CANADIAN FINANCE MATTERS

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Committee on Canadian Issues (CCI) Highlights

San Francisco, CA | Saturday, June 1, 2013

Co-chairs of the Committee on Canadian Issues Eric Sawyer and John Martin welcomed the committee to San Francisco for the thirtieth meeting since the committee's inception in San Francisco in 1998.

New Committee Members

We would like to welcome the following new committee members: Donna Herridge, Patrice Impey and Tina Tapley. Donna Herridge is a Manager in Finance, Transportation and Works for the City Mississauga; Patrice Impey is the General Manager of Financial Services Group / Director of Finance for the City of Vancouver; Tina Tapley is the Director of Finance / City Treasurer for the City of Fredericton.

The Committee Task Forces

The committee is comprised of the following three task forces to achieve its goals: Advocacy & Communications Task Force, Professional Development Task Force, and Standards Task Force. The co-chairs for the Advocacy & Communications Task Force are Teresa Florizone from SaskBuilds Corporation, SK, and Carl Bird from the City of Yellowknife. The co-chairs for the Professional Development Task Force are Ron Kaufman from the Town of Caledon and Greg Kliparchuk from the Province of Alberta. The co-chairs for the Standards Task Force are Trevor Bingler from the Ministry of Municipal Affairs for the Province of Ontario and Bruce Fisher from the Halifax Regional Municipality.

Standards Task Force
Best Practices and Advisories

The Standards Task Force is responsible for

INSIDE THIS ISSUE

COMMITTEE ON CANADIAN ISSUES (CCI)

Members

Eric Sawyer, Co-Chair, City of Calgary, AB

John Martin, Co-Chair, City of Moncton, NB

Trevor Bingler, Province of Ontario, Ministry of Municipal Affairs and Housing, coordinating the adoption of GFOA's best practices and advisories that are applicable in Canada. The committee also continued its discussion of potential best practices that are specific in Canada, including developing a Canadian specific best practice on the Appropriate Level of Unreserved Fund Balance in the major operating fund. The best practices and advisories that have been adopted by the committee can be accessed in the Canadian section of GFOA's website.

In addition, a survey on asset management was distributed to all of GFOA's Canadian members.

Finally, The PSAB's draft strategic plan for 2013–2016 was discussed by the committee members.

Professional Development Task Force
Training at the GFOA conference

The Professional Development Task Force is responsible for coordinating the Canadian session and the Canadian Update at the GFOA Annual Conference. The committee discussed the topics covered in the Canadian Update and the Canadian session at the annual conference in San Francisco. The Canadian Update included presentations on the following; a research study on how tangible capital assets accounting has changed the financial statements of Canadian municipalities, how one Canadian municipality has used PSAB's tangible capital assets accounting as a catalyst to achieve long-term funding and asset management solutions, and further results on alternative service delivery research conducted by Dalhousie University. The Canadian session covered a results-based budgeting process, case studies of successful alternative service delivery and innovative revenue generation. The committee discussed possible topics for the next Canadian session at the GFOA annual conference in Minneapolis in May 2014. Benchmarking, performance measures, comparisons was one of the topics suggested. The committee will decide the specific topics for the next Canadian session and Canadian Update at the upcoming winter meeting in Calgary.

The committee members were also briefed on the Professional Development Task Force's continuing effort to recruit reviewers for the Canadian Award for Financial Reporting (CAnFR) Program.

Advocacy & Communications Task Force
GFOA Canadian Newsletter

The Advocacy & Communications Task Force selects the articles for each edition of the GFOA Canadian Newsletter, *Canadian Finance Matters*. Cindy Fernandes from the City of Winnipeg is the lead coordinator for the newsletter. The committee discussed the specific topics that would be covered in this newsletter.

The task force also provides an update at each meeting on the important events occurring at each of the

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Carl Bird, City of Yellowknife, NT

Robert Bishop, City of St. John's, NL

Marion Brass-Yellowfly, Siksika Nation, AB

Catherine Brubacher, City of Brantford, ON

Cindy Fernandes, City of Winnipeg, MB

Suzanne Fillion, City of Surrey, BC

Teresa Florizone, SaskBuilds Corporation, SK

Bruce Fisher, Halifax Regional Municipality, NS

Donna Herridge, City of Mississauga, ON

Patrice Impey, City of Vancouver, BC

Glen Jarbeau, City of Spruce Grove, AB

Ronald Kaufman, Town of Caledon, ON

Greg Kliparchuk, Province of Alberta, AB

Lorna Rosen, City of Edmonton, AB

Tina Tapley, City of Fredericton, NB

Valentina Todoran, Town of Hampstead, QC

Committee Advisor

Mark Gilbert, Dalhousie University, Halifax, NS

GFOA Staff Members

Stephen Gauthier, Jim Phillips

provincial associations.

Additional Topics

Co-chairs Eric Sawyer and John Martin provided an update from the GFOA Executive Board and the key activities occurring at GFOA. They noted the following items:

- Good conference attendance in San Francisco
- Increased participation by Canadian governments in the GFOA awards programs
- Two recent GFOA scholarship winners from Canada

Eric Sawyer also updated the committee on an initiative to waive the conference registration fee for individuals attending the GFOA annual conference for the first time. There will be a limit per province/state on a first come, first served basis.

The committee members also discussed important events occurring in their community which include the following:

- Increased demand in services with decreasing revenues
- Shift in demographics
- Expanding economy directly impacting a rise in real estate prices
- Increased spending on infrastructure due to high growth and other challenges that are arising from high growth
- Decrease in grants from the provinces
- New construction projects
- Increased focus on initiatives, such as green initiatives
- New and future stadiums for professional teams and other events

Other Business

Suzanne Fillion from the City of Surrey provided an update on this year's Canadian reception at the GFOA annual conference which was sponsored by the MFOA, GFOABC and KPMG. All GFOA Canadian members were invited to the reception.

GFOA president Christopher Morrill, president Timothy Firestine visited with the committee and thanked the committee members for their outstanding work on behalf of GFOA's Canadian members.

Recognition of committee members whose final term has ended

Eric Sawyer and John Martin presented letters to Esther Lee, Marlys Bilanski and Richard Sun on behalf of the committee to thank them for their outstanding contributions to the CCI, since their final term has expired.

Next meeting

The next winter meeting will be in Calgary on January 31 and February 1.

top

Highlighted Best Practice

A section of the GFOA website is dedicated to GFOA's best practices that are applicable in Canada. One of the best practices that the Committee on Canadian Issues would like to highlight is Multi-Year Capital Planning. This best practice is one of the top five best practices identified by GFOA's Canadian members in a recent survey. This best practice recommends that provincial and local governments prepare and adopt comprehensive multi-year capital plans to ensure effective management of capital assets.

top

The City of Winnipeg: The First Municipality in Canada to Adopt the Business Number

Norm Dobson, PeopleSoft Finance Coordinator–EPM/Budgets, Corporate Finance Department, City of Winnipeg; ndobson@winnipeg.ca

Our journey toward adopting the National Business Number as a unique identifier for businesses began in June of 2005 with the tabling of the Red Tape Commission Report. This commission included members from the business community and government. Recommendation 6.1 states: *"Negotiate with the federal and provincial governments to develop a single business account and registry model around the federal-provincial business number, now used as the single Manitoba business number. This would allow City businesses to register, update basic information and hold accounts with all three governments using a single account number."*

Over the next few years work progressed to enable this project to be undertaken. In particular the Federal Government needed to amend legislation to allow municipalities to adopt the business number. A letter of intent between the city and the province was signed.

A Business Case was tabled for a new initiative at the City of Winnipeg. A Data Sharing Project was proposed to link together the data from various systems at the City. The goal of this project was identified as: *"The Data Sharing Project will set in motion an enterprise-wide collaborative information management strategy that will focus on developing the most effective and efficient means to deliver services to our citizens."* It was determined that the adoption of the business number could be used as a proof of concept of this larger project. In order to link data together from different systems you need a common identifier. The business number provides a ready-made identifier that is unique and unambiguous. The Business Number is comprised of a BN9 (first nine digits) that uniquely identifies each business to which an additional six digits are added to create a BN15 to identify program areas. It was decided that the City would be a single program area with all our internal systems using the same BN15. Two systems used by three departments were selected as the most appropriate to test the data sharing concept. In late 2011 a joint project team was struck between the Province of Manitoba and City of Winnipeg.

The two systems chosen were our Property and Business Tax system (MANTA – Municipal Assessment and Tax Application) used by our Assessment and Taxation Department and our Permits and Licenses system (AMANDA – Application Management and Data Automation) used by our Property, Planning and Development and Community Services Departments. Due to the nature of the information in each system, the tax system was identified as the lead system for information. As part of the data sharing initiative a decision had been made to build a Master Data Management System to house the business master records. This system would be a Hub similar to the Hub built by the Province of Manitoba. Our City of Winnipeg systems could then access our Hub in order to retrieve business information. The City of Winnipeg Hub in turn accesses the Province of Manitoba Hub which accesses data from CRA. This provides an opportunity to receive updated information on companies we do business with.

As a project team we quickly discovered that the information technology component required to build the Hub and surrounding infrastructure was only a piece of the project we had undertaken. We had to amend provincial legislation, develop communication strategies, coordinate joint press releases, presentations, meetings, ensure all three levels of government were kept informed on the progress and fill out questionnaires to ensure we satisfied both the provincial and CRA security requirements. We had to develop a Memorandum of Understanding between the city and the province and had to develop a strategy to inform business owners. Internally we had to revise forms, change procedures and train staff. We added a representative from our change management group to the project team to help us deal with these areas.

A key consideration in developing our time line was the fact that CRA only applies system changes twice a year. By adding a new program area to the Business Number, CRA had to make a system change and as a result we had to work within their biannual dates. We went live with the business number in May 2013.

Our going live involved two phases. The first was to request a BN15 from CRA for all the businesses in our tax system. The second was to make it visible in the two systems. The departments were then able to interact with customers using the business number. We expect our business number interactions with customers to develop slowly as customers get used to having the ability to request information by using their business number as an identifier. The next phase is to identify other systems which will benefit from adopting the business number.

The benefits we expect to realize are not easily quantified. We expect an improved customer service from the aspect that customers only need to know their business number to obtain information rather than a variety of different identifying numbers. We expect to realize an improvement in the quality of our data which will reduce errors and duplicate records. This should equate to less time spent dealing with data issues and an improvement in customer service by making it easier to retrieve the correct customer record. We will receive notifications from the province and CRA of changes to business information which will assist in keeping our data current and correct. We will also receive notifications of new businesses which will enable us to assist them more fully in registering for all the appropriate city programs.

The ultimate vision of CRA is to have an integrated registration system where a new business can register at any level of government and where existing business can make changes once rather than repeatedly with the different levels of government and different departments within each government. There is a lot of work that would need to happen before this vision can be achieved but it will result in a significant improvement in customer service for businesses.

top

Strategic Planning at the City of Regina

Glen B. Davies, City Manager, City of Regina; gdavies@regina.ca

Saskatchewan is in a period of tremendous growth. Over the last five years, Saskatchewan's economy has outperformed that of other provinces and the Nation (see Figure 1). There are more people living here than at any other time in our history and unemployment has been the lowest in the country since 2009. Those impressive trends are equally true for Regina.

Resource extraction (mining, agriculture) still drives the province's economic growth—these industries are largely located outside of the province's population centres. However, many of these industries have located their head offices in our province's cities and need a strong and thriving service sector to support them along with places for their employees to live.

The greatest economic growth is occurring in our cities, and Regina's economic growth is outstripping that of the province (see Figure 1).

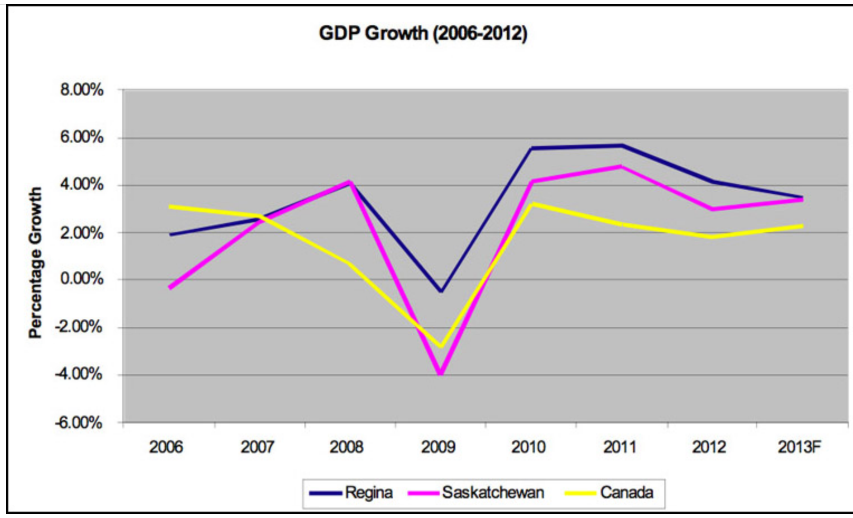

Figure 1. Regina's Gross Domestic Product (GDP) gowth compared to Saskatchewan's and Canada's (from the Conference Board of Canada)

There is no question that growth is positive—generating wealth, lowering unemployment, and increasing diversity and opportunity. However, for Regina, the opportunities created by growth have begun to put pressure on the City's budgets and its approach to its business. There are three key issues that have driven the City of Regina's decision making in recent years:

1. The unsustainable financial structure of municipalities

Quite simply, the financial structure that municipalities in Saskatchewan (and generally in Canada) must operate within can be exposed during periods of rapid economic growth. The reasons are three-fold:

a. *Growth in the local economy does not translate into more property tax revenues.* Property taxes are inelastic. In other words, they generally do not grow in proportion to the growth in the economy. Changes to property values simply result in redistribution of the existing tax base. To increase revenues, municipal councils must increase taxes.

b. *Growth does not pay for growth.* Developers generally pay for the initial costs of new infrastructure to service land (water, sewer, roadways, etc.). However, new property taxes generated by development generally do not cover the long-term, life-cycle costs to service that development. This contributes to the pattern of deferral of infrastructure renewal.

c. *Increases to property taxes do not necessarily translate into better or more services.* Roughly half of the City of Regina's revenues come from property taxes. For Regina, a 1% mill rate increase translates to $1.7 million on a $560 million budget. Meanwhile, the costs of growth are increasing well above the general consumer price index (CPI). For Regina, additional revenues from property tax increases simply allow us to maintain existing services.

2. Requirement for Balanced Budgets

It is true, that despite these challenges, the City's budget remains balanced year after year. Cities in Saskatchewan, by law, are not allowed to incur a deficit. To be clear, there is no overwhelming desire for cities to begin incurring deficits, but historically, to avoid over-burdening tax payers with increases, stay competitive and keep the budget balanced, municipalities have chosen to defer long-term infrastructure renewal and rehabilitation.

3. Infrastructure Costs

We know, from work done by the Canada West Foundation, that cities are responsible for the greatest proportion of public infrastructure (see Figure 2). The deferral of investment in the renewal of infrastructure is something we can't ignore. Risk of infrastructure failure could threaten key public services and, ultimately, economic growth. It requires smarter planning so that we can better utilize existing infrastructure investments. Many cities are working to increase their population density, thereby minimizing the growth of their geographic footprint and the need for more infrastructure (water, sewer, roadways, parks, transit, etc.).

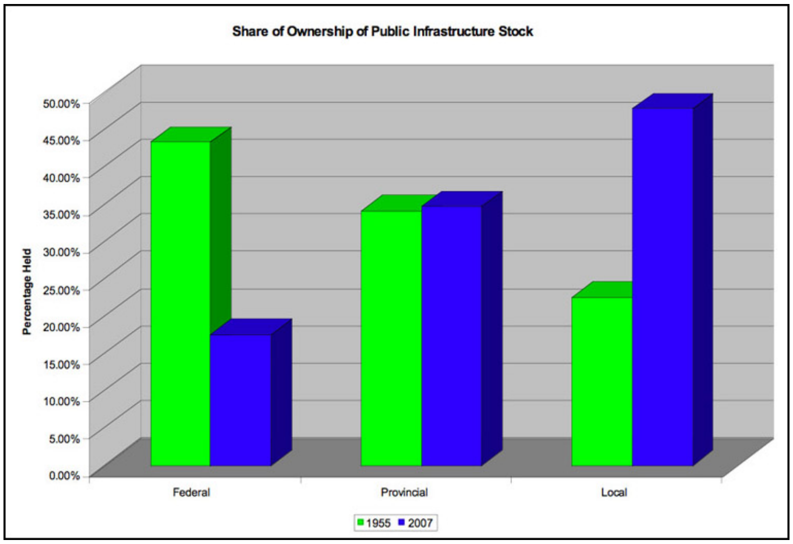

Figure 2. Shifting responsibility for Canada's infrastructure (from Canada West Foundation)

The Strategic Pathway Forward—Narrowing the Gap

To address the challenges facing the City of Regina, beginning in 2012, we established our strategy to, *"Narrow the gap between current and expected service levels and our ability to deliver them."* The primary focus of the effort was to create "head room" that would allow for the redirection of resources and reduce the amount of deferred infrastructure renewal facing the City. The strategy required the City of Regina to look at a range of policy responses, including:

1. *Reducing costs and alternative service delivery.* We have been and will continue to look at delivering services more effectively and efficiently. Regina's Core Services Review, undertaken in 2006, realized $8 million of on-going cost reductions. We are also exploring alternative ways of doing business, like public-private partnerships and delivering existing services in new and different ways. Included in this work is exploration of services that the City will consider getting out of entirely. In 2012, Regina identified approximately $21 million in potential future savings.

2. *New and enhanced revenues.* The change to the Saskatchewan Municipal Operating Grant (MOG) has been important in providing cities in Saskatchewan with increased fiscal capacity. We will continue to leverage this revenue as effectively as we can to meet citizens' expectations. But we are working with our partner municipalities to build on that success and explore new taxing authorities for cities to respond to increased demands from growth. We are also looking at new approaches to revenue generation that are currently within our authority, including careful thought about where and to what level costs should be recovered through user fees.

3. *Regulatory Frameworks.* We are working to collaborate with the province, regional partners and the private sector to develop a transparent, controlled and sustainable regulatory framework in the City and the surrounding region. Growth that takes place in an ad hoc, uncontrolled environment can increase costs by building inefficiencies into the infrastructure that supports it and inconsistencies for expectations. This can negatively erode business confidence and future investment. The recent Council approval of a new 25-year Official Community Plan, *Design Regina*, provides the foundation for this work.

Implementation of the strategy is measured in a number of ways—cost reductions, revenue increases, alternative service delivery approvals, etc. However, the key measure of the strategy's success is whether or not it provides additional resources to invest in infrastructure renewal. Since adopting the strategy in 2012, the City has increased its own-source revenue investment in capital by 74.4%. This hasn't necessarily translated into a significant increase in spending, as it occurred at a time when federal and provincial partnership resources were unavailable. However, the increase significantly mitigated the drop in partner investment.

While our infrastructure investment is still far from what we require, our strategy has delivered as it intended and represents a huge success. Moreover, it has provided the necessary framework and direction to keep us on track.

top

Results Based Budgeting in Alberta—Redefining the Outcome Model for the Province's Financial Systems

Chris Mochulski, Director, Financial Operations, Office of the Controller, Alberta Treasury Board & Finance; chris.mochulski@gov.ab.ca

In 2011 the Province of Alberta in Canada passed legislation to review all programs and services to validate that the 'government spend' was justified based on the outcomes associated with each line of business.

Essential to the review was a comprehensive look at the shared services the government utilizes to manage financial services. Findings revealed a systemic problem concerning the fiscal sustainability of the government's financial systems and the increasing costs of managing financial activities across government.

In the late 1990's the Province amended legislation associated with financial administration that gave significant control to Deputy Ministers of each government department over the fiscal management of their Ministry. At the same time, however, the government purchased a broad financial system intended to become the corporate general ledger, sole disbursement and revenue engine, and master human resource management tool. In Alberta, that system is known as IMAGIS.

Over the last fifteen years, there have been some efficiencies realized by utilizing IMAGIS. For example, approximately 80% of all accounts payable transactions are now processed through the IMAGIS payable module rather than departments cutting payments on individual check-writers. Further, time sheets and workforce information are consolidated in one database. The government also established a centralized department, now known as Service Alberta, to manage consolidated financial services and the IMAGIS system.

The intent of these moves was to capitalize on burgeoning electronic payment and general ledger technology and save costs throughout government on redundant financial service dollars.

What did not happen and likely resulted in the unrealized potential of the bold moves was the establishment of a mandate requiring all departments to utilize both the consolidated IMAGIS system and services provided by Service Alberta.

Smaller departments signed up but larger and more complex departments found the system and services limiting and chose local innovation over the corporate model.

What has happened since has resulted into a bit of a perfect storm—the limited gains earned by adopting the system have been overcome by costs incurred by:

- Extensive customization required to ensure that other systems not associated with IMAGIS can be integrated.
- Re-engineering projects to mend years of non-standard applications of the IMAGIS system that slowed reporting, and created errors.
- In leaner times here in oil country, the first department to feel the wrath of budget cuts has been Service Alberta. The decreased level of support at both the people and system level has resulted in a lower level of delivery with the derivative need for departments to exercise further innovation and staffing for their own financial management needs.

With the increasing demand for consolidated information at a pace now dictated by a vast information highway coupled with challenging fiscal times, the need for accurate corporate financial data is required more than ever. The Premier and her staff operate, as they should, assuming there is a ‘one button’ approach for most everything related to financial information—this is not the case unfortunately.

Through the results based budgeting review, it was determined that there were seven unique accounts payable systems outside of the IMAGIS environment. Additionally, the government manages over 1,400 bank accounts due to the fact that the IMAGIS system has not been enabled to manage a single deposit environment as over 40 unique revenue systems and processes exist—in fact, only three departments fully utilize the IMAGIS revenue module.

More disturbing was that the government incurred millions of dollars in expenses over each of the last five fiscal years customizing the system to ensure satellite systems could integrate appropriately. More than $240 million (CAD) has been invested in the IMAGIS system since 1996 and there will likely be approximately $25 million spent over the next three years to maintain the system—but yet with only 80% of transactions processed purely through the system.

Service Alberta made significant recommendations to the external ‘challenge panels’ who were responsible for overseeing the review process to attend to the fundamental problem facing the sustainability of the province’s financial systems.

The foundation of these problems is centered around the fact that the capital and operating models for IMAGIS investments are not well defined and the total cost of ownership in the IMAGIS environment is not well understood.

Service Alberta, once receiving endorsement from the challenge panels, set the stage with Deputy Ministers across government in establishing the formal outcomes associated with the government’s financial systems:

- IMAGIS must be the single database for both financial and human resource data.
- Although the financial system environment is broader than IMAGIS, best efforts must be made through objective fit gap analysis when considering the net-new applications into the system environment.

A new governance model was then proposed to the same council of Deputy Ministers:

- Executive level governance is imperative.
- All net-new business application development must be vetted through a new governance forum to ensure alignment with both the fiscal and operating models and a pre-determined scope constrained by a standardized financial process.

Service Alberta, in co-operation with the Provincial Controller, and the government’s Public Service Commissioner (responsible for human resource activity) is now in the process of defining governance terms, application scope, and standardized processes in efforts to operationalize this initiative.

There is hope that the results based budgeting initiative has started the right conversations and further efficiencies may now be realized concerning those bold ideas of the late 1990s.

If anything, people can no longer stare at the floor in meetings as a strong new culture of aligning the 'spend' to outcomes is now entrenched in this part of the great white north.

top

Government Transfers PS 3410, Capital Transfers, and Implications for the Local Governments

Fred Deschenes, Partner, Crowe Mackay LLP; Fred.Deschenes@crowemackay.ca

It is late spring in Yellowknife and the snow has just melted, and we are in the midst of our busy season when discussions regarding the implication of section PS 3410 "Government Transfers" arise. The main issue revolves around revenue recognition of a capital transfer to acquire or develop a tangible capital asset (TCA). Should it be recognized as revenue in the period it is received or should it be deferred and recognized as a liability upon receipt and subsequently as revenue on the same basis as the amortization expense related to the TCA acquired?

Those familiar with reporting of such transfers as grants or subsidies for not-for-profit organizations know the transfers are automatically deferred as a liability and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset (CICA Handbook – Part III – 4410-33). Unfortunately PS 3410 of the Public Sector Accounting Standards is not as direct in its approach, leaving those reporting under those standards the task of determining whether a liability or obligation exists.

There are various factors that determine whether the capital transfer can be immediately recognized as revenue or deferred as a liability to be recognized later at a rate consistent with the amortization of the TCA acquired or developed. The eligibility criteria are not an issue at that point as the recipient government should have received the funding along with a signed agreement. The recognition becomes contentious when the funding agreement includes stipulations regarding future use or expected services, the application and interpretation of PS 3200 to recognize as a liability, and the recipient government's own actions.

In general, funding agreement stipulations regarding the future use of the tangible assets are non-existent or vague. The objective is to provide funding for the local government to develop or acquire the TCA. Under this premise, such funding would not give way to a liability as there would be no stipulation to reimburse the funding agency or transferring government.

However, where there are stipulations is where it gets interesting. The question becomes, regardless of stipulations, does the local government have a liability? For example, if funding is received to resurface a road, even if there are stipulations regarding the length of time the asset must be used for, the reality is that the local government will not be disposed of this asset. It will be used until the road requires resurfacing again, and is likely to be part of the local government's future capital plan. As a result, the local government would not recognize a liability, as the likelihood of repayment to the funding agency or transferring government would be very low.

Through discussions with various local government representatives and administrators, and from our own review of current funding agreements, it would be unlikely that a liability would exist for capital transfers for the acquisition or development of tangible capital assets due to the nature of operations and infrastructure for local governments. Also, as the nature of the funding itself is to help local governments develop and sustain an infrastructure for future use, it is assumed that such assets will be used for these purposes and, as such, early disposal is not expected.

There are situations where a liability could exist in the case of TCA's which are not necessarily part of the infrastructure of a local government. For example, a local government could receive funding to finance the purchase of a grader for its public works and transportation departments. Unlike the road resurfacing which is attached to the local government's infrastructure, the grader can be moved, easily exchanged for a trade-in value, and potentially have an accelerated rate of usage compared to stipulations in the agreement.

In this case the local government must determine if it plans on exchanging or disposing of the grader before the period in the agreement in which the expected for use in providing services expires. It must also address what type of support it has to do so. What is the local government's capital plan for the next few years? Does it agree with the length of time stipulated in the funding agreement? How long does it normally use such equipment to provide services before it disposes of it?

If the local government's capital plan normally replaces such equipment every five years but the stipulation in the agreement requires that it provide services for seven years, then a liability would be recognized in accordance with the section.

The assumption is that in most cases local governments receiving funding to acquire such asset have the intention of keeping the TCA as long as possible, and most likely beyond the period stipulated in the agreement. Local governments' administration would not normally enter into an agreement to receive funding with the expectation that they would have to reimburse part of this funding in future years.

With that knowledge, would a local government normally enter into a funding agreement that gives rise to a liability? We are not in that position; however, our understanding is that this is not likely. Therefore the likelihood of a funding agreement for the acquisition or development of a TCA that would give rise to a liability is very low.

Regardless, all local governments should review their current funding agreements (and even previous agreements) in relations to the acquisition or development of a TCA to determine if there is a liability to recognize.

It is now fall in Yellowknife and it feels like winter, but this hot subject is just warming up as most local governments will be adopting this section for the year ending December 31, 2013.

top

State of Financial Planning in BC and Canada

Janice Irwin, Program Director, GFOA of BC; jirwin99@yahoo.ca

Local governments in BC and across Canada face a number of challenges in the current economic climate, not the least of which are the financial challenges of delivering an ever increasing demand for local services at current or less cost to its citizens.

The continued population changes in our communities add additional pressures to meet the demands of an ever changing demographic and deal with the true cost of growth or shrinking population.

The challenge for all finance officers is "How do local governments continue to be financially sustainable while meeting the demands from local citizens amidst the political pressures from elected officials?" The reality is, in a traditional planning environment, most local governments only deal with short-term annual budget issues: such as pressure to deliver a zero tax rate increase or minimal increase in an economic reality of increasing costs.

This typical short-term view to financial challenges comes at the cost of long-term financial imbalances created by short-term reactive strategies. Long-term financial planning offers a new model where Finance staff and staff from all areas of local government can work together and create an organizational shift to a long-term focus.

Long-term financial planning is a process that serves to bring the long-term implications of actions taken today to the forefront of decision-making. The long-term financial planning process can lead an organization to financial sustainability and requires strong leadership and commitment to a new way of financial planning in local government.

The GFOA of BC has a long-term financial planning program which it currently delivers throughout BC and is developing a complete long-term financial planning curriculum, which will bring the knowledge and tools to local government finance officers to shift their organizational focus to long-term financial sustainability. This is only the first step. The next step is for organizations to embrace the principles and process of Long-term Financial Planning and make it the new reality.

top

Become a Reviewer for the Canadian Award for Financial Reporting

What is the Canadian Award for Financial Reporting Program? The Government Finance Officers Association's Canadian Award for Financial Reporting Program (CAnFR Program) has been promoting the preparation of high quality financial reports since 1986. More than 50 governments participate in the program each year. All participants are Canadian municipal governments that follow the standards promulgated by the Public Sector Accounting Board.

Volunteer to Serve as a Reviewer

If you are an accountant, auditor, or academic with experience in governmental accounting and financial reporting, you are invited to become a volunteer reviewer for the Canadian Award for Financial Reporting Program.

What are the benefits of serving as a volunteer reviewer?

Volunteer reviewers can:

- Be at the forefront of the most recent changes in accounting and financial reporting for local governments,
- Get exposure to a variety of reports from around the country,
- Access a practical way of providing training and development for junior staff without an incremental cost,
- Gain insight into how to improve their own annual financial reports, and
- Achieve professional recognition.

How much time does it take to serve as a reviewer? Reviewers enjoy considerable flexibility regarding the number and type of reports they wish to review. The GFOA has developed a checklist to streamline reviews and save valuable time. The reviewer's checklist is available at the GFOA's website in the CAnFR Program section. GFOA staff is available during normal business hours to answer questions you may have during the review process.

What are the requirements for serving as a reviewer? An individual does not have to be upper management or have significant experience with external financial reporting to serve as a reviewer. The GFOA encourages those with any experience in local government accounting and financial reporting to join in the review process. You are encouraged to use your time as a reviewer as a tool for professional development and educational purposes. In order to become a reviewer, one should possess a solid understanding of GAAP as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

For more information on the CAnFR Program, visit the CAnFR Program page on GFOA's website. To become a CAnFR Reviewer, complete the Reviewer's Application Form and forward it to Jim Phillips at CAnFR@gfoa.org. Any questions about the program or becoming a reviewer can also be addressed to Jim Phillips.

top

2014 GFOAWC Annual Conference

The Government Finance Officers Association of Western Canada's annual conference will be held at the Fairmont Palliser in Calgary from October 8th to 10th. Delegates will be able to register soon. For more information, visit the GFOAWC's website.

top

2014 GFOA Annual Conference

Register early and save!

If you're not yet signed up to attend GFOA's 108th annual conference, *The Future of Government Finance*, on May 18-21 at the Minneapolis Convention Center in Minneapolis, Minnesota, sign up by **January 31** to take advantage of the early registration fee. Click here to view the brochure, register, and reserve your housing online through **GFOA's official hotel block.**

As part of the conference, once again a Canadian-specific session will be held that will focus on one of the key topics currently impacting Canadian government finance officers. A Canadian Update will also cover a wide range of informative topics and to provide delegates the opportunity to share information with members of GFOA's Standing Committee on Canadian Issues.

Earn additional CPE credits by signing up for GFOA's preconference seminars on Friday, May 16, and Saturday, May 17, at the Minneapolis Convention Center. Click here for seminar descriptions and to register.

Questions? E-mail GFOA Conference.

top

Scholarships

The GFOA currently offers three annual scholarship programs to students enrolled in full-time courses of study preparing for careers in state, provincial, and local governments, and one annual scholarship program to employees of a state, provincial, or local government enrolled in part-time graduate study preparing for a career in state, provincial, or local government finance. For more information about these scholarships, please visit GFOA's Scholarship Page. Please note, applications must be postmarked by **February 21, 2014**, to be considered, and recipients of the scholarships will be announced by April 22.

top