60 hours	20 hours	40 hours
Checking part-time staff hours	30 hours	10 hours	20 hours
Checking sick banks	30 hours	10 hours	20 hours
Checking banked time	20 hours	10 hours	10 hours
Checking statutory holidays	15 hours	2 hours	13 hours
Checking CPP and EI eligibility	4 hours	2 hours	2 hours
Calculating and inputting annual increases	5 hours	1 hours	4 hours
Unusual payroll runs, manual calculations for severance and retroactive pay, per incident	5 hours	2 hours	3 hours
Creating monthly report for vacation, sick, and banked time	30 hours	10 hours	20 hours
Subtotal of Time Estimate for iCity	199 hours	67 hours	132 hours
Excel Power Query			
Potential for exception reporting for things like birthdates, duplicate time entry, reasonability checks	10 hours	5 hours	5 hours
Subtotal of Time Estimate for Excel Power Query	10 hours	5 hours	5 hours
Total Estimated Hours	209 hours	72 hours	137 hours
Estimated Value of Time to be Reinvested			\$ 5,600

Implementation Plan

FHB has recommended the use of additional iCity reports and module functionality.



Procure-to-Pay

The procure-to-pay process is an essential and crucial component to the daily operations of Pelham. It is imperative that this process is clearly documented, standardized, enforced, streamlined and transparent. The procure-to-pay process impacts the entire corporation and it is important to obtain information both from the users as well as the processors of the financial data. FHB interviewed staff within the Corporate Services department as well as staff in within the Public Works, Recreation, Culture and Wellness, and Fire departments.

Summary of Findings

Inconsistency with the initiation of the purchasing process

Current Process

Pelham's Purchasing Policy(S402-00) outlines the established process for the procurement of goods (process flow chart Appendix B). There is a degree of flexibility written into the policy. For example, in Schedule B of the Policy, it outlines that goods greater than \$10,000 can be purchased by Formal Quotation, Request for Tender or Request for Proposal.

During the interview process, it was noted that this policy is not being strictly followed (Appendix C). For example, the current policy dictates that a purchases greater than \$300 requires a PO. In practice, the perception is that no set threshold exists. Moreover, the policy states that Purchasing Services is responsible for soliciting formal and informal quotations. In practice, this is inconsistent and at the discretion of the department.

Pain Point

Ambiguity increases the decision steps taken by departmental staff. They have to decide: the procurement method to be used, who will solicit the information, and who is responsible for the paperwork. These additional decisions points complicate the task, taking it from a one page process in Appendix B to a two page process in Appendix C .

Impact to Pelham

Staff are not following the documented procurement policy. This increases risk and decreases transparency. The policy was established with specific internal controls in mind. When the policy is not enforced and applied consistently, these internal controls are less reliable, resulting in increased risk.

Also, the additional discretion adds to the administrative burden of the process. It leads to inconsistency, as decisions can vary amongst staff members and departments. Vague lines of responsibility can lead to duplication of work or missed steps altogether. For example, quotes could be received twice or not at all.

Decentralized invoice receipt and administration

Current Process

Invoices are not received in a consistent manner from vendors. They are received both in paper and electronic format as well as sent to directly Accounts Payable or the department with the receipt of goods.

When an invoice needs correction, a hybrid model is being used to communicate and coordinate with the Department. This model mixes the former e-mail and paper-based system and the new folder system developed under the LEAN review. The flow of the current process is documented in Appendix D.

Pain Point

The most significant pain point for all staff involved is that the process is confusing and frustrating. An invoice can go back and forth numerous times between AP, Purchasing and the Department. The path it takes differs depending on whether or not a department uses the folder system or e-mail.

While adopting a push system creates a centralized location for a department to review invoices, it also adds challenges. Administrative staff, the Accounts Payable Clerk and the Procurement Coordinator must then dedicate resources to invoice management. As seen in Appendix D, this creates up to 12 shared folders that Accounts Payable must manage when fully adopted. These folders are in addition to the e-mail account and three temporary folders already monitored by Accounts Payable.

Impact to Pelham

Expanding the channel that invoices follow increases the administration required and increases the risk of losing invoices. Staff often are not aware of the status of an invoice or where it is in the procurement process. This lack of visibility/traceability is frustrating for staff and for vendors who are awaiting payment or approval.

When the Department receives invoices directly, processing times can be delayed by 1 to 3 days. While staff are diligent, lost or late invoices could negatively impact Pelham's reputation with vendors and could expose the corporation to litigation under the prompt payment rules within the Construction Lien Act.

Monitoring for incoming invoices and initial invoice screening is a manual process

Current Process

When invoices are received, a preliminary screening is done. If invoices have an incorrect payee name or no Purchase Order (PO) number, they are returned to the vendor to correct.

Pain Point

If a PO has been issued before the purchase, the vendor adds the PO number and sends the invoice back to accounts payable. This causes a slight delay in payment and inconvenience to the vendor but one that should reasonably be borne by them.

When a PO was not created prior to purchase, however, the impact on a vendor is much more significant. To rectify the issue, staff must either find an alternative payment method such as p-card or cheque requisition, or retroactively create a PO. See Steps 2.4 starting on page [56](#) to 2.5.2.9 on page [58](#) for the process.

Impact to Pelham

On average, Pelham spends approximately 12 hours per week monitoring and prescreening invoices received. It takes another 15 to 30 minutes at each instance for the department to correct the issue. The back-and-forth further delays the processing of the invoice by 1 to 10 days.

For POs that are issued after the purchase, the intended, preventative internal controls are circumvented. This increases the risk of improper purchases and reduces the process transparency.

Communication is disconnected for new vendor setups

Current Process

A form must be filled out and returned to Purchasing when a new vendor is used. The form is typically sent to the vendor by the department contact and returned directly to Purchasing when completed.

Pain Point

There is often a disconnect in visibility of completion stage as the forms are returned directly to Purchasing by the vendor. Purchasing is not always aware of the vendor's internal contact person when the form is received. Further, Department staff are unaware if the vendor has been set up or returned the form.

Impact to Pelham

Without a vendor number, a PO cannot be created, nor can an EFT or cheque requisition be processed. This delays the purchase and payment processes unless a P-Card can be used. Lack of internal communication is frustrating for staff, and leaves the vendor with a negative perception of Pelham.

Three way invoice matching is manual and requires significant administration

Current Process

Under the current process, if an invoice matches the quantity and price of an item received and other PO specifications, it can be paid without additional approval. Consequently, before an invoice is input into iCity, it must undergo additional verification. While the detailed sequence is included in Appendix A starting with step 5.1 on page [59](#), the primary decision points are outlined below:

1. Has the item been received?
2. Does the quantity agree to the PO?
3. Is the invoice appropriate?

The first and third points cause the most difficulty. For item 1, no further action can be taken when an invoice is received by Accounts Payable if the item has not been confirmed received. For item 3, there are strictly enforced documentation standards when deciding if an invoice is appropriate. Specifically, an invoice must:

1. Have been provided, and not some other documentation such as an order confirmation or packing slip
2. Have a HST number
3. Match the PO's pricing (including freight)

Issues related to the receipt of goods or the invoice are noted on the scanned PDF by Accounts Payable. If the folder system is in place, the invoice is then sent directly to the department's folder. If the folder system is not being used, the marked up PDF of the invoice is sent to Purchasing to work with the department.

Pain Point

Ensuring that the PO matches the invoice's information exactly is a very manual process that occupies staff time.

When the PO and invoice differ, the PO is retroactively adjusted to match the invoice. Management must approve the change, and the invoice is resubmitted to Accounts Payable for processing. This step ensures that the PO always matches the invoice, because any discrepancies are retroactively adjusted on the PO.

Verifying that a proper invoice or receipt is provided for appropriate documentation is an onerous process. If information is missing, a staff member must follow up with the vendor.

Impact to Pelham

Approximately 9 hours per week are spent by Accounts Payable on secondary verification and follow-up. It takes, on average, another 10 to 30 minutes for the department staff, working with their administrator or purchasing, to resolve the issues. As approvals and coordination are required, processing delays are usually between 1 to 10 days. From an internal controls perspective, retroactively adjusting and approving the PO to agree to the invoice serves as authorization for payment but dramatically weakens the control around gaining approvals before purchase.

P-Card Process is Manual and Paper-Based

Current Process

A P-Card is a corporate credit card, also called a purchasing card. In Pelham, there are 34 authorized P-card holders. When an authorized card holder uses their card to make a purchase, the receipt is coded with the appropriate GL account number. The GL account number is entered into the credit card provider's bank portal for the statement line item matching the receipt. With the adoption of Adobe Sign, some staff have begun submitting their p-cards receipts electronically. Depending upon the department, the coding and entering is done either by the employee themselves, or by the administrative assistant of that department. Some

departments place the receipts directly on the administrative assistant's desk for entering into the bank portal. As Public Works employees are rarely in the office, they place their receipts in physical folders at the public works yard office. Their administrative assistant collects them a couple of times per week for matching to statements and entering the coding into the bank portal.

Monthly, departmental administrative staff print out the statements and the GL allocation reports from the US bank portal. They attach the receipts in statement order, and submit the package to the approving supervisor. Once approved, the administrative assistants forward the packages to Accounts Payable.

Upon receipt of the P-Card packages (statements, allocation report and supporting invoices/receipts), Accounts Payable will review to ensure that all the necessary information is present. Any incorrect or missing information is brought to the department's attention, and must be resolved.

Pain Point

There are several layers of verification.

1. Initial matching and checking of receipts is done by the administrative assistants, then department approvers verify those same items, and Accounts Payable checks again. Criteria for verification comprise:
 - a. receipts existence,
 - b. whether they are originals and not photocopies,
 - c. whether they are actual receipts and not packing slips or an online order confirmation,
 - d. whether the amount on the receipt matches the statement,
 - e. whether a vendor HST number is provided (if over \$30), and
 - f. whether the GL account coding is correct.
2. At each stage of the process, personnel reported that errors are found and corrections are made to GL coding. Accounts Payable verifies approvals and follows up with employees a maximum of five times for missing receipts.

Follow-ups regarding missing or incorrect information is time consuming and very manual. There are manual and Excel tracking sheets, as well as time spent calling vendors to obtain missing information. An average of 17 items require follow up per month, with an average of 1.4 follow-up requests made per item.

Impact to Pelham

The existing process consumes considerable work hours and necessitates corrections at every level of compilation and review:

- at the administrative assistant level, it takes 15 to 25 minutes per statement per month to reconcile receipts to the statements, enter the coding and print reports for approval.
- at the approval stage, it takes between 5 and 15 minutes per statement for review and approve, depending upon the number of items per statement.
- the Accounts Payable Clerk spends 11.5 hours monthly verifying the package is correct and following up for outstanding items, and
- the Accounts Payable Clerk spends an additional 1 to 2 hours per month reviewing for proper descriptions, correct GL accounts, and HST exemptions
- an additional 3 hours monthly is spent on the remaining steps in AP.

Paper packages of statements and receipts pass through the hands of up to five employees before they are fully processed and filed for retention. This increases the risk of lost items, and adds to waiting times between each step.

Recommendation

General Recommendations

FHB recommends that the current policies and procedures be reconsidered as part of the transition to automation. A common mistake when implementing new software is significantly customizing the solution to match the current internal processes. Excessive customization (as opposed to configuration) becomes hard to preserve throughout future software updates and requires specialized skills to maintain. Thus, having flexibility to redesign processes (as appropriate) and selecting a flexible solution will be vital to accommodate the corporation as it changes.

Purchasing Policy

As part of automating and streamlining the Accounts Payable process, FHB recommends that Pelham continue reviewing and updating Purchasing Policy, S402-00. Specifically, the method of purchase, dollar value and type of agreement with the supplier should be revised for clarity.

The method of purchase (PO, formal quote, or request for proposal) should be as clearly defined as possible. This can be done by combining the dollar threshold and the nature of the good/service being requested. For example, while a Request for Proposal or a Request for Tender may have the same dollar threshold, it is the nature of the goods or services that distinguishes between the two. When setting the dollar thresholds, consideration should be given to balancing risk mitigation with operating efficiency. Levels set too low control risk but slow operations. Levels set too high make for efficient, but risky, operations. As such, setting these levels should be done by considering both Pelham's risk appetite and risk tolerance. Similarly, whose role it is to obtain quotes or issue PO's should be as clearly defined as possible.

Processing Procedures

The business process should be revised as part of the policy review and process automation. During our review, we noted many controls at the cash disbursement level. These controls focus on maintaining appropriate supporting documentation and approval for the payment. While controls such as those to ensure that goods/services are received before payment are valid, others may be mitigating all risks at the expense of efficiency.

The goal of internal controls is to optimize, not to eliminate, risk. For example, the trade-off between the risk of having missing information should be considered against the cost of staff follow up. Rather than an absolute approach, the risk could be evaluated based on the likelihood and impact.

Tolerance levels should be considered for each type of error encountered. Another example of risk consideration is the retroactive adjustment and creation of POs to authorize payment. This sufficiently controls the risk around the authorization for payment. However, it weakens the controls around the authorization for purchase. Proper authorization to purchase is an essential preventive control as it requires oversight before committing the corporation. It provides an opportunity to confirm:

- The need;
- That the product or service is the right fit;
- That it has been procured using the correct method; and
- That it is within budget.

To supplement controls around purchase authorization, FHB recommends the introduction of a requisition system. Requisitions differ from POs in that they are internal documents used to authorize the purchase of a potential good or service. This ensures the approval before the commitment, reducing the risk of unwanted goods or inappropriate procurement methods. More details on how to implement this recommendation are included in the automated solutions section below.

Training and Monitoring

While policies and procedures are imperative, without training and enforcement, they can become merely statements of intention. When the policies and procedures are finalized, employees need to be trained. When the training is complete, employees should sign off to indicate they have received the training and will comply with the policies. There should be a check for understanding to ensure that departments have fully understood

what they need to do in each circumstance they may encounter. Further, handouts summarizing the dollar thresholds and decisions process should be distributed to anyone making purchases.

Just as educating internal staff is important, vendors should be aware of the policies and procedures. It was noted during our review that Pelham was working with vendors in this regard. These efforts should continue in the transition to automation.

While training is essential, the new processes will only function as intended when enforced and followed. As such, monitoring will be just as important for training. While monitoring can be time-intensive, rules can be built into the procure-to-pay solution to help automate some monitoring tasks. Also, time saved from the implementation of other initiatives can be redirected to monitoring, shifting current staff effort from reactive to proactive efforts.

Solutions for Automation

Invest in an automated procure-to-pay solution to reduce manual effort and administration and increase internal controls.

An ideal solution for the pain points addressed in this section would be to reduce the time spent requesting, reviewing, inputting, processing and monitoring the procurement and payment process. The most efficient way to improve these areas is to evaluate solutions that automate the procure-to-pay process from start to finish.

Several all-in-one solutions specialize in this area. The basic flow of this process is to use one piece of software to:

- request goods,
- route approvals,
- prepare a purchase order,
- receive the goods,
- match the PO, receipt & invoice and
- integrate into the accounting software.

There are many benefits to this type of solution. However, the key benefits include less manual effort, less administration and increased controls.

Manual effort is reduced by decreasing manual input and by automating the matching. Less input is necessary as information entered in the requisition phase flows to the PO. The remaining information can be extracted from the invoice using the Optical Character Recognition (OCR) technology. This data is then pulled into the accounting system where it is posted. The software completes the matching process by comparing the PO, invoice, and receiving information. To target when a variance requires additional approval, dollar thresholds and percentages can be incorporated into these comparisons and reported as exceptions to the streamlined process. When further approval is needed, the system highlights the issue for the approver so it can be identified quickly.

The P-card process can also benefit from similar automation. In this circumstance, data entry is reduced by linking the data feed from the credit card provider directly to the procure-to-pay software. Invoices are automatically matched to the transaction via OCR extraction of key data from a photo or email. As the feed is maintained in real-time, notifications can automatically be set up to notify users if transactions have occurred, but a receipt has not yet been provided.

The routing process and reporting functionality reduce the administration required. Documents flow to the appropriate approver and notify them via email using customizable rules. User dashboards accumulate the tasks for each user, making it easier to manage workloads by logging in and approving all of their items at once. At the same time, reports and search functions make it easy for Accounts Payable staff to see the status of all items regardless of where they are in the system.

Additional controls can be created through the use of automated rules and integration with the budget. For example, the requisition module can be integrated with the budget. This can help staff quickly determine how the item will impact the budget without opening another program. Rules can also be utilized to notify or prohibit staff from requesting goods that would lead to budget over runs. Because all activity is in one place, the system is able to provide an audit trail of all transactions from inception to completion.

As Pelham's current software does not meet the organization's needs, external vendors were considered. FHB investigated two possible procure-to-pay solution providers (Pairsoft and SAP) and one document management provider (Laserfiche). While FHB was not engaged to conduct a formal RFP process potential vendors were reviewed using the criteria outlined in Solution Selection of the Executive Summary and the process requirements outlined below:

Critical:

- The ability to integrate with iCity with minimal customization
- OCR scanning / matching technology
- Experience in the Canadian Municipal Sector
- Agnostic to ERP solutions for future upgrade possibilities

Important:

- Reporting capabilities
- Routing / rule customizations
- Document retention and security
- Ability to integrate the budget
- Ease of use
- P-card functionality
- Annual cost
- Dependence on Information Technology personnel
- Experience and responsiveness of the solution provider

Based on these factors SAP's Concur product is recommended.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

The costing estimate below was based on processing 5,000 invoices per year and a combined total of 50 expense reports and credit card holders monthly. The fees that will be charged are based on actual monthly volume. As such, Pelham would only be charged for the transaction volume they use.

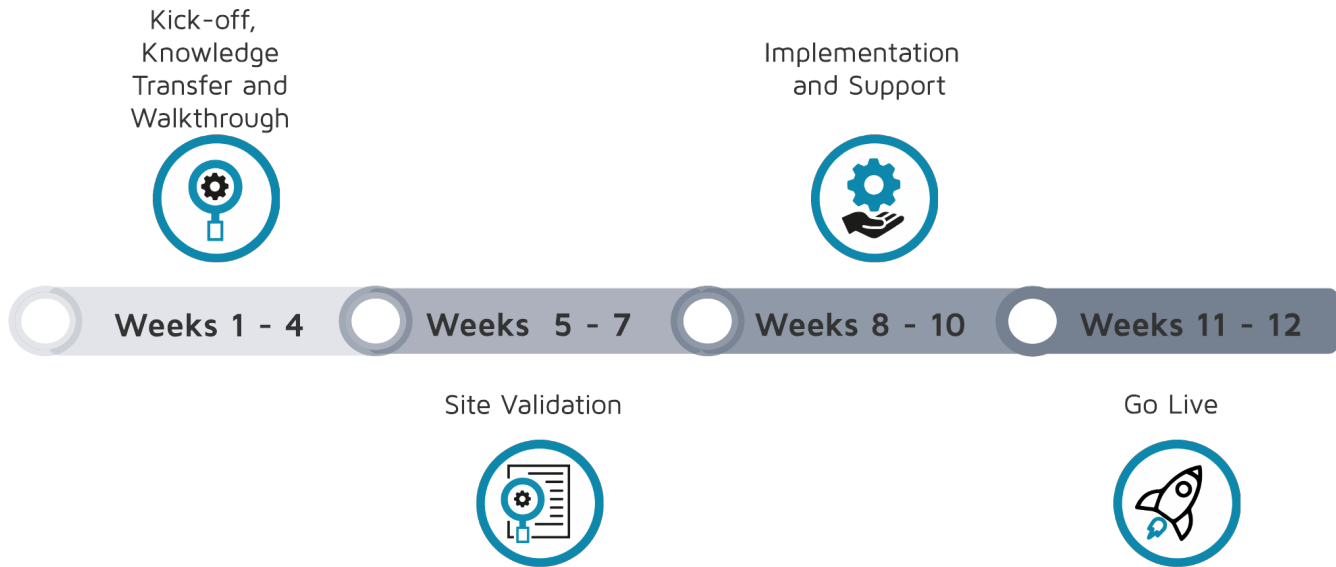
Recommended Software Solution	Procure-to-Pay Software	
Total Implementation Costs	\$ 32,000.00	to \$ 54,900.00
Software: Annual Investment	\$ 27,200.00	to \$ 45,300.00
Consulting	\$ 4,800.00	to \$ 9,600.00
Training	INC.	to INC.

Included in the analysis was a review of potential time savings for staff with the implementation of the recommended software solution.

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Monitoring invoice receipt and prescreen invoices	620 hours	300 hours	320 hours
Invoice matching and follow-up by Accounts Payable	460 hours	120 hours	340 hours
Error investigation and correction (includes all error types - Cheque Requisition corrections, vendor invoice corrections, Retroactive PO adjustments and creation etc.) by the department	210 hours	50 hours	160 hours
Invoice entry	1,110 hours	310 hours	800 hours
Purchase requisition process	0 hours	300 hours	-300 hours
P-Card employee purchase and receipt submission	100 hours	140 hours	-40 hours
P-Card compiling receipts with statements, entering GL coding	140 hours	0 hours	140 hours
P-Card reviewing and approving monthly statements	70 hours	40 hours	30 hours
P-Card AP review and follow up	160 hours	20 hours	140 hours
P-Card AP Processing	40 hours	20 hours	20 hours
Total Estimated Hours	2,910 hours	1,300 hours	1,610 hours
Estimated Value of Time to be Reinvested			\$ 69,200

Implementation Plan

The implementation plan below was based on the draft plan provided a procure-to-pay provider.



Weeks 1-4 Project Kick-off

The project will begin with a team introduction and a review of the project's scope and timeline.

PELHAM STAFF TIME ESTIMATE: 3 hours

Knowledge Transfer

The specifics for the implementation will be clarified via planning questionnaires and key data such as vendor and item lists will be exported from the current system.

PELHAM STAFF TIME ESTIMATE :15 to 20 hours

Walkthrough

The site demonstration, walkthrough and planned deployment strategy will be completed. Financial integration work will also begin.

PELHAM STAFF TIME ESTIMATE: 10 to 15 hours

Weeks 5-7 Site Validation

Configuration and building will be finalized, and preliminary validation and testing will begin. Training and change management materials will also be introduced.

PELHAM STAFF TIME ESTIMATE: 10 to 15 hours

Weeks 8-10 Implementation and Support

The full data will be imported and the system integration will conclude. Additional testing will be performed and the Invoice Administrator will be trained.

PELHAM STAFF TIME ESTIMATE: 10 to 15 hours

Weeks 11-12 Go Live

The final roll out will be complete and the transition to the customer support will begin.

PELHAM STAFF TIME ESTIMATE: 10 to 15 hours

Automation of Request for Proposal Process

Purchasing Policy S402-00 states that goods greater than \$25,001 need a formal quotation, request for tender or a request for proposal. The overall purchasing process is discussed in the Procure-to-Pay section of the report. This section's focus is on the RFP and RFT ("bid") process.

Issuing requests for bids as seamlessly and quickly as possible following the budget approval is essential to receiving the most bids, the most competitive bids and for project planning for the construction season. Qualified vendors are often in short supply, and demand can escalate pricing later in the season, especially for larger construction projects. Also, delays in the bid process can lead to delays in the actual receipt of goods or project completion. At best, these delays result in an inconvenience. At worst, delays could jeopardize grant funding.

Over the past three years, Pelham has issued approximately 30 bids each year, with the 2021 to date being the highest at 33. These proposals can be further subdivided into three main types:

- design (10%)
- construction (37%) and
- commodity/service (53%).

While all types of bids are posted on and managed using the Bids&Tenders (ebids) site, the time required for each proposal type varies. For illustrative purposes, the request for proposal process for a construction type bid has been included in Appendix E - Request for Proposal Process - Construction Type.

Summary of Findings

Identifying and planning for bids relies on numerous, cross-departmental meetings

Current Process

Once the capital budget has been approved, purchasing reviews the confirmed projects and summarizes them in a master listing of projects requiring bids. Meetings are set up with the departments to go over their capital projects and identify operating projects for the year.

Pain Point

There is a lot of time spent in meetings to determine the projects for the year, as well as trying to coordinate staff calendars and availability.

Impact to Pelham

Approximately, 18 hours of staff time per year are spent actively coordinating and planning projects with departments. Scheduling conflicts stretch these meetings over 2 to 3 weeks. These meetings delay the start of the bid process and tie up limited staff resources. Delays in the bid process can lead to higher pricing, fewer bidders and delayed project completion. Bi-weekly meetings are also held throughout the year between purchasing and engineering to stay up-to-date on projects.

Administration of bids requires extensive coordination of dependent tasks

Current Process

As demonstrated in Appendix E - Request for Proposal Process - Construction Type the bid process is a coordinated effort between purchasing and operations at the planning, preparation, addendum, evaluation and awarding stages.

Pain Point

Each stage requires one or both parties to provide something to the other before the next step in the process can be completed. Competing workloads and differing department priorities often lead to deadlines being

missed. Accountability is also an issue, as it is challenging to manage the status of components being prepared in the different parts of the corporation.

Impact to Pelham

On average, 1 hour of pure administration is spent per bid. This detracts staff time from more value-added tasks. The dependency of these tasks has a cumulative impact that can double the typical 3 week process.

Bid templates are not stored in a centralized library

Current Process

The department prepares the specifics for the RFP in Word, Excel and Adobe Pdf, using differing formats for differing sections, and emails them to purchasing. Purchasing reviews and formats the information for upload onto the ebids site. A draft version of the fully compiled document is downloaded from ebids and circulated for departmental review before being publicly posted on the ebids site.

Pain Point

Currently, there is not a centralized template library for preparing bids. Each department uses their previous bids as examples, and best practices from their respective associations or groups. As information is not shared, inconsistencies and duplication of effort occurs. Lack of standardization also leads to rework if the information is received in a format not conducive to upload onto ebids tables. This may create confusion and can cause variances and inconsistencies in the document.

Impact to Pelham

Preparation time for both procurement and engineering for a construction type bid is, on average, 20 hours per bid. The preparation time for more standard bids is approximately 10 hours. Despite this time investment in preparation, addenda are still frequent.

Addenda are frequent and require additional administration and coordination

Current Process

As part of the bids process, there is an opportunity for bidders to submit questions to purchasing via email. Once the question period closes, purchasing gathers and summarizes the questions submitted and emails them to the department for their response. The department prepares their responses and emails them back to purchasing, where the answers are compiled into an addendum document for uploading into ebids. Ebids automatically distributes the addendum to all registered plan takers and posts the addendum to their website.

Pain Point

Addenda require additional staff resources in both the formulation of responses by the department and increased administration from Purchasing.

Impact to Pelham

Over the past 3 years, there has been an average of 18 addenda per year. Each addendum requires, on average, more than 3 hours of active staff time. Also, when there has been a fundamental change to the bid, the closing date of the bid process is typically extended by another 7 days.

Proposal evaluations are prepared manually rather than using the ebids module

Current Process

Once a bid has closed, purchasing accesses the submissions from the ebids module. The bids are screened for compliance, and the qualifying bids are then circulated to the evaluators via email. Generally, a period of 5 days is given to allow each evaluator to complete the evaluation forms. The completed forms are emailed back to purchasing, who reviews them and tabulates the overall score. The results are then communicated to the evaluators for recommendation.

Pain Point

While the evaluation grid is prepared in Excel, the process still requires staff time to administer. Time must be spent gathering and checking evaluations. More staff time is then required to summarize, score the bids and determine the successful bidder.

Impact to Pelham

As this process requires staff intervention to gather and evaluate the bids, delays can occur due to a lack of staff availability or responsiveness. Further, calculation or input errors are a risk to any manual process. This process adds additional risk and time when submissions are closed as items require a double-check. Delays in the evaluation process impact bidders who are waiting to hear if they have been awarded the contract.

Recommendation

General Recommendations

FHB recommends the establishment of standard templates that can be leveraged and used for each RFP. Investing time in building templates will ensure long-term time savings as tasks become more streamlined and consistent.

Due to the unique nature of each RFP, it would not be reasonable to expect a standard template that fits all situations. However, templates can be made for common bid types. It is recommended that departments and purchasing be involved in creating the templates. This allows the best practices from each area of expertise to be shared and promotes consistency in design and application. Also, previous addenda should be reviewed to identify reoccurring questions. Common issues or clarifications can then be incorporated into the templates or accompanying checklists.

FHB also recommends saving templates and checklists in a shared library. A library will provide staff with easy access to the most up-to-date documents. Certain RFPs predictably recur in future years, such as those for insurance providers. If staff can easily reference the previous RFP, and update information rather than starting from scratch, this will also help streamline the process. The caveat to this recommendation is that the library, to be effective, must be maintained.

Use an attribute or tickbox in Questica to identify jobs that will require bidding.

As the Capital Budget is a significant driver of the bids processed, Questica should be used to streamline the planning process. For example, an attribute or tickbox can be added to project sheets to identify projects that will require a bid. A Questica Ad Hoc report can then be run to highlight which projects require bids. Further, documentation that could be leveraged for the RFP could be attached within Questica.

Solutions for Automation

FHB is recommending the use of three solutions to assist with the automation required for an efficient RFP process.

Microsoft Planner

Planner is included in the Microsoft Office 365 suite (Office 365) and integrates with Outlook, SharePoint and Teams. With the adoption of Office 365, Pelham will have access to this tool rather than purchasing another cloud-based solution.

Develop project management templates in Microsoft Planner to facilitate communication and oversight throughout the bidding processes.

Planner can be tied to Teams Channels which means that in one location there is easy access to a dedicated messaging system, a central location for files to be stored, and a virtual meeting location which integrates with shared Outlook calendars. This centralization of data means that staff know exactly where to go to find or share information. In addition, as the project continues, there is still a centralized location for any on-going questions or information. This provides a communication alternative to meetings, as information can be easily shared and accessed.

Within Planner, there is the ability to build shared "boards" that can break a project into phases, tasks and subtasks. Tasks, once created, can then be assigned to staff with their applicable due date. This provides accountability as all team members can see what stage the bid is at, what needs to be done, and by whom. The "my task" tab also allows users to filter for only their tasks helping them manage their own deadlines.

Finally, generic plans can be created and copied. Generic plans can be established for design, construction and commodity service projects. When a new RFP is started, the proper plan can be copied, populated and tied to a Teams channel. This creates a central location where the Purchaser can ensure that all steps to the process are being properly completed, and identify any tasks that are coming due or past due.

Bids&Tenders

Bids&Tenders is an eProcurement platform that Pelham has already purchased, and begun to use through their website with eSolutions. This platform is designed to help municipalities stay legally compliant for a highly regulated process.

Expand the use of Bids & Tenders by using their evaluation module, questions modules and template resources.

This module allows questions to be submitted by bidders through ebids directly, where they are attached to the project. Where applicable, responses received by email can also be added to centralize all questions. Internal users can then review the questions and post responses directly within the module. The responses are internal only and are not shared with the bidders at this stage. When finalized, the question and answers can be exported into Word to provide the basis for the addendum.

This module would reduce the administrative work as the compilation work is now automated. Also, having all the questions in a centralized area promotes information sharing. All users can see what questions have been asked, addressed, and view the detailed responses.

Create a centralized template library for bids and their associated evaluation grids.

The Bids&Tenders web portal can be used to develop the templates and checklists noted in the general recommendations. Their software team has extensive resources that can be leveraged to prepare and centralize these documents. Further, user settings can be managed to allow submissions to be posted to the site directly for review before posting.

The Evaluations Module automates the workflow of the bid closing process by setting up criteria, evaluation stages, assigning deadlines and tasks to specific users.

Stages allow parts of the evaluation process to be completed by different users and sequenced in a particular order. For example, the compliance check can be set up as the first stage and assigned to Purchasing. Compliant bids would advance to the second stage; evaluators' review. The movement from stage to stage is automated by the system, notifying users of when the document is ready for their review and when it is due.

Evaluations are completed within the module using the criteria set when the bid was created. The module walks evaluators through each step and provides links to download the information submitted. The score and comments are logged directly. Once the evaluations are complete, the system compiles the scoring and comments into a report.

Using this module would benefit Pelham in two ways. First, the administrative work of creating bid packages, coordinating, following up on responses and calculating the scores is automated. Second, the audit trail provided by the system allows users to know the status of evaluations at any time. The reporting and summarizing features provide an audit trail to support the decision making process.

Power Query and Templates

Format internal pricing schedules using Microsoft Power Query for compatibility with the Bids & Tenders requirements.

FHB recommends using a standardized Excel spreadsheet and Power Query to automate the data conversion required for pricing table uploads. The Excel spreadsheet should be created and formatted in a user-friendly

way that allows the user to determine and fill out the required information easily. Power Query can then be used to transform the data into the correct format for the CSV upload into ebids. This reduces the manual reformatting that needs to be done and eliminates errors that result from re-keying information.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

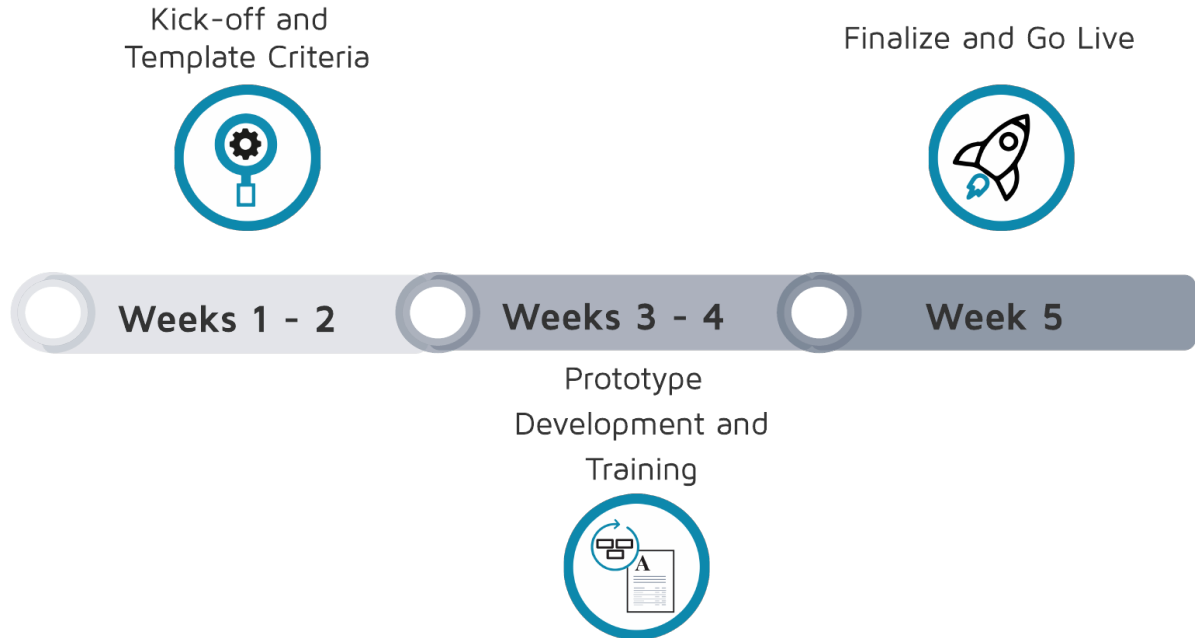
Recommended Software Solution	Microsoft Planner		Bids&Tenders and Templates	
Total Implementation Costs	\$	7,700 to \$	15,400 \$	12,300 to \$ 24,100
Software: Annual Investment	Included with Microsoft Office 365		Owned already	
Consulting	\$	7,000 to \$	14,200 \$	11,300 to \$ 22,300
Training	\$	700 to \$	1,200 \$	1,000 to \$ 1,800

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Microsoft Planner			
The approved capital budget is used to create a project dashboard. Multiple meetings are then held with departments to plan for the upcoming year.	20 hours	10 hours	10 hours
On average, 1 hour of active project management is required per bid. Time spent includes scheduling, setting deadlines and following up on outstanding information.	30 hours	15 hours	15 hours
Biweekly meetings are held between purchasing and engineering throughout the year to administer the ongoing projects.	110 hours	50 hours	110 hours
Subtotal of Time Estimate for Microsoft Planner	160 hours	75 hours	135 hours
Bids&Tenders and Templates			
RFP documentation must be created and posted to Pelham's website for each project. There is not a central, standardized template library to leverage. Documentation requires rework or is started from scratch each time.	400 hours	250 hours	150 hours
Upon close, a team of 3 evaluators must review the documentation and complete the Excel evaluation grid. The grids are returned to purchasing, manually compiled and scored.	290 hours	220 hours	70 hours
The Town averages 18 addenda per year. Addenda are time-consuming as they require resources to coordinate and respond.	60 hours	20 hours	40 hours
Subtotal of Time Estimate for Bids&Tenders and Templates	750 hours	490 hours	260 hours
Total Estimated Hours	910 hours	565 hours	395 hours
Estimated Value of Time to be Reinvested			\$ 23,000

Implementation Plan

For all three of the template building projects, it is expected there would be three Pelham staff members involved. The staff time estimate includes the sum of all three of the team members per project.

Microsoft Planner



Weeks 1-2

Project Kick-off and Planning

The project will begin with a team introduction and a review of the project's scope and timeline.

PELHAM STAFF TIME ESTIMATE: 3 to 5 hours

Template Criteria

Project management templates for the following will be devised:

- a) design type,
- b) construction type,
- c) commodity/service type,
- d) overall project board.

PELHAM STAFF TIME ESTIMATE: 25 to 30 hours

Week 3-4

Prototype Development and Training

Training will be provided to Pelham's team members. The sample templates created will be circulated to Pelham for review and testing.

PELHAM STAFF TIME ESTIMATE: 12 to 15 hours

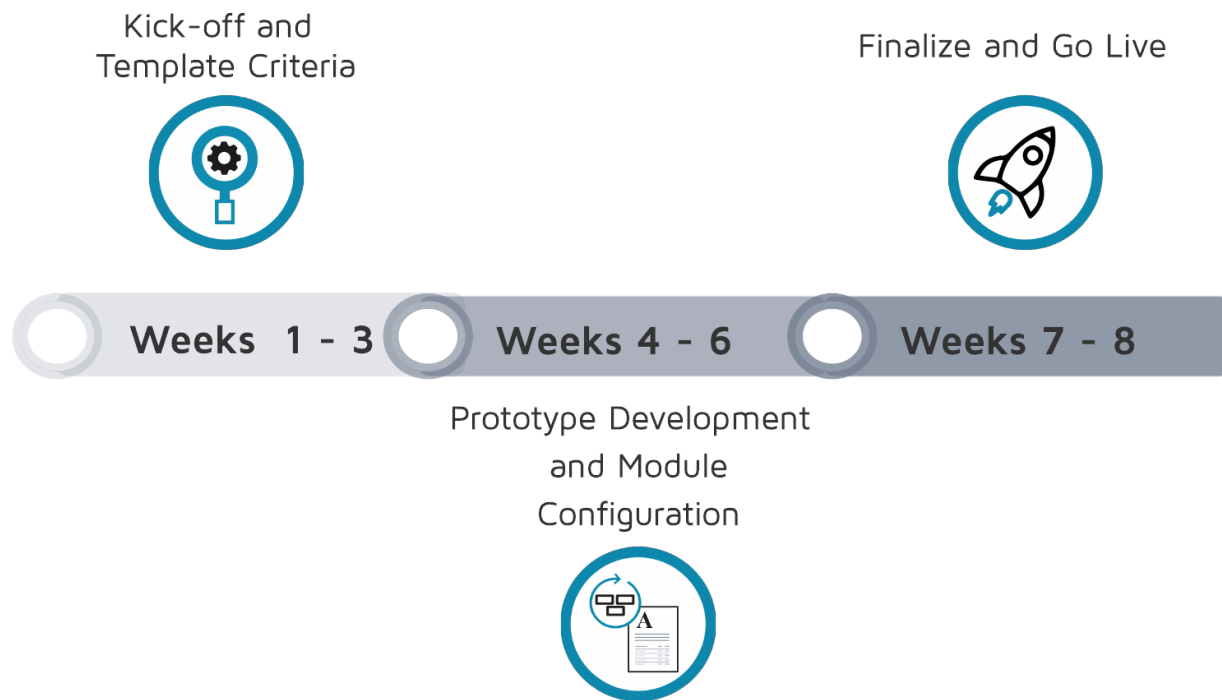
Week 5

Finalize and Go Live

The final templates will be refined based on Pelham's feedback and will be distributed to Pelham to Go Live.

PELHAM STAFF TIME ESTIMATE: 2 to 3 hours

Bids&Tenders



- Weeks 1-3**
- Project Kick-off and Planning**
The project will begin with a team introduction and a review of the project's scope and timeline.
PELHAM STAFF TIME ESTIMATE: 3 to 5 hours
- Template Criteria**
Bid and Evaluation Grid templates for the following will be devised:
a) design type,
b) construction type,
c) commodity/service type,
PELHAM STAFF TIME ESTIMATE: 25 to 30 hours for each module
- Weeks 4-6**
- Prototype Development and Module Configuration**
Training will be provided to Pelham's team members. The samples created will be circulated to Pelham for review and testing. The questions module will also be assessed and configured.
PELHAM STAFF TIME ESTIMATE: 27 to 35 hours
- Weeks 7-8**
- Finalize and Go Live**
The final templates will refined based on Pelham's feedback and will be distributed to Pelham to Go Live.
PELHAM STAFF TIME ESTIMATE: 9 to 12 hours

Utility Billing

A municipality's utility billing department, similar to many other financial tasks, must be accurate and efficient. During each billing cycle it is important that there is sufficient time to not only produce and mail out the billings, but also to ensure that they are as accurate as possible. During FHB's interview process it was identified that many tasks are dependent on a human review or manipulation of data. In many cases this increases the risk of error, and/or can result in either a delay of the process or staff overtime.

Summary of Findings

Arrears listing is manually produced to include the mailing address

Current Process

Monthly the Water Clerk generates an arrears listing within iCity. The listing generated within the system is opened in IntelliVIEW, a reporting module that is no longer supported, and exported to Excel. Once exported to Excel, manual manipulation of the data begins. The Water Clerk removes columns with unused data, manually enters lines to sum the amount owed by an account holder and via the use of copy and paste arrives at a listing of account holders. This report does not have any mailing addresses, as these can differ from the service address, so additional work is done to either key in the mailing addresses on the notifications or a formula to pull the mailing addresses from another Excel sheet. Finally, a mail merge is performed in Word to generate the notices. (Appendix F, pg. [72](#))

Pain Point

The generation of the arrears listing is time consuming, and contains a high risk of error. Due to the manual nature of this process, the Water Clerk spends additional time ensuring accuracy through the use of checks and double checks. Currently, the listing produced does not provide the mailing address, nor is it a summary report. Whenever there is significant manual manipulation of data in Excel, including the use of formulas, the integrity of the data can be compromised, and eliminates any audit trail.

Impact to Pelham

Staff time is being spent on manually manipulating the data rather than using the functionality that exists within iCity to produce the report. The current estimate by staff is that it takes approximately 30 minutes to 1 hour per month to manipulate the information.

Consumption estimates are manually identified and calculated through individual account lookups

Current Process

Due to a meter reading issue, or a previous estimate, the water consumption for some accounts must be estimated. The Water Clerk currently uses the Meter Reading Edit List (UB4050) to visually identify accounts with incorrect or abnormal meter reads. Pelham is divided into 20 different areas for water billing purposes, therefore, the Water Clerk reviews 20 edit listings per billing cycle, looking for any meters that are not reading correctly. If a meter is identified as "not transmitting" or the previous reading was rounded up, the Water Clerk must manually adjust the reading through the Customer Inquiry and Maintenance window (UB1040) for each account.

In the case of a rounded reading, there is simply the need to look up the account and adjust the reading so that it is the same as the previous reading. For example, if a final reading from the meter was 38.865, then the reading used would have been 39. If there was no water consumption between the closing date to the current read date the system will pull in 38 and must be adjusted to 39.

If a meter is not transmitting properly, the Water Clerk uses professional judgement to establish an estimate of consumption. This estimate is determined by manually reviewing the individual customer accounts and the consumption history for the previous 2 to 3 years for that same consumption period. For example, if an

estimate is required for January/February 2021, then the Water Clerk would review those same two months in 2020, 2019 and 2018 and use the average as a benchmark for the estimate.

Pain Point

The process is time consuming. It results in tight time frames for the production of billings. Each account that is identified to be estimated is written down onto a list, then each account on this list is subsequently looked up in the system and the historical consumption periods reviewed.

The Water Clerk makes the decision regarding what the estimate should be based on experience and knowledge of the customers. This can cause difficulty if someone else must cover for the Water Clerk, or if a customer was to question the matrix used to estimate their water consumption.

Impact to Pelham

This process occupies staff time that is better allocated to the production of the billings to ensure the deadlines are met. On average, approximately 8 hours to 12 hours is invested in lookup of accounts and estimate generation. This includes the time it takes to review the listings, write down the account numbers and enter the adjustment into the system.

In addition, staff time is required to review the listings again to ensure that the manual adjustments have been properly entered and saved. If an error is discovered, additional time is required to correct the error and enter the information again.

Final billings are performed manually without the same edit listings as a regular bi-monthly billing

Current Process

Final billings are sent out monthly after the application of interest to accounts in arrears. The information that supports the final bills is collected throughout the previous month to ensure that all the data is collected.

Every Friday the Water Clerk sends a listing of addresses, meter numbers and reading dates to Public Works so that they can obtain a reading on the final date of the account. Once these readings are completed they are returned from Public Works and held in a file folder until the start of the next month when final billings are processed.

Throughout the process there are external spreadsheets maintained to track information, which again requires re-keying and copying of information. At the start of the month this information is then entered into iCity and the final bills processed. Due to the manual nature of these tasks, and lack of edit listings for the Water Clerk, each account is opened and reviewed individually before the bills are finalized.

Pain Point

This process is heavily manual, and to ensure accuracy the Water Clerk double checks all the information in the system prior to running the billings. As information is required to flow between Public Works and the Water Clerk, this is information that is being re-keyed and copied.

Impact to Pelham

Staff time is being invested in the production of lists as well as additional reviews of data at the start of the month to ensure that the billings are printed in a timely manner. Due to the manual nature of the data entry, the Water Clerk spends approximately 1 to 1.5 hours each month simply double checking data entry.

Work Orders are used only to record non-usage fees on an account

Current Process

When there are fees unrelated to water usage, e.g. new account fees, or disconnection fees to be applied to an account, Worker Orders are used within iCity to process the amount.

In the situation of a required meter reading due to a change in ownership, a paper form is completed, and a spreadsheet manually populated with the appropriate information (service address, account number, closing date, and meter number). Every Friday, Public Works is informed via e-mail of the required readings in the following week. Throughout the week staff read the meters, return the meter readings to the Utilities Clerk who transfer that information to the spreadsheet and paper form requesting the meter reading.

Pain Point

The manual process of tracking the information increases the risk of errors, and as a result requires additional time of staff to perform their verifications to ensure the accuracy of the data. In addition, the current process requires that the majority of data entry is done at the start of each month when the accounts are finalized and new accounts setup.

Impact to Pelham

Additional time is dedicated to the manual completion of spreadsheets and e-mails, including lookups of meter information, when a Work Order could pull that information into a printable document. Currently 1-2 hours per week are dedicated to the accumulation of read requests and vendor/purchaser information from various sources. Included in this time is approximately 15 minutes per week to send the final requests to Public Works and 10 minutes to transfer the reads into the Water Clerk's files.

Recommendation

General Recommendations

While specific items have been noted below, FHB also recommends leveraging the iCity Help functionality to capitalize on all of the Utilities module's capabilities. This will ensure that Pelham is using the module to its full extent within the Town's billing model.

Solutions for Automation

FHB's automation recommendations are focus on three different tools currently owned by Pelham.

iCity

Generate arrears letters using the mail merge option within iCity.

Built into iCity, using UB5050, is the ability to generate a mail merge file at the summary level for the arrears that are outstanding. Staff have tried but have not had success using this module in the past. FHB recommends using this module to generate a .dat file, which can be used to run the mail merge in Word. The file generated in this format by iCity includes the mailing address, and the report generated to the screen provides a comprehensive list of the arrears listing by service address for your records.

Estimate meter readings with iCity.

Included in iCity is UB4031 and UB4031B. The main difference between them appears to be whether or not the estimate is to two decimal places or rounded to the whole cubic meter. Within the selection window, the Water Clerk is able to specify the reading date, which account or accounts are to be calculated and the specific periods to average. For example, if a customer needs an average calculated for their June 2021 reading, the system could be told to look at June 2020, 2019 and 2018. The caveat is that the system will average the last 12 months if the account does not have all periods specified. In the example, if the customer only had historical data for 2020 and 2019, then the process would average the last 12 months. However, if the 2018 period were removed from the periods to average, the average for the previous two years, 2020 and 2019 would be properly calculated. In addition, you can generate a report, update the meter estimate for the account, or do both.

Track service connections, disconnections and the associated billing task through the work order feature within iCity.

Included in iCity is the ability to prepare and print Work Orders. The intent of the Work Orders is to allow users to create documentation that would initiate non-billable work that needs to be performed such as meter readings, meter maintenance, and service connections or disconnections. Through the use of the

system there is a reduced need to re-key information into e-mails or spreadsheets. The account simply needs to be looked up within iCity and the fields completed. The printed Work Order provides the information regarding the service address, the meter location as well as the meter number, and a location for field notes to be entered. While there is still potential for a paper document to be produced and circulated, consideration should be given to printing to PDF.

Excel Power Query

Produce exception reports using Microsoft Power Query to target anomalies in the billing process.

Through the use of Power Query Pelham will be able to pull data into Excel, and then apply various transformations or combinations to that data. The advantage is that by replacing the data each time, you can reload the information into the Power Query without having to redo all the formulas and formatting.

Public Service Request (PSR)

Collaborate with Public Works to use Public Service Request to share information relevant for meter readings and servicing.

Pelham's investment in PSR allows internal staff, as well as the public, to submit requests. The advantage for Public Works is that they are able to access the information remotely, and can update information while on site performing an inspection or reading. Through the use of Work Management Processes, information could flow between the Water Clerk and Public Works. The ability to attach to the request a PDF means that the produced Work Order in iCity, which includes the meter information and service address, could be attached for the on-site employee's information.

Leveraging the PSR system means that Public Works can manage the requests along with any other service request for that day. It assists with centralizing the information, and providing a clear audit trail of the process. The ability to enter a request with a future date also allows the Water Clerk to log these requests as they arrive, rather than tracking them in a spreadsheet and sending them on a weekly basis via e-mail.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

Recommended Software Solution		iCity		Excel Power Query	
Total Implementation Costs	\$	6,500	to \$	11,900	
Software: One-time investment	Pelham already owns iCity				Included with Office 365 planned upgrade. Consulting costs have been included in the Management Report section.
Software: Annual Investment	No new annual costs for iCity				
Consulting	\$	5,300	to \$	10,100	
Training	\$	1,200	to \$	1,800	

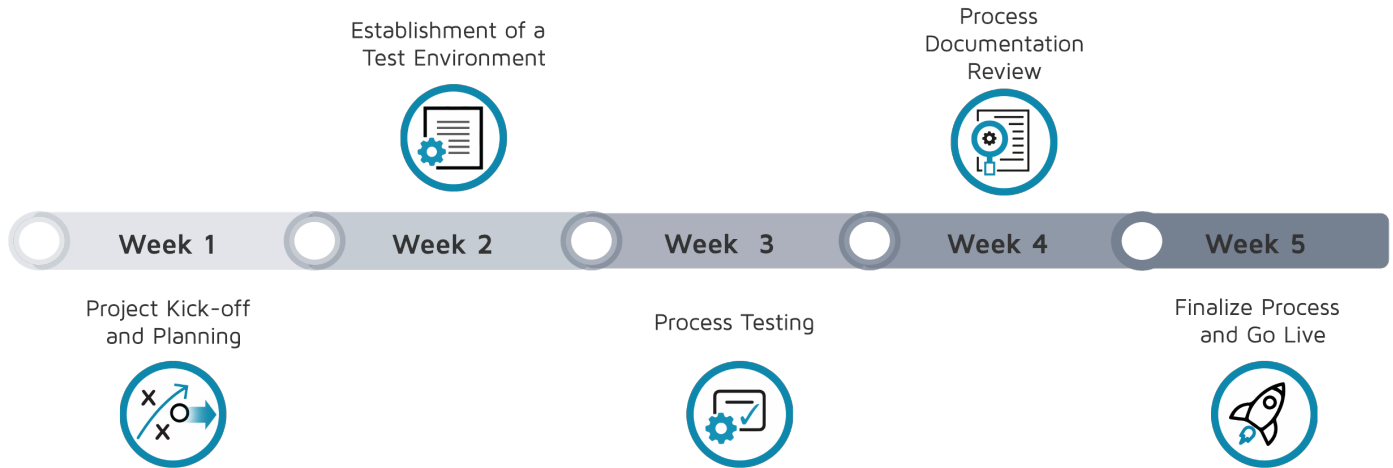
Included in the analysis was a review of potential time savings for staff with the implementation of the recommended software solution.

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
iCity			
Monthly, the Water Clerk runs a report in iCity, exports to Excel, and manually manipulates the data to obtain the arrears listing and amounts. Subsequently, determining the appropriate mailing addresses is either done manually or using a VLOOKUP prior to performing the mail merge. The proposed use of the iCity mail merge function would save significant time and prevent potential typos in a mailing address.	40 hours	30 hours	10 hours
Bi-monthly, when the billings are prepared, the Water Clerk often is required to estimate the consumption for accounts. To perform these estimates, the Water Clerk must open each account individually and review the history, making note of the consumption typically for the past 3 years in the same billing cycle. Once these figures are obtained, the Water Clerk performs an estimate of the average consumption and uses professional judgement for reasonableness. Subsequently this estimate must be entered as the customer's meter read.	40 hours	20 hours	20 hours
Monthly Final Billings are produced. Acquiring and entering the information is done manually as the meter reading list for final reads is maintained and tracked via an Excel spreadsheet. Through the use of Work Orders within the system, the meter information and readings could be managed electronically.	110 hours	70 hours	40 hours
Subtotal of Time Estimate for iCity	190 hours	120 hours	70 hours
Excel Power Query			
Bi-monthly the Water Clerk reviews the reading reports for 20 routes. This is a manual review looking for specific items which could be reviewed using Power Query in Excel. This would remove the need to go through each report manually, and review a central report of the accounts that need to be addressed.	30 hours	5 hours	25 hours
Subtotal of Time Estimate for Excel Power Query	30 hours	5 hours	25 hours
Total Estimated Hours	220 hours	125 hours	95 hours
Estimated Value of Time to be Reinvested			\$ 4,400

Implementation Plan

FHB has recommended the use of additional iCity reports and module functionality, as well as the use of Excel Power Query.

iCity Reports and Module Functionality



Week 1 Project Kick-off and Planning

The project will begin with a team introduction and a review of the project's scope and timeline.

PELHAM STAFF TIME ESTIMATE: 3 hours

Week 2 Establishment of a Test Environment

Staff will work with IT to ensure that the data within the Test Environment is updated, and that any automatic e-mails which may occur through the billing process are disconnected.

PELHAM STAFF TIME ESTIMATE: 5 hours

Week 3 Process Testing

After the changes to the test environment have been made, the new processes will be verified through modelling.

PELHAM STAFF TIME ESTIMATE: 10 hours

Week 4 Process Documentation Review

Internal documentation will be reviewed and updated to reflect the new processes.

PELHAM STAFF TIME ESTIMATE: 6 hours

Week 5 Finalize Process and Go Live

A final review of the new processes and documentation will be completed and a Go Live date will be selected. The Go Live date should be the start of a month, so that it can flow through a complete Final Billing cycle.

PELHAM STAFF TIME ESTIMATE: 6 hours

Management Reports and Data Mining

As FHB reviewed specific processes with the goal of improving automation and streamlining processes, there were various reports that were reviewed and considered. While many of these improvements are addressed within the specific sections above, there is an overarching need for effective management reports, as well as the ability to gather data to complete required analysis and review of the financial information.

Summary of Findings

Management Reports

Unknown Lifetime of IntelliVIEW

Current Process

Employees are able to run reports from iCity through IntelliVIEW to perform various tasks. Operations currently rely on the use of IntelliVIEW to export and filter data from iCity into a usable format in Excel.

Pain Point

IntelliVIEW is no longer supported and its longevity is unknown. Pelham has been advised by the vendor to transition to their RIM reporting module.

The software supplier was contracted specifically to assist Pelham in recreating the following reports using RIM, and was unable to do so.

GL	SY	PT	PA
5030	5030	5220A	4330
5510	4010	5230D	
FA	BP	CR	AP
5010	5460	5510	Vendor List
5030	additional BP reports		
5260			

Impact to Pelham

Currently there are numerous reports that are leveraged within IntelliVIEW. Most of these reports have not been established within RIM. There does not appear to be any way to import the format of the reports from IntelliVIEW to RIM. The most frequently used report is GL5030, a report providing detail of transactions posted to the General Ledger.

Deficiencies in RIM Reporting Module

Current Process

Pelham staff are reluctant to generate reports through RIM due the various issues experienced both by Pelham staff and reported by other municipalities that use iCity.

Pain Point

There are four main pain points:

1. RIM does not contain the reports that are required.
2. Staff find RIM difficult and frustrating to use. Per the software vendor, it is a process of trial and error. This makes setting up reports time consuming.

3. RIM reports take a significant amount of time, often hours, to generate, if they generate at all. When they are being run, they impact the overall performance of the server, significantly slowing responsiveness of the system for all other users, slowing or stopping their ability to work.
4. The software vendor was unable to create the required reports when hired to assist.

Impact to Pelham

As IntelliVIEW continues to function, RIM's failings are not currently critical. Once IntelliVIEW fails, Pelham must transition to another solution immediately.

Recommendation

General Recommendations

The anticipated upgrade to Office 365 allows for cost-effective implementation of Power BI in combination with Power Query. Power Query is included with the Office 365 upgrade, and Power BI can be included in the Enterprise E5 version.

Solutions for Automation

Implement an accounting automation software solution for task management and for transaction matching and reconciliations.

For simple data gathering, many of the commonly used iCity reports can be exported to an ASCII csv file instead of IntelliView. This functionality, while basic, will fulfil many of the common uses.

For more advanced requirements, Power Query can be used to extract, re-shape and join data. It is an ETL (extract, transform, load) tool. With Power Query, you can consume data from multiple sources (including csv files), create the steps to transform it once, and re-use those steps with new data exports repeatedly. Power Query can be used for internal analysis and data mining.

For more graphical and intuitive presentation of data, Power BI can be used. Power BI can consume data from numerous sources (including Power Query) and publish highly graphical reports for internal and external users.

Cost versus Benefit

The following table summarizes the estimated cost of implementing the recommended solution. Please note that the estimates are based on the current costs. They do not take into account any future price increases that are implemented by the vendor(s).

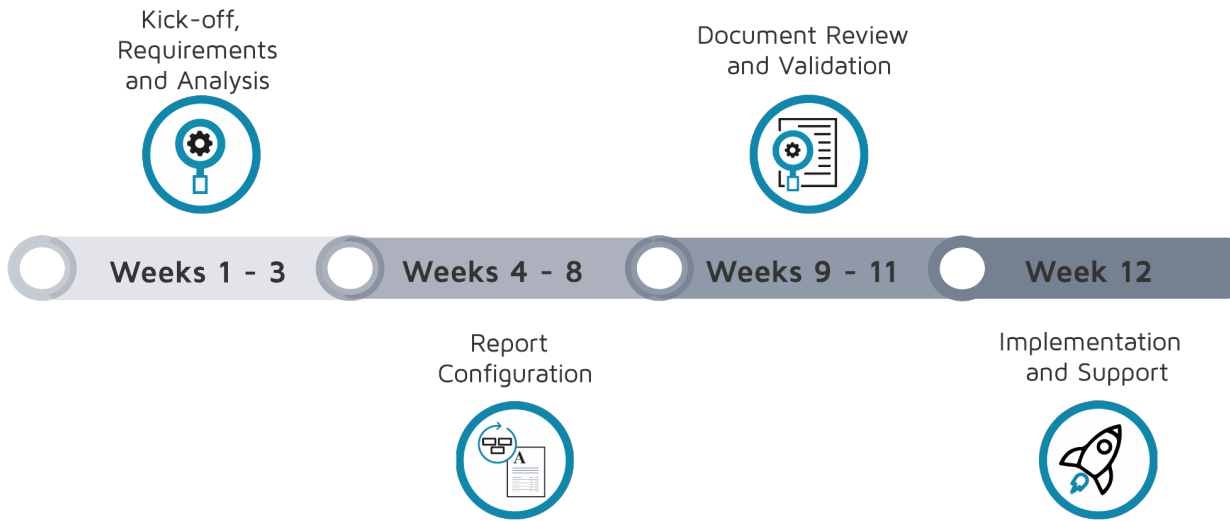
Recommended Software Solution	Microsoft Power BI / Power Query		
Total Implementation Costs	\$ 36,900.00	to	\$ 70,500.00
Software: Annual Investment	\$ 2,200.00	to	\$ 4,200.00
Consulting	\$ 30,600.00	to	\$ 57,600.00
Training	\$ 4,100.00	to	\$ 8,700.00

Included in the analysis was a review of potential time savings for staff with the implementation of the recommended software solution.

Current Process Description	Current State Estimated Active Time	Future State Estimated Active Time	Estimated Savings per Year
Design of repeatable data extracts into Power BI and Power Query and automate and align data into usable reports.	180 hours	60 hours	120 hours
Total Estimated Hours	180 hours	60 hours	120 hours
Estimated Value of Time to be Reinvested			\$ 7,800

Implementation Plan

FHB has recommended the use a combination of using iCity's CSV export function with Microsoft Power Query and Power BI for reporting

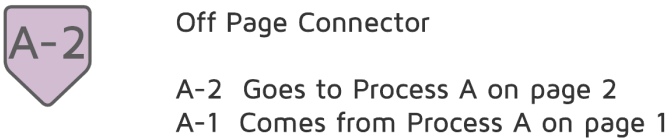
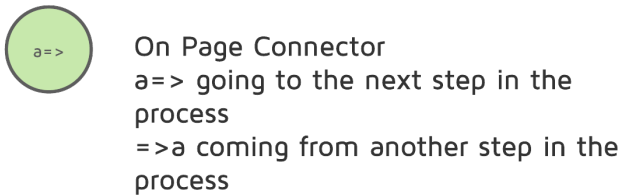
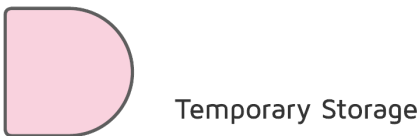
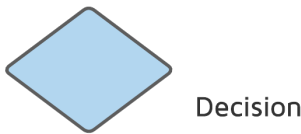
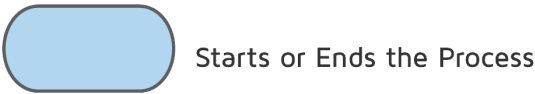
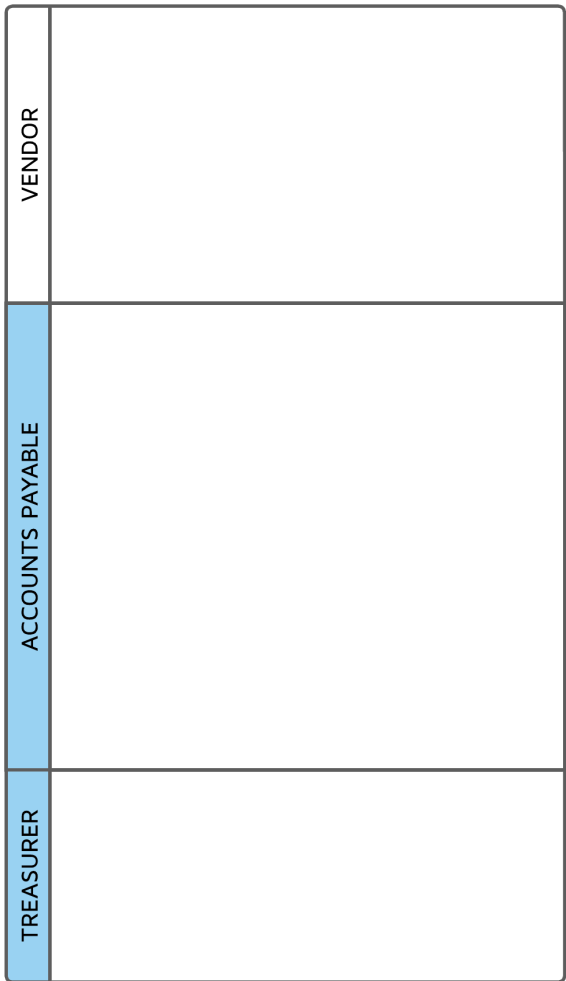


Weeks 1-3	<p>Project Kick-off Project begins with an introduction to the tools to be used for the implementation and a discussion regarding the timelines. PELHAM STAFF TIME ESTIMATE: 3 to 5 hours</p> <p>Requirements and Analysis The intended use and audience of the each reports will be confirmed to establish the best tool (CSV, Power Query, Power BI) for reporting. PELHAM STAFF TIME ESTIMATE: 10 to 15 hours</p>
Weeks 4-8	<p>Report Configuration and Training Training will be provided to Pelham's team members. The sample reports created will be circulated to Pelham for review and testing. PELHAM STAFF TIME ESTIMATE: 10 to 12 hours</p>
Weeks 9-11	<p>Review and Validation The input provided will be used to make changes to the prototypes and the reports will be tested. PELHAM STAFF TIME ESTIMATE: 5 to 10 hours</p>
Week 12	<p>Implementation & Support The final reports will refined based on Pelham's feedback and will be distributed to Pelham to Go Live. PELHAM STAFF TIME ESTIMATE: 2 to 3 hours</p>

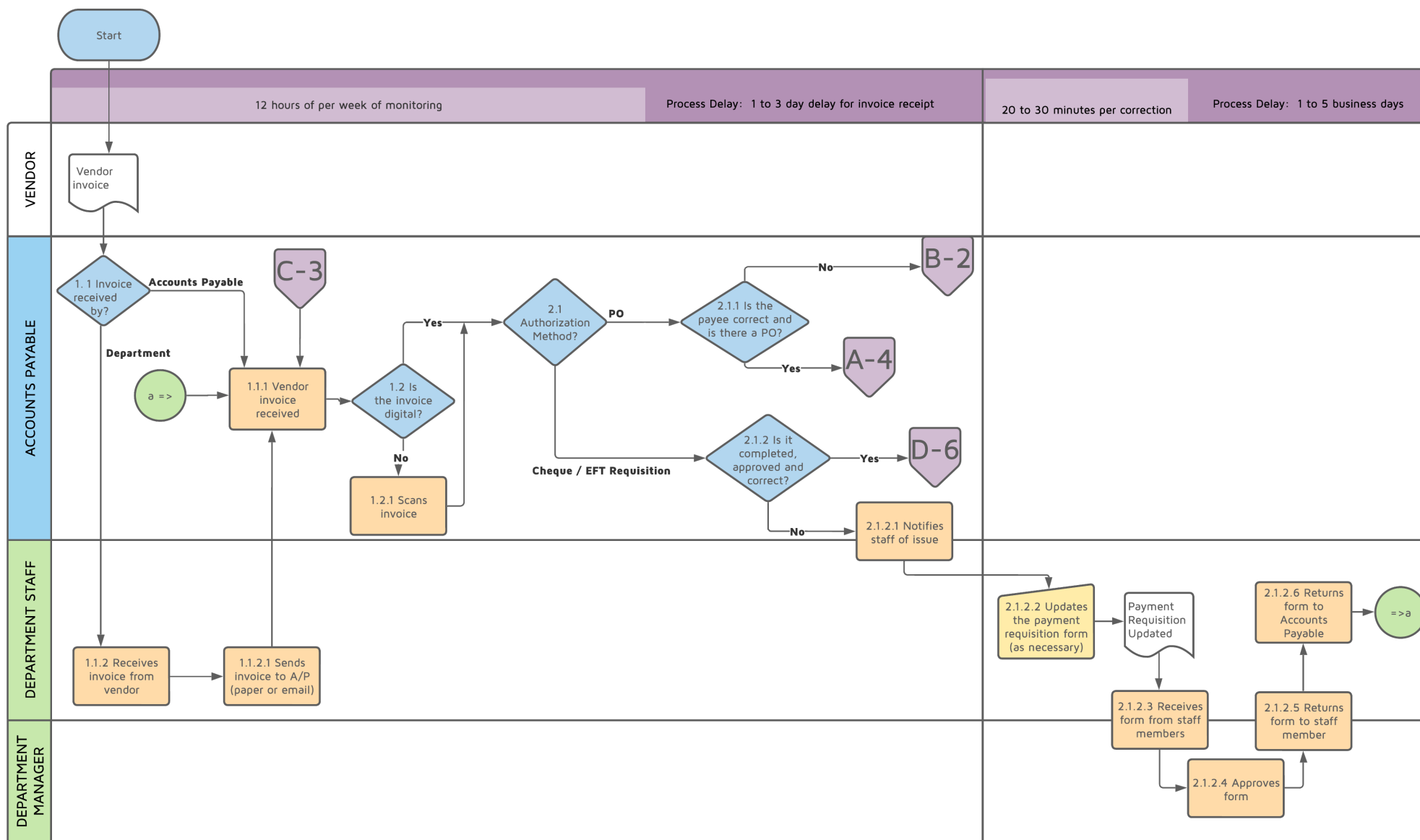
Appendix A - Accounts Payable Process

Legend

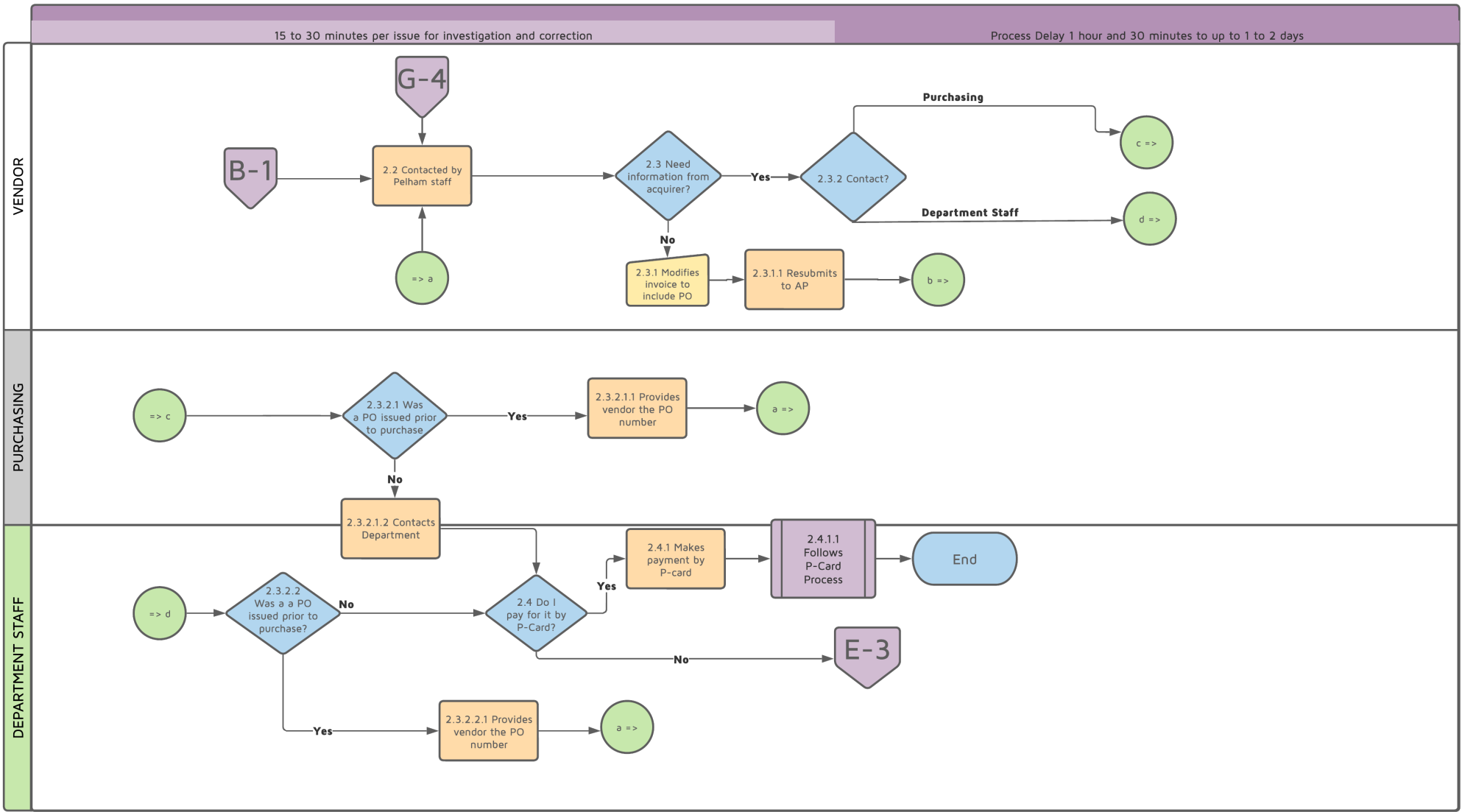
Swimlanes - shows who is performing the process



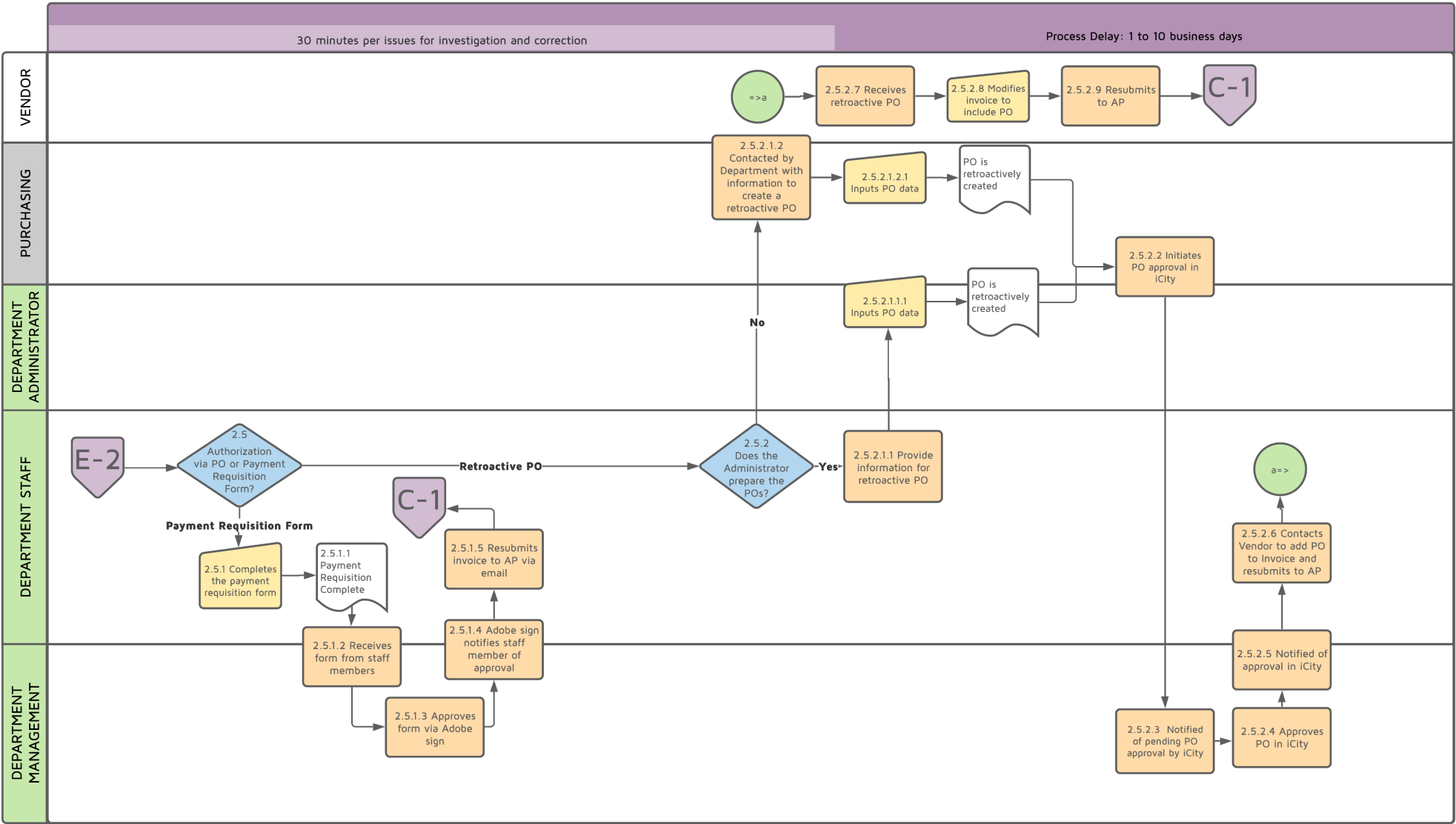
Appendix A - Accounts Payable Process - Initial Receipt of Invoice (Page 1)



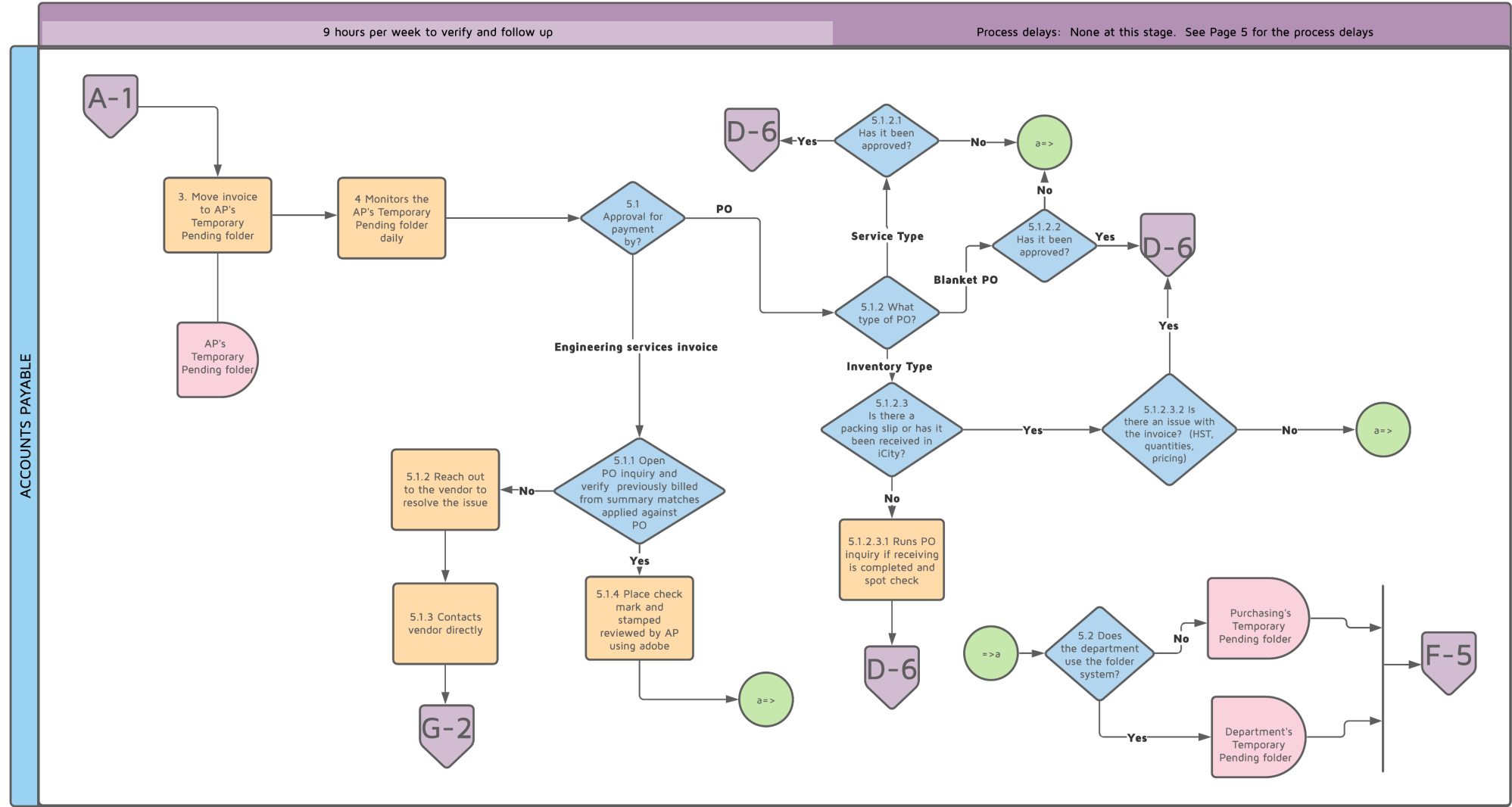
Appendix A - Accounts Payable Process - Initial Receipt of Invoice (Page 2)



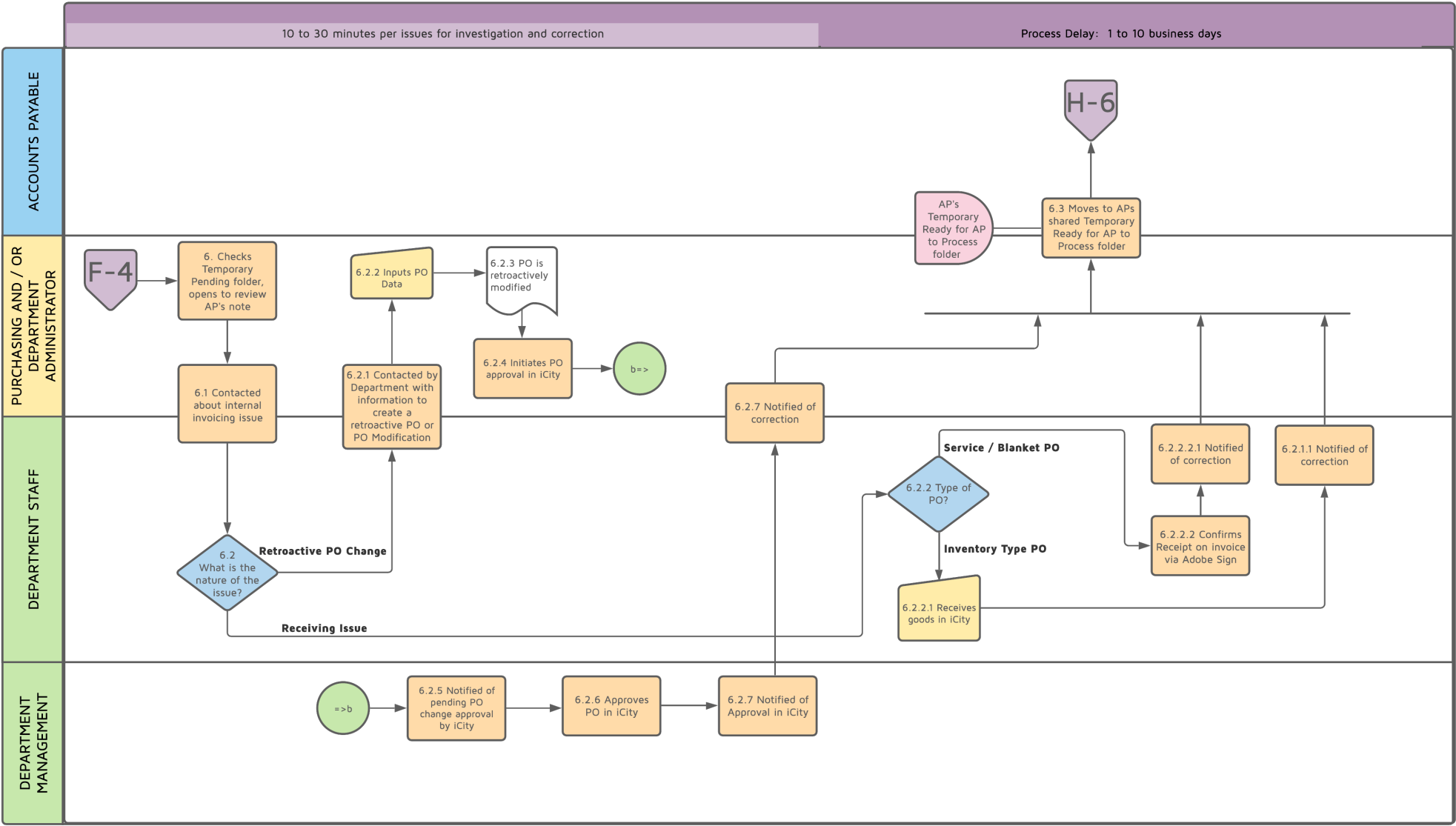
Appendix A - Accounts Payable Process - Initial Receipt of Invoice (Page 3)



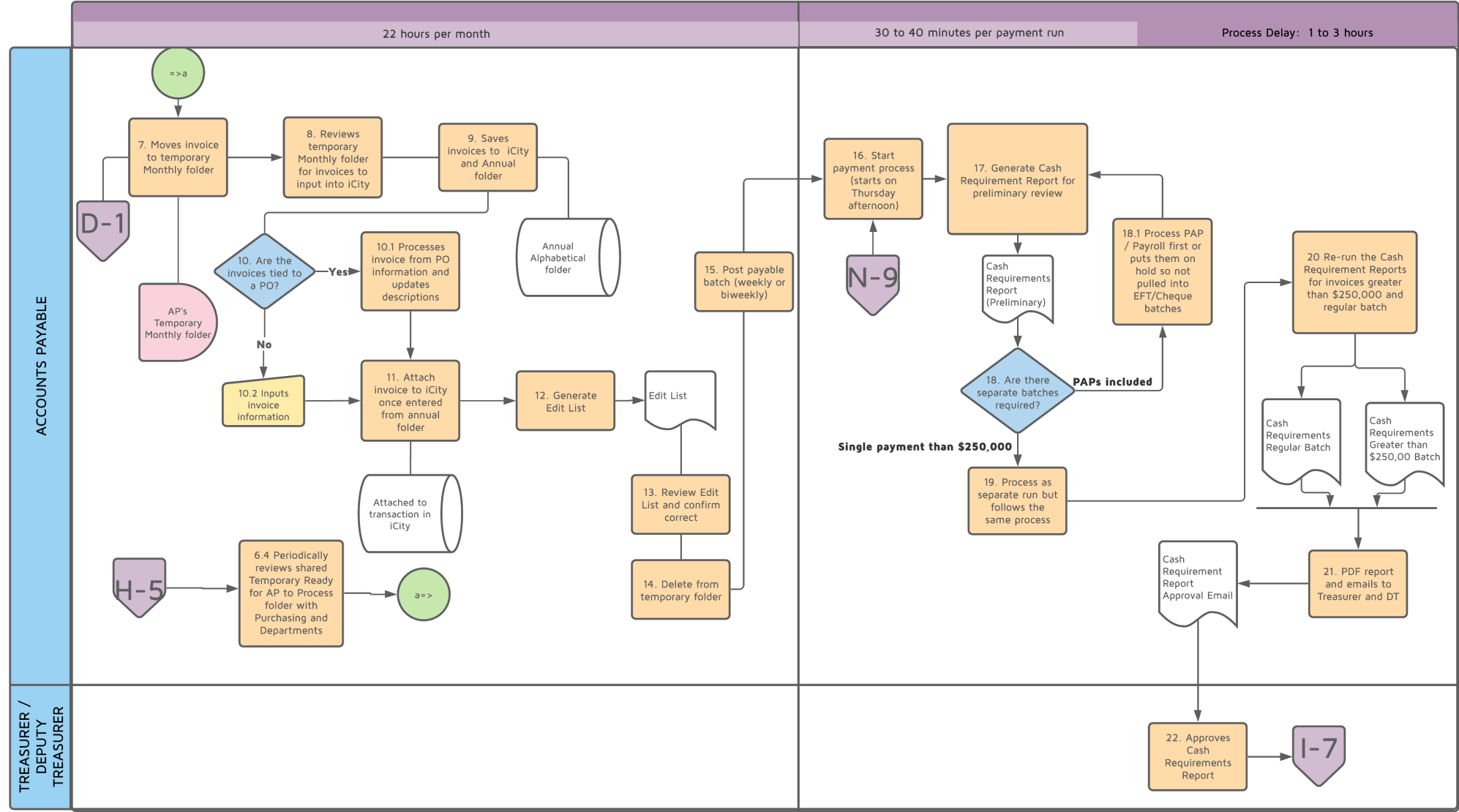
Appendix A - Accounts Payable Process - Invoice Matching (Page 4)



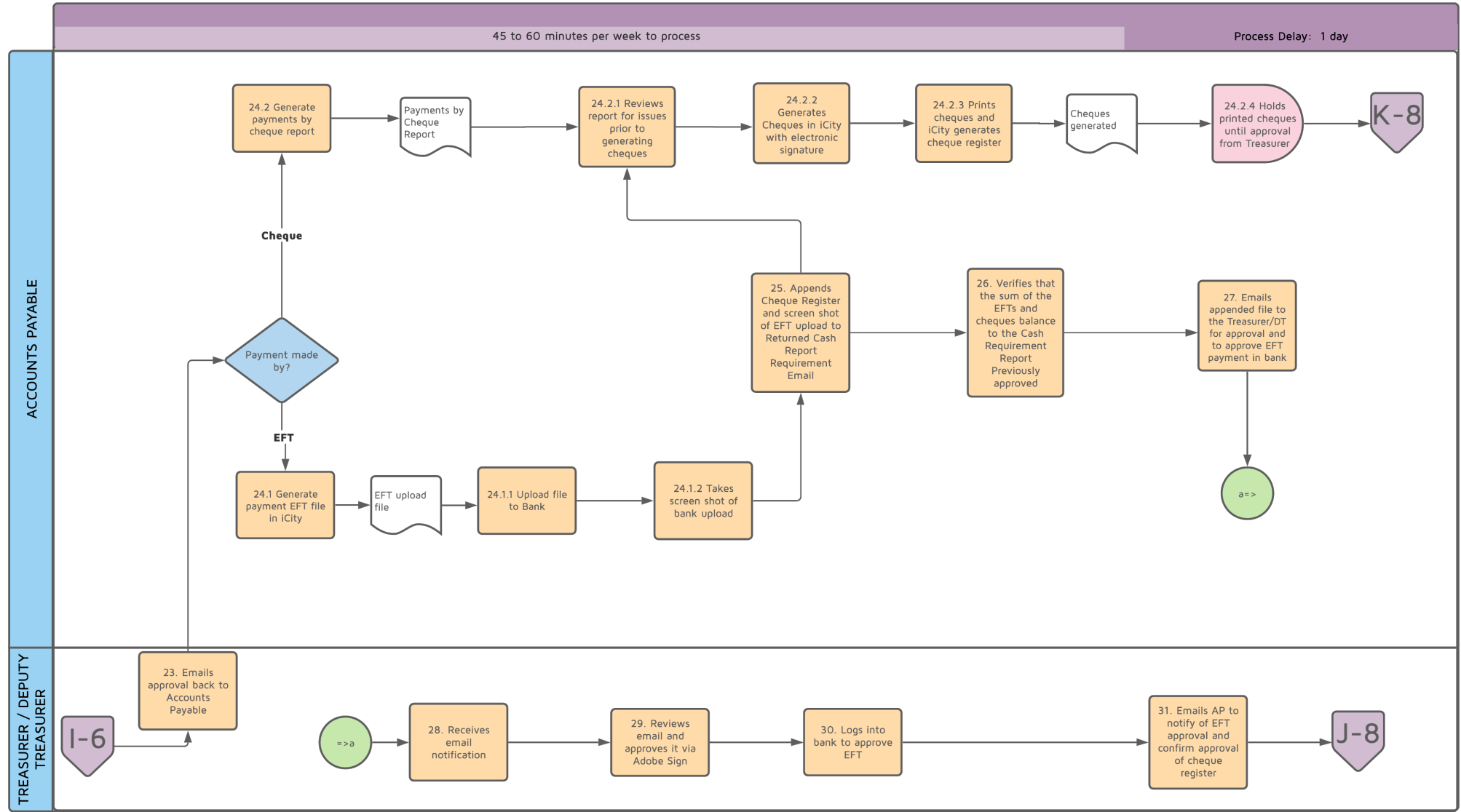
Appendix A - Accounts Payable Process - Invoice Matching (Page 5)



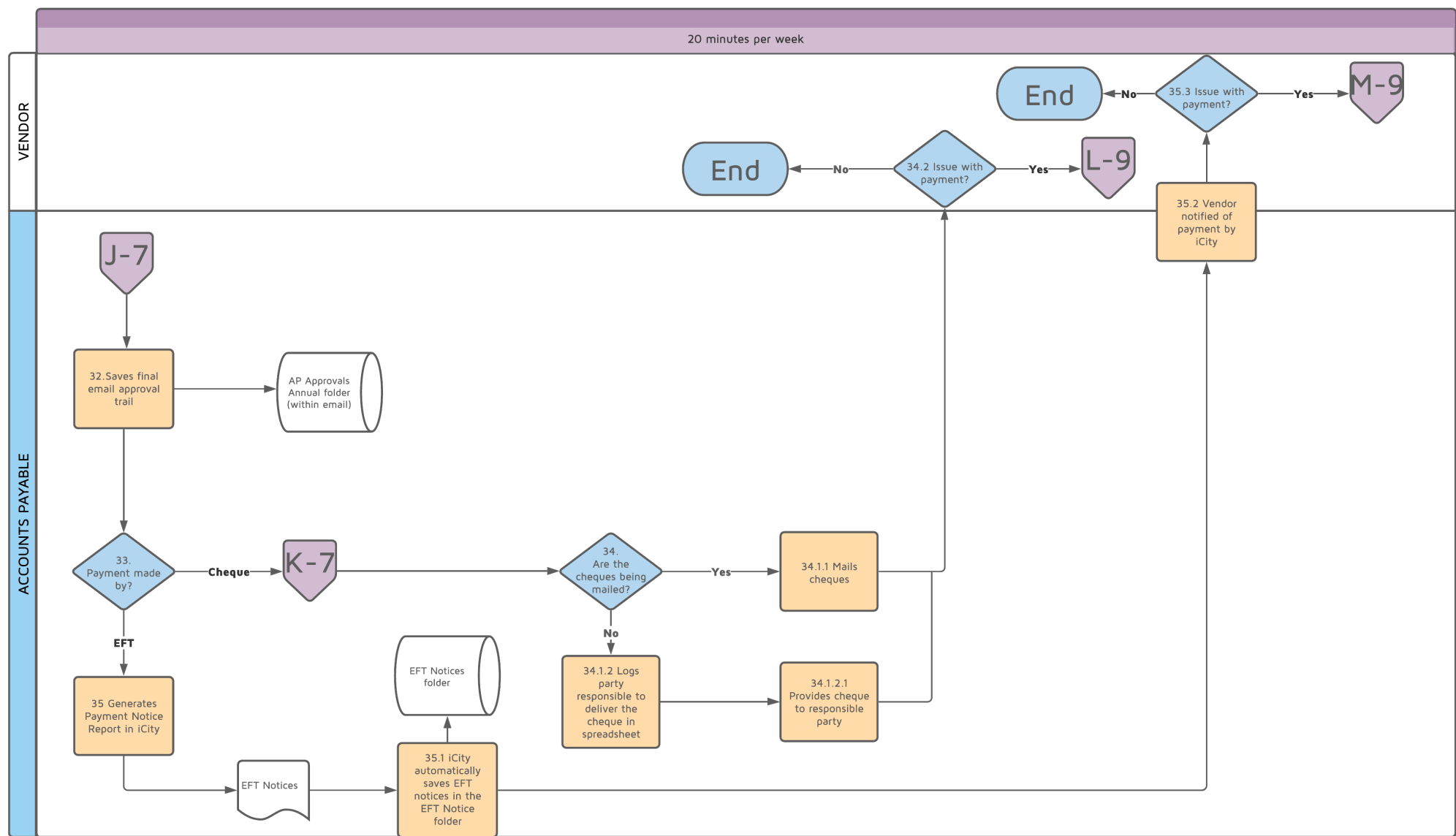
Appendix A - Accounts Payable Process - Invoice Entering and Preparation for Payment Matching (Page 6)



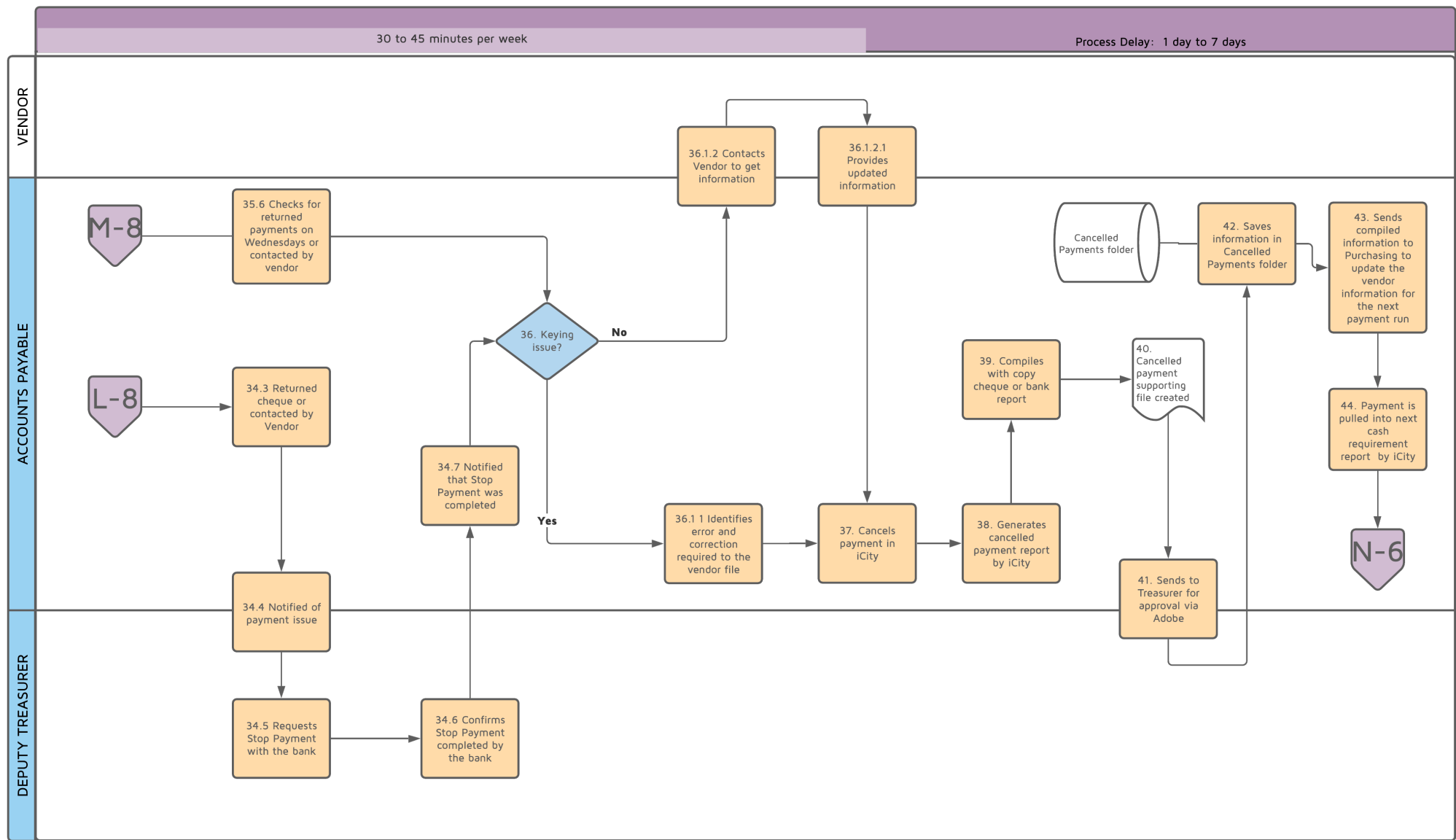
Appendix A - Accounts Payable Process - Payment Made (Page 7)



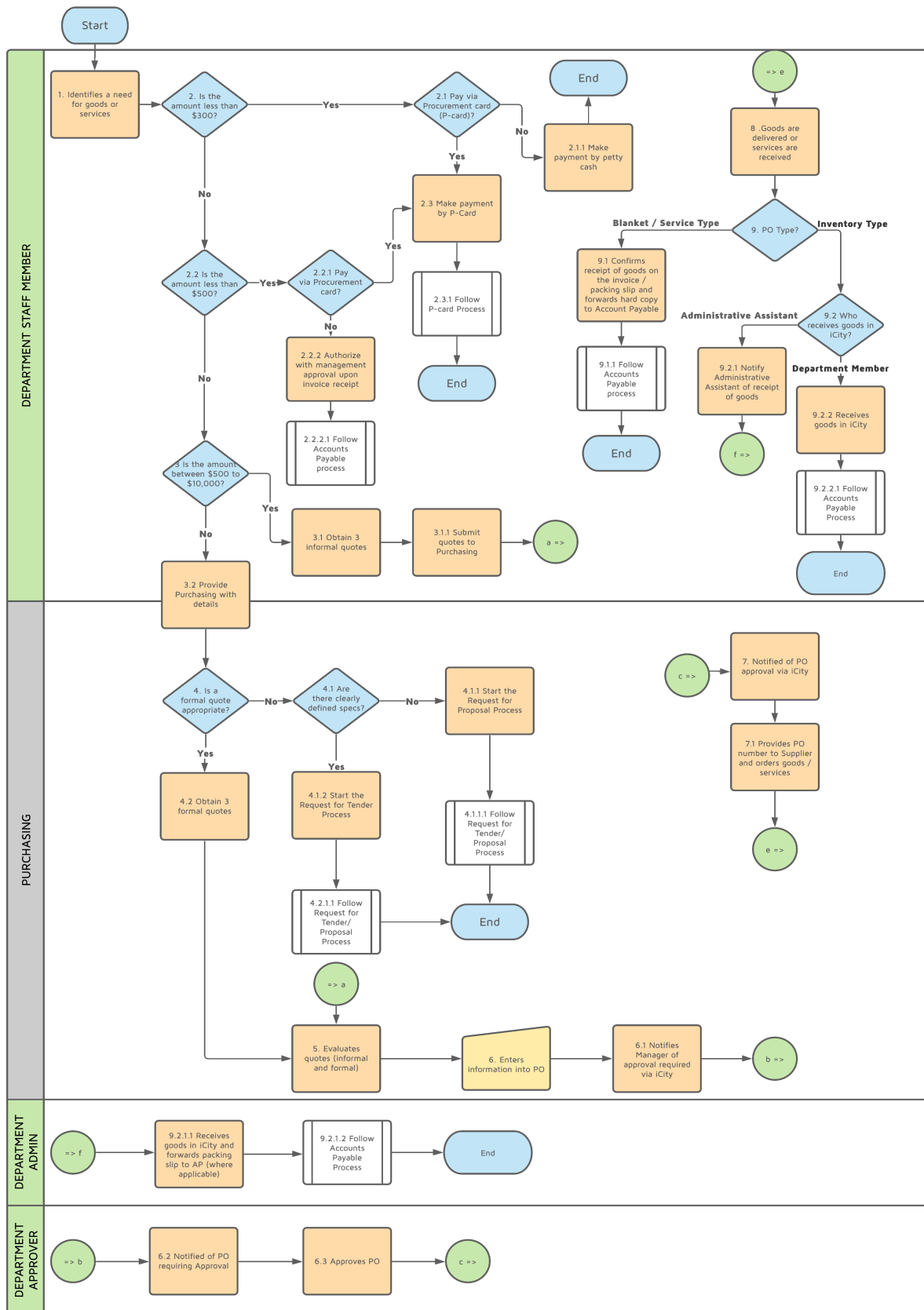
Appendix A - Accounts Payable Process - Payment Made (Page 8)



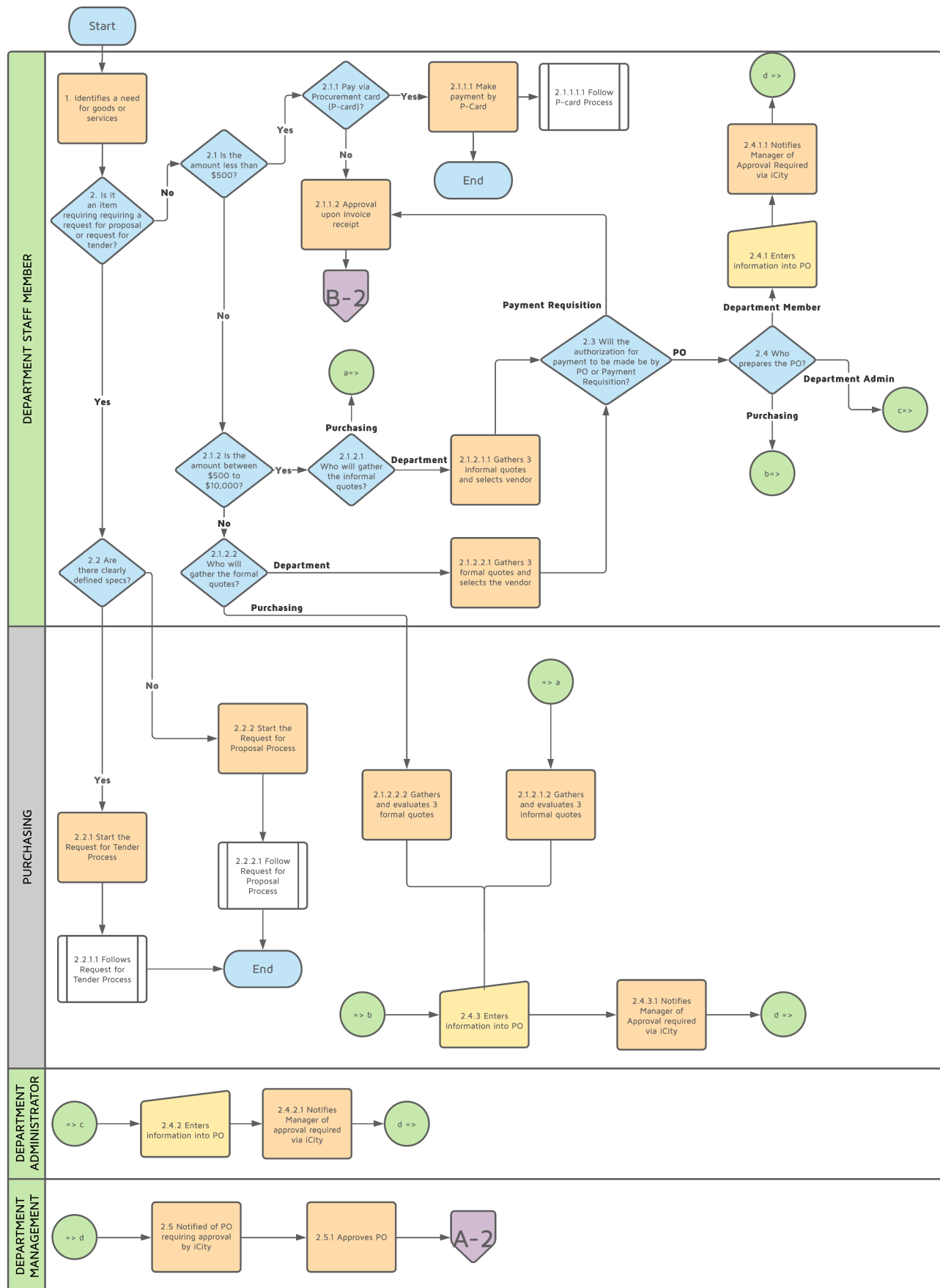
Appendix A - Accounts Payable Process - Returned Payment (Page 9)



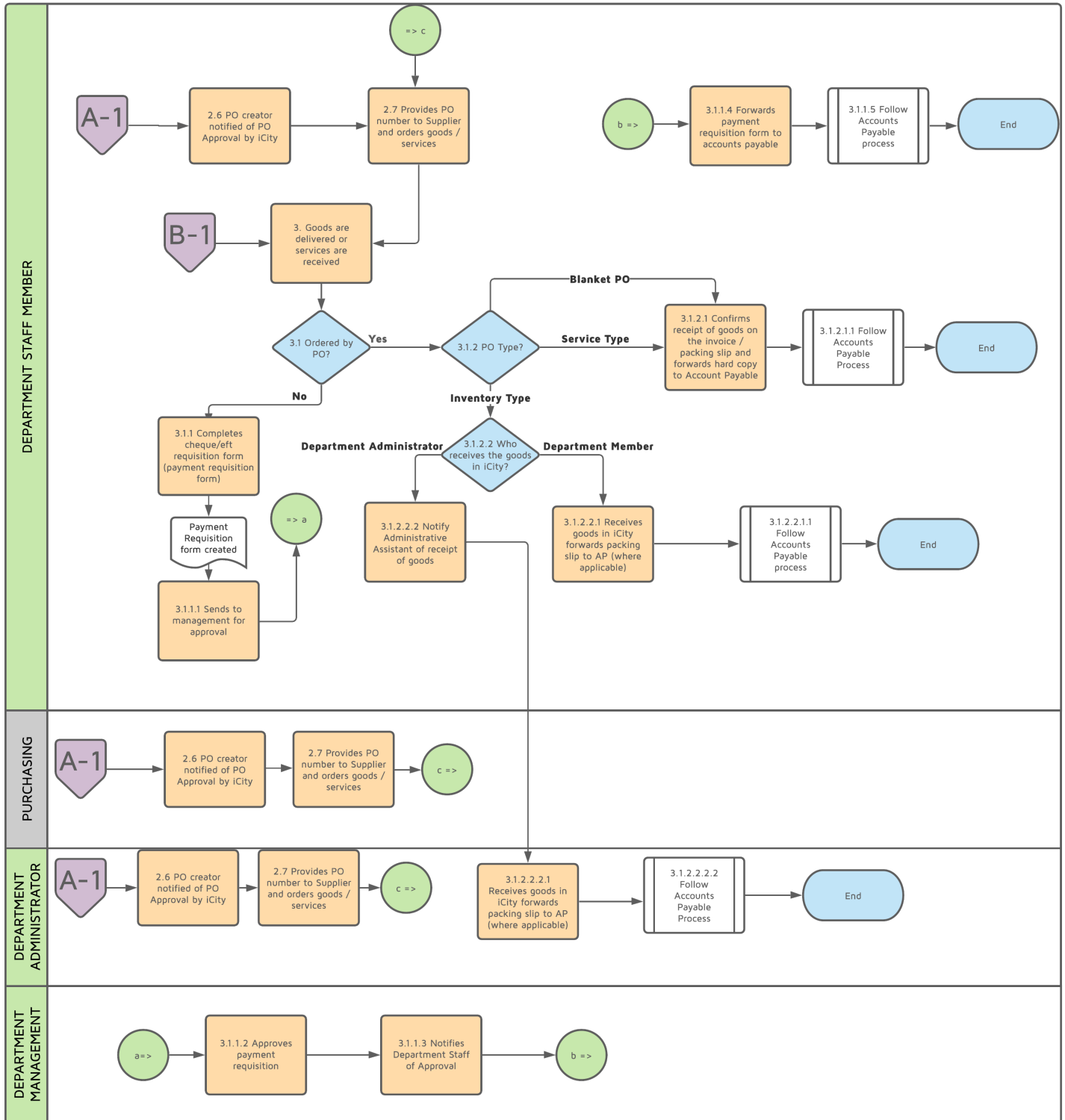
Appendix B - Procurement Process per Policy



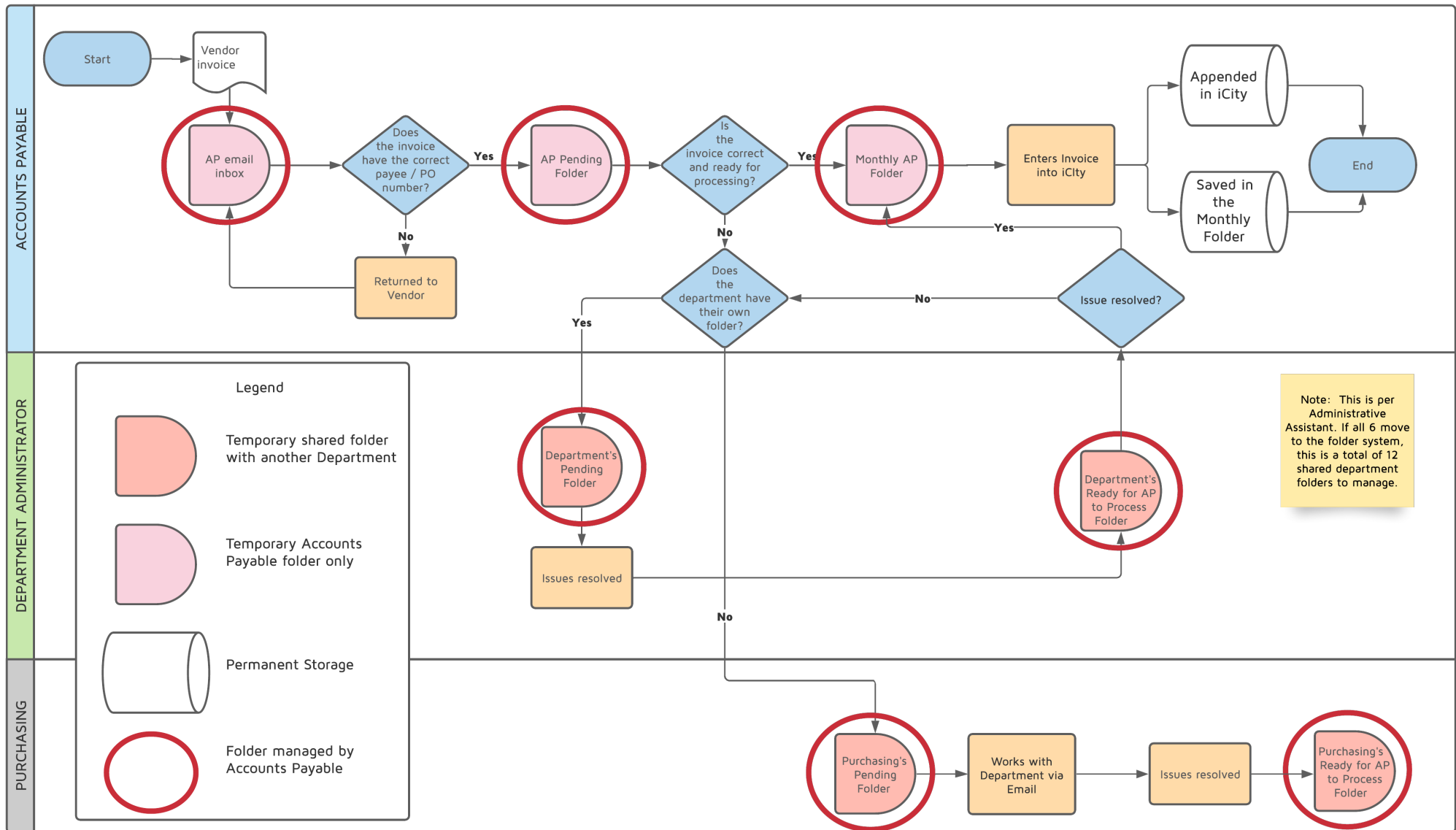
Appendix C - Current Procurement Process



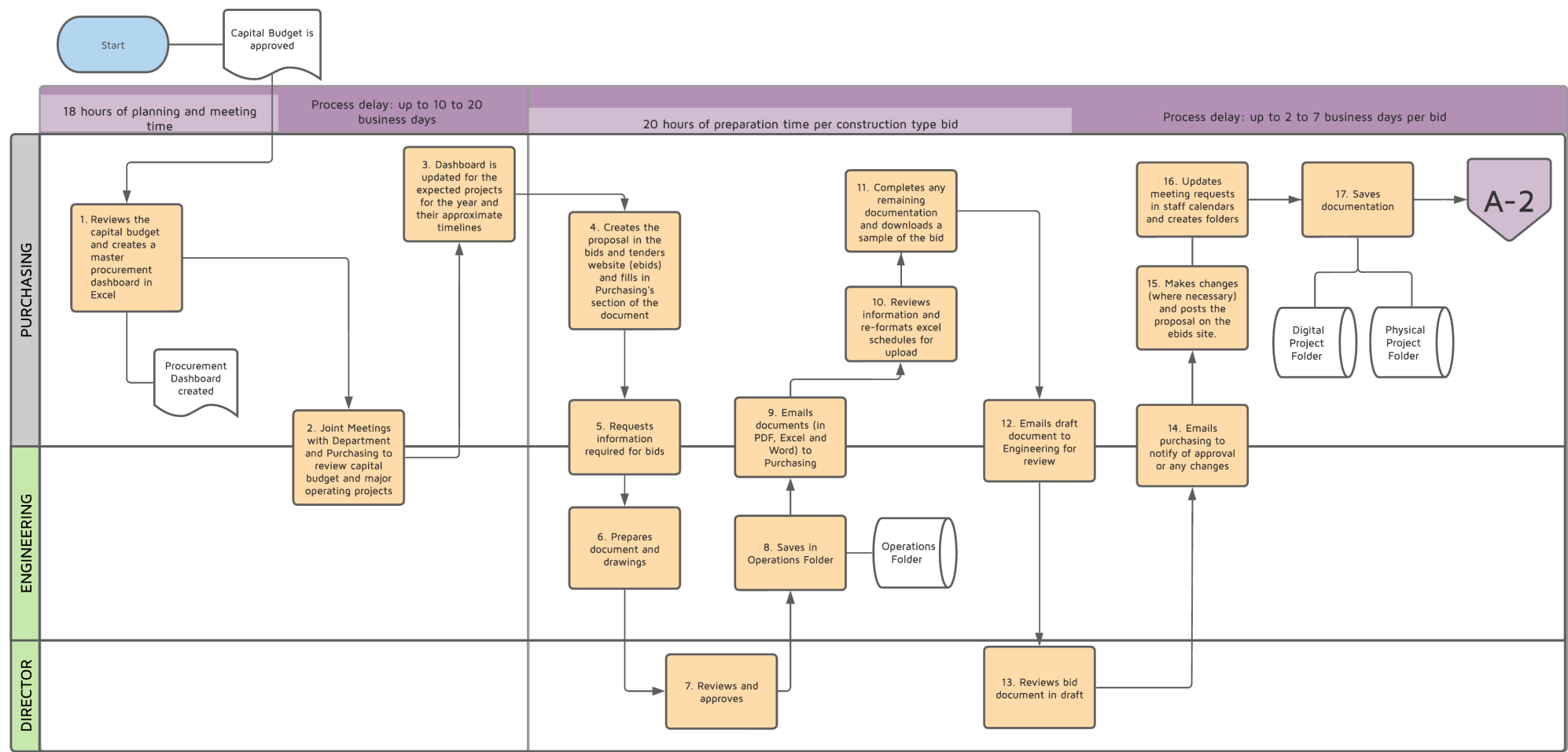
Appendix C - Current Procurement Process (Page 2)



Appendix D - Invoice Management System



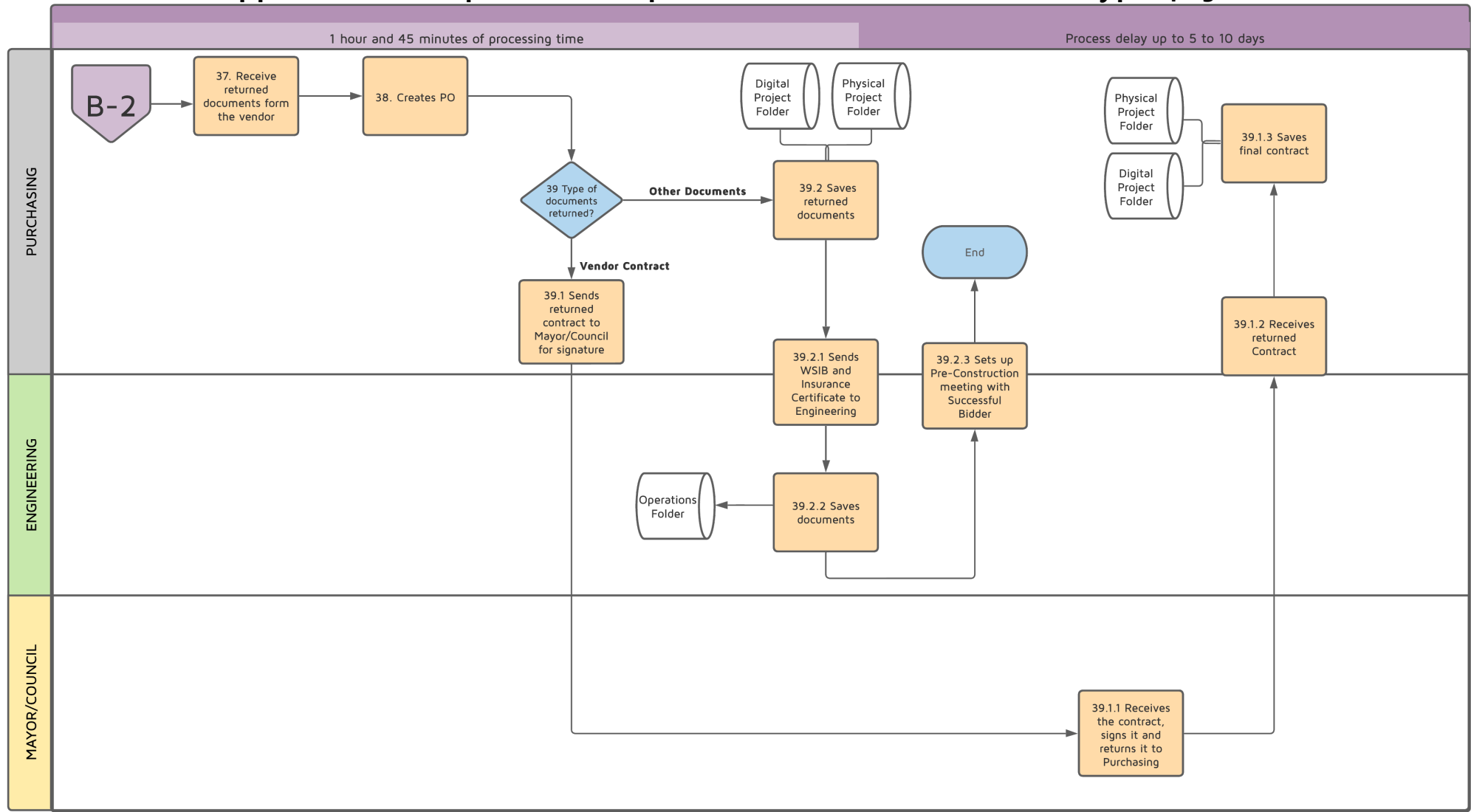
Appendix E - Request for Proposal Process - Construction Type



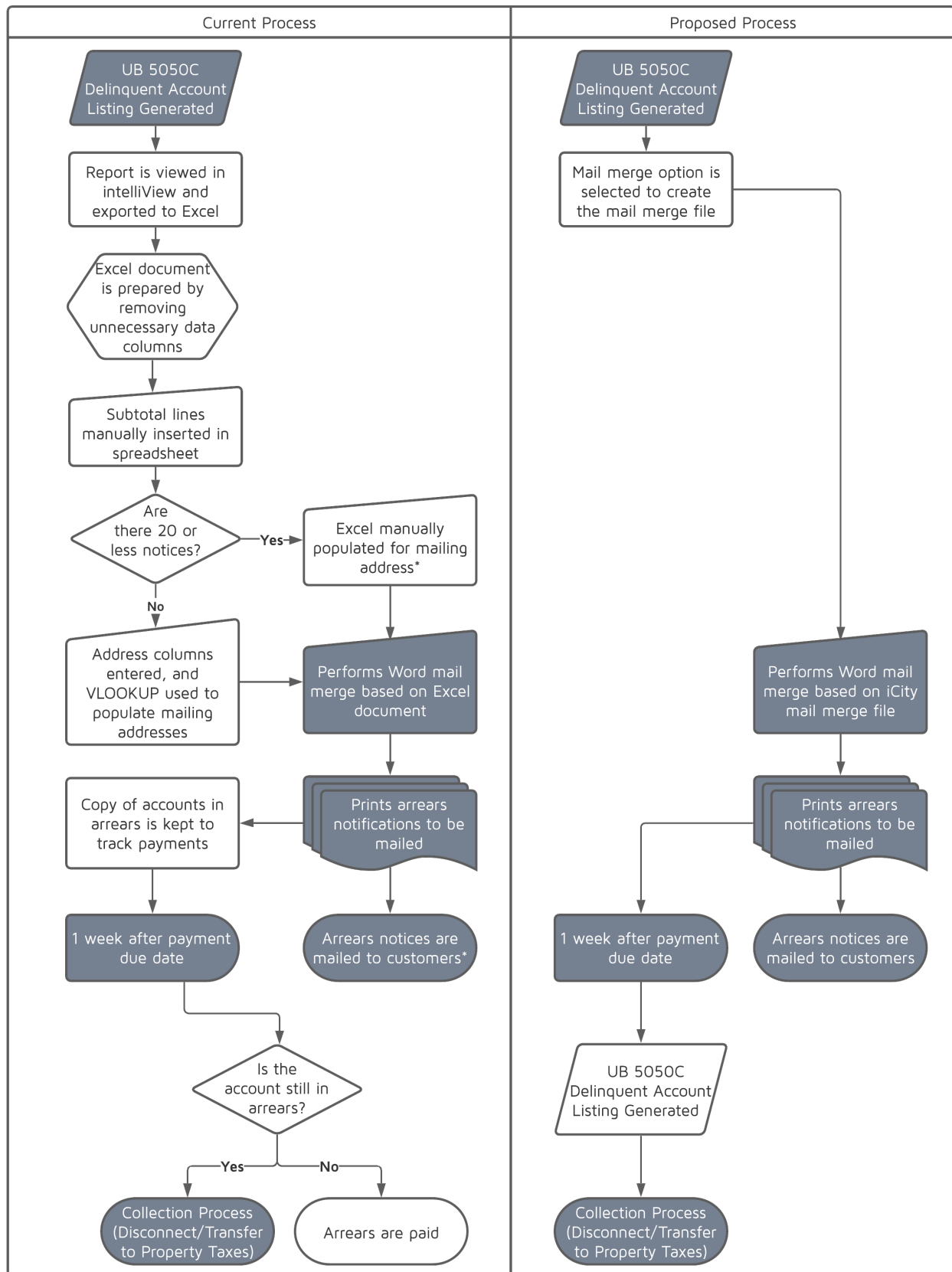
		Posting period is typically 15 business days		3 hours 15 minutes of response time per addendum		Process day: up to 5 business days per addendum		5 hours of evaluation time* per bid		Process delay: up to 6 to 12 business days		30 to 45 minutes of active time	
SUCCESSFUL BIDDER													
PURCHASING													
EVALUATORS													
ENGINEERING													

* Includes evaluation time for 1 evaluator.

Appendix E - Request for Proposal Process - Construction Type (page 3)



Appendix F - Utilities Arrears Letter Process



*The Revenue Analyst provides assistance to the Water Clerk if manually populating mailing addresses or to complete the mailing.

Appendix G - Detailed Summary of Findings

Component Area	Findings
Automation of Capital Budget Book	<ul style="list-style-type: none"> — Capital budget Excel sheets require repetitive manual manipulation — Reserve forecasts are no longer linked within Excel, and require manual entry — Capital Projects are manually renumbered after each change to the budget — Quarterly capital actual to budget reporting is manually maintained in Excel
Bank Reconciliation & Month-End Close	<ul style="list-style-type: none"> — Bank reconciliations require manual manipulation and matching — Month end closes are not currently being performed
Payroll Automation	<ul style="list-style-type: none"> — Staff can access all codes in the time entry module, resulting in miscoding of time — Time sheet approval deadlines are not observed — Time sheets are approved by supervisors but require frequent adjustments by the Payroll Clerk — Manual calculations are done to verify that part-time hours do not exceed maximum — Manual calculations are done to verify that vacation, sick and banked time are within limits — Manually reviewing CPP and EI eligibility each pay period — Manually calculated pay rate changes
Procure-to-Pay	<ul style="list-style-type: none"> — Inconsistency with the initiation of the purchasing process — Decentralized invoice receipt and administration — Monitoring for incoming invoices and initial invoice screening is a manual process — Communication is disconnected for new vendor setups — Three way invoice matching is manual and requires significant administration — P-Card Process is Manual and Paper-Based
Automation of Request for Proposal Process	<ul style="list-style-type: none"> — Identifying and planning for bids relies on numerous, cross-departmental meetings — Administration of bids requires extensive coordination of dependent tasks — Bid templates are not stored in a centralized library — Addenda are frequent and require additional administration and coordination — Proposal evaluations are prepared manually rather than using the
Utility Billing	<ul style="list-style-type: none"> — Arrears listing is manually produced to include the mailing address — Consumption estimates are manually identified and calculated through individual account lookups — Final billings are performed manually without the same edit listings as a regular bi-monthly billing — Work Orders are used only to record non-usage fees on an account
Management Reports and Data Mining	<ul style="list-style-type: none"> — Unknown Lifetime of IntelliVIEW — Deficiencies in RIM Reporting Module

Appendix H - List of Acronyms & Abbreviations

Ad Hoc	A report produced on the fly for a specific purpose, normally not used again
AP	Accounts Payable
ASCII	A plain text file
bid	Refers to the request for proposal and request for tender process
CRA	Canada Revenue Agency
csv	A comma separated value file, commonly exported from ERP software
ERP	Enterprise Resource Planning. For Pelham, refers to iCity software
FHB	F.H. Black & Company Incorporated
GL	General Ledger, often used in the context of General Ledger account numbers
HST	Harmonized Sales Tax
OCR	Optical Character Recognition
pdf	Portable Document File format developed by Adobe, often refers to the file itself
PSR	Public Service Request
RFP	Request for Proposal
RFT	Request for Tender
SLT	Senior Leadership Team
Stat	Statutory Holiday