

PAYROLL

VALUE STATEMENT

I expect payroll information and payment to be accurate and timely, compliant with relevant legislation, and provided in a cost-effective way.

PAYROLL

What is this Service?

Payroll Services administer payroll activities in accordance with union agreements, Council policies and relevant legislation. The primary goal of payroll services is to ensure that all employees are paid accurately and on-time, with the correct withholdings and deductions, and to remit withholdings and deductions within specified deadlines.

Objectives May Include:

- Production of Pay – Calculate and process one time and on-going payments and deductions to employees
- Balancing General Ledger – Prepare journals and reconcile gross/net pay to payroll registers
- Payment and Reconciliation of Payroll Liabilities – Statutory tax withholdings and voluntary/mandatory deductions
- Internal and External Reporting – Management reports, Records of Employment, T4/T4A
- Auditing Payroll Data – Reconcile gross to net pay calculations
- Payroll Technical Systems Configuration – Setup and maintain payroll system

Influencing Factors:

- **Organizational Form:** Centralized vs. Decentralized. Costs related to time and data entry have been excluded for comparability. Any costs associated with benefits administration and employee master data maintenance have been excluded from these results and are included in those of Human Resources.
- **Policy and Practices:** In-house vs. external contracted out services, and differences in payroll structure and responsibilities.
- **Processes and Systems:** Differences in the number of pay periods (i.e., weekly vs. bi-weekly, etc.); Multiple pay schedules for various groups within the organization; Number of manual cheques issued for adjustments and reversals and/or multiple direct deposits and payments and/or adjustments made under separate advice.
- **Staff Mix:** Salary vs. hourly rate and/or part-time vs. full time complement and the corresponding demand for support.
- **Unionization:** The number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms, and Corporate Policies may be a factor in the creation of replacement payments and demand for service.

Extenuating Circumstances:

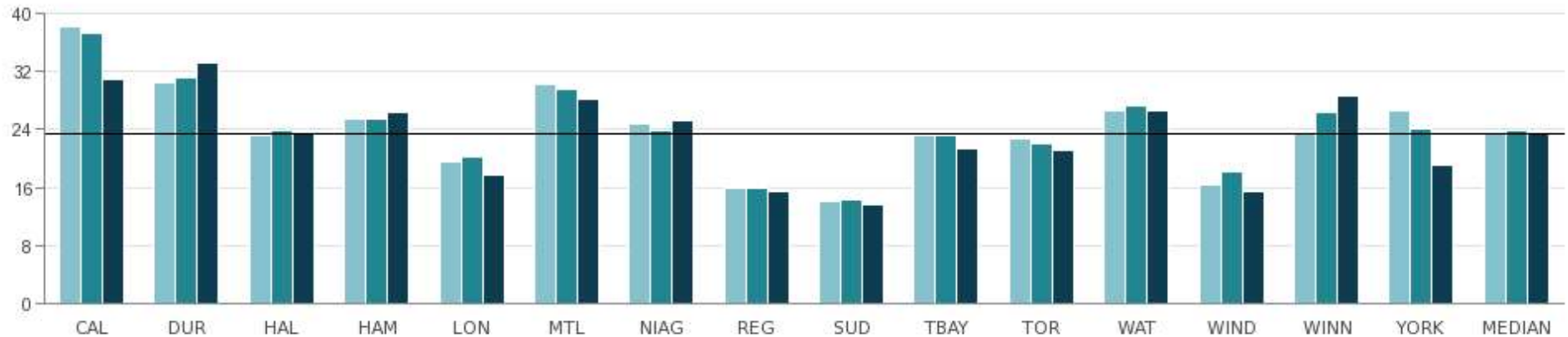
- **COVID-19 Pandemic:** There were increased workload obligations due to provincial reporting requirements for the Ontario pandemic pay initiative. Staffing levels across all municipalities fluctuated as a result of COVID-19 and many municipal staff worked from home or were re-deployed during 2020. This impacted the time required to process payroll (e.g., adoption/implementation of fully automated payroll processes, payroll and benefit calculations).

Payroll

Figure 23.1 Number of Payroll Direct Deposits and Cheques per Payroll Full Time Equivalent (FTE)

Changes in staffing levels across municipalities in 2020 may have occurred due to COVID-19 which resulted in fluctuations from the 2019 performance results.

(In Thousands)



2018	38,309	30,561	23,300	25,573	19,639	30,264	24,891	15,865	13,977	23,214	22,683	26,615	16,234	23,495	26,558	23,495
2019	37,327	31,062	23,790	25,401	20,241	29,584	23,918	15,889	14,232	23,125	22,073	27,183	18,078	26,370	24,051	23,918
2020	31,039	33,184	23,436	26,380	17,719	28,134	25,170	15,455	13,660	21,474	21,142	26,614	15,535	28,735	19,112	23,436

Source: FPRL318 (Efficiency)

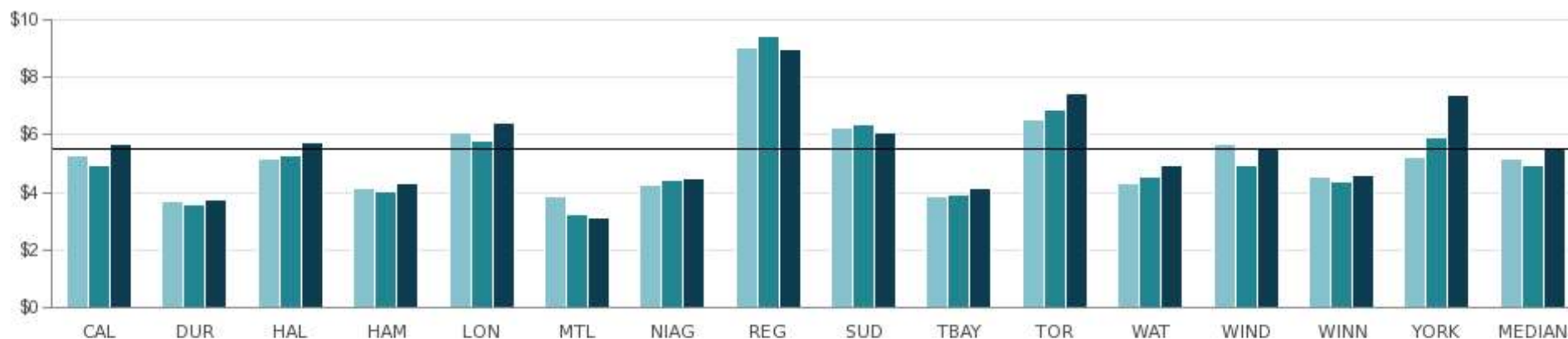
Windsor: The number of direct deposits increased significantly in 2019 due to retro payments issued via separate direct deposit.

Winnipeg: 2019 increase due to a position vacancy resulting in reduced FTE's.

Payroll

Figure 23.2 Operating Cost per Payroll Direct Deposit or Cheque

An extra pay (i.e., 27 pays) and staffing fluctuations due to COVID-19 had an impacting on operating costs for 2020.



2018	\$5.28	\$3.68	\$5.15	\$4.13	\$6.09	\$3.86	\$4.26	\$9.05	\$6.26	\$3.87	\$6.52	\$4.31	\$5.68	\$4.52	\$5.24	\$5.15
2019	\$4.93	\$3.59	\$5.26	\$4.04	\$5.79	\$3.25	\$4.45	\$9.44	\$6.36	\$3.89	\$6.86	\$4.53	\$4.97	\$4.36	\$5.89	\$4.93
2020	\$5.69	\$3.77	\$5.73	\$4.30	\$6.42	\$3.12	\$4.49	\$8.99	\$6.09	\$4.12	\$7.43	\$4.95	\$5.51	\$4.59	\$7.42	\$5.51

Source: FPRL300 (Efficiency)

Montréal: Decrease in 2019 was a result of cuts in the institutional payroll team (salaries and technical services). Costs related to pensions cannot be removed from cost.

Windsor: The number of direct deposits increased significantly in 2019 due to retro payments via separate direct deposit. Operating costs have remained consistent.

York: Addition of FTEs contributed to a higher total operating cost for payroll in 2019.