

# CITY OF FORT SASKATCHEWAN

## Quarterly Variance Reports – Progress Update

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### **Motion:**

That Council refer consideration of the following motion made at the November 14, 2016 regular Council meeting to the January 24, 2017 regular Council meeting:

That Administration bring a report forward to the December 13, 2016 regular Council meeting:

1. a report outlining what resources are needed to transition from the current variance reporting process to a new analysis, by department of the monthly actual income and expense reporting as compared to the actual budget for the same period;
2. the revised variance reporting analysis is to be reviewed quarterly with Council; and
3. the feasibility of beginning the new process as of March 31, 2017.

### **Purpose:**

To outline the progress that has been made to date on research into transitioning from the current variance and forecasting process to a monthly variance analysis by department.

### **Background:**

Variance analysis and forecasting are essential management tools that the City uses to evaluate organizational performance and to assist Council and the Leadership Team in decision-making.

The transition to reporting monthly variances by department on a quarterly basis would enhance the City's forecast and variance reporting processes and cash flow management. This additional information would serve as a useful tool for assessing departmental performance on a monthly basis.

### **Analysis:**

Administration has undertaken initial research and assessment of the City's current systems and processes and the potential for transitioning to a monthly analysis of revenues and expenses by department.

The research and assessment that has been initiated thus far includes the following:

- Review of current variance reporting processes and requirements;
- consultation with the City's budget software developers;
- review of options and strategies for implementation and required resources;
- analysis of the costs and time requirements;
- coordination of work schedules and impacts to staff workloads;
- research into best practices and municipal comparators; and
- additional training requirements.

Administration requires additional time to complete its research into the requirements for transitioning to monthly variance reporting by department.

**Next Steps:**

Administration will bring a report back to Council on January 24, 2017 with further analysis and recommendations.

**Recommendation:**

That Council refer consideration of the following motion made at the November 14, 2016 regular Council meeting to the January 24, 2017 regular Council meeting:

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1. a report outlining what resources are needed to transition from the current variance reporting process to a new analysis, by department of the monthly actual income and expense reporting as compared to the actual budget for the same period;
2. the revised variance reporting analysis is to be reviewed quarterly with Council; and
3. the feasibility of beginning the new process as of March 31, 2017.

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File No.:

Prepared by:	Jeremy Emann Chief Financial Officer	Date: December 6, 2016
Approved by:	John Dance General Manager, Corporate Services	Date: December 8, 2016
Reviewed by:	Kelly Kloss City Manager	Date: December 8, 2016
Submitted to:	City Council	Date: December 13, 2016