



Municipality of Casselman

Financial System and Process Review

Recommendations Report

October 31st 2022,
Updated January 25, 2023



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Introduction

Project Goal and Objectives

Project Goal

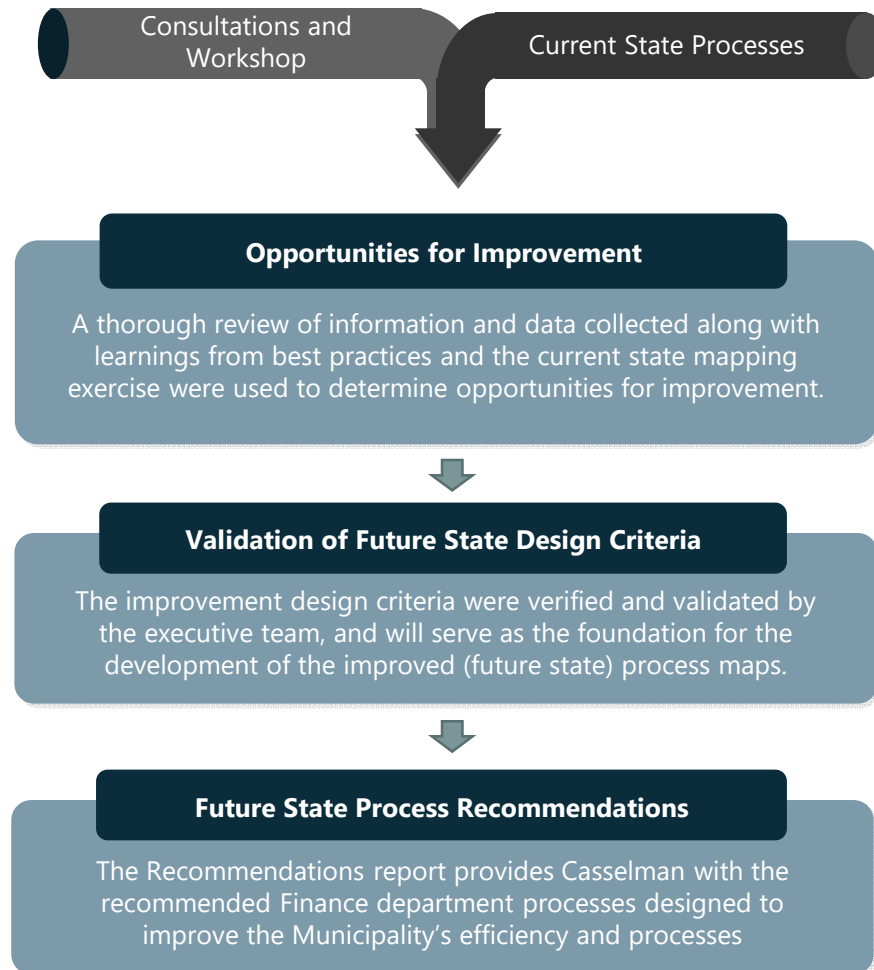
The Municipality of Casselman has engaged MNP to conduct a Financial System and Process Review, which aimed to assist the Municipality in maintaining its financial viability through implemented processes, systems, and polices.

Project Objectives

The Report is intended to provide the Municipality a summary of MNP's current state observations and to offer recommendations in regards to improvement and optimization opportunities to help the Finance Department become more operationally effective and efficient.

In addition, this Report also provides the Municipality with an Implementation Plan and Change Management best practices that may be used to identify the work that needs to be done, identify quick wins and prioritize further projects, some that may be completed with existing staff and others that may require external support.

Approach and Methodology



MNP drew upon the Current State Report and Recommended Processes to develop a set of implementation principles to guide the development of the future state Casselman process maps and suggested implementation plan.

Building upon these principles, MNP then developed Casselman's updated processes.

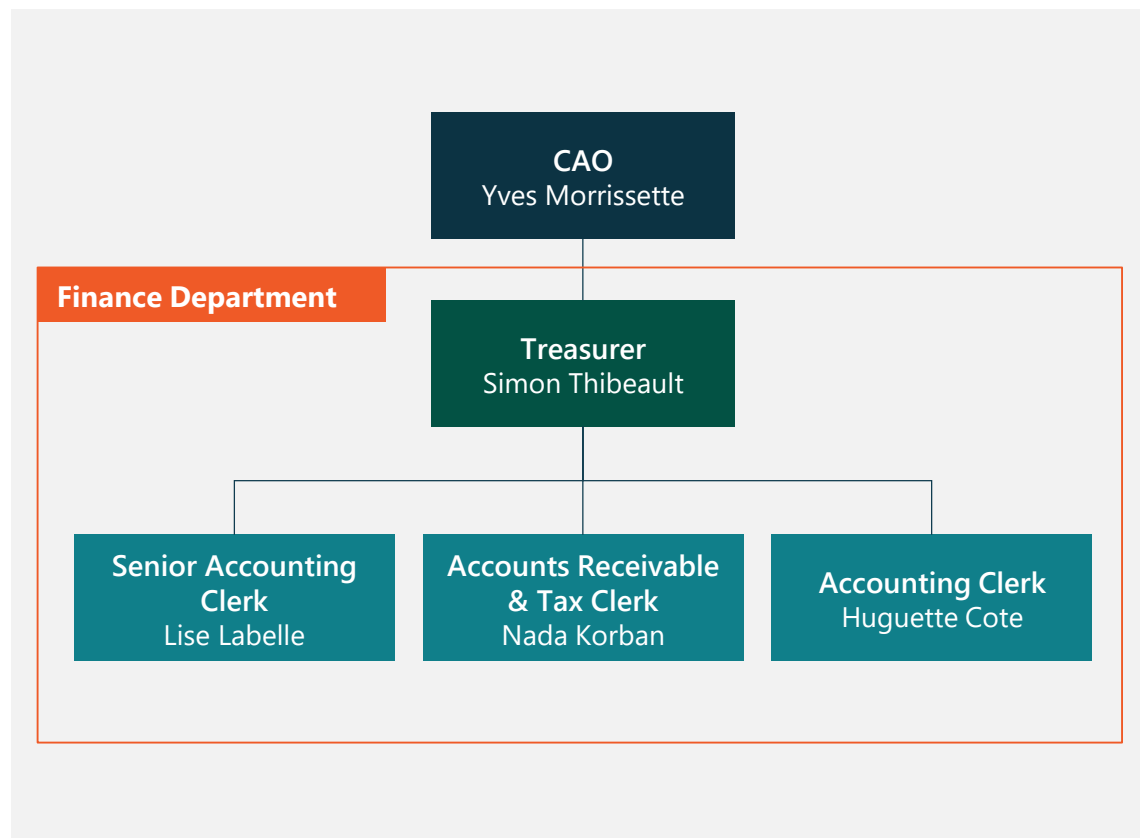
The recommendations report includes:

- Summary of opportunities identified in the current state assessment;
- Recommended improvement areas and design criteria;
- Recommended improved process maps for each key process;
- Implementation best practices; and
- Technology preliminary recommendations for next step.

Current State Overview

Overview of the Finance Department

This slide provides an overview of the Finance Department's current context, including the departmental structure, the team members and their tenure.



CONTEXT

- There are currently four members in the Finance Department, as shown in the organizational chart.
 - It is noted that the staff within the Finance Department are relatively new in tenure.
- The Treasurer is responsible for all approvals for work undertaken by the Senior Accounting Clerk, the Accounts Receivable & Tax Clerk, as well as the Accounting Clerk.
- The Finance Department does not currently have any formalized process maps, guidelines, manuals, etc. for the activities it carries out. This results in only those responsible for an activity knowing what, how and when to do it.
- Further to this, the Department currently has a significant number of transactions and processes that are paper-based and require manual steps. This creates inefficiencies and may increase the risk of processing delays and misplaced documents.
- The Department does not have a document management system (information is not digitized), which may also contribute to the risk mentioned above.

Summary of Current State Observations

The following section summarizes MNP's current state observations and opportunities. The observations provided in this report represent the challenges and/or gaps identified through MNP's current state assessment. Opportunities have been identified to address these challenges and/or gaps, which will be used to develop future state recommendations. The observations and opportunities have been summarized into six (6) categories, outlined below:

Informal Processes and Procedures

There are currently no established or formal frameworks or standardization for financial processes. It was noted that they are done 'the way they were always done'. Casselman does not have written guides or manuals to inform new employees on the processes/procedures, which may become a challenge for the Municipality when it comes to its succession planning or cross-training.

Potential Need for Internal Control

The Finance Department seems to have some internal controls in place but may gain efficiency by introducing some earlier in the processes. It was noted that it would be beneficial for Casselman to update or develop more formalized processes that would include additional quality control steps. This ensures standardization, minimizing risks or human errors and allows for higher quality control.

A Lack of Segregation of Duties

Currently, most tasks are completed by one person in one process. This is fairly common in a smaller department, however there could be some benefits to looking into some of these processes with that in mind. There is an opportunity to segregate duties and incorporate additional measures to ultimately ensure better quality control.

An Abundance of Manual Steps

A key theme that currently affects all the processes MNP mapped is the abundance of manual steps in each process. This includes time spent manually entering data, which then needs to be entered into VADIM, as well as going to the bank in person to deposit cheques, etc.

A Need for Digitization

During the process mapping sessions, it was noted that Casselman prints and keeps most of its records and documentation in paper format. There is no easy access to the information unless an employee already knows where the information is stored/archived (i.e., numerous Excel documents).

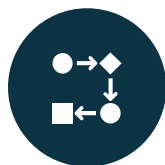
Outdated and Not Enforced Policies

The Finance Department has a number of policies (procurement, thresholds, credit cards). However, these policies are either outdated or not currently referred to/enforced. It was mentioned that the Procurement Policy for one may need to be reviewed and updated to suit the needs of the Municipality.

Future State

Establishing the Future State Design Criteria

Based on the current state key themes, the following design criteria have been validated by the Casselman Project Team during the Future State Workshop #1



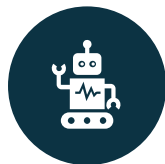
Ensure Formal Processes & Procedures are Implemented and Enforced

Ensure that recommendations are formalized and are built in such a way that they can be successfully enforced within the Municipality.



Ensure Internal Controls are Implemented Where Needed

Ensure that recommendations assign additional internal controls (i.e., additional review and approval procedures, segregation of duties, etc.) where needed.



Consider Opportunities for Modernization - Automation and Digitization

Ensure that recommendations achieve efficiencies by improving processes through increased automation and digitization.



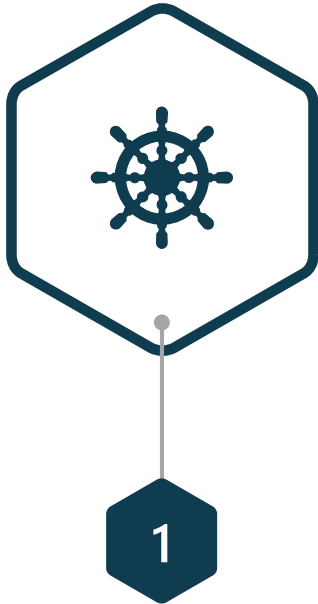
Ensure Processes are Aligned with Financial Policies

Ensure that recommendations regarding the Finance Department's processes are aligned with the Municipality's financial policies (old and new).

Future State Process Recommendations

Future State Process Recommendations (1/2)

Building on the observations and opportunities identified in the Report, MNP developed six (6) recommendations for the Finance Department to consider. The recommendations are the result of highlighted opportunities discovered during the current state assessment and are reinforced by the insights provided during the future state workshop.



1

Proper Use of Internal Controls

Additional internal control steps are recommended for the following processes:

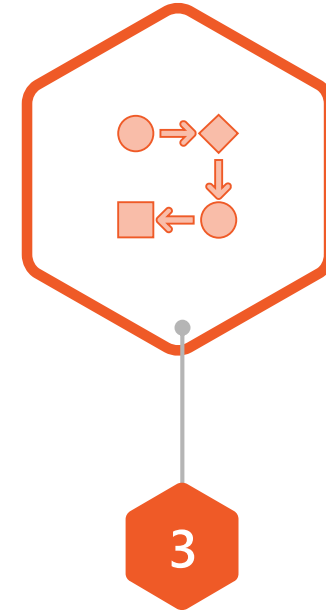
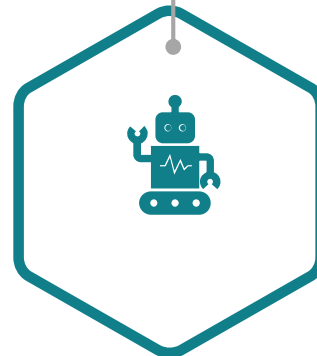
1. The taxation (revenue) process needs **updated approval procedures**;
2. The water & sewers process needs an additional step to **inform the CAO** of the year's forecasted taxation revenues outlook and/or changes;
3. **Segregation of authority** is necessary for the purchase process, accounts payable process, year-end process, and recreation process.

Modernization - Automation and Digitization

Transitioning to a digital document system could eliminate the manual steps required to print and file documents and significantly reduce the amount of misplaced documentation, protecting the Department from potential audit risks. In addition, utilizing the organization's shared secured systems (SharePoint) is key to eliminating document's physical integrity and security risks. When dealing with external data storage devices (e.g., USB), a password is needed to prevent any unwanted access. As a **first step towards digitization**, the approval processes will need to happen minimally via email.

Furthermore, a new software or system could potentially be implemented to replace the traditional punch cards and processes for the payroll process.

2



3

Formal Processes & Procedures for Budget Process

Department managers need to be included in the budget creation process to facilitate their **professional accountability and input**. All budgets need to be revised at least once a year and transformed into a **current year forecast**. Department managers need to be informed of budgetary changes/constraints following discussions with Council and final budgeting. They will then be **accountable** to maintain a healthy budget throughout the year.

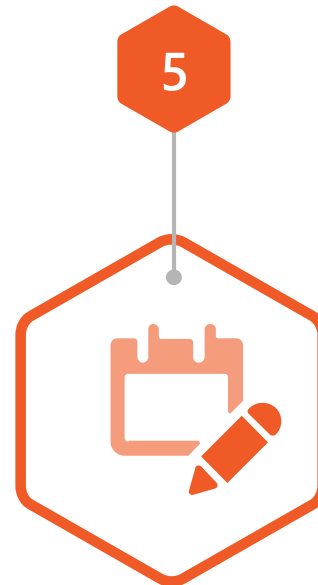


Standardization of activities

Pre-approved **standard contract specifications** will reduce workloads resulting from manual reviews, while also improving processing times. Implementation of **standard communication protocols** is necessary to further facilitate the transmission and sharing of documents.

Centralizing Accounting, Reporting, and Reducing Manual Tasks

Elimination of double-entries, multiple systems for accounting (i.e., avoid the registration of payments in Booking, the Booking app should only be used for contract and invoice management), e-transfer payments, physical checks, and the usage of mailing services. In addition, end-of-month reporting should be required for the Recreation team.



Training and Implementation

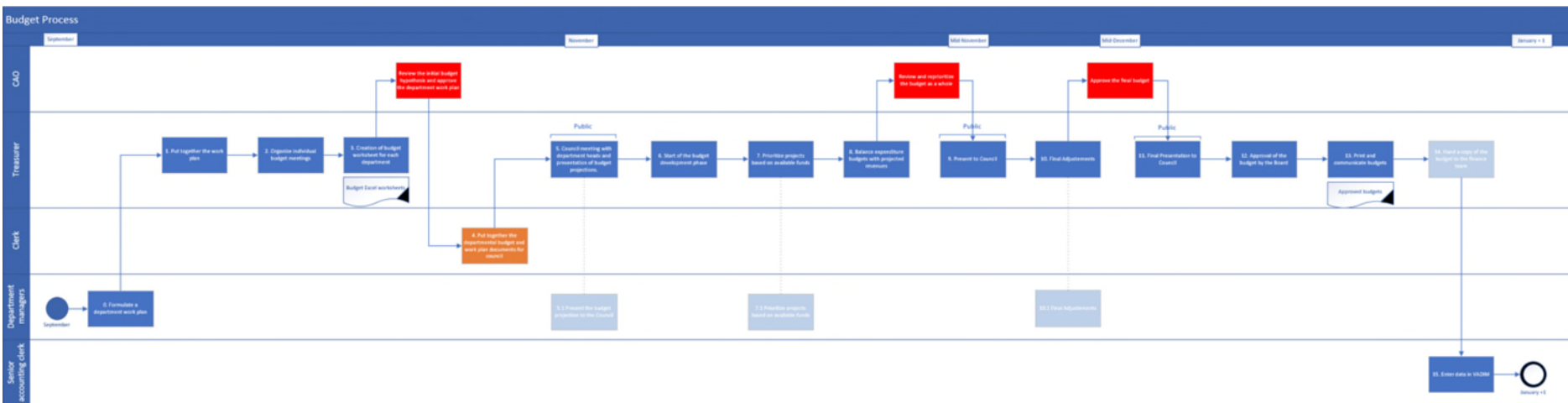
Staggered implementation is critical to ensure staff members are properly trained and familiar with the new processes. A culture of continuous improvement should be implemented as the application of these processes are underway. Team-training activities are beneficial in the event of any employee departure. More details can be found in later sections.

Budget Process

Budget Process

Transitioning away from the Current State

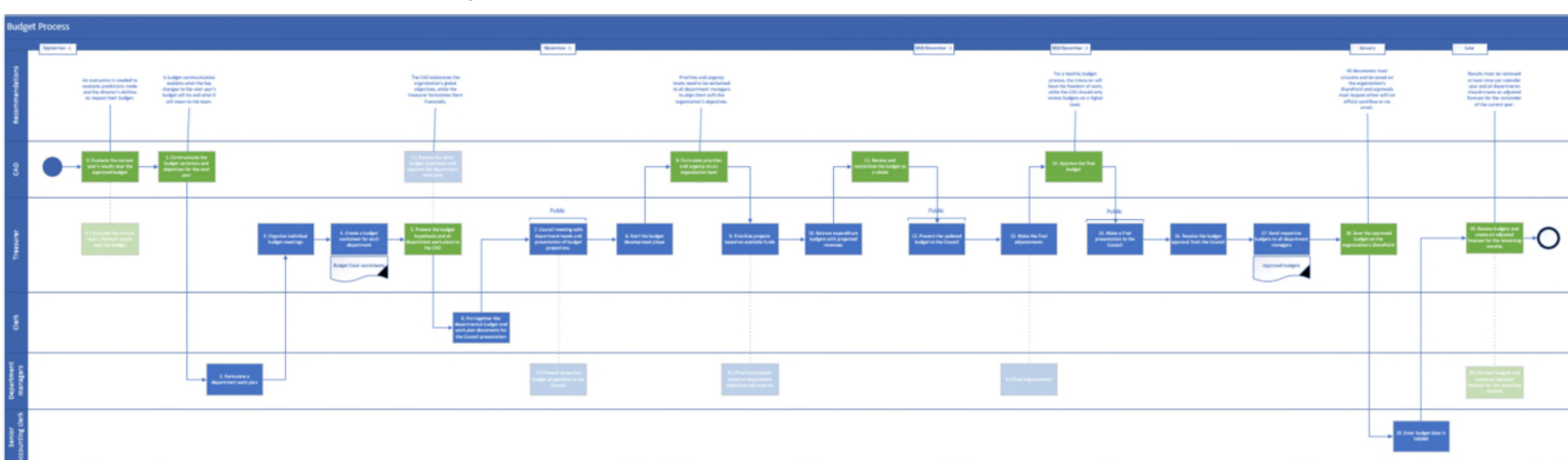
Current State Process Map



Process Pain Points & Opportunities

- Lack of formalized processes with quality control steps.
- **Opportunities:**
 - An evaluation is needed to evaluate predictions made and the director's abilities to respect their budget.
 - Priorities from Council need to be communicated to all department managers to align them with the organization's objectives as they work on their dept budget.
 - The CAO elaborates the organization's global objectives based on Council priorities, while the treasurer formulates them financially.
 - For a healthy budget process, the treasurer will have the freedom of work, while the CAO should only review budgets on a higher level.
 - Results must be reviewed at least once per calendar year and all departments should create an adjusted forecast for the remainder of the current year.
 - All documents must circulate and be saved in the organization's SharePoint and approvals must happen either with an official workflow or via email.

Future State Modifications Process Map

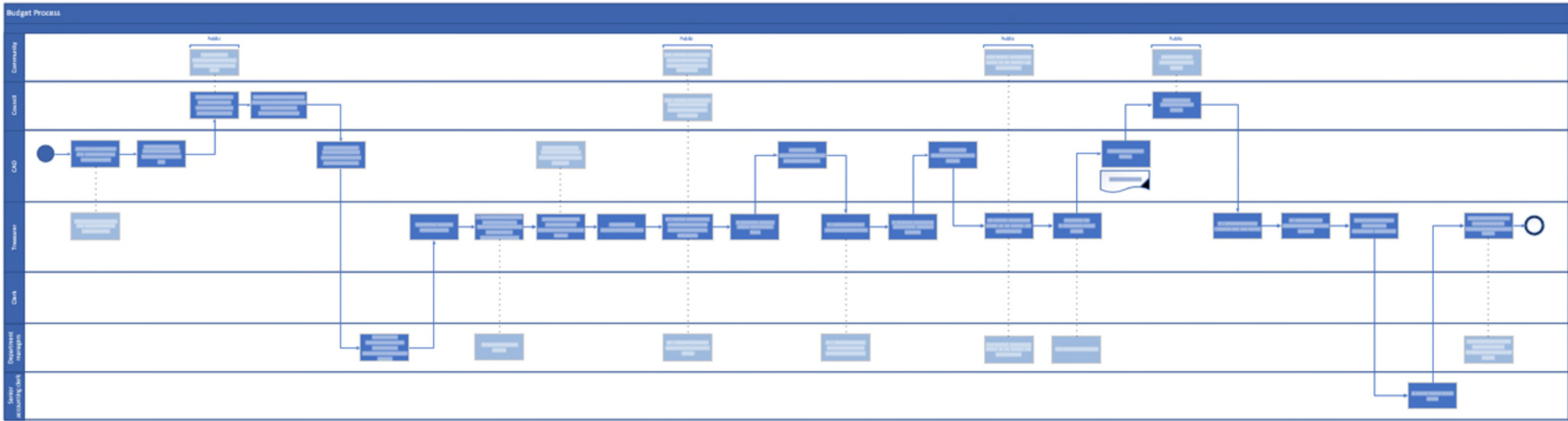


Budget Process



Future State Process Recommendation

Future State Process Map



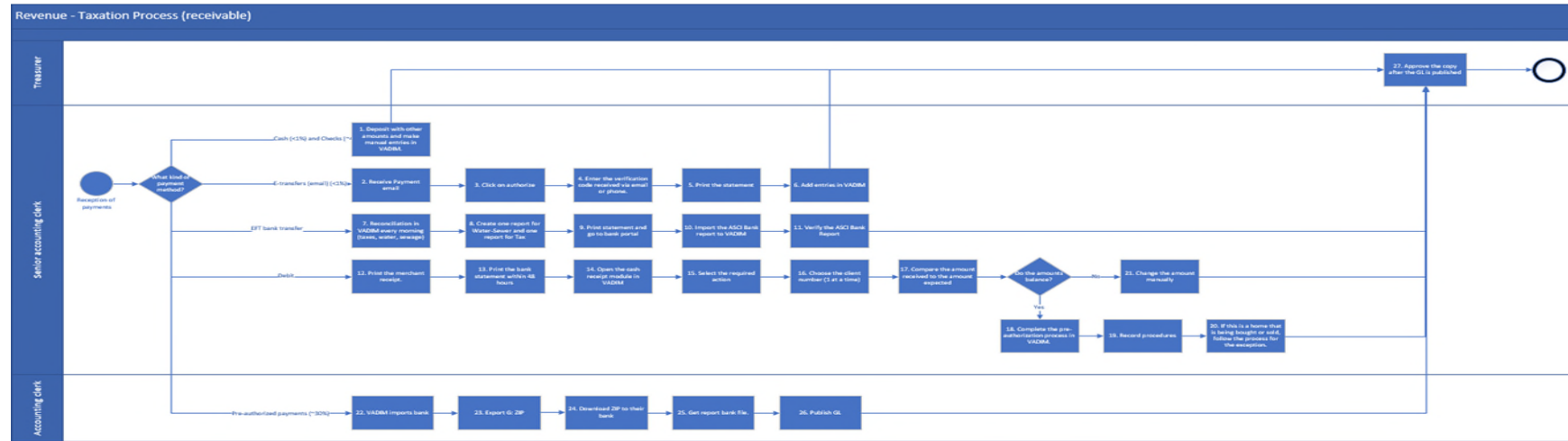
Accounts Receivable

Taxation (Revenue) Process



Transitioning away from the Current State

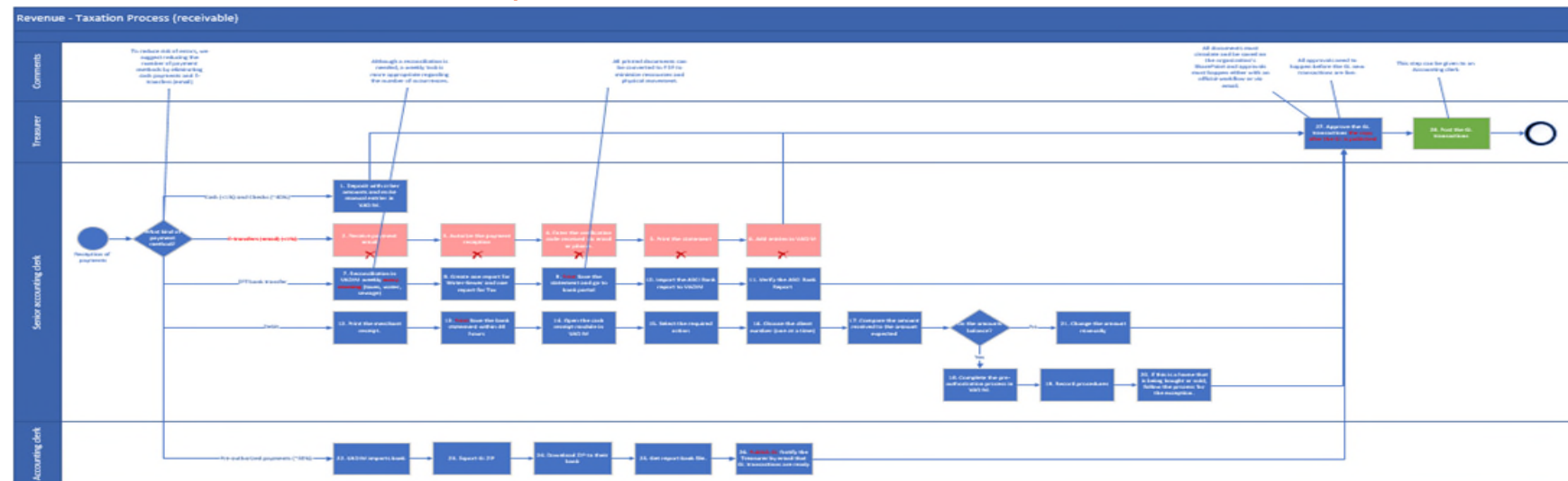
Current State Process Map



Process Pain Points & Opportunities

- Less than 2% of total payments are made up of cash payments and E-transfers, but a separate process is currently required for E-transfer payments. **Opportunity:** To reduce risk of errors, we suggest eliminating the cash and E-transfer (email) methods.
- Reconciliation is done every morning. **Opportunity:** Although this task is necessary, weekly reconciliation is sufficient.
- Documentation is managed in hard-copy. **Opportunity:** All printed documents can be converted to PDF to minimize resources and physical movement and be saved in SharePoint.
- Transaction copies are approved after the GL is published. **Opportunity:** All approvals need to happen either with an official workflow or via email before the GL transactions are live. GL transactions can be posted by an Accounting clerk. Additionally, all documents must circulate and be saved in SharePoint.

Future State Modifications Process Map

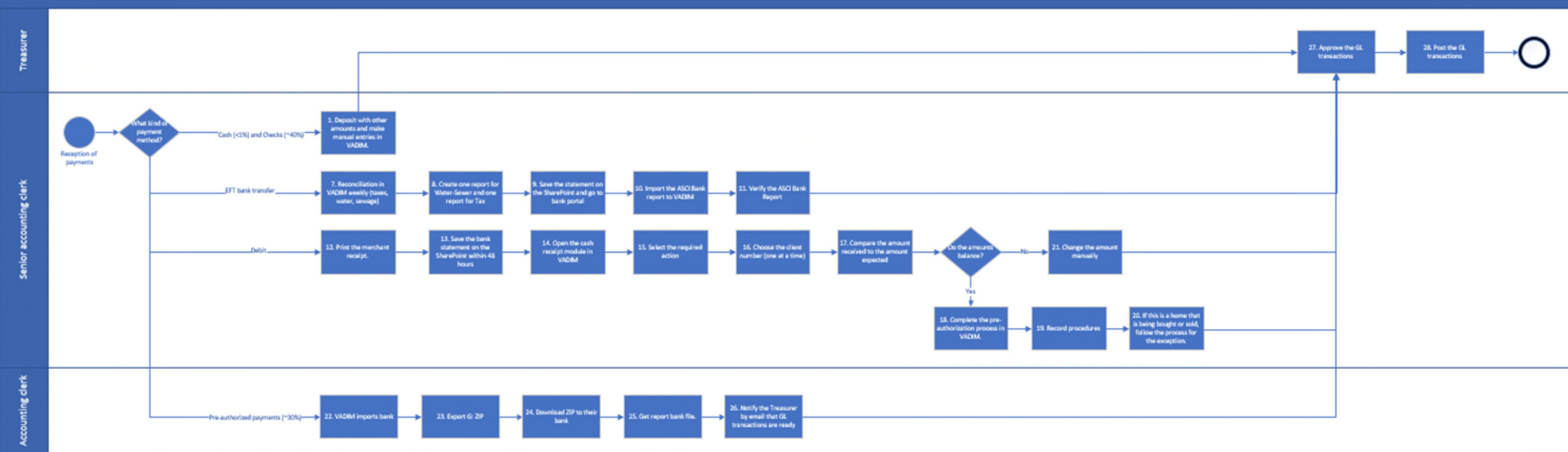


Taxation (Revenue) Process

Future State Process Recommendation

Future State Process Map

Revenue - Taxation Process (receivable)



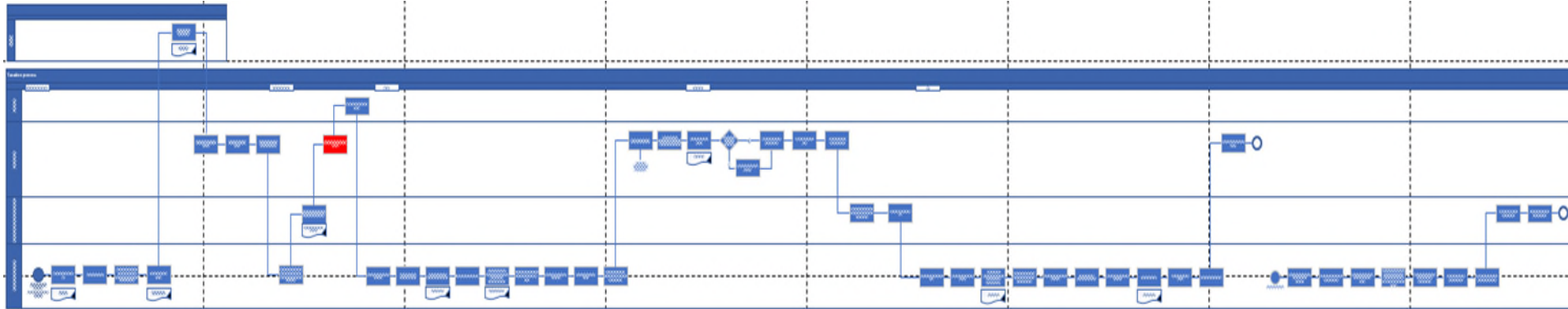
Efficiencies and cost savings

Streamlined payment methods: Elimination of email transfers =
 $75 \text{ payments} \times (0.5 \text{ hours} \times 40\$ \text{ hourly salary}) \times 2 \text{ (twice per year)} = \text{Estimated Economy of } \$1,500$

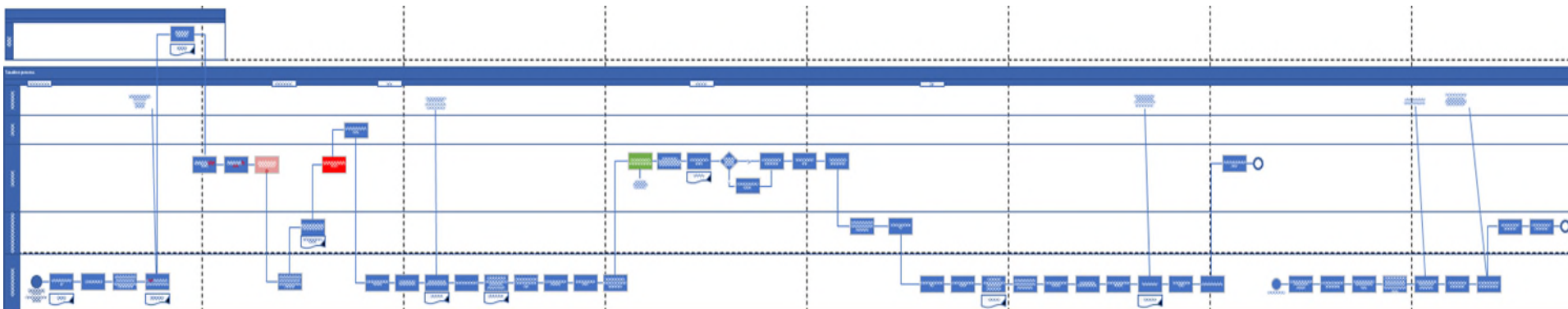
Taxation Process

Transitioning away from the Current State

Current State Process Map



Future State Modifications Process Map



Process Pain Points & Opportunities

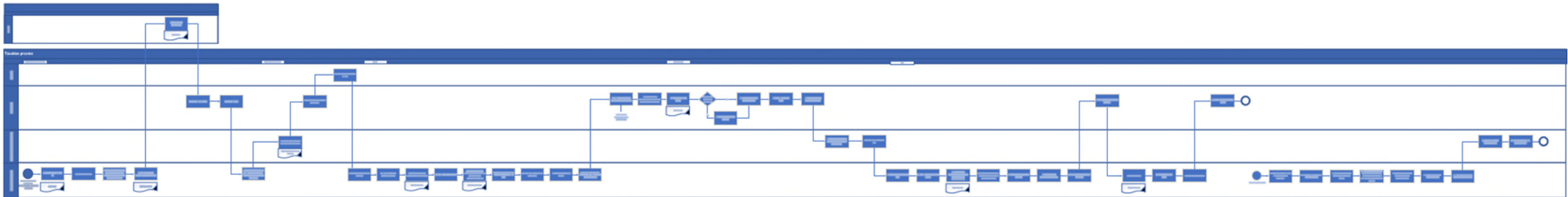
- Documentation is managed in hard-copy. **Opportunity:** Printed reports can be converted to PDF and saved in SharePoint.
- Currently, paper invoices are sent to customers directly, which use up resources and are potentially hard to trace. **Opportunity:** We suggest the implementation of online billing to minimize the mentioned risks.
- **Opportunity:** A digital registry should replace physical indexes.

Taxation Process

Future State Process Recommendation



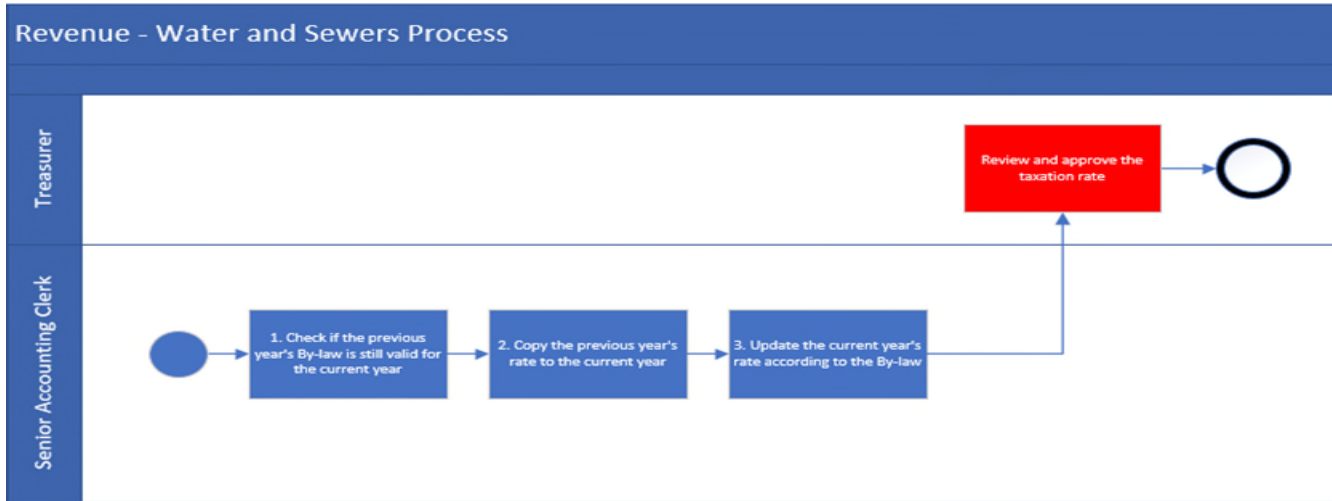
Future State Process Map



Water and Sewers Process (Yearly)

Transitioning away from the Current State

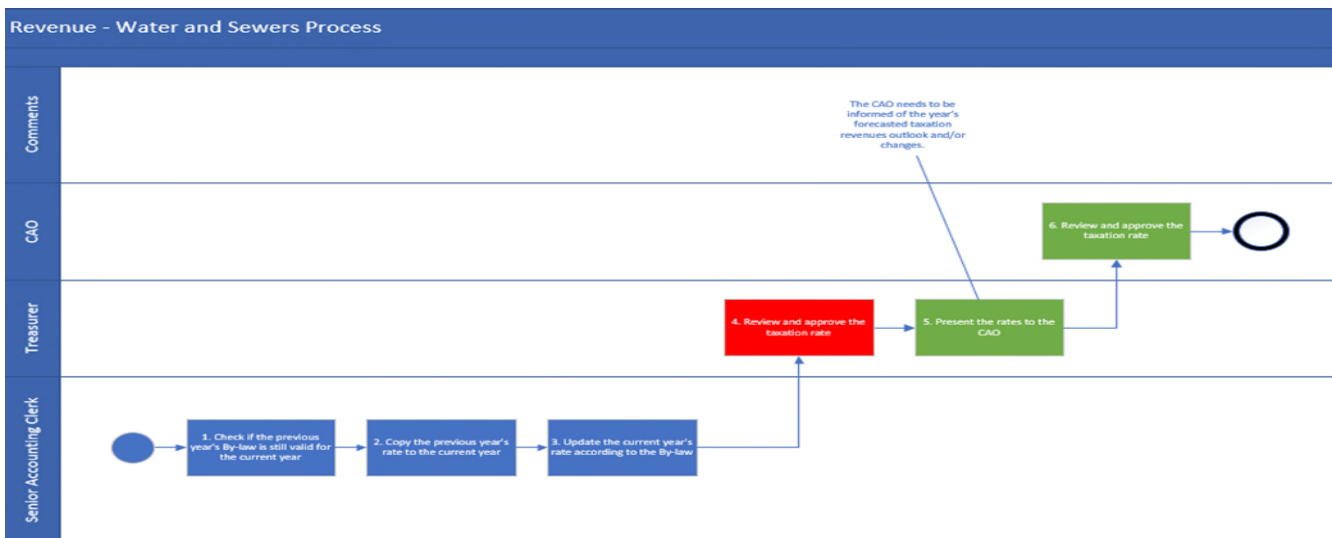
Current State Process Map



Process Pain Points & Opportunities

- **Opportunity.** The CAO needs to be informed of the year's forecasted taxation revenues outlook and/or changes.

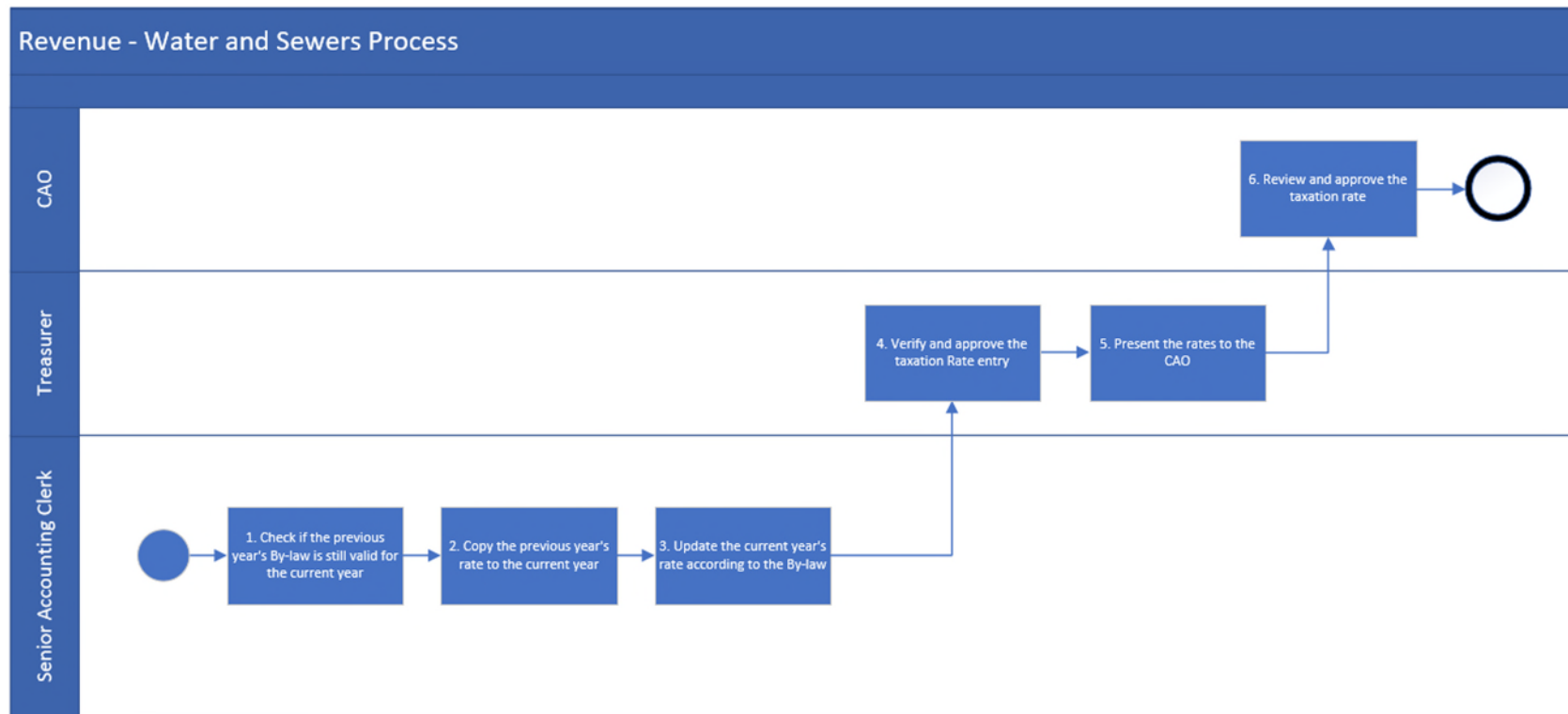
Future State Modifications Process Map



Water and Sewers Process (Yearly)

Future State Process Recommendation

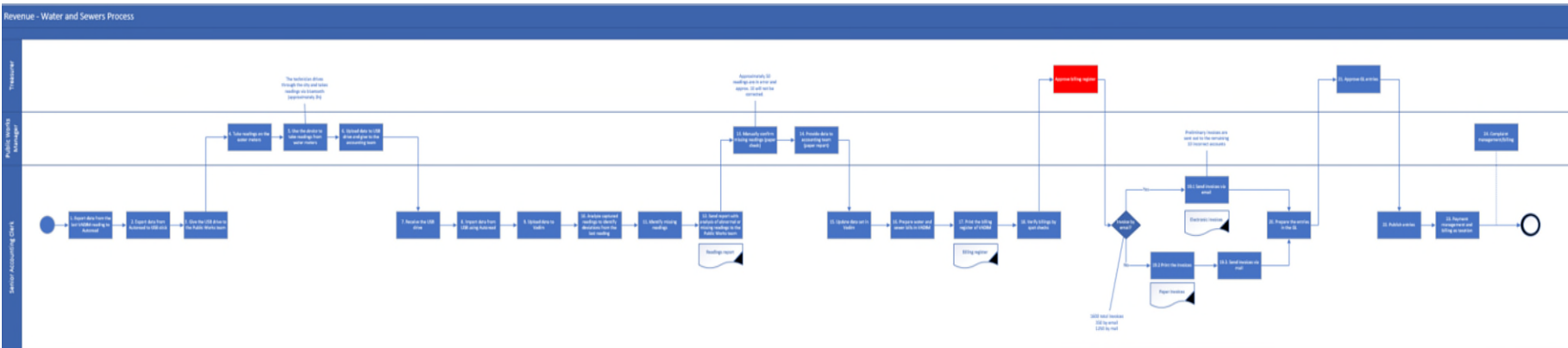
Future State Process Map



Water and Sewers Process (Quarterly)

Transitioning away from the Current State

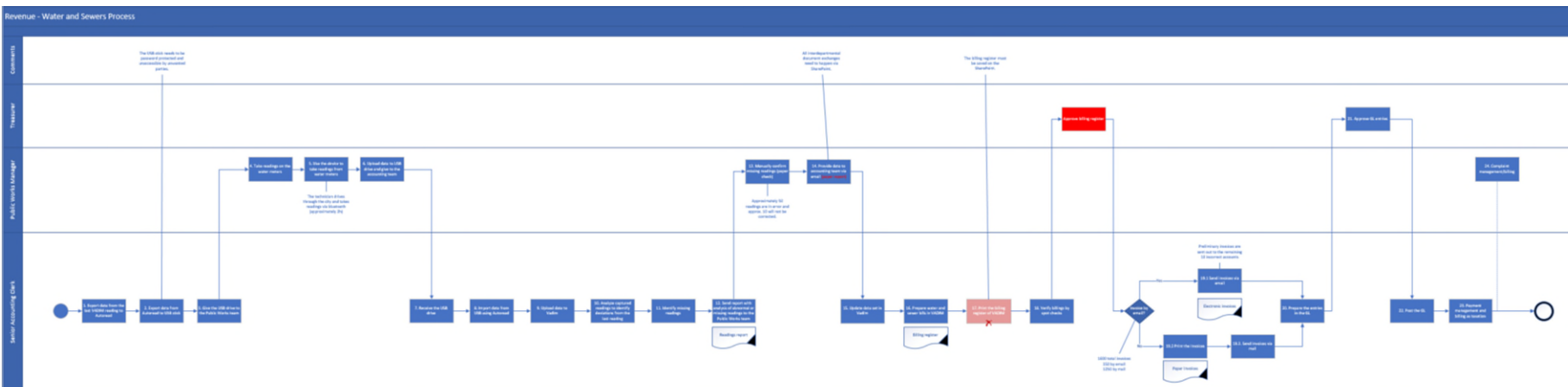
Current State Process Map



Process Pain Points & Opportunities

- As data is being exported from Autored to a USB, *the USB needs to be protected with a password to prevent unwanted access.*
- The accounting team is provided with paper reports. **Opportunity:** *We suggest that all interdepartmental document exchanges happen via SharePoint.*
- **Opportunity:** *The billing register must also be saved in SharePoint.*

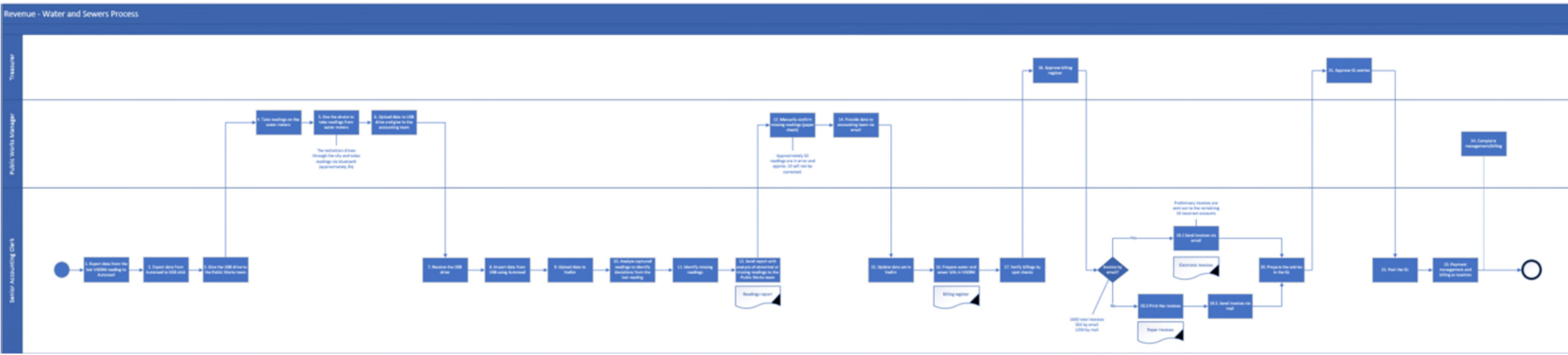
Future State Modifications Process Map



Water and Sewers Process (Quarterly)

Future State Process Recommendation

Future State Process Map

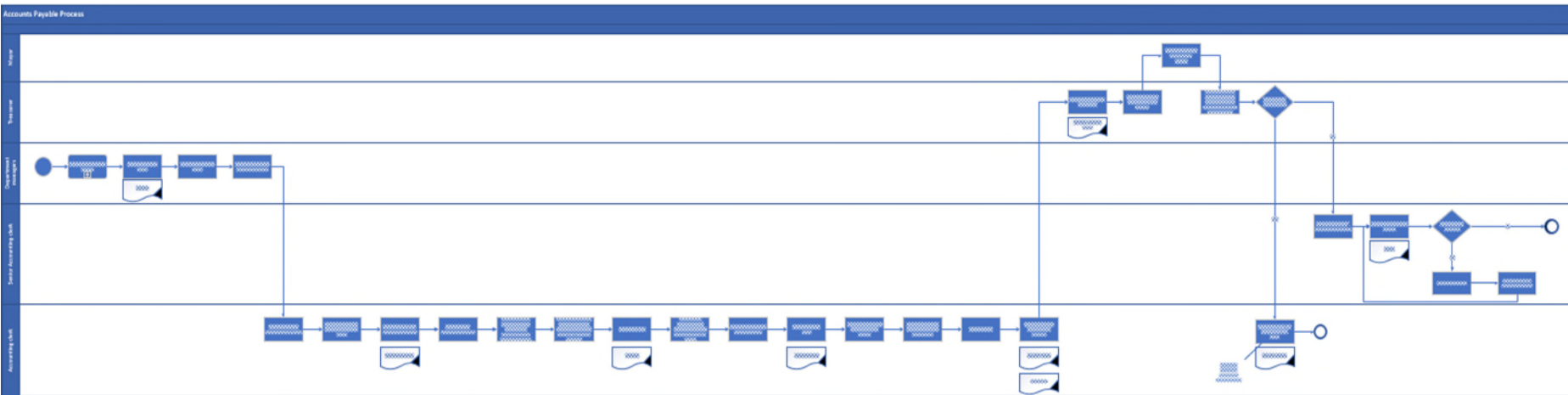


Accounts Payable

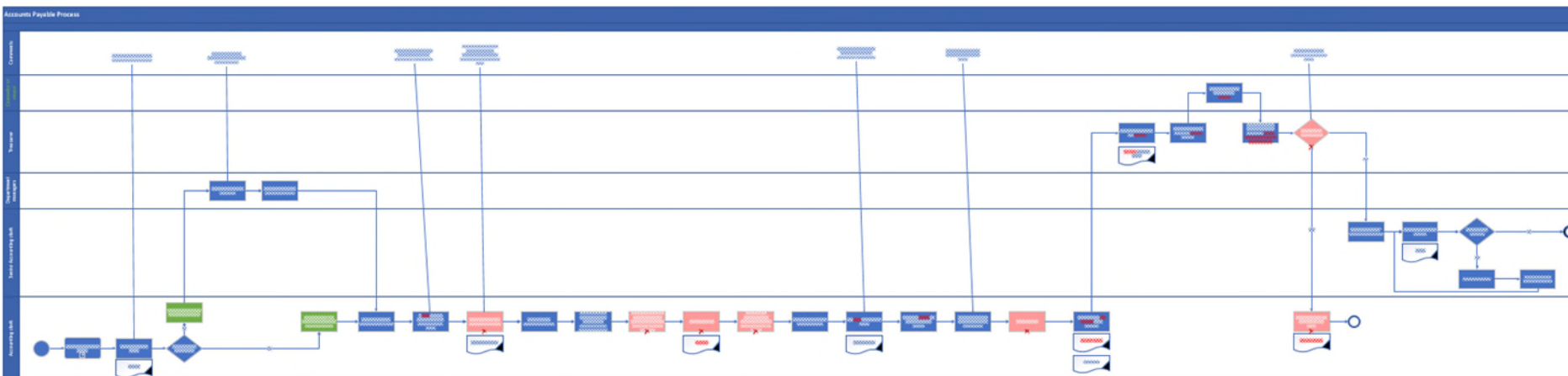
Accounts Payable Process

Transitioning away from the Current State

Current State Process Map



Future State Modifications Process Map



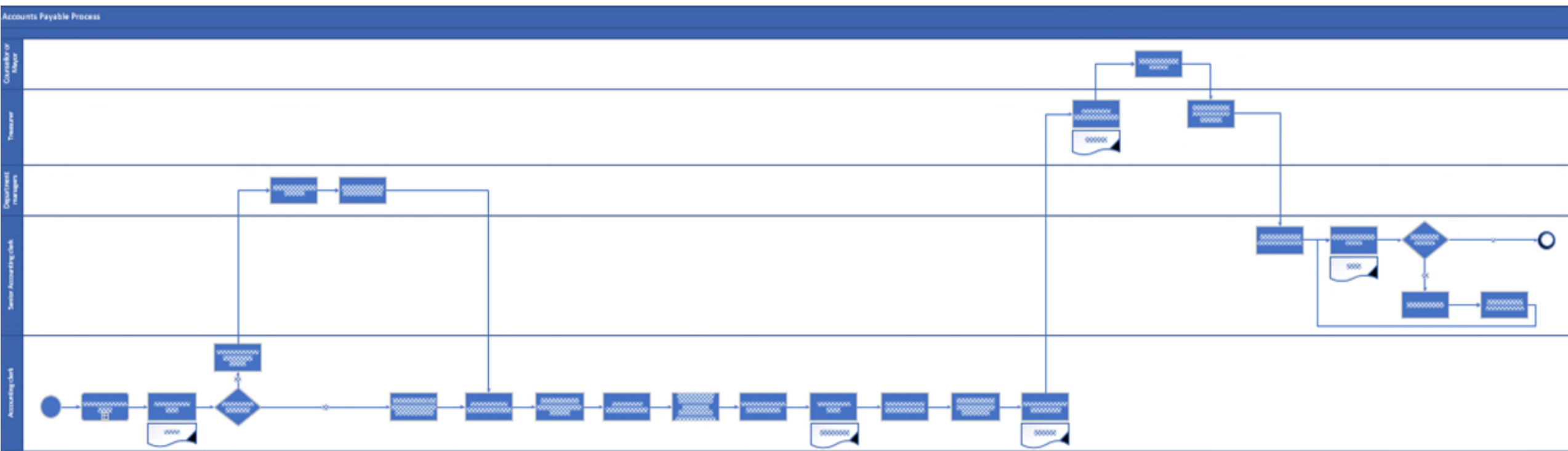
Process Pain Points & Opportunities

- Currently, only one person is working with the suppliers and also receiving the invoices. **Opportunity:** Invoices must be addressed to the Accounts payable team.
- **Opportunity:** All approvals need to happen electronically and respect the SLA.
- Documentation is managed in hard-copy. **Opportunity:** Printed reports can be converted to PDF and saved in SharePoint.
- The current process allows for cheque payments, and the cheques can be sent by post. **Opportunity:** We suggest removing cheque payments and post usage altogether to save costs and resources.
- **Opportunity:** GL transactions must be approved before being posted.

Accounts Payable Process

Future State Process Recommendation

Future State Process Map



Efficiencies and cost savings

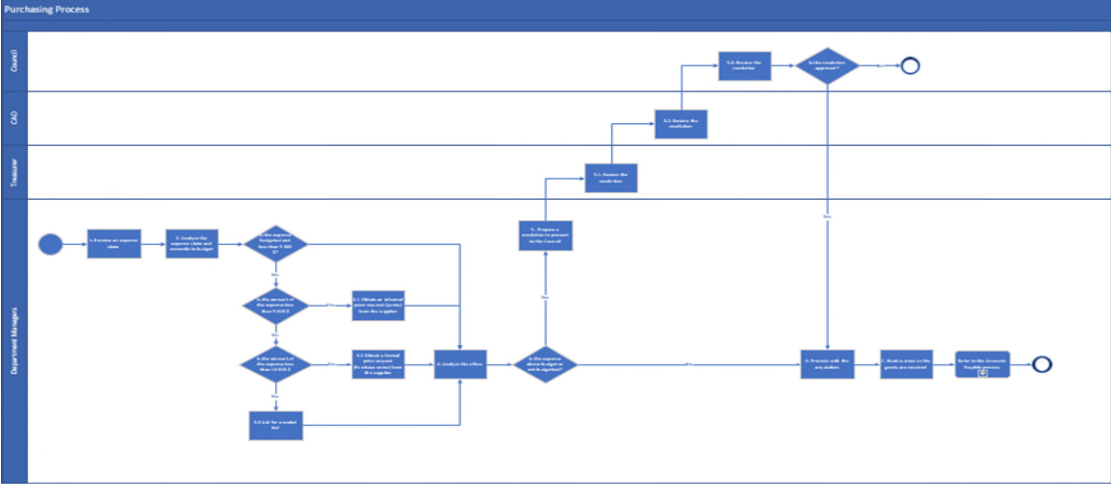
- Process optimization: Elimination of paper binders = $15,000 \text{ pages} \times (\$0.01 \text{ ink} + \$0.015 \text{ paper}) + (2 \text{ hours} \times \$40 \text{ hourly salary} \times 25 \text{ binders}) = \text{Estimated Economy of } \$2,375/\text{year}$
- Streamlined payment methods: Elimination of cheque payments = $850 \text{ cheques} \times (0.083 \text{ hours} \times \$40 \text{ hourly salary}) \times 70\% \text{ conversion rate} = \text{Estimated Economy of } \$1,975/\text{year}$
- Streamlined payment methods: Elimination of cheque payments = $850 \text{ cheques} \times (\$0.92/\text{stamp} \times \$0.09/\text{envelope}) \times 70\% \text{ conversion rate} = \text{Estimated Economy of } \$600/\text{year}$

Purchasing Process



Transitioning away from the Current State

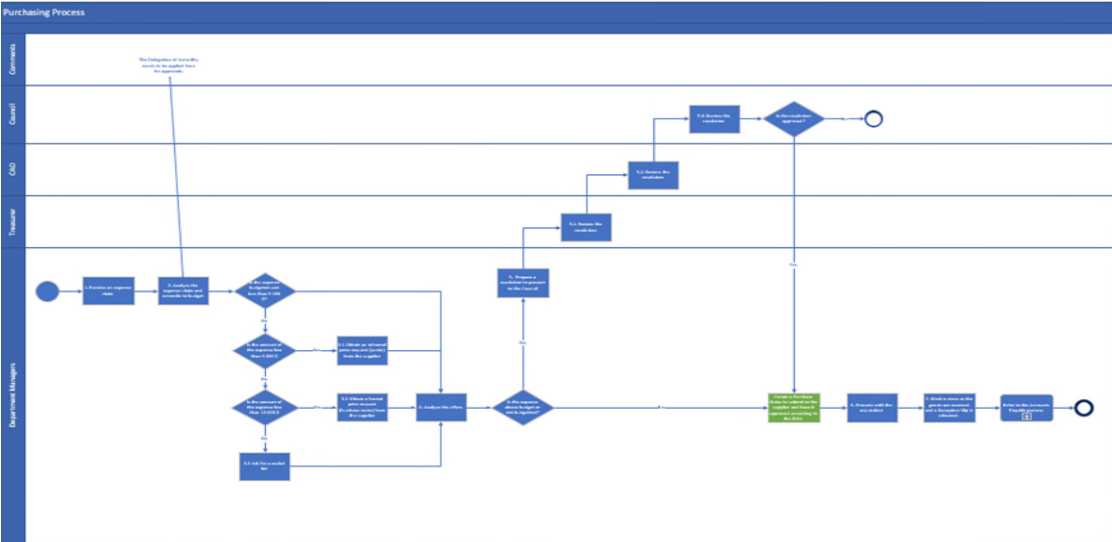
Current State Process Map



Process Pain Points & Opportunities

- The Department Managers analyze the expense claims and reconcile them to the budget. **Opportunity:** The Delegation of Authority needs to be applied for approvals.

Future State Modifications Process Map

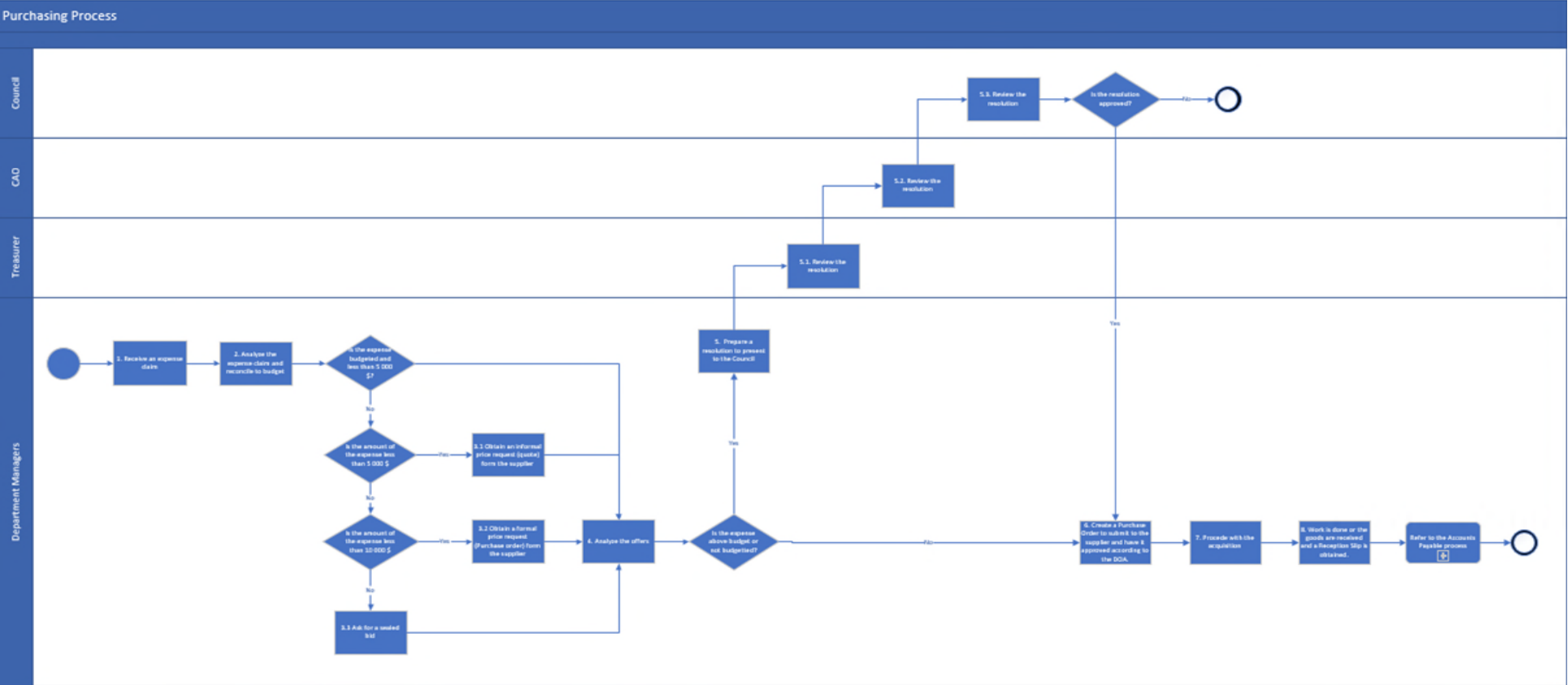


Purchasing Process



Future State Process Recommendation

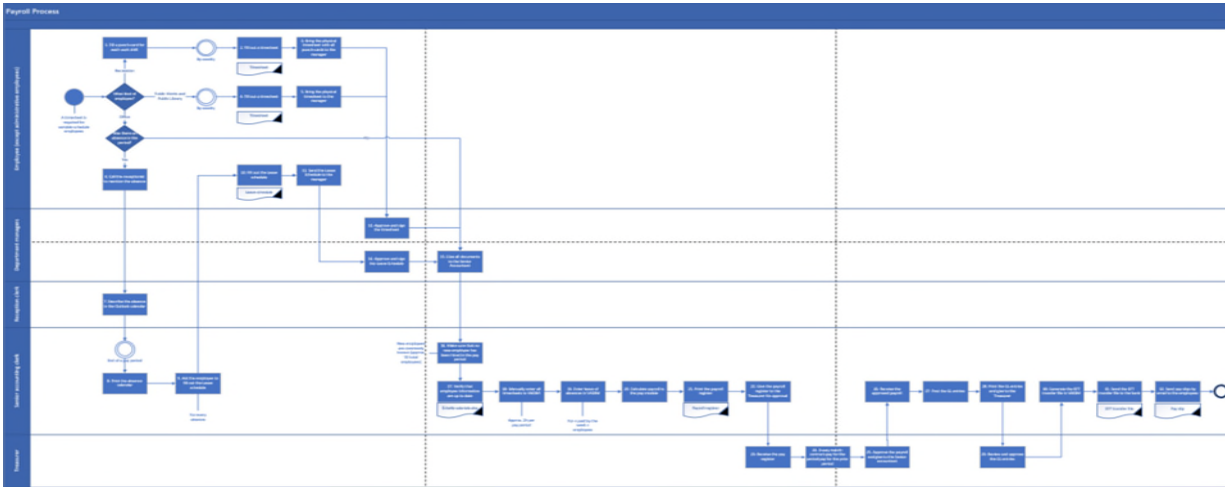
Future State Process Map



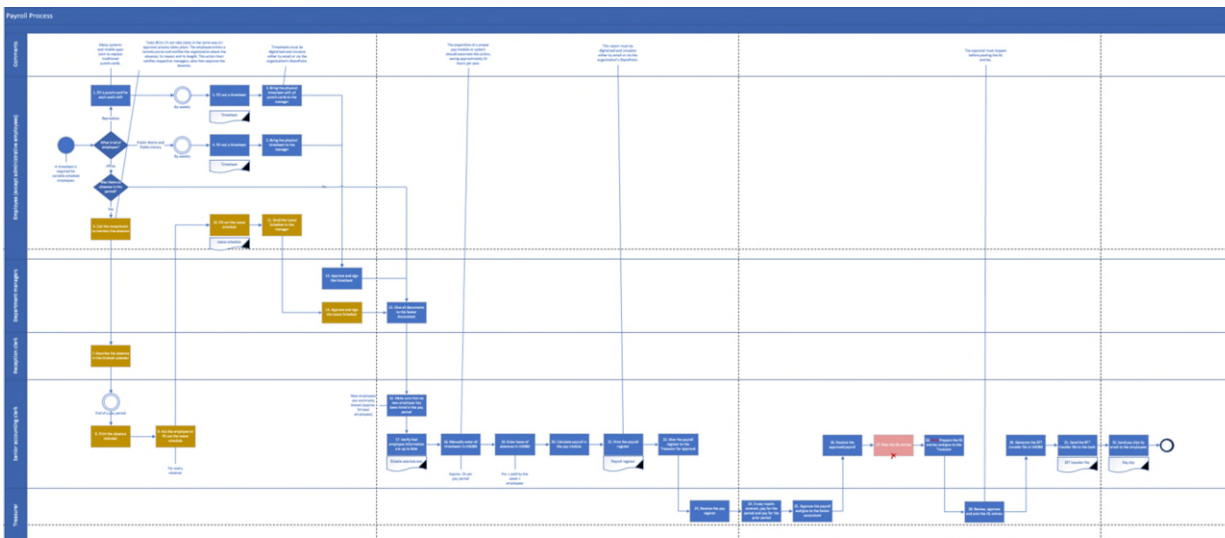
Payroll Process

Transitioning away from the Current State

Current State Process Map



Future State Modifications Process Map



Process Pain Points & Opportunities

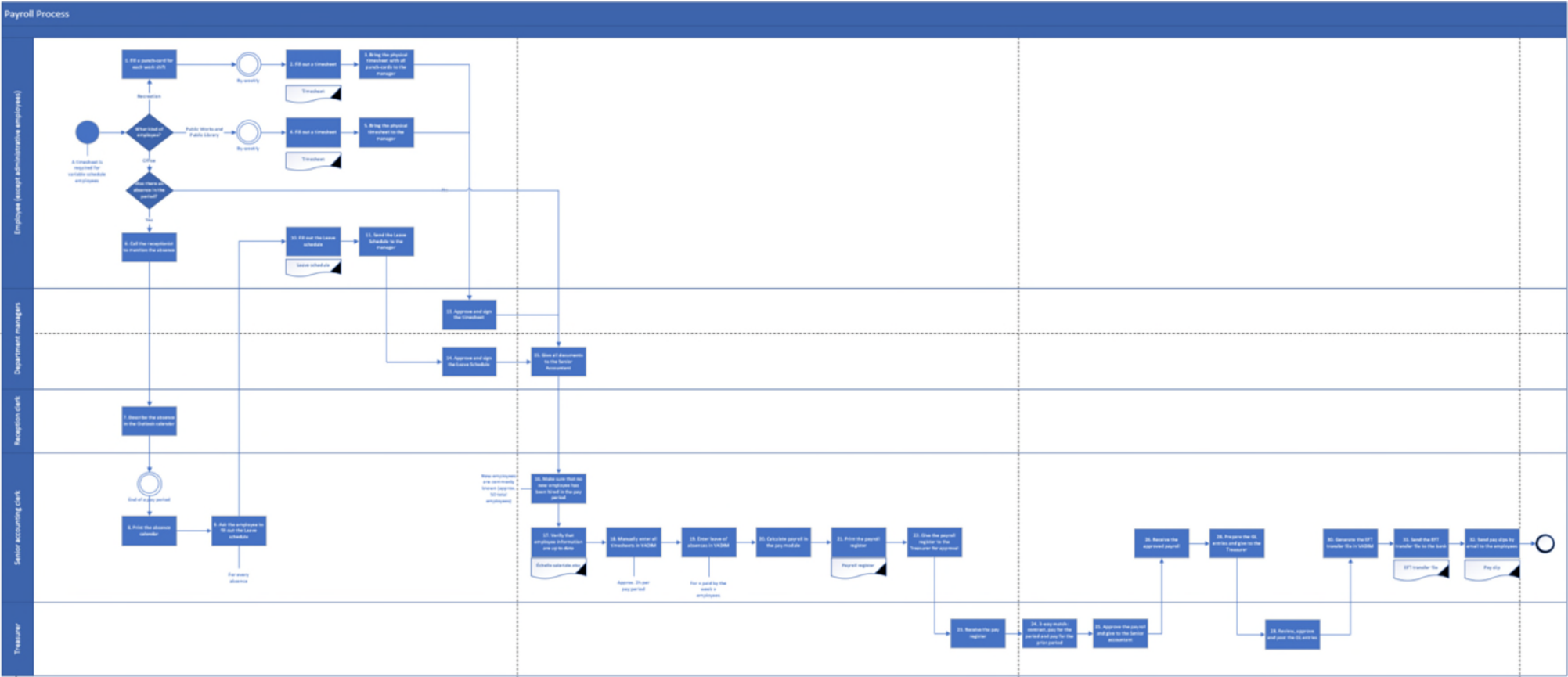
- Employees fill a punch-card for each work shift. **Opportunity:** Traditional punch cards can be replaced with systems or mobile apps.
- Employees need to go through many steps and different levels/departments to notify the organization of their absence from work. **Opportunity:** The employee can enter a remote portal and notify the organization about the absence, including reason and length. This action then notifies respective managers, who then approve the absence.
- Currently, employees bring the physical timesheet with all punch cards to the manager. **Opportunity:** Timesheets must be digitized and circulate either by email or via the organization's SharePoint.
- Timesheets are entered manually which take approximately 2 hours per pay period. **Opportunity:** A system should automate this task, saving approximately 52 hours per year.
- **Opportunity:** Payroll register must be digitalized and circulate either by email or via the SharePoint.
- **Opportunity:** The approval must happen before posting the GL entries.

Payroll Process



Future State Process Recommendation

Future State Process Map



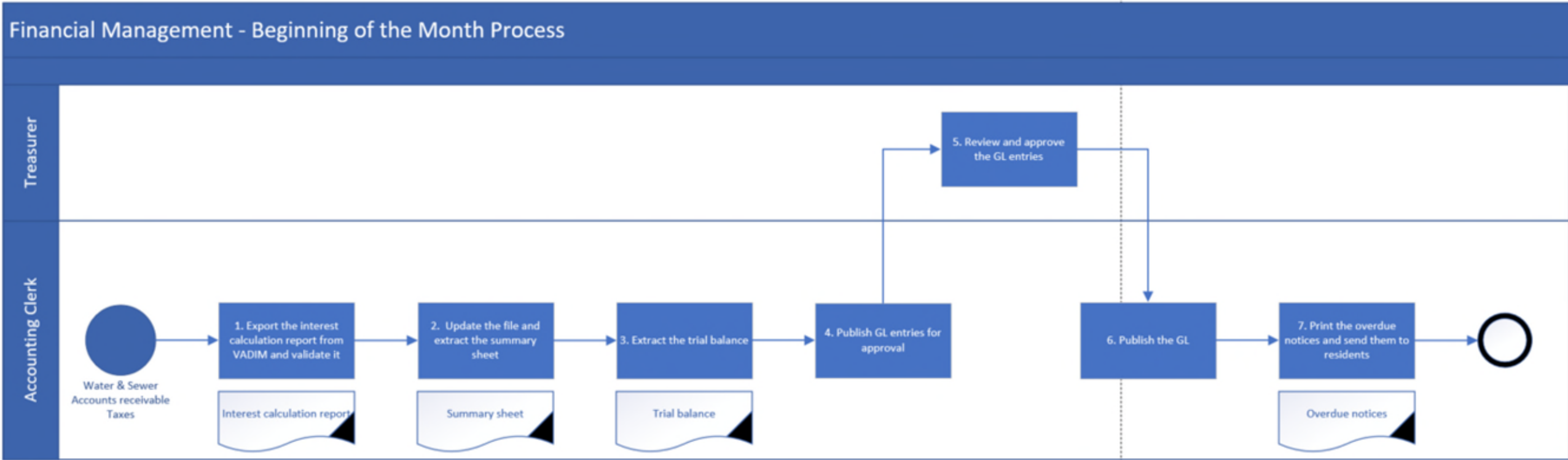
Accounting and Reporting

Beginning of the month Process



Future State Process Recommendation

Future State Process Map

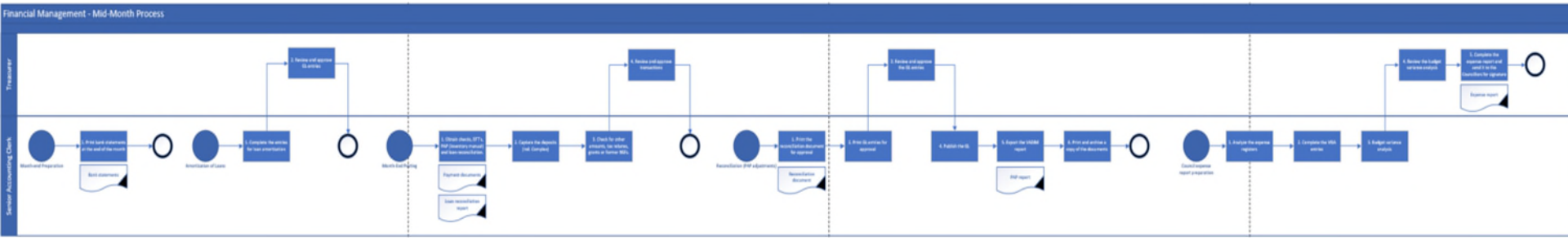


Mid-Month Process

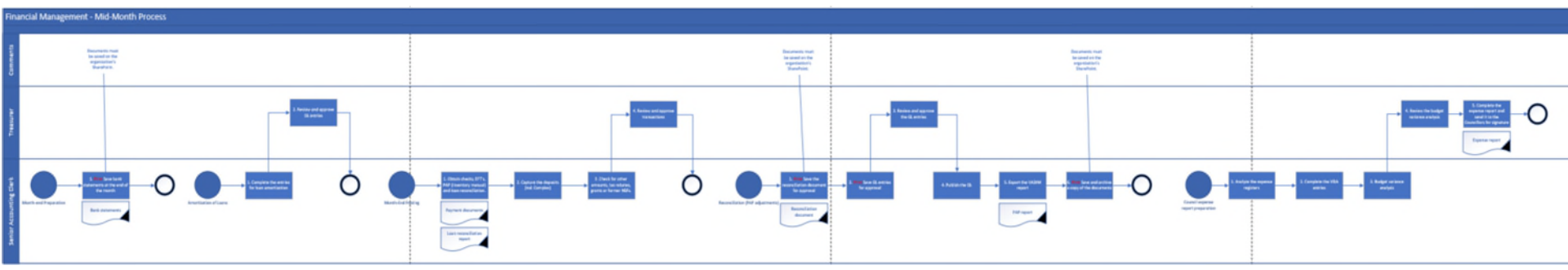


Transitioning away from the Current State

Current State Process Map



Future State Modifications Process Map



Process Pain Points & Opportunities

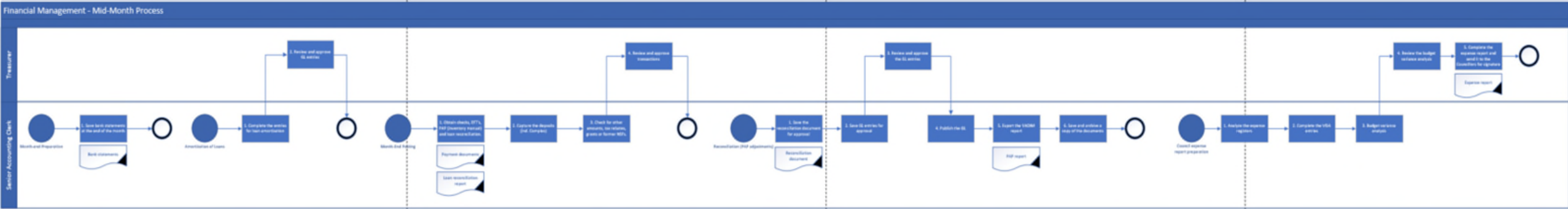
- Documentation is managed in hard-copy. **Opportunity:** Printed reports can be converted to PDF and saved in SharePoint.

Mid-Month Process



Future State Process Recommendation

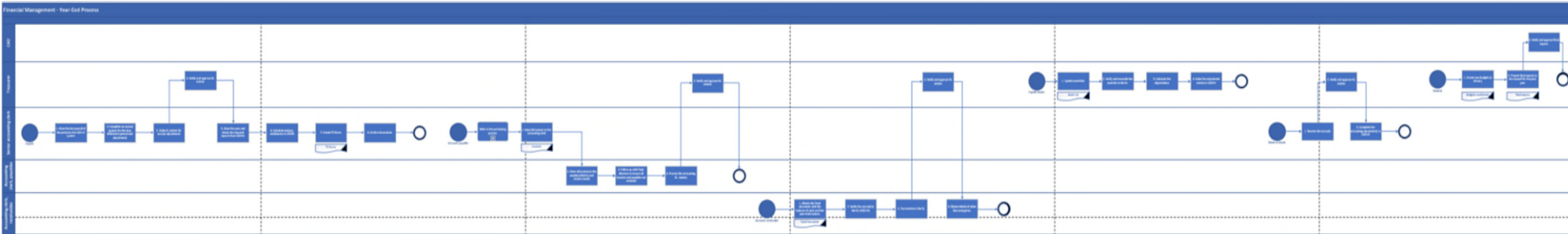
Future State Process Map



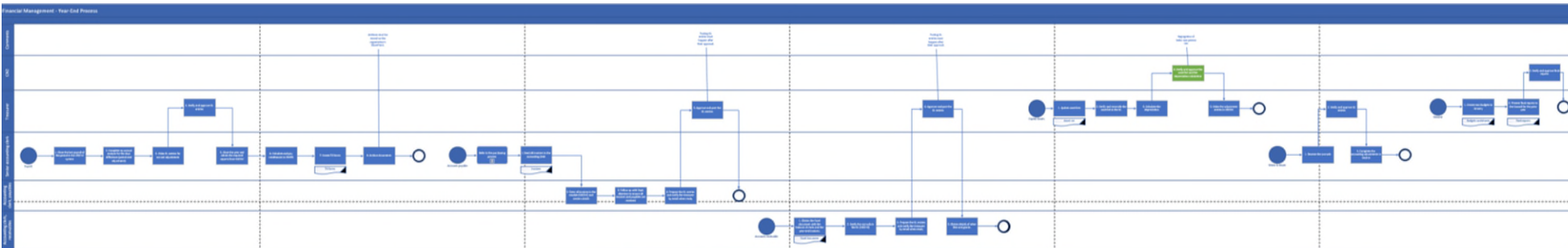
Year-end Process

Transitioning away from the Current State

Current State Process Map



Future State Modifications Process Map



Process Pain Points & Opportunities

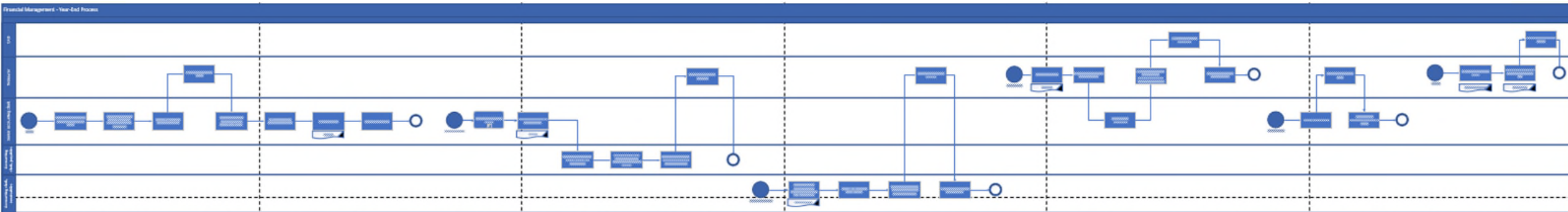
- Archived documents are stored physically. **Opportunity:** Archived documents must be stored on the SharePoint.
- Currently, the GL entries are not posted after approval. **Opportunity:** Posting GL entries must happen immediately after approval.
- Opportunity:** Segregation of tasks: one person needs to approve the depreciation calculation.

Year-end Process

Future State Process Recommendation



Future State Process Map

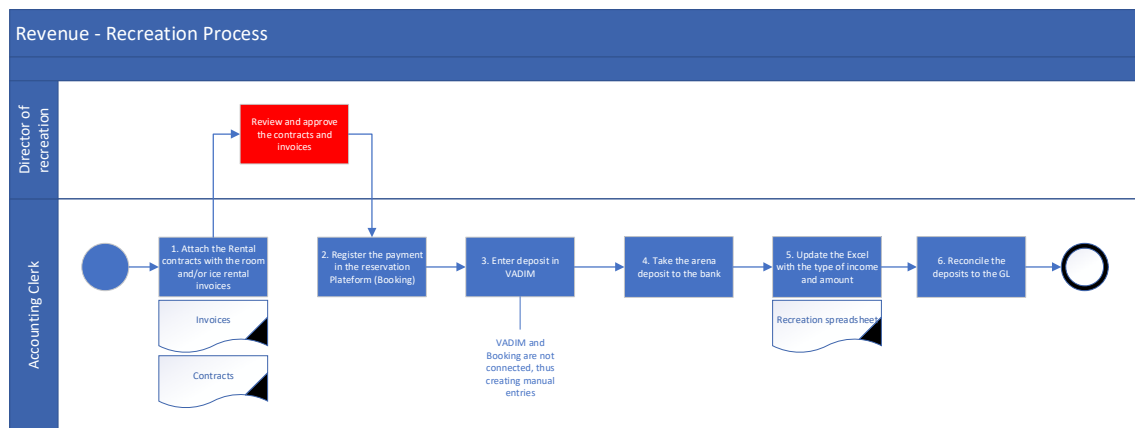


Other Revenues

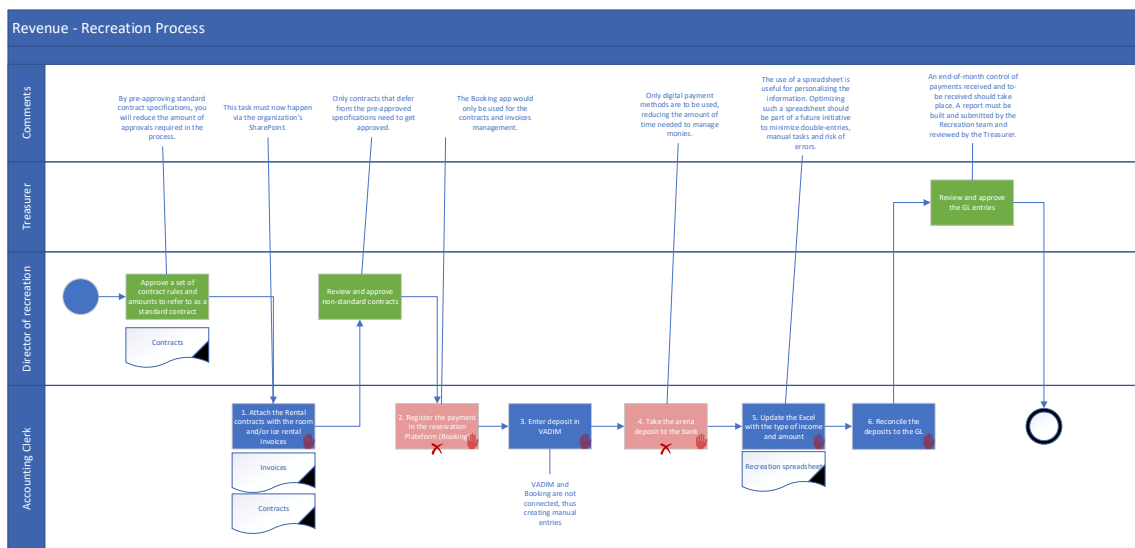
Recreation Process

Current State Analysis

Current State Process Map



Future State Modifications Process Map

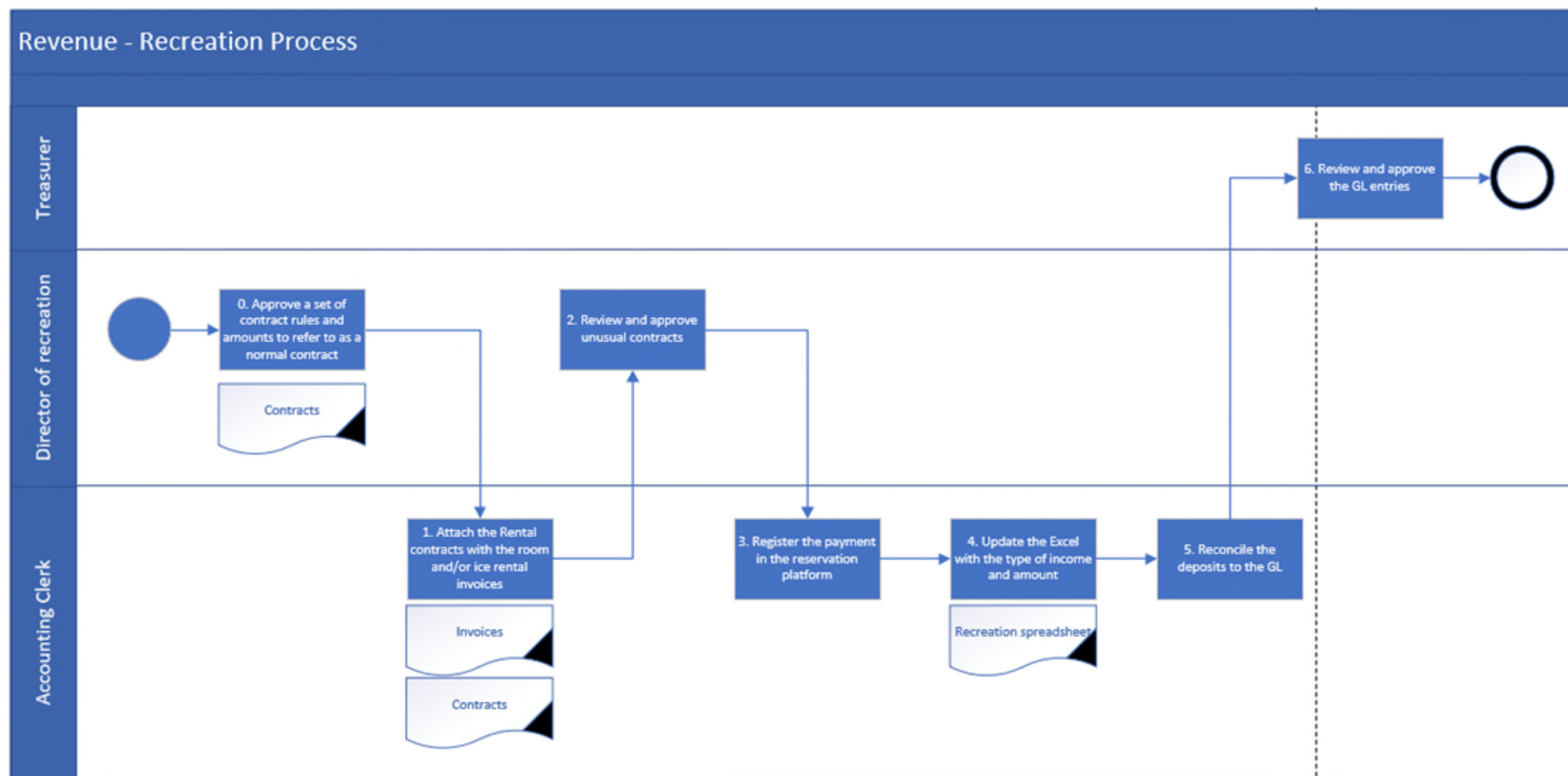


Process Pain Points & Opportunities

- Lack of a standardized contract. **Opportunity:** Pre-approved standard contract specifications will enable reductions in the number of approvals required throughout the process, promoting automated and efficient workflows.
- Documentation is managed in hard-copy. **Opportunity:** Attachment of rental contracts with room and/or ice rental invoices must happen via the organization's SharePoint, supporting centralized record-keeping.
- **Opportunity:** Manual approvals will only be required for contracts that differ from pre-approved standard specifications, reducing processing times and workload for the Director of Recreation.
- Currently, payments are registered in Booking. **Opportunity:** The Booking app would only be used for contracts and invoice management, while manual entries for deposits in VADIM would still be required to connect the two.
- The current process requires the Department to take the arena deposit to the bank. **Opportunity:** A transition to digital payments will improve record-keeping capabilities, while also reducing time requirements from physical deliveries and pickups of funds.
- **Opportunity:** The implementation and optimization of an Excel spreadsheet will allow for customized data tracking and visualization, which also helping to minimize double-entries, manual tasks, and input errors.
- Lack of end-of-month reporting. **Opportunity:** End-of-month reporting by the Recreation team will be required for all payments received and to-be-received, for review by the Treasurer, to ensure updated tracking.

Recreation Process

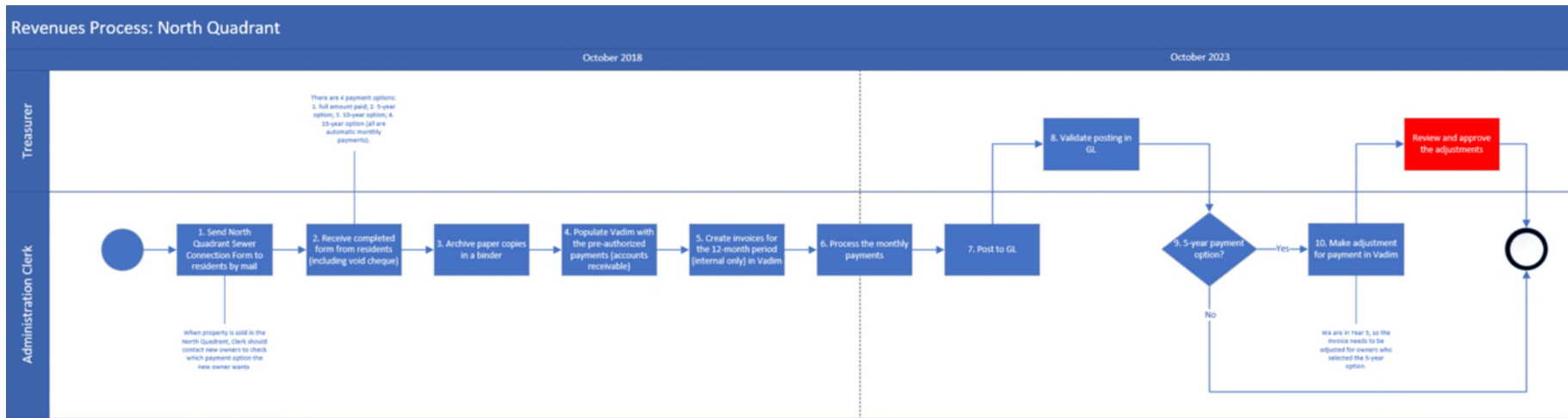
Future State Process & Recommendations



North Quadrant Process

Transitioning away from the Current State

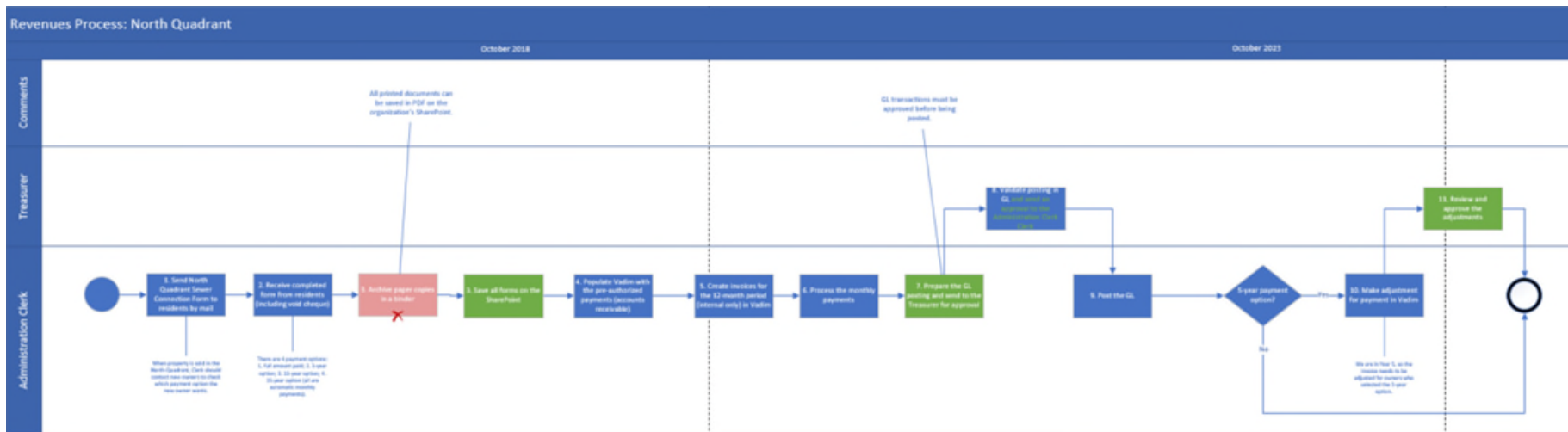
Current State Process Map



Process Pain Points & Opportunities

- Documentation is managed in hard-copy. **Opportunity:** Printed reports can be converted to PDF and saved on the SharePoint.
- **Opportunity:** GL transactions must be approved before being posted.

Future State Modifications Process Map

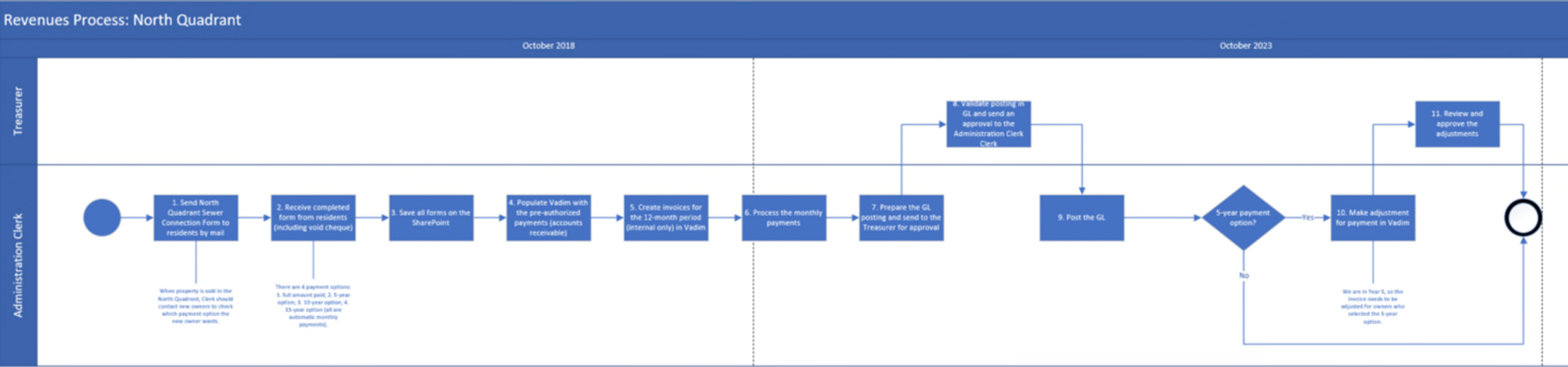


North Quadrant Process



Future State Process Recommendation

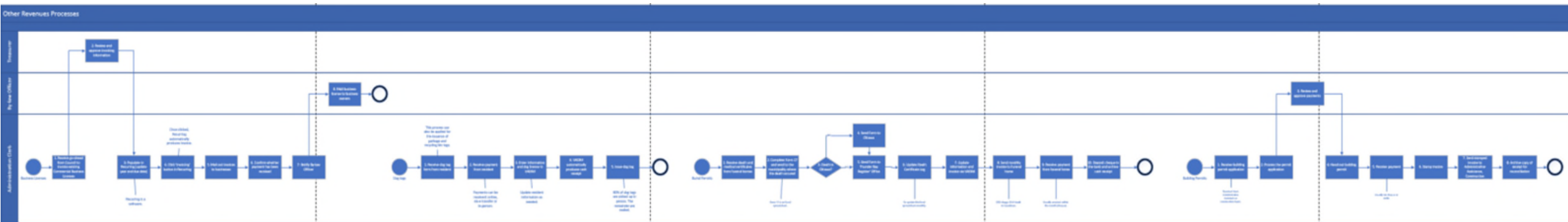
Future State Process Map



Other Revenues Process

Future State Process Recommendation

Future State Process Map

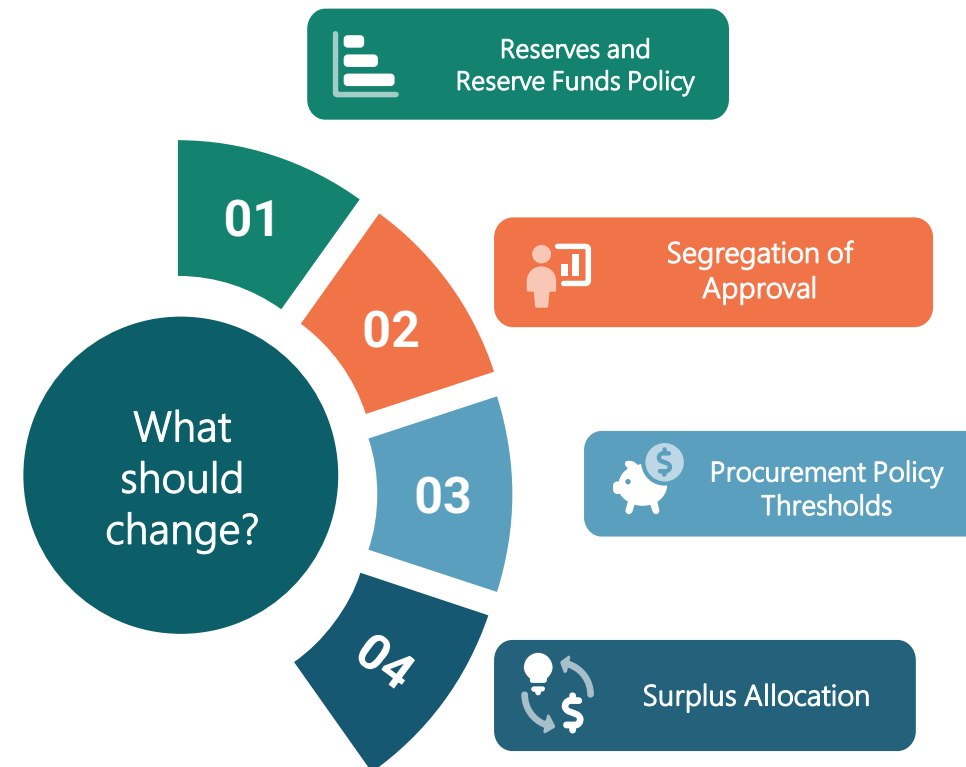


Refreshing the Finance Department's Policies

List of Current Policies

Below is a list of the current policies the Finance Department has shared with the MNP team. MNP has recommended the following amendments to the policies.

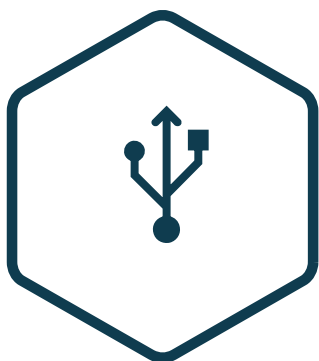
Policy Name	Date of Policy	Ease of Application / Other Issues?	Prioritization
Politique Achat (F1)	2005	To update	1b
Purchasing Procedures (F2) - ENG	2005		
Procedures Achat (F2)	2005		
Politique de Placement (F3)	2005	To update	1a
Politique Depense (F4)	2007		
Politique sur l'Utilisation des Cartes de Credits (F5)	N/A		
Thresholds (F7)	2015		
Asset Amortization (F8)	2015		
Strategic Asset (F9)	2019		



Technology Assessment

Preliminary Technology Recommendation

There is a strong appetite for the Municipality to reinforce the use of technology. Understanding where the Finance Department's strengths and gaps are, as well as a holistic view of all departments within the Municipality, and reinforcing the use of technology where those gaps exist may reduce human error, improve controls and access to data as well as reduce labour intensive tasks within business processes. This would better prepare the Municipality to facilitate efficiencies and optimal use of resource time.



Complete a Technology Assessment

To identify gaps and opportunities, holistically across the organization, and across dimensions of people, process, technology and governance; right-sized and aligned to your key objectives. Understanding where and how to optimize IT spend and investments sets a strong foundation for operational efficiency, to meet current and future needs.

Preliminary Technology Recommendations – Key Initiatives

Based on stakeholder discussions, and aligned with overall findings, the following high-level recommendations denote key short-to-medium term initiatives to establish foundation going forward.

Recommendations- Key Initiatives	Rationale	Benefit (H/M/L)	Effort (H/M/L)	Est. Cost	Considerations
Digital Strategy Roadmap	<ul style="list-style-type: none"> Improved visibility of holistic/strategic/right-sized digital needs across people, process, technology, governance over short-to-long term Determine the What and the Why (i.e. "What" decisions need to be made; "Why" those decisions are the right ones) 	H	M	\$\$\$+	<ul style="list-style-type: none"> Recommendations can/should be right-sized to organizational context (i.e. size, budget, complexity, etc.) May be opportunity to share various services with surrounding municipalities, where appropriate (i.e. may require further exploration for shared services with other entities)
Validate Finance Solution	<ul style="list-style-type: none"> Validate existing finance solution can continue to meet both current and future needs/capabilities Determine go forward plan to address gaps, risks, considerations toward a future-state 	H	M	\$\$\$	<ul style="list-style-type: none"> Align with Digital Strategy Roadmap (i.e. across broader recommendations) Final recommendation may involve replacing existing finance solution (i.e. material cost implication; alignment with longer-term organizational objectives)

Legend	Benefit/ Effort	L-Low	M-Medium	H-High	Est. cost Scale	\$	\$\$	\$\$\$	\$\$\$\$
						< \$5K	< \$5K - 25K	< \$25 - 50K	\$50 - 100K

MNP's Digital Capability Model

The following provides the underlying framework around which we assess, consider and right-size your Digital Maturity to your unique context.

STRATEGY & GOVERNANCE	IT Strategy	IT Governance	Business Relationship Mgmt	Performance Mgmt	Innovation & Continuous Improvement	IT Mgmt & Policies	
PEOPLE & RESOURCES	Workforce & Talent Mgmt	Training & Tech Enablement	Knowledge Mgmt				
SERVICE PLANNING & ARCHITECTURE	Enterprise Architecture	Service Mgmt	Quality Mgmt				
FINANCIAL MANAGEMENT	Business Value Realization	Vendor / Supplier Mgmt	Cost & Budget Mgmt	Resource Optimization			
APPLICATIONS	Portfolio Mgmt	Solution Selection	Solution Build	Testing & Quality Assurance	Application Maintenance		
INFRASTRUCTURE & OPERATIONS	Availability & Capacity Mgmt	Operations Mgmt	Infrastructure & Platform Mgmt	Change & Release Mgmt	Asset Mgmt	Configuration Mgmt	Service Desk
SECURITY & RISK	Security Strategy	Security Mgmt	Risk Mgmt	External Compliance Mgmt	Assurance Mgmt	Process Controls & Internal Audit	Business Continuity & DR Planning
DATA & BUSINESS INTELLIGENCE	Data Mgmt	Reporting					
PPM & PROJECTS	Portfolio Mgmt	Project Mgmt	Requirements Mgmt	OCM			

Within the parameters of People, Process, and Technology, MNP's Digital Strategy framework examines the full spectrum of digital capabilities - from strategy and governance through infrastructure and operations all the way to data and business intelligence, that may apply across a particular client context.

While each digital capability is important, some will be more critical than others when assessed within the context of an organization's strategy. Evaluating digital capabilities within this lens is essential to developing a digital strategy that is properly aligned to organizational priorities and can drive the creation of value immediately upon starting to implement.

As an organization looks to modernize and mature, it is important to understand how well your digital strategy aligns with your organizational objectives; helping you optimize and extract the most value, from your IT spend and investments, thereby setting the foundation upon which your organization may thrive.

Implementation Plan

Project Implementation Governance



A strong and clear project governance is necessary to ensure that the project will have a successful outcome. The table below outlines the various project roles and responsible functions. The arrows represent reporting paths, depicting a team that has open communication and strong collaboration.

Role	Members	Functions
Executive Sponsor (CAO)		Executive Sponsor
Steering Committee		Leadership Support Decision Making Implementation Tracking Performance Management
Project Management (Process Implementation Lead)		Process Management Process Risk Management Process Implementation Communications
Delivery Teams (Finance Team)		Completion of project activities (process implementation) pas in the implementation timeline. There is also the option of creating a Process Improvement Team. The Technology Team would be represented by IT Consultants or Vendor with support from key management leads as needed (i.e. Treasurer and CAO)
Quality Assurance (CAO and Treasurer)		Quality Assurance

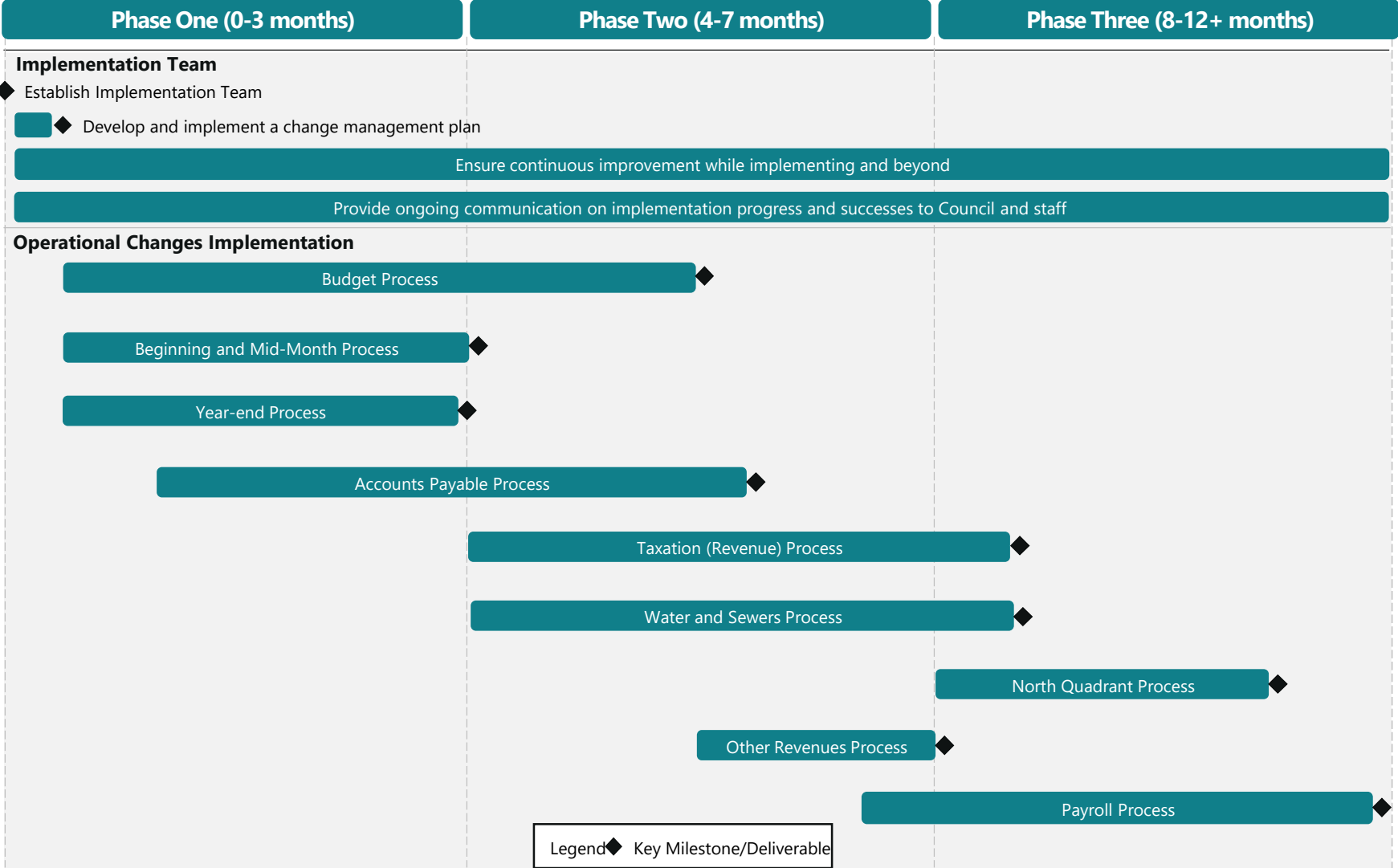
Key Milestones for Successful Implementation

- **Asset Management Plan:** This plan is to be developed, which will reinforce the budget and standardize the budget process for asset maintenance and renewal;
- **Payroll:** The payroll process would benefit from an assessment of opportunities for the adoption of a software that could integrate with the current VADIM system;
- **Training:** Develop a training and deployment plan of new processes that will stagger implementation in time, to ensure stability and comfort level of staff with the updated processes;
- **Cross Training:** Cross training activities need to be implemented on critical tasks to minimize loss-of-knowledge-risks due to employee departure or absence (i.e., more than one employees need to be trained for each task); and
- **Technology:** Technological assessment and development of digital strategy will augment efficiency and further improve processes.

Recommendations – Implementation Roadmap



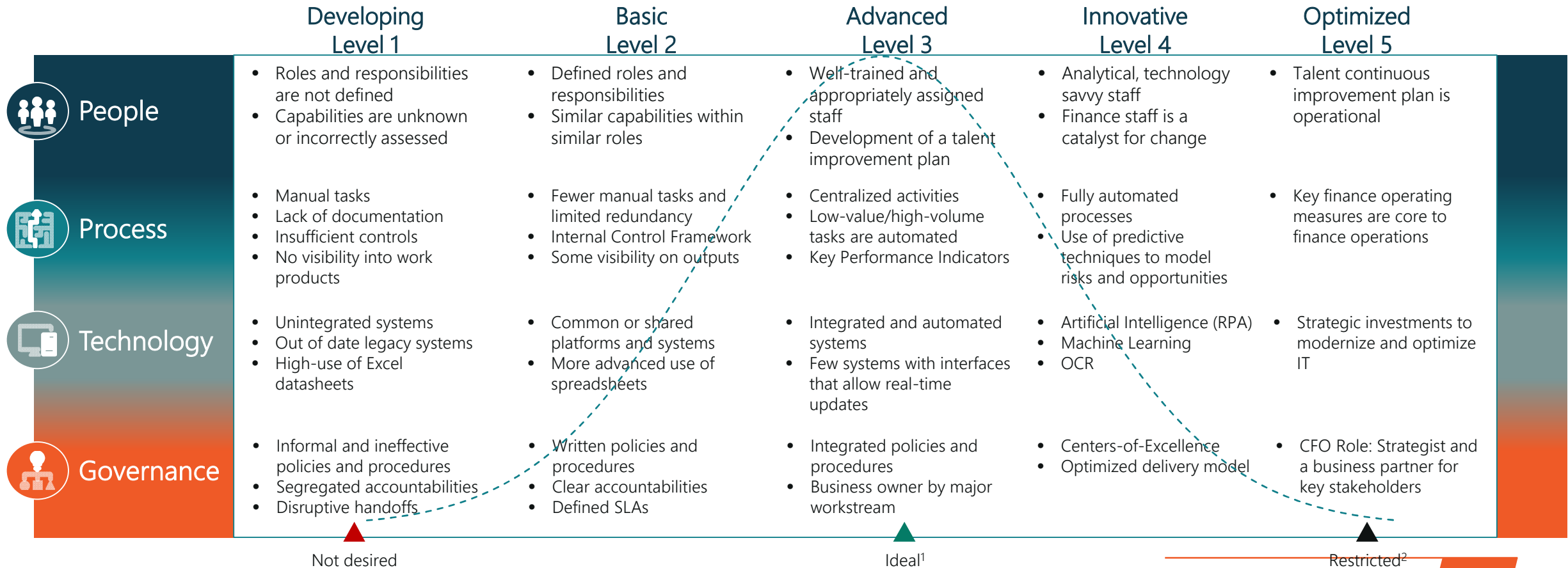
This is a suggested implementation timeline and should be adapted at the onset by the steering committee to reflect timing and key events within the Municipality.



Finance Operations Maturity Levels

Finance Operations Maturity Levels

Maturity levels provide finance executives with a qualitative assessment of the current state of operations and the opportunity to move the needle to an ideal state. This could be used as a benchmarking tool, evaluation at the onset prior to implementation then periodic evaluations to test progress withing the matrix.



1: A Level 3 maturity is ideal for small to mid-sized enterprises looking to modernize their operations. Levels 4 and 5 may not be suitable, and generate diminishing returns based on the required investment

2: Restricted refers to a level that can mostly be achieved for certain sub-processes, as opposed to the entire Finance organization

Finance Operations Maturity Level Assessment

Proposed Approach to Evaluate Progress Through Implementation



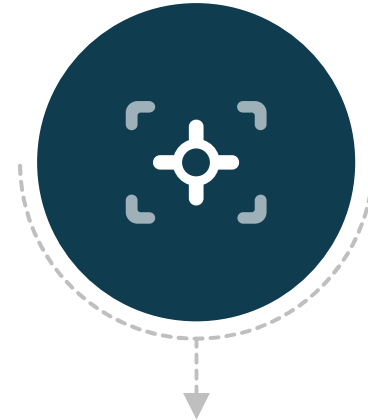
1. Assess Starting Point

Conducting an initial assessment to ensure that you are able to track progress and evaluate successes along the way.



2. Second Assessment

Following the implementation of the first Process (i.e., Budget), evaluate the progress using the Maturity Level Matrix.



3. Third Assessment

The third assessment can be conducted at the end of a period: this will reflect the implementation of several processes and the progress made.



4. End of Year Assessment

Following the first year of implementation, a final assessment of where you stand in the maturity index would be beneficial to evaluate the success of implementation and changes.

This tool could be used in communications throughout implementation to show progress and measure successes.

Change Management

Change Management Considerations

Change Management Process

It is recommended that Casselman's Finance Department develop a comprehensive change management plan to facilitate a smooth transition to the recommendations the Department chooses to implement. In accordance with PROSCI-ADKAR Change Management Process and Best Practices, there are three phases to the Change Management Process. MNP has outlined these phases below:

Phase 1: Prepare for the Change

Assess the organization to determine the magnitude of change

Provides the situational awareness that is critical for creating effective change management plans

Phase 2: Manage the Change

Develop detailed plans for stakeholder engagement, communications, training, resistance management, and sponsorship

Articulates the steps needed to support individual being impacted by the change

Phase 3: Reinforce the Change

Collect feedback, evaluate performance and address challenges

Critical to ensure the change is sustained overtime

Change Management Considerations

Best Practices

Key considerations and "leading practices" have been provided below to support the development of the change management plan, once designed.

- **Communication** – sharing information about the change and providing opportunities for stakeholders to discuss the information and ask questions. The purpose of communication is to:
 - Answer people's questions
 - Build understanding about what is changing
 - Alleviate fears and anxieties
 - Create energy and enthusiasm for the change
 - Recognize employees as partners in the change
 - Mitigate unwanted conversation about the change
- **Stakeholder Engagement** – bringing together individuals from a variety of positions across the organization to engage in collaborating on defining objectives for the change, assessing readiness for change, and sharing their experiences and learning with one another.
- **Sponsorship/ Change Leadership** – during times of change, leaders are accountable for "living the change", which means leading by example and holding oneself and others accountable for supporting the change. Leaders play an essential role in creating the conditions to help their staff understand change and successfully adapt.
- **Resistance Management** – fostering an environment in which there is mutual trust and respect, and in which people feel comfortable with openly sharing their concerns, asking questions, and learning new knowledge and skills.
- **Knowledge Transfer and Training** – ensuring that when the change is implemented, everyone has the knowledge they need to do things differently. Projects need to support knowledge transfer by providing people with effective training as well as resources like job aids and up-to-date policy and procedural documentation.



Change Commitment Curve

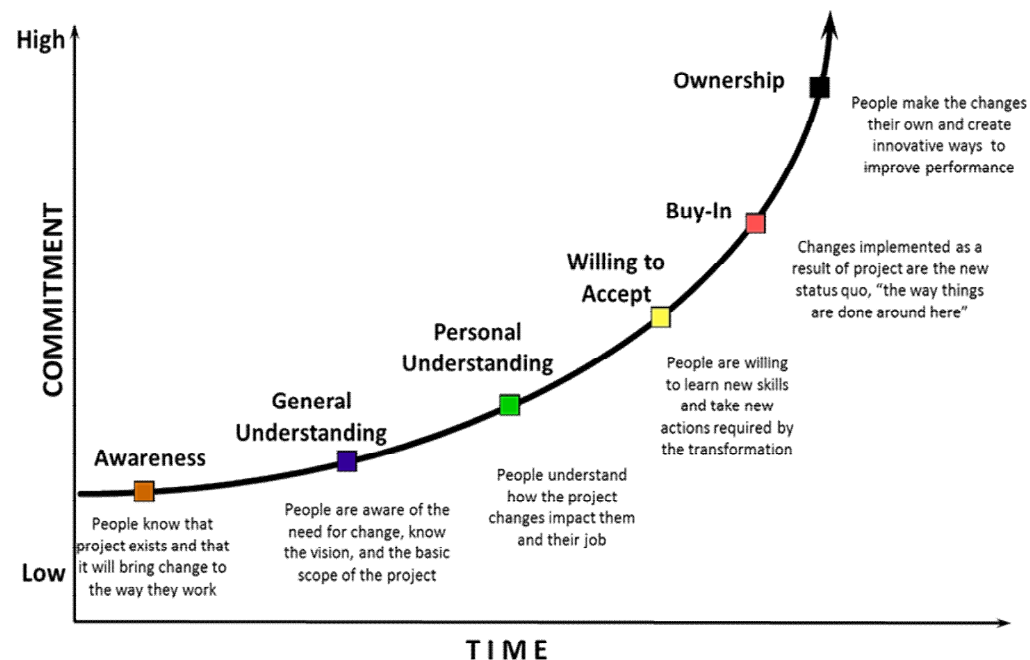
- It is a model used to discuss the pace communication and engagement activities and can help understand the journey that people need to go through before they reach a level of willingness to accept or buy-in to a significant change.
- The main concept of the curve is that getting to Buy-in and Ownership takes time and takes moving through several initial steps. It also is helping when determine the level of commitment a given stakeholder should reach as not everyone needs to reach ownership, some may just need to reach a willingness to accept.

Communication Objectives:

- Move staff up the change curve (shown to the right);
- Address concerns and / or questions raised by stakeholders; and
- Maintain optimism and positive perception of the program to enable people to progress forward through the change journey.

Communication Good Practices:

- Communication should be proactive and consistent;
- Communicate frequently, but choose timing carefully;
- Use two-way, in-person communications for important messages or if you anticipate questions; use email to convey information;
- Solicit regular feedback to measure communications effectiveness; and
- Leverage leaders to reinforce communications; make it easy for leaders by providing pre-written material and talking points to stay on message.



Risk Assessment

Risk and Mitigations

In the development of the implementation plan, the following assumptions were made:

- The recommended organizational designs are approved;
- Qualified candidates can be sourced to fill open positions;
- Resources are available and made accountable to deploy the implementation plan activities; and,
- An Implementation Team/Lead are established on schedule and the Senior Leadership is able to successfully develop an integrated project plan and manage the project effectively.

The overall success of Casselman's implementation can be affected by the following risks:

Risk	Mitigation
Employee resistance to change	Employ change management strategies to include employees in change activities and increase overall buy-in.
Shortfalls in resourcing	Plan resources in advance and gain approval from relevant stakeholders.
Delays in critical milestones	A selected Implementation Teams should conduct regular check-ins with an Implementation Lead or Steering Committee.
Shortfalls or complexity in Technology	This will be mitigated by the recommended technology assessment that will provide insights into solutions to increase process efficiency through the use of additional technology capabilities or further customizing the existing systems.

Appendices

Thank You



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