

<b>To:</b>	Warden McQueen and Members of Grey County Council
<b>Committee Date:</b>	November 26, 2020
<b>Subject / Report No:</b>	CAOR-CW-18-20
<b>Title:</b>	Municipal Modernization Operational Review Results
<b>Prepared by:</b>	Kim Wingrove, CAO
<b>Reviewed by:</b>	
<b>Lower Tier(s) Affected:</b>	
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW207-20; Endorsed by County Council December 10, 2020 per Resolution CC05-21

## Recommendation

1. **That Report CAOR-CW-18-20 regarding the Municipal Modernization Operational Review Results be received; and**
2. **That Council direct the CAO to implement the recommendations through departmental workplans and the annual budget process.**

## Executive Summary

Operational reviews of the Human Resources and Finance departments have been completed by external consultants under the province's Municipal Modernization program. Recommendations will improve the efficiency of Grey County's processes and enhance access to management information for strategic decision making. Once implemented, the County can expect savings related to management of collective agreements, employee development, and benefits administration.

## Background and Discussion

In November of 2019, the Ministry of Municipal Affairs and Housing announced \$125M in funding to help small and rural municipalities undertake service delivery reviews, implement recommendations from previous reviews and complete process improvements to achieve cost savings and efficiencies.

Grey County was successful in receiving \$90,000 in support to complete service delivery reviews of both the human resources and financial services functions. Independent consultants (BDO for finance and Pesce and Associates for HR) were contracted to:

- Review roles and responsibilities, and key business processes from two perspectives: if the processes are delivered efficiently (performed in a timely manner) and effectively (performed in a manner that is sufficiently controlled and delivering optimal value to county operations)
- Determine if the processes being performed are in-scope for the corporate services function or whether they should be returned to the originating unit for action
- Determine the use of appropriate information technology to perform the business processes.

## **HR Recommendations**

Staffing costs represent 36% of the County's budget. Pesce and Associates recommended that the Human Resources department be transformed from a transactional service area to a strategic business partner and resource in order to maximize productivity and find savings related to management of collective agreements, employee development and benefits administration. The report recommends the additional of a payroll supervisor position to address an untenable workload situation and this has been included in the 2021 budget.

1. Corporate Strategy - Develop an HR strategy that aligns with the County's strategic priorities and incorporates a continuous business improvement model
  - Develop an HR strategic framework that has HR working in partnership with client departments
  - Adopt a proactive approach for delivery of HR services and an annual scorecard for HR services
  - Formalize organizational development so all employees understand their role in achieving organizational goals and standards of behaviour
  - Develop an HR branding strategy and business network that promotes the County as a preferred employer
2. Structure and Staffing - Develop and resource an HR staffing model that supports implementation of strategic priorities and operational plans
  - Change the HR team structure to maximize its ability to deliver services effectively.
  - Address workflow and workload issues
  - Ensure staff working outside of the administration building have the necessary access to and communication from corporate HR messaging and resources.
3. Services- Review and enhance delivery of foundational HR processes to support implementation of value-added strategic HR services
  - Put significant emphasis on improving and growing the labour relations and collective bargaining processes
  - Implement a modern performance management system that provides real value to everyone
  - Formalize talent management and succession planning processes
  - Put HR at the centre of the recruitment and on-boarding processes to ensure consistent quality
  - Further develop health and safety with an emphasis on return to work
  - Implement a modern and effective job evaluation tool

4. Processes and Work Practices – update HR processes and policies
  - Continue to update HR policies and ensure management and staff have access and are trained appropriately to use these
  - Streamline the payroll system and upgrade software
  - Implement data and trend analysis to support strategic decision making
  - Implement consistent spreadsheets and forms for common processes
5. Technology
  - Develop an IT strategy to automate HR processes that will support a reduction in manual and repetitive inputs, allow for employee self-service, improve the scheduling process for staff and management

### **Finance Recommendations**

BDO's report highlighted significant opportunities to modernize financial processes in order to enhance productivity and make the most of the capability of the Finance staff team. It recommended investment in a purchase order system and a budget module for the financial system to benefit the entire corporation. These tools would greatly enhance the ability of all departments to keep track of their own information and allow more efficient follow up by Finance where that was required. Purchase of these tools have been included in the 10-year capital plan.

1. Financial Processes and Operations
  - Address gaps in process documentation
  - Enhance preparation and access to financial reports
  - Standardize immediate and one-time requests
  - Streamline the budget process
  - Streamline A/R and A/P processing
  - Implement post-project vendor assessments
2. Technology
  - Implement purchase order system
  - Transition to electronic document management and other automation
  - Establish project management lead
3. Team Structure
  - Build consistent levels of financial competence across departments
  - Improve workload balance
  - Implement succession planning and cross training programs
  - Modernize the performance evaluation program

### **Legal and Legislated Requirements**

The Municipal Modernization funding agreement requires a Council resolution in support of the findings in the third party reviews and for the reviews to be available to the public.

## Financial and Resource Implications

The new payroll supervisor position has been included for consideration in the 2021 budget. The recruitment of a Director, Human Resources is underway.

## Relevant Consultation

Internal – SMT, staff in the HR and Finance departments, select staff from client departments

## Appendices and Attachments

[Finance Service Delivery Review Report](#)

[Organizational Review of Human Resources](#)