

# ACCOUNTS PAYABLE

## VALUE STATEMENT

*I expect invoice payments to be processed  
in an accurate, timely and efficient manner.*

## Accounts Payable

### What is this Service?

Accounts Payable Services ensure the efficient and effective management of payments to suppliers. The Accounts Payable function supports the delivery of municipal products and services, thus adding to the credibility and overall reputation of the municipality.

### Objectives May Include:

- Timely processing of invoices.
- Accurate payment of bills.
- Analyzing patterns in expenses and taking advantage of available discounts.
- Maintaining relationships with suppliers.
- Providing customer service to internal departments and vendors.

### Influencing Factors:

1. Organizational Form: Centralized versus decentralized functions.
2. Policy and Practices: Differences in business policies impact invoice processing and payment times (e.g. automated versus manual approval workflow systems, signing authority levels, inspection of goods received and/or work performed, etc.).
3. Processes & Systems: Differences in system generated versus manually processed invoices (e.g. phone lines, utilities), records management practices (e.g. document imaging versus manual) and the nature of the payment approval process (i.e. electronic versus manual).

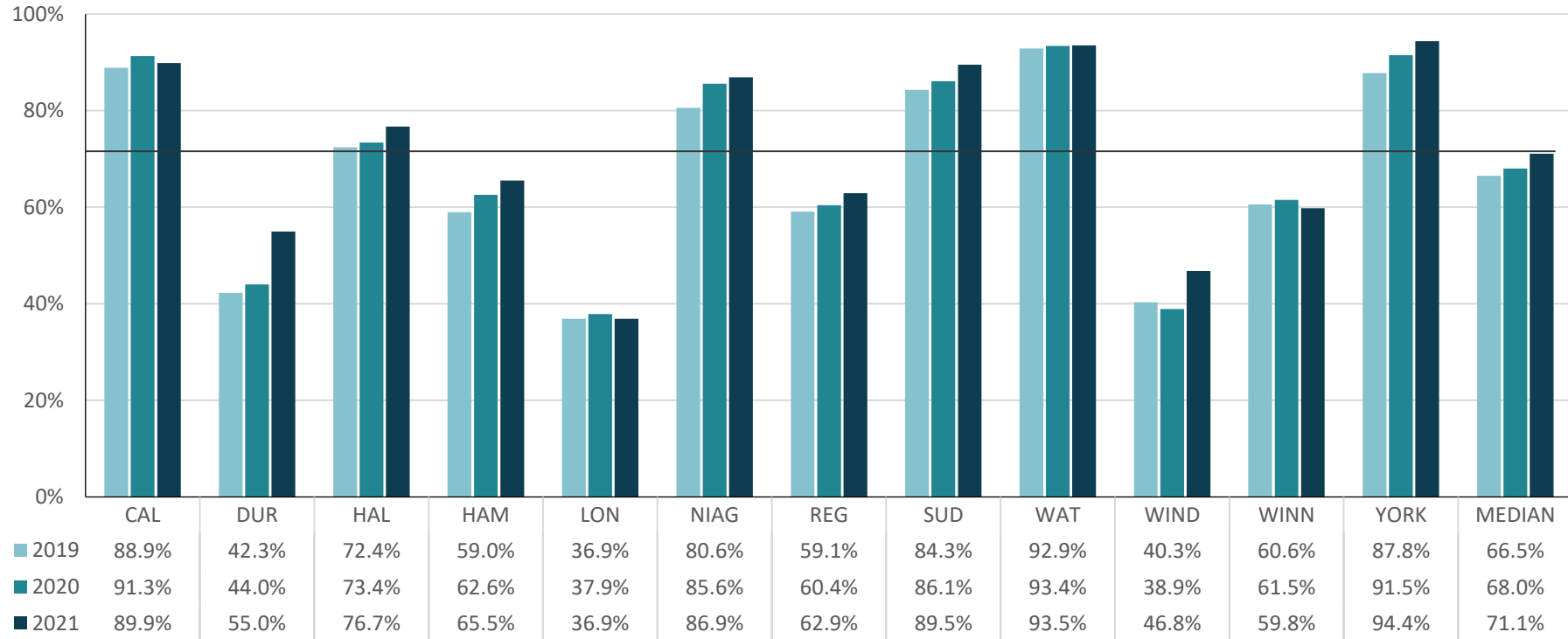
### Extenuating Circumstances:

- **COVID-19 Pandemic:** There were several impacts by COVID-19 to accounts payable services. A shift in municipal purchases, emergency spending, and automation changes continued to cause variances in the number of invoices processed. Remote work and staffing challenges continued in 2021. Hiring and onboarding of new staff took longer than usual and adapting to changes in technology and vendor activities also affected accounts payable processes. Other implications include the reinstatement and re-opening of services requiring additional operating and capital spending, EFT enrollment, discretionary spending (excluding travel), and continued need for pandemic-related refund processing.

## Accounts Payable

### FINV245 - Percent of Payments that are Electronic

Payments are increasingly electronic. This measure represents the percent of payments that are made with Electronic Funds Transfer (EFT).



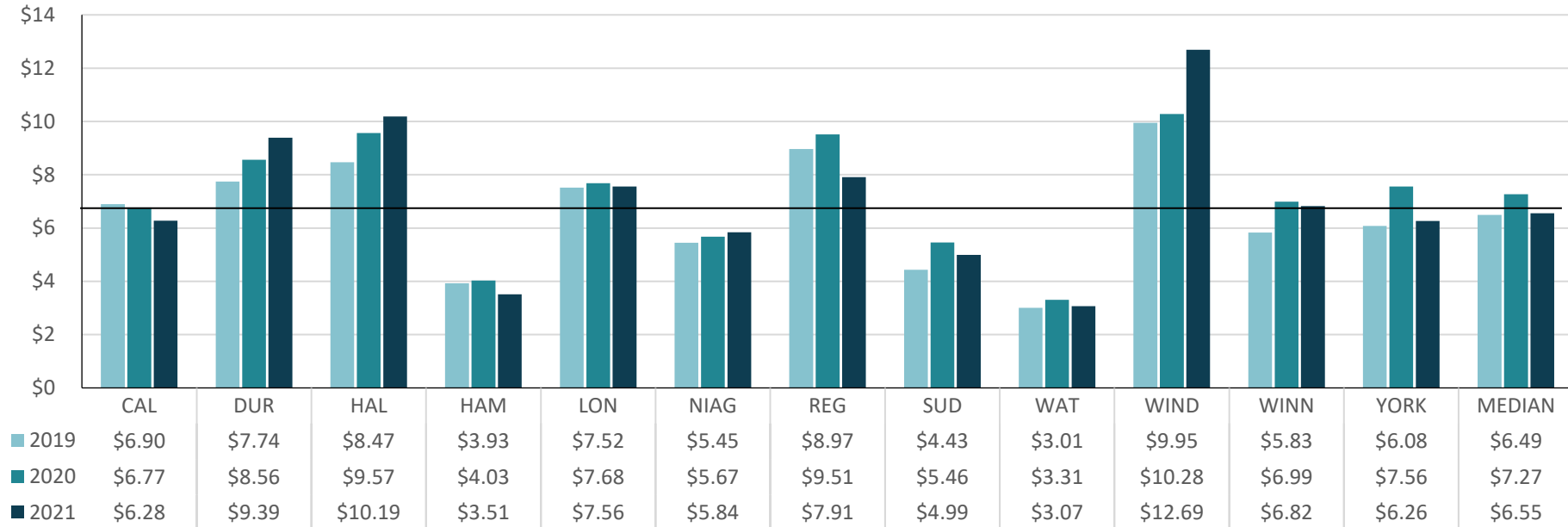
Durham: Increase in 2021 due to initiative to modernize payment processing, improve efficiency and enhance customer service

Windsor: 2021 increase due to increase in use of electronic payment options.

## Accounts Payable

### FINV317 - Accounts Payable Operating Cost per Invoice Processed

This measure represents the operating cost directly associated with the processing of accounts payable invoices. Invoices counted in this calculation include paper and electronic purchases orders and non-purchase orders, including P-card payments.



Regina: The decrease in 2021 is due to salary adjustments associated with other activities.

Sudbury: In 2019, staff shortages lowered costs while volume processed was up 2%.

Windsor: The higher operating cost for 2021 is associated with overtime and fewer invoices processed due to staff shortages throughout the year.

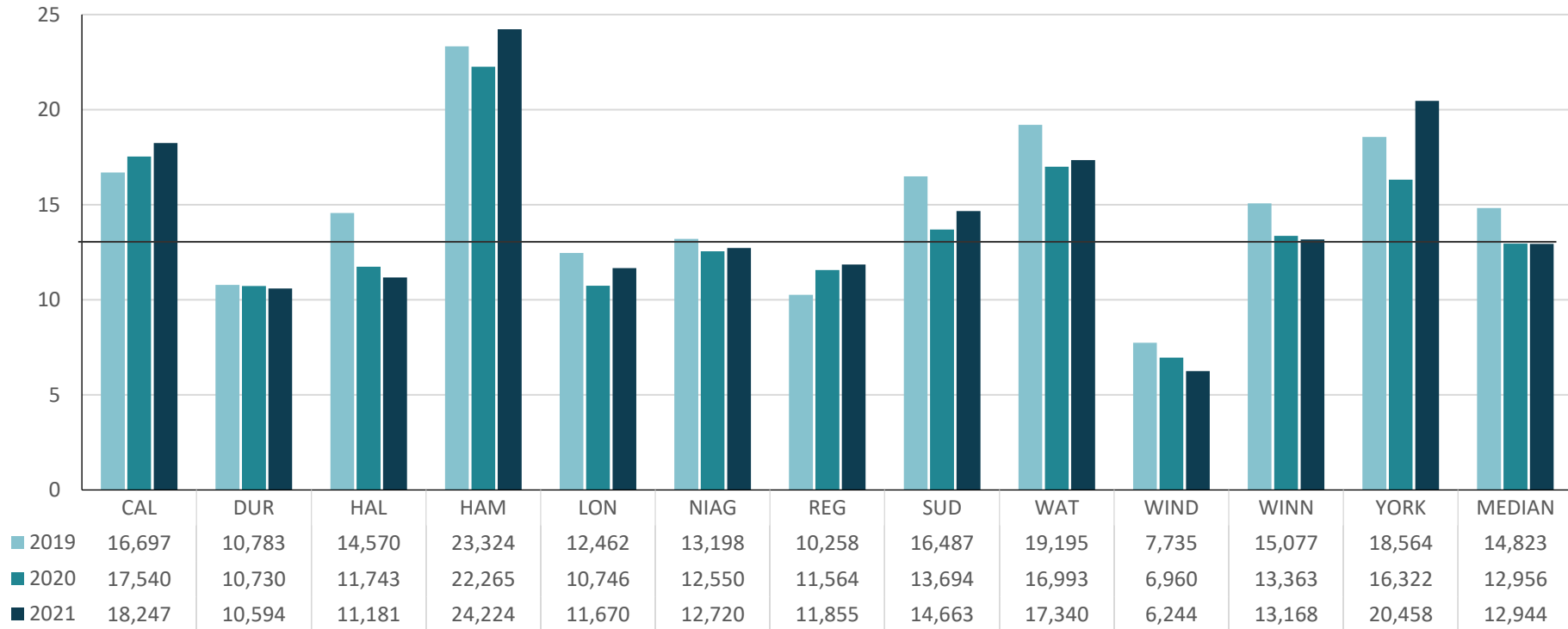
York: 2021 result was lower due to a reduction in operating costs associated with staff vacancies and lower branch overhead costs.

## Accounts Payable

### FINV325 - Number of Invoices Processed per Accounts Payable FTE

The measure represents the number of invoices processed by each Accounts Payable staff member. The types of invoices included are paper and electronic purchase orders and non-purchase orders, including P-card payments.

In Thousands



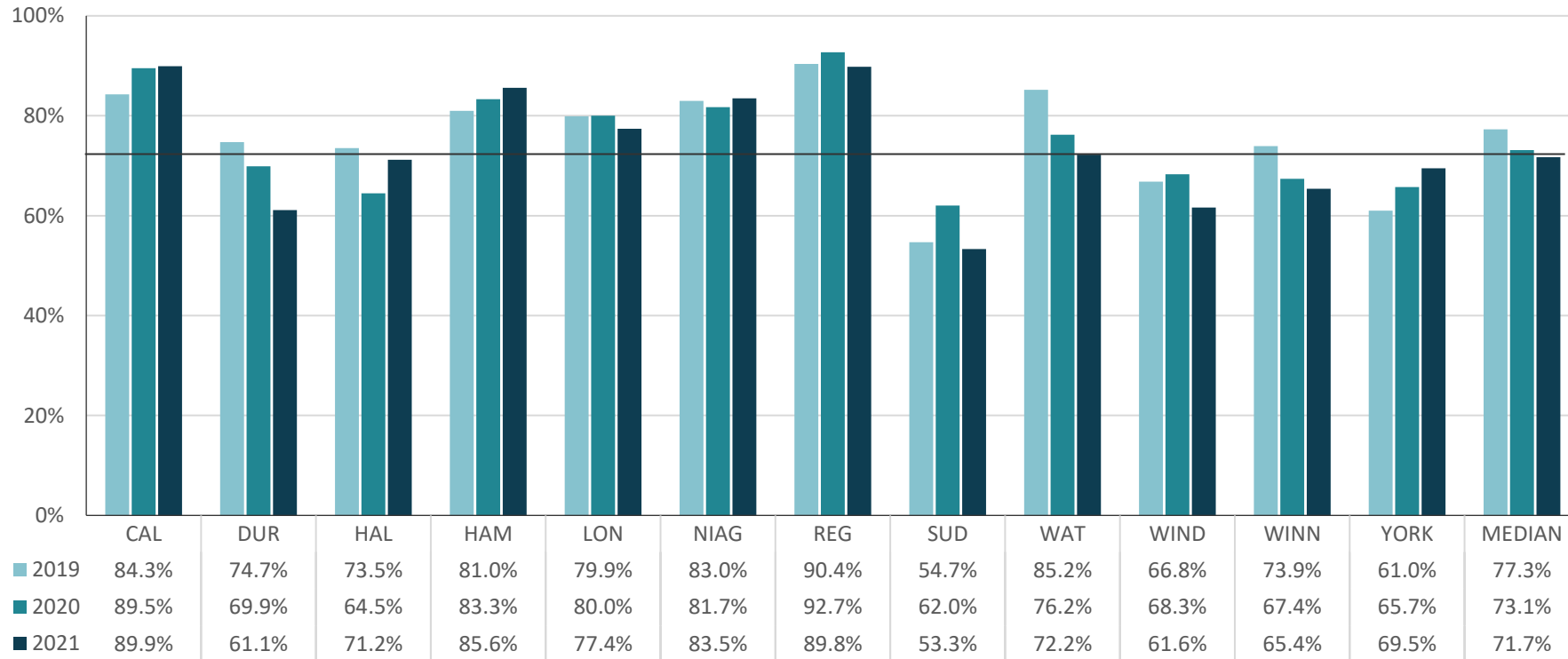
Sudbury: In 2019, staff shortages resulted in overtime and contracted costs with an external agency to facilitate invoice processing leading to increased costs.

York: 2021 result higher based on lower number of FTEs during the year due to staffing vacancies.

## Accounts Payable

### FINV410 - Percent of Invoices Paid Within 30 Days

This measure represents the proportion of invoices paid within 30 days of the invoice date.



Durham: Decrease in 2021 due to change in supplier base and billing processes combined with delays in receiving invoices due to COVID.

Sudbury: Staff shortages for most of 2019 result in decrease. In 2021, there were delays in receiving invoices due to COVID.