

Department of Finance
FY 2010-11 Performance Plan

I. MISSION STATEMENT

The County of Marin is a data driven organization that makes good financial decisions based on high-quality information that is readily available. The Department of Finance's vision is an informed citizenry, supporting a well run government that applies sound financial policies with a knowledgeable and empowered staff.

II. DEPARTMENT OVERVIEW

The Department of Finance (DOF) provides accounting, property tax, and financial services to the public, county agencies, school districts, special districts, and cities as defined under Government Code.

The Department of Finance includes the following programs:

- Administration
- Audits
- Accounting and Financial Reporting
- Accounts Payable
- Property Tax
- Payroll

III. FY 2009-10 ACCOMPLISHMENTS

- Hired the new Director of Finance and initiated other activities to consolidate the Auditor-Controller's Office and the Treasurer/Tax-Collector's Office into the Department of Finance
- Implemented a low-cost financial reporting solution (Caseware) to streamline the transfer of fiscal data from the financial system to the required financial report format
- Generated annual financial reports and implemented process improvements and configuration changes to reduce the time it takes to generate annual financial reports
- Received an unqualified opinion on the 2008 annual basic financial statements; the first set of financial statements solely written by County of Marin employees
- Collaborated with the administrative service departments to assess the enterprise resource planning (ERP) system's future needs and analyze the feasibility of implementing alternative systems
- Created more efficient and timely processes in tax accounting by consolidating 243 tax rate areas (TRA) to save time and resources
- Successfully issued annual income tax documents for 2,300 employees (W2s), 3,200 retirees (1099Rs), special districts' employees and county vendors prior to required due dates
- Successfully administered new state laws for property tax distributions (SRAF and SERAF) of \$22.4 million to 71 entities in Marin County
- Created efficiencies and increased natural resource sustainability by increasing the use of electronic banking for employee reimbursements
- Approved project plans to report property values on the internet in order to enable special districts and interested customers to estimate changes in tax receipts and free up county resources
- Promoted electronic payment systems for employees, retirees and vendors to save paper and time

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- Increased the number of professional designations for employees to four Certified Public Accountants (CPAs), one Certified Public Finance Officer (CPFO), and one Certified Internal Auditor (CIA)

IV. GOALS AND KEY INITIATIVES FOR FY 2010-11

Goal 1: Provide transparent, useful information and increase access and awareness to pertinent data

The Department of Finance is committed to achieving countywide goals as established by the Board of Supervisors. This goal runs parallel with countywide goals of excellence customer service and effective communication.

FY 2010-11 Key Initiatives

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| 1. Produce clear and easily accessible reports for the benefit of our collective stakeholders |
| 2. Respond effectively to public inquiries and requests for a more informed citizenry |
| 3. Maintain easy to use and up-to-date websites for immediate access to needed information |

Goal 2: Implement process improvements and be an excellent fiduciary to better serve the community

This goal runs parallel with countywide goals and priorities of excellent customer service, effective communication, and financial responsibility.

FY 2010-11 Key Initiatives

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| 1. Promote effective and efficient use of financial systems to save time and resources |
| 2. Provide accurate and timely allocation of tax revenues for the benefit of the other agencies served |
| 3. Reconcile cash and apportion interest efficiently for the benefit of our customers |
| 4. Provide an effective and efficient internal control structure to ensure the integrity of our fiscal data integrity |
| 5. Minimize internal control risks to the county by conducting analytical review techniques designed with assistance from the Internal Audit Group |
| 6. Ensure all funds expended are authorized by governing body budget action |

Goal 3: Provide high quality financial services, support the county's financial infrastructure, and provide clarity with accounting policies

This goal runs parallel with countywide goals and priorities of excellence customer service, effective communication, Managing for Results, and financial responsibility.

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FY 2010-11 Key Initiatives

1. Produce accurate and timely financial reports
2. Provide information to support fiscal and budget planning
3. Provide effective consulting and technical assistance to county departments and agencies to ensure that transactions align with accounting needs and requirements
4. Revise work processes to effectively control expenditures

Goal 4: Invest in our employees to make a stronger department and a better performing organization

This goal runs parallel with the countywide goal of being an employer of choice and Managing for Results.

FY 2010-11 Key Initiatives

1. Recruit, retain and develop highly qualified employees
2. Provide effective and cost efficient educational opportunities to keep employees skill current
3. Recognize and reward employee contributions to build morale

V. KEY CHALLENGES AND ISSUES

- Reduction in workforce in light of service improvement goals is a continuing challenge
- Implementation of work improvements such as converting fund types to provide clearer data in an efficient way; implementing budgetary accounting practices consistent with new State Controller guidelines; and establishing new internal control reports to efficiently demonstrate validity and appropriate posting of transactions
- Working with county staff to prioritize implementation of accounting changes as departments work to meet the operational impacts of budget reductions
- Reducing training costs by utilizing managers with professional designations to cooperatively share best practices information with department staff
- Consolidating the Treasurer-Tax Collector's Office and the Department of Finance
- Providing essential auditing services with an audit team

VI. PROGRAM OVERVIEW

PROGRAM 1: ADMINISTRATION

PROGRAM DESCRIPTION AND RESPONSIBILITIES

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The Administrative Section directs the planning and implementation of programs required to provide quality service to departments and other agencies. The section provides budget and administrative support for other sections.

FY 2010-11 PROGRAM INITIATIVES

- **INSTRUCTIONS:** Please add up to 5 (five) key program initiatives below for FY 2010-11.

FY 2010-11 Program Initiatives

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| 1. Consolidate the Department of Finance and the Treasurer/Tax-Collector's Office |
| 2. Provide accounting, financial reporting and business transaction leadership |
| 3. Establish Financial Audit Advisory Committee (FAAC) |
| 4. Recommend appropriate accounting and reporting process to achieve operational efficiencies |

PROGRAM 2: AUDITS

PROGRAM DESCRIPTION AND RESPONSIBILITIES

The internal audit division provides for reviews of the Treasurer's investment program and quarterly cash counts. As resources allow internal audit conducts special projects, such as auditing county contracts and worker's compensation program. This year, the audit group will refocus towards supplying expert advice and guidance to ensure the internal control structure is assessed, revised, and monitored as appropriate, and focus less on repeat audits that had no or low impact findings.

The role of the Audit program is to:

- Conduct of state mandated audits
- Assess the effectiveness of internal control structures, and design and implement improvements as necessary
- Assign professional staff from other Department of Finance units to assist or perform control work for their respective units
- Provide appropriate periodic reporting to the Audit Advisory Board regarding the audit plan status, control structure activities and control assessment
- Work with department managers to improve financial accountability, fiscal control and safeguard county assets

FY 2010-11 PROGRAM INITIATIVES

- **INSTRUCTIONS:** Please add up to 5 (five) key program initiatives below for FY 2010-11.

FY 2010-11 Program Initiatives

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| 1. Document the control structure for high-dollar or sensitive transactions |
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FY 2010-11 Program Initiatives

2. Engage staff of other units and departments to take an active, positive role in the county's internal control structure
3. Review and approve SAP roles to ensure that segregation of duties

PROGRAM 3: FINANCIAL SERVICES

PROGRAM DESCRIPTION AND RESPONSIBILITIES

Financial Services program incorporates the goals of the accounting and financial reporting; accounts payable; property tax and payroll sections.

The Accounting and Financial Reporting Division provides financial information to the public, other government agencies, and county departments. It is also responsible for authorizing and recording all receipts and disbursements of county monies and for maintaining budgetary control of various funds. This division prepares the financial statements required by state law, which include the annual audit, state report, final budget, and countywide cost plan.

The Payroll Division is responsible for the timely and accurate processing of the monthly Retirement Association, bi-weekly county payroll and selected special districts' payroll. At year-end, payroll is responsible for issuing accurate employees' W2s and retirees' 1099Rs in compliance with government reporting requirements.

The Property Tax Division is responsible for preparing the countywide property tax levy. This levy creates the property tax bills that the Treasurer-Tax Collector mails to property owners annually. The Property Tax Division is responsible for distributing the tax proceeds to the county and all government agencies, cities, schools, and special districts.

FY 2010-11 PROGRAM INITIATIVES

- **INSTRUCTIONS:** Please add up to 5 (five) key program initiatives below for FY 2010-11.

FY 2010-11 Program Initiatives

1. Convert trust funds to comply with Generally Accepted Accounting Principles (GAAP)
2. Increase effectiveness of electronic money through Automated Clearing House (ACH), direct deposit and e-Payables
3. Assist with the transition of Marin County Employee Retirement Association (MCERA) payroll and payroll functions from the county to MCERA
4. Complete the consolidation of tax rate areas (TRA's) to streamline property tax administration

VII. PERFORMANCE MEASURES

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AUDITS

Objective: Ensure that high magnitude or sensitive transactions are authorized, executed, recorded and reported appropriately

Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Workload Measures				
Number of mandated audits conducted	8	6	8	6
Number of non-mandated audits conducted	1	8	7	4
Number of transactions over \$1,000,000 subject to review	n/a	n/a	n/a	30
Efficiency Measures				
Number of staff hours per mandated audit	706	700	725	300
Number of staff hours per non-mandated audit	200	200	150	200
Effectiveness Measures				
Number of transaction processes strengthened by new control procedure	n/a	n/a	n/a	3
Number of customized control reports developed for manager oversight	n/a	n/a	n/a	3

Story Behind Performance: Two remaining audit staff will refocus toward the design, construct and implementation of internal controls, with assistance from managers and staff of the Department of Finance. To get the most benefit from remaining resources, the audit staff will transform from a "commenter" role of the control structure to a 'manager' role. Prioritization of control structure goals, issues, and work will be the job of the unit, with follow through work to ensure high value of services.

FINANCIAL SERVICES

Objective: Ensure excellence in training professionals in governmental accounting and audit skills countywide

Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Effectiveness Measures				
Number of department employees with professional accounting designations (CPA, CPFO, CIA)	4	4	5	6

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Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Percentage of countywide fiscal staff indicating increased understanding of accounting processes	n/a	n/a	n/a	80%

Story Behind Performance: The department is able to recruit, retain and train qualified governmental accountants; four Certified Public Accountants (CPAs), one Certified Public Finance Office (CPFO), and one Certified Internal Auditor. To maximize investment in expertise, staff will conduct in-county training sessions on accounting best practices, and assist in the training of other county departments.

Objective: Provide excellent customer service by apportioning property tax revenues to taxing entities

Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Workload Measures				
Number of entities apportioned	320	320	328	328
Efficiency Measures				
Number of apportionments per FTE	10	10	13.6	15.2
Effectiveness Measures				
Percentage of Teeter property tax apportioned within five days of secured installment due date	95%	95%	99.5%	95%

Story Behind Performance: The number of funds used in the apportionment process continues to increase as more bond funds and parcel taxes are added for various districts. Complexity of the apportionment process is continually increasing due to state law changes in reaction to the state's fiscal emergency.

Objective: Maximize the number of county employees, retirees and vendors using direct deposit or automated clearing house (ACH) to reduce costs of handling money and improve efficiencies within the county

Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Workload Measures				
Total number of payroll payments made	97,480	96,992	98,794	96,460

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Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Number of payments made using direct deposit	86,523	86,965	89,666	89,700
Total number of vendor payments made	70,159	65,807	65,000	65,000
Number of payments made using ACH	1,791	4,730	7,836	10,000
Effectiveness Measures				
Percent of payments made using direct deposit	89%	90%	91%	93%
Percent of payments made using ACH	3%	7%	12%	15%

Story Behind Performance: Acceptance by employees/vendors of electronic money as the preferred method of payment is increasing. Remittance advices now include additional fields of meaningful information which has made it easier for vendors to reconcile.

Objective: Improve and shorten the year-end closing process

Measures	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Estimate
Workload Measures				
Number of instructional and informational sessions conducted	1	1	1	12
Efficiency Measures				
Percent of internal charges billed after June 30	60%	60%	20%	8%
Effectiveness Measures				
Number of months to issue financial reports	19	13	7	6
Number of months to issue state regulatory reports	22	18	12	6

Story Behind Performance: Most of the reporting delays are not attributed to fund type, internal charges and budget transactions, rather than system clean up work. In recent years, the system cleanup work was the primary cause for delay, due to payroll and cash reconciliation mapping issues.