

<https://thestarphoenix.com/news/local-news/city-hall-blames-highly-manual-processes-staff-inexperience-for-tax-error>

Local News

City hall blames 'highly manual' processes, staff inexperience for tax error

Alex MacPherson • Saskatoon StarPhoenix

Jun 30, 2020



Saskatoon chief financial officer Kerry Tarasoff. KAYLE NEIS / Saskatoon StarPhoenix

Saskatoon's top money manager is attributing a tax calculation error to inexperience in the finance department and the "highly manual" processes used to figure out how much tax to collect.

City hall revealed last week that it overcharged taxpayers a total of \$270,914.25, which must now be refunded or credited, after incorrectly calculating the Saskatoon Public Library's portion of 2020 property taxes.

The average household was overcharged by approximately \$2. Most taxpayers will receive a credit while those charged \$10 or more will get a refund; issuing the refunds is expected to cost roughly \$2,000.

Speaking to city council late Monday night, Saskatoon Chief Financial Officer Kerry Tarasoff apologized for what he described as an "uncharacteristic human error," and said measures have been taken to ensure it doesn't happen again.

Those steps include additional sign offs and doing checks earlier in the calculations process, Tarasoff told council.

Coun. Bev Dubois asked for more information about the incident and subsequent reforms, saying people are starting to get "a little gun-shy" and wondering "what's going on with the city?"

"This is quite a manual process. It requires lots of spreadsheets and numbers, and so we do put the controls the best we can, (but) there is a human element to this," Tarasoff replied.

"There's been a lot of turnover of staff in the area, as well as lots of knowledge that has kind of walked out the door in terms of retirements. We're doing our best to document what we can and be as efficient and effective as possible."

In a statement issued Tuesday, Tarasoff said "While it was a mistake, it does not warrant any disciplinary action." Tarasoff went on to say that new efforts underway at city hall, notably the financial and operational planning initiative, dubbed Fusion, should streamline the billing process and help prevent similar errors in the future.

This is city hall's second significant financial error in less than a year.

Last summer, city hall's accounts payable department transferred \$1.04 million into the bank account of someone masquerading as a local construction company executive instead of paying the actual company.

A subsequent investigation into the fraud by senior city hall staff found there was no "malicious intent" by any city employee, and blamed the absence of "appropriate procedures and guidelines."

All the funds were recovered, but city hall spent around \$100,000 trying to get its money back. Not all of those costs were covered by an Ontario judge's decision to award the city some of its legal costs.