

Cognos Planning, Budgeting & Forecasting for Local Government

Plan to Perform

Government walks a tightrope

At all levels Local Government must deal with complex revenue streams and resource allocation plans. The citizens insist on quality services at low cost and even when budgets are limited, service demands are not. Above all, demand for government accountability has never been higher.

Local Authorities can lose the confidence of Central Government funding departments, governing boards, elected officials—and especially the media and the public—if they can't quickly and accurately assess conditions and service delivery impacts of critical budget decisions.

Cognos offers a premier solution for financial and operational modelling, budgeting, planning, and forecasting to help Local Authorities maximize process and technology effectiveness.

Ineffective process constrains the business of government

At most levels of Local Government planning cycles are long and tedious. Data sources may be dispersed across services, departments, projects and geographies, making information gathering difficult and frustrating. There are major disconnects between Central Government funding departments, governing boards, and budget holders, analysts, and managers—the ones who actually deliver mandated services. The process doesn't take into account the front-line stakeholder knowledge that provides the most accurate view of the reality of the organisation. Demands on time and resources are so severe that only minimal effort can be devoted to thoughtful analysis of budgets, plans, and forecasts.

With so much effort spent on process and so little spent on analysis, it's difficult to keep pace with rapidly changing political and economic situations, variable revenue streams, and fluctuating costs. Local Authorities can come under scrutiny from policy-makers and the public if administrators, analysts, and department heads are unable to react rapidly to changing conditions and plan for likely outcomes.

Ineffective technology makes a weak process even weaker

Most planning, budgeting, and forecasting solutions are primarily business-focused, and designed to project annual revenues and expenditures, not provide the insight you need to make strategic decisions or implement programmes and policies:

- Spreadsheet-based systems are slow, disconnected, and error prone.
- ERP or general ledger solutions were not designed for sophisticated system-wide planning, budgeting, and forecasting.
- Off-the shelf solutions may offer broad generic functionality, but don't address the unique financial and operational planning needs of government.
- Home-grown or custom-developed systems cannot readily embrace new technologies and are not scalable to hundreds or thousands of users across an authority.

For data collection and roll-up typical solutions can be painfully cumbersome. When you need to do complex modelling—constructing “what-if” scenarios, for example—most ERP, planning and budgeting systems, and especially spreadsheets, can grind to a halt.

The Cognos solution

Cognos 8 Planning is a Web-based, high-participation solution for modelling, planning, budgeting, and forecasting in Local Government. It lets your core finance team define the process, models, and content required, and then distribute user-friendly Web-based templates to departmental contributors across all council service areas.

Cognos 8 Planning also gives users the power to access and interact with information through a variety of business intelligence and scorecarding options to create and publish reports and analyses via the Web. It helps government entities achieve consistent operating performance through highly collaborative, real-time planning.

With Cognos 8 Planning, Local Government organisations can reconcile top-down strategic plans with bottom-up budgets and forecasts. The solution extends the planning process beyond the finance department to the complex network of funding bodies, governing boards, elected officials, administrators, staff, suppliers, partners, and community that are part of every government operating model.

Using the Web, Cognos 8 Planning collects more information from more people more often. As a result, up-to-date intelligence is available when needed allowing more time for analysis and better-informed, more effective decision-making.

Going far beyond routine annual or biennial planning and budgeting Cognos 8 Planning offers broad functionality for:

- Decentralised budget approach that supports programme-based budgeting.
- Ability to develop and manage both baseline budgets and service improvement funding requests.

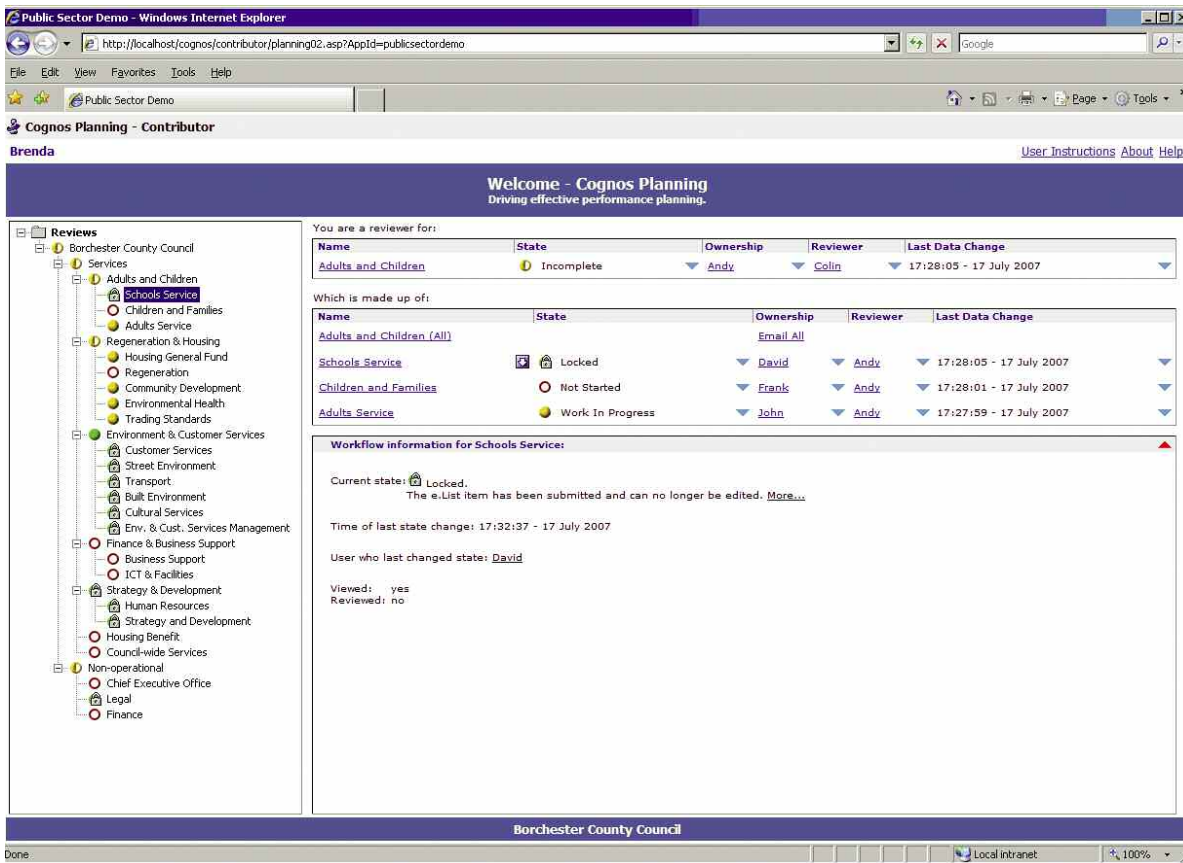
- Revenue projections.
- Long-range financial forecasting.
- Headcount planning.
- Capital improvement planning.
- Central budget office financial modelling and “what-if” scenario analysis.

Spend less time on process, more time on analysis

Cognos 8 Planning uses a sophisticated, bi-directional calculation engine to manipulate and analyse data. It uses the Web to accelerate and take the pain out of data collection and performance measurement, and makes it easier to do what’s most important—understand where public monies are coming from, where they’re going, and why. Cognos 8 Planning provides access to powerful reporting and administration tools designed for finance personnel and budget holders.

IT managers will also see value in Cognos 8 Planning. At the back end, it uses common technology standards.

Chandler Contributions Neighborhood Services - Cognos Planning - Contributor								
Operating Budget Position Control Step & Grade Benefit Assumptions Base Budget Assumptions Service Improvement Request Service Improvements Details Capital Budget Capital CarryForward								
Neighborhood Services Service Improvement 1 101 GENERAL FUND								
	03/04 Actuals	04/05 Original Budget	04/05 Final Budget	04/05 Estimated Actuals	05/06 Baseline Budget	05/06 Proposed Budget	Increase / Decrease	% Change
51100 Fulltime wages	776,373	783,670	823,654	848,363	873,814	900,029	116,359	15%
51101 Part time wages	380,575	407,672	403,752	415,864	428,340	441,190	33,519	8%
51103 Other Compensation	285,431	291,054	302,814	311,898	321,256	330,893	39,839	14%
51104 Fringes	190,287	205,796	201,876	207,932	214,170	220,595	14,799	7%
51120 Retirement	686,006	692,846	706,586	727,763	749,596	772,083	79,257	11%
51121 Health/Dental	475,719	465,491	504,590	519,590	535,425	551,458	85,998	18%
51122 FICA	95,144	99,958	100,938	103,966	107,088	110,288	10,340	10%
PERSONAL SERVICES	2,869,534	2,946,487	3,044,289	3,135,617	3,229,686	3,326,577	380,090	13%
52130 Consultants	284,773	301,822	302,115	311,179	320,514	330,130	28,308	9%
52190 Other Professional Services	189,848	207,277	201,410	207,453	213,676	220,086	12,810	6%
52195 Safety & Prevention Training	142,386	156,924	151,058	155,589	160,257	165,065	8,141	5%
52200 Overnight Training/Business	237,311	265,429	251,763	259,316	267,095	275,108	8,679	3%
PROFESSIONAL SERVICES	854,318	932,451	906,346	933,536	961,542	990,389	57,938	6%
52210 Postage	60,903	63,376	64,612	65,550	68,547	70,603	2,227	3%
53020 Paper Supplies	85,264	97,743	90,457	93,170	96,865	98,844	1,101	1%
53025 Minor Equipment	36,542	39,520	38,767	39,930	41,128	42,362	2,842	7%
53030 Education & Recreation Supplies	97,445	96,353	103,379	105,480	109,675	112,965	16,612	17%
53045 Meeting Refreshments & Supplies	12,181	13,048	12,922	13,310	13,709	14,121	1,073	8%
53100 Clothing	24,361	26,848	25,845	26,620	27,419	28,241	1,393	5%
53690 Other Operating Supplies	121,805	131,733	129,224	133,100	137,093	141,295	9,473	7%
53695 Purchasing Card Expense	38,942	38,767	38,767	38,930	41,128	42,362	3,585	9%
54520 Office Equip & Furn	48,722	53,195	51,689	53,240	54,837	56,482	5,287	6%
54522 Computer Equipment	60,903	62,730	64,612	66,550	68,547	70,603	7,873	13%
54530 Other Machinery & Equip	73,083	79,040	77,534	79,960	82,256	84,724	5,684	7%
52270 Printing, Photocopying & Graphics	85,264	95,726	90,457	93,170	96,865	98,844	3,118	3%
OPERATING SUPPLIES	743,015	803,078	788,265	811,913	836,270	861,358	58,280	7%
52340 Maintenance-Office Equip & Furn	234,344	255,856	248,615	256,074	263,796	271,668	15,812	6%
52360 Software Maint & Licensing	167,388	187,927	177,582	182,910	188,397	194,049	6,122	3%
52360 Maintenance-Mach, Equip & Autos	100,433	105,549	106,549	108,746	113,038	116,429	9,880	9%
52390 Misc. Maintenance & Repairs	66,955	71,033	71,033	73,164	75,359	77,620	6,587	9%
REPAIRS AND MAINTENANCE	569,120	621,365	603,779	621,893	640,550	659,766	38,401	6%
52220 Telephone/Base	205,225	225,178	217,723	224,255	230,982	237,912	11,734	5%
52222 Long Distance	117,271	128,037	124,413	128,146	131,980	135,950	7,913	6%
52225 Cellular Phones	253,860	277,212	279,930	288,327	296,977	305,887	28,675	10%
52650 Car Allowance/Mileage Reimbursement	29,318	32,915	31,103	32,036	32,867	33,957	1,072	3%
52670 Fleet Maint & Operations	58,636	61,603	62,207	64,073	65,995	67,975	6,372	10%
COMMUNICATION AND TRANSPORTATION	674,310	725,945	715,375	736,837	758,942	781,710	55,766	8%
52437 Property Insurance - Liability, & WC	64,371	69,617	69,291	70,340	72,450	74,624	5,006	7%
52440 Worker Compensation Insurance	109,461	117,255	116,127	119,611	123,198	126,896	9,641	8%
INSURANCE AND TAXES	173,832	186,872	184,418	189,951	195,649	201,519	14,647	8%
52445 Property Rental	94,313	100,057	100,057	103,058	106,150	109,335	9,278	9%
52449 Utilities	201,461	224,105	213,730	220,142	226,746	233,549	9,443	4%
52452 Equipment Leases	345,091	362,553	366,107	377,090	388,403	400,055	37,502	10%
RENT AND UTILITIES	640,865	686,714	679,894	700,290	721,299	742,938	56,224	8%
52461 Subscriptions & Memberships	9,431	10,305	10,305	10,615	10,933	11,251	629	6%
OTHER CHARGES AND SERVICES	9,431	10,305	10,305	10,306	10,615	10,933	629	6%
TOTAL EXPENDITURES	6,534,425	6,913,217	6,932,371	7,140,343	7,354,563	7,575,190	661,973	10%
ALERT CHECK	OK	OK	OK	OK	OK	WARNING		
TARGET VAR	0	0	0	0	0	(220,637)	(220,637)	0%



At the front end, its network-friendly architecture minimises network traffic, while its choice of Web or Excel interface means easy deployment and maintenance with minimal end-user training.

- Web-based planning and budgeting. Cognos 8 Planning helps local authorities plan, manage, and control financial resources efficiently and cost-effectively.
- Easy data access and manipulation. A centralised database and powerful calculation engine are designed to support rigorous budget analysis.
- Web-based budget development. Cognos 8 Planning facilitates a decentralised budget approach with easy data collection and aggregation.
- Powerful reporting and analysis. Cognos 8 Planning offers seamless access to state-of-the-art reporting and analysis solutions to monitor both financial and service delivery performance and streamline decision-making.

Cognos 8 Planning provides a holistic view of the entire budget process and enables the central finance

departments to understand the status of departmental and program budget submissions. Workflow management and automation of data aggregation enable the budget office to spend more time on the analysis of information and less time and managing data.

Workflow that works

React to changing conditions with budgeting, planning, and forecasting supported by accurate, reliable, real-time information.

A Web browser is all you need to engage key contributors in budgeting, planning, and forecasting with Cognos 8 Planning. Using simple forms and familiar language, process owners and contributors can easily update budgets right from their desktops and see the impact of their efforts.

After supervisors review and approve them contributions are stored in a single repository. No missing numbers, no multiple versions, no fudging.

Planning prerequisites.

Scalability. Cognos 8 Planning fits authorities, service departments, programmes, and projects of any size. Its Web-based design and attention to bandwidth economy make rolling it out to 1,000 users as easy as rolling it out to 10.

Flexibility. Don't change your business structure to fit someone else's off-the-shelf system. Cognos 8 Planning is flexible enough to fit any department at any level of Local Government.

Compatibility. Cognos 8 Planning capitalises on your existing technology investments and shares information with other solutions—including Cognos 8 BI and readily accommodates future growth.

The multi-dimensional capabilities of Cognos 8 Planning enable finance personnel, department heads, and programme managers to manage and plan all of the critical data elements associated with planning, budgeting,

and forecasting. Cognos Planning manages budget information by capital/revenue, fund, objective/subjective, department, fiscal year and service categories across all aspects of the budget process.

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008. For more information, visit <http://www.cognos.com>.



For more information

Visit the Cognos Web site at www.cognos.com



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