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 2021 the department made significant strides in increasing the efficiency of transactions, providing greater financial reporting capabilities, improved internal controls, and 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 2021 saw an increase in overall transactions and purchases, rebounding from the unusually low activity of 2020. The accounts payable process continues to implement process improvements and continued improvements to internal controls and effective cash management. During 2021, the department issued 10,689 checks and processed 337 IRS form 1099s by the appropriate due dates. In addition, 463 new vendors were added during the year, as well as 1,394 vendor change requests processed. The high number of vendor changes during the year was driven by a initiative to update vendor W-9 forms.

During 2021, 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. During 2021 new processes were established to accept electronic bids and uploading of vendor information. In addition, enhanced controls were added to support vendor management. Activity supporting Requests for Proposal (RFP) and bids increased significantly during 2021 and included 11 formalized RFPs for a total of $10.2M, along with 26 bid projects totaling $30.3M.

During 2021, the payroll team and the department engaged in an initiative to replace the existing electronic timekeeping system. After an extensive RFP process a new vendor was chosen and the replacement project was kicked-off. The new system is scheduled to be implemented late in the Spring and will provide enhanced capability to support the County's varied timekeeping needs. During 2021, Payroll processed 15,879 paychecks and supporting W-2 forms. Response time to employee questions was timely and any issues were resolved efficiently.

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2021 Accomplishments

The Finance Department during 2021 continued to make progress on the objectives for 2021, particularly with regards to establishing the capability to provide detailed, 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 2021 includes:

1. Continued process improvements in the budget process, particularly in the data submission process for departments, as well as providing additional reporting for all stakeholders.
2. Internal completion of all external financial reporting for the 2020 financials.
3. Successful completion of the 2020 external audit with one audit entry required.
4. Continued financial partnership with departments, providing financial guidance and support for financial matters relevant to their department.
5. Implementation of additional internal controls within purchasing, particularly with vendor management.
6. Implemented additional financial account structure segments to provide greater detail in financial reporting for 2021.
7. Execution of two bond refunding exercises that resulted in over $2M of savings to the County.
8. Developed Alio reporting to utilize the additional account segments added, providing greater financial reporting capabilities to DHS for program reporting.

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 2022 will continue to be working within the continued levy limit environment and supporting American Rescue Plan Act (ARPA) activity, along with continuing to enhance internal controls. In addition, the forecasting of financial projections continues to be a challenge as well as a priority. Staff turnover in the department during 2021 has placed an additional burden on the remaining staff and has required the prioritization of objectives as well as some support from the extended fiscal staff. The department continues the vision to transition focus to analysis rather than executing transactions, while enhancing the internal control environment. 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 2022, 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.

The Finance Department continues to work closely with County Administration on highlighting financial sustainability. 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.

With the introduction of the American Rescue Plan Act (ARPA) funding, 2022 will include analysis of project proposals and additional quarterly Federal reporting requirements. This will also include developing partnerships and assistance from external vendors to assist in the

coordination, vetting, and distribution of ARPA funds. The Finance department will be heavily involved in all aspects of the ARPA funding and rereporting during 2022.

The major initiatives for the Finance Department during 2022 include:

1. Complete the 2021 external audit with no audit adjustments and with less external audit fees.
2. Develop and implement new financial reporting to capitalize on the newly added account segments to provide greater granularity in financial reporting.
3. Perform an 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.
4. Implement standardized processes for documenting key internal controls in departments as well as implement quarterly attestations that controls have been performed.
5. Structure an internal audit function with the Finance department to provide oversight and monitoring of the county internal control environment.
6. Continue the development and implementation of financial policies and modify existing County code structure as appropriate.
7. Implement process/procedures for scanning, processing, and archiving of County invoices.
8. Analysis and financial assistance with distribution of ARPA funds and required Federal reporting.
9. Continued implementation of process improvements to the budget process for the 2023 budget.

Finance Performance Metrics				
Provide financial information and insight, budgetary assistance/training and purchasing support to all county departments, employees, elected officials, outside agencies, and other customers. Produce the annual financial statements and support the annual external audit and single audit reports as well as file the appropriate state and federal documentation as required. Support the financial internal controls for the County as well as financial policies and County code requirements.				
OUTPUTS				
General Finance	**2018**	**2019**	**2020**	**2021**
Number of PBC (prepared by County staff/client) audit adjustments and value posted. (new measure)	19	25	N/A	N/A
Number of non-PBC audit adjustments and value posted. (new measure 2018)	35	0	N/A	N/A
Number of policies drafted/adopted.	1	0	1	1
Percent of cash and accounts receivable accounts reconciled on an monthly/quarterly basis.	99.2%	100.0%	63.8%	70.00%
Number of journal vouchers posted during the year (new measure 2018)		1,097	819	883
Number of new Alio accounts created during the year (new measure 2018)		193	305	326
Number of vendor payments processed during the year.	13,351	13,376	11,148	10,689
Number of 1099's issued during the year. (new measure 2018)	350	375	338	337
Payroll				
Number of paychecks processed	17,061	16,804	16,396	15,879
Number of payroll adjustments required (new measure 2019)		626	1,315	878
Number of employee changes processed-new hires/terminations/changes (new measure 2019)		369	320	271
Number of reports prepared and provided to other county departments, outside agencies, and other customers. (new measure 2018)	238	164	101	206
Purchasing				
Number & dollar amount of procurement bids processed during the year (new measure 2018)	12/$2M	16/$2.6M	17/$2M	26/$30.3M
Number & dollar amount of RFPs processed during the year (new measure 2018)	9/$6.7M	7/$2M	3/$7.3M	11/$10.2M
Number & Dollar amount of POs issued during the year (new measure 2018)	517/$16.7M	574/$20.4M	566/$19.9M	575/$21.2M
Number of transactions and dollar amount of procurement card spending (new measure 2018)	7054/$1.115 M	6099/$1.019M	4429/$.828M	5056/$.975M
Number of new vendors added (jurors) during the year (new measure 2019)		706	374	837
Number of new vendors added (non-jurors) during the year (new measure 2018)	All - 678	730	496	463
Number of vendor change requests processed during the year (new measure 2018)	361	739	737	1394