

To All Commissioners

Re: 2016 Work Program - Finance – Third Quarter Update

Recommendation

The report be NOTED and FILED.

Background

The following report is provided as an update on major projects as set out in the 2016 Work Program that are ongoing in nature and were scheduled to commence and/or to be completed in the third quarter, with the lead on same being the primary responsibility of Finance.

2017 Fiscal Year (budgets and provisional estimates)

The Commission at its August 26, 2015 meeting approved the 2016-2019 Operating Budget and 2016-2025 Capital Budget Programs, with 2017 being the second of a four year multi-year budget. At the August 31, 2016 meeting, the Commission confirmed the 2017 Operating Budget and approved the 2017-2026 Capital Budget Programs. Administration has provided details to civic administration relating to the updated Business Plan, 2017 Assessment Growth Business Case and updated Capital Budget for 2017-2026. As in prior years, items may be recosted in early 2017 as part of the process when finalizing the City's and Commission's budget.

RFP's – Corporate Banking Contract, External Auditors

An RFP for the Corporate Banking Contract was released September 28 and closed October 14, 2016 and is the subject of Staff Report #2, dated October 26, 2016.

Administration also participated on the Evaluation Committee for the City of London's RFP for External Audit Services (covering the city and all boards and commissions). Two proposals were received and evaluated by the Committee (comprised of employees from all key functional areas of the City including Financial Services, London Hydro Inc., Middlesex-London Health Unit and the London Transit Commission). KPMG received the highest overall score and the City of London Audit Committee approved the staff recommendation to appoint KPMG as external auditors for the City and its Boards and Commissions for a five year term beginning January 1, 2017.

Process Review Management (PRM)

A key element of the Fiscal Accountability strategic outcome is the commitment to a continuous review and improvement of systems, processes and procedures.

The GL Structure and Financial Reporting PRM commenced in the third quarter which reviewed the effectiveness of the current system and processes for parts inventory, warranty claims, work order management and expense reporting. Warranty claims continue to be a significant cost recovery area and improving the administration of said process is expected to lead to process efficiencies and a greater focus on maximizing returns. An add-on reporting tool for the current system is also being investigated given it could provide better information related to work order related expenditures, traced to expenditure category (i.e. engines) and unit (i.e. bus #).

The Standardization Kilometer Tracking and Reporting System PRM continued in the third quarter and is looking at the impacts of moving kilometer reporting from traditional manual hubometers (hubos) to AVL based GPS data. The review was enhanced by the GL Structure and Financial Reporting PRM which identified additional modules available to utilize kilometer reporting within the current Fleet Management system. Efforts continue on this initiative.

Recommended by:

Mike Gregor
Director of Finance

Concurred in by:

Kelly S. Paleczny
General Manager