Finance Department

The mission of the Eau Claire County Finance Department is to facilitate the effective and efficient use of County resources and to provide a record and accountability for those resources. The Finance Department maintains financial records according to established accounting principles, coordinates budget preparation and implementation, provides financial information to the County Board and County departments and supports the procurement services for the county. The goal of the department is to provide accurate and timely data that provides insight and contributes to the overall fiscal management of Eau Claire County.

Program Performance Management Outcomes

The primary programs for the Finance Department include: General Accounting, Budgeting Administration, Fiscal Oversight and Purchasing support. The department strives to be an effective business partner to the various departments within the County. During 2020 the department made significant strides in increasing the interaction between staff and departments as well as committees, and in providing timely financial information to all stakeholders. In addition, the department supported additional financial reporting and initiatives resulting from the COVID-19 pandemic.

The processing and support of Accounts Payable during 2020 saw a decrease in overall transactions and purchases driven by the increased expenditure management imposed by the pandemic. The accounts payable process continues to be evaluated for process improvements and effective cash management. During 2020, the department issued 11,148 checks, down ~17% from 2019, and processed 338 IRS form 1099s by the appropriate due dates.

During 2020, the payroll team continued to refine support for the time and attendance tool implemented during 2019, NetTime. Unfortunately, the timekeeping system is unable to support some of the county pay practices and requires manual support to ensure employee pay is correct. As a result, the number of payroll adjustments in 2020 was 1,315, an increase of 110% from those done in 2019. One of the initiatives for 2021 will be an evaluation of timekeeping system options. During 2020, Payroll processed 16,396 paychecks and supporting W-2 forms. Response time to employee questions was timely and any issues were resolved efficiently.

During 2020, the Finance department continued to define and implement new processes and procedures to enhance the efficiency and internal control associated with supporting the Purchasing and procurement function for the county. The Purchasing focus in 2020 was primarily on the increase in standardization of county purchasing processes and the continued refinement of internal controls, particularly for purchasing card transactions and vendor management.

2020 Accomplishments

The Finance Department during 2020 made considerable progress on the objectives for 2020, particularly with regards to establishing consistent and timely financial reporting to departments as well as the County Board. Overall, the department continued to enhance the working relationships with fiscal support staff within departments as well as provide additional finance support to oversight committees. The continued monthly extended fiscal staff meetings provided additional opportunity to strengthen extended finance relationships as well as provide a forum for discussion of relevant financial policies, practices, and creation of greater consistency in handling of financial matters.

The major initiatives accomplished by the Finance department during 2020 includes:

1. Continued process improvement in the budget process, reducing duplicate meetings and providing more analytical time for review as well as more efficient reporting by departments.
2. Continued improved automation of monthly allocation processes for purchasing card, phone, and copier charges.
3. Internal completion of all external financial reporting for 2019 financials.
4. Successful completion of the 2019 external audit with **no** audit entries required.
5. Continued financial partnership with departments, providing financial guidance and support for financial matters relevant to their department.
6. Financial support for the collective bargaining process and active participation in the development of an agreement.
7. Implementation of additional internal controls within purchasing, particularly with vendor management.
8. Update of the purchasing card policy and implementation of annual training for purchasing card users and approvers.
9. Implementation of a monthly internal auditing of purchasing card transactions.
10. Implementation of additional procedures and audit support for prepaid card transactions.
11. Designed and implemented additional financial account structure segments to provide greater detail in financial reporting for 2021.
12. Identification and completion of advantageous refunding opportunities related to long-term debt based on the favorable market conditions.
13. Implemented additional reporting and review to support the COVID Task force as well as the board on the projected financial condition of the county due to the pandemic.

Alignment with Strategic Plan

Funding & Revenue Generation: The Finance Department continues to work on improving monthly and quarterly financial reporting information in partnership with departments and the County board. In addition, the implementation of a consistent quarterly reporting package provides continuity to the Finance & Budget Committee, oversight committees, and ultimately, the County Board. In addition, the Finance Department continues to review and evaluate current department procedures to facilitate efficient data handling. This includes clearer financial

policies, streamlined reconciliation processes, and more reliance on capabilities within the Alio software.

Communication: Members of the Finance Department have been conducting regular monthly meetings with department fiscal support employees to foster more collaboration and interaction with Finance. The monthly meetings provide a mechanism to strengthen the business partnerships between Finance and the departments.

Issues and Challenges Ahead

The greatest challenge for the Finance Department in 2021 will be dealing with the unknown impacts relative to the continued COVID pandemic and the continued levy limit environment. The forecasting of financial projections will continue to be a high priority. Having two new staff members will place an increased burden on remaining staff and require the prioritization of objectives. The department continues the vision to transition focus to analysis rather than executing transactions. Implementation of new technologies and training staff will continue to be a challenge given the fiscal constraints.

Overall, the continued fiscal challenges facing the County will require additional support and assistance from the Finance Department. Creating the time and resource availability to support financial sustainability will be a challenge for the department, especially considering the relatively short tenure of the staff and the limited opportunities.

Future Opportunities

The Finance Department will continue to balance workloads within the department to prioritize and accomplish the objectives required. Continuing to work on enhancing the business partnerships that have been formed between Finance and the departments, with a focus on financial education, consistency, and business support, will be a high priority of the department.

Continuous process improvement in the department remains an important element. The department has identified financial processes and procedures in which efficiencies can be improved through a greater dependence upon technology. In 2021, the department hopes to begin a project with a focus on automating manual processes and working toward a paperless environment in processing Accounts Payable and archiving supporting data.

With the implementation of additional account segments in the financial ledger system, a focus in 2021 will be on development of providing greater levels of financial reporting as well as more structured financial analysis and transparency. The addition of the new account segments to the chart of accounts will provide opportunity to enhance the financial reporting granularity. The new financial reports will support greater financial awareness to the oversight committees, the County Board, employees, and citizens.

The Finance Department has been working closely with County Administration on highlighting financial sustainability and support of that initiative will be another area of focus in 2021, even more important given the unknown impacts of the COVID pandemic for 2021. The financial condition of the County continues to necessitate the need for continued assessment of fiscal priorities to balance the needs of the County with the available resources. It will continue to be the County's goal to decrease its dependence on borrowing to finance capital projects and require continued research of alternative revenue sources.

The major initiatives for the Finance Department during 2021 include:

1. Complete the 2020 external audit with no audit adjustments and with less external audit fees.
2. Prepare the 2020 financial statements internally with no outside assistance.
3. Develop and implement new financial reporting to capitalize on the newly added account segments to provide greater granularity in financial reporting.
4. Begin assessment of internal controls within departments and at the entity level and formulate a support plan for development of on-going internal control assessment and monitoring.
5. Continue the development and implementation of financial policies and modify existing County code structure as appropriate.
6. Implement process/procedures for scanning, processing, and archiving of County invoices.