

Department of Finance

FY 2012-13 Performance Plan

I. MISSION STATEMENT

The mission of the Department of Finance (DOF) is to instill the public's trust and ensure the financial integrity of the County of Marin, by safeguarding the County's funds and promoting the prudent utilization of resources.

II. DEPARTMENT OVERVIEW

Effective FY 2011-2012 the Department of Finance includes the Treasurer-Tax Collector and Public Administrator departments in accordance with voter approved Measure B (2008).

Department of Finance (DOF) provides the following services on behalf of the citizenry, to the school districts, special districts, towns and cities: accounting, treasury, property tax administration (e.g., collection, billing, apportionment), collection services, financial reporting, accounts payable, audits, estate administration and other financial services.

DOF includes the following divisions:

- Administration
- Financial Services
- Internal Audit
- Treasurer-TaxCollector/ Central Collections
- Public Administrator

III. PROGRAM DESCRIPTION AND RESPONSIBILITIES

ADMINISTRATION

The Administrative Division directs the planning and implementation of programs required to provide quality service to departments and other agencies. This division also provides budgetary, project management and other administrative support to the other divisions as necessary.

FINANCIAL SERVICES

Accounting and Financial Reporting provides financial information to the public, other government agencies, and County departments. It also authorizes and records all receipts and disbursements of monies into and out of the County Treasury (\$2 billion per year) and ensures budgetary control of County funds. This program prepares financial statements and a Comprehensive Annual Financial Report (CAFR) for the County as required by agencies. Additionally, this program prepares reports required by California State Controller's Office and other outside agencies, including the County's final budget and Countywide cost plan. Financial

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

The Payroll Division is responsible for the timely and accurate processing of bi-weekly County payroll and selected special districts' payroll. At year end, Payroll is responsible for issuing accurate employee's W2s 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.

INTERNAL AUDIT

The primary objective of the Internal Audit Division is to assist members of management in the effective discharge of their responsibilities. To this end, the Internal Audit Division will furnish management with analyses, recommendations; guidance and information concerning the activities reviewed and will evaluate management's ability to achieve the standards of control established by the County.

The Audit Division:

- Conducts state mandated audits
- Assesses the effectiveness of internal control structures, and design and implement improvements as necessary
- Reviews the Treasurer's investment program and quarterly cash counts
- Assigns professional staff from other Department of Finance units to assist or perform control work for their respective units
- Provides appropriate periodic reporting to the Audit Advisory Board regarding the audit plan status, control structure activities and control assessment
- Works with department managers to improve financial accountability, fiscal control and safeguard county assets.

TREASURER-TAX COLLECTOR/CENTRAL COLLECTIONS

The Treasury Division serves as the primary depository and oversees all banking operations for the County and its departments. The division is responsible for the safekeeping and investment of funds for the County, school districts and special districts in a pooled investment program. The cash pool receives and disperses approximately \$2 billion per year and maintains an average daily balance in excess of \$800 million.

The Tax Collector processes tax bills and collects approximately \$750 million per year for taxing jurisdictions within Marin County. The County collects the tax levies for all cities, special districts, and school districts as well as the tax levies for County purposes. There are 69 autonomous entities in Marin County. Taxes include secured real estate taxes, supplemental

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taxes, unsecured property (taxes not secured by real estate) and prior year secured and unsecured taxes. The Tax Collector also administers payment plans provided by code; conducts public auction tax sales, including intergovernmental tax sales; bills and collects transit occupancy taxes; and, processes parcel map requests.

Central Collections maximizes the County's revenue by collecting delinquent accounts. The program provides billing and collection services for County departments and external agencies. The program also administers the County's business license program.

PUBLIC ADMINISTRATOR

The Public Administrator's responsibilities include the investigation, safeguarding and inventorying all assets in probating Public Administrator estates, as well as the administration of court-ordered estates and trusts.

The Public Administrator is mandated by law to safeguard a decedent's assets and to manage the affairs of a decedent's estate when a Marin County resident dies and a relative or other appropriate person is not immediately available to handle the estate.

IV. ACCOMPLISHMENTS FOR FY 2011-12

- The Accounting Division produced the County's first ever Comprehensive Annual Financial Report (CAFR), which entails compiling financial information (actual and budget) and statistical program data for the fiscal year
- The Accounting Division coached and collaborated with operating departments to analyze proper fund classifications in accordance with new state and federal accounting standards
- The DOF dedicated its Administrative Services Manager to the project identified to replace the County's financial system (the ATOM project), who is serving as a key project team member and staff to the Executive Steering Committee. Additionally, a project team charter was developed that defines and communicates roles and responsibilities of DOF staff to the ATOM project
- The Accounts Payable Division implemented a countywide requirement of the Franchise Tax Board's to withhold 7% on behalf of the state for all services provided by a non-resident vendors
- The Property Tax Division consolidated another 200 tax rate areas streamlining the allocation process and the interface between the property tax system and the financial system was implemented, which streamlined the tax distribution process
- The Property Tax Collection Division implemented a new conversant interactive voice response system to increase customer service for making tax payments over the phone.
- The Public Administrator conducted outreach presentations to increase awareness of County services at key locations (e.g., assisted living centers)
- The Internal Audit Division conducted an investment audit to ensure compliance with the statement of investment policy
- The Treasury Division successfully performed a test of the Investment Policy's Disaster Recovery Plan by creating daily cash flow estimates and initiating investments offsite.

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- The Central Collections Division expanded its scope of services to collect debts on behalf of additional county departments (e.g., Library, Mental Health)
- The Payroll Division enhanced the accuracy of bi-weekly payroll by implementing new preventative controls processes; for example, payroll staff will run a simulation in the payroll system to identify and correct errors prior to actually executing payroll

V. GOALS AND KEY INITIATIVES FOR FY 2012-13

GOAL I

Increase access and awareness to transparent, useful information with the intent to create a more informed citizenry and County workforce

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| Countywide Goal | VI. Excellent Customer Service |
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| FY 2012-13 Key Initiatives |
| 1. Produce and publicize clear and easily accessible financial reports |
| 2. Respond effectively to public and customer inquiries and requests |
| 3. Establish and maintain easy to use and up-to-date website to better inform the public |

GOAL II

Enhance the County's fiduciary accountability to the public

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| Countywide Goal | VI Excellent Customer Service |
|------------------------|-------------------------------|

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| FY 2012-13 Key Initiatives |
| 1. Provide fiscal analyses to assist CAO and Board of Supervisors with informed decision making |
| 2. Provide accurate and timely allocations of tax revenues to all taxing agencies within the County and all cash pool Treasury depositors |
| 3. Provide auditing services that minimizes internal control risks to the County |
| 4. Provide leadership and support to technical projects such as the financial system replacement project (ATOM) and ongoing production support (MERIT) |

GOAL III

Provide high quality financial services by applying sound financial policies that create an understanding of how County resources are used and protect the community's ability to obtain grants and other money

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| Countywide Goal | X. Financial Responsibility |
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| FY 2012-13 Key Initiatives |
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| 1. Provide effective communication and technical consulting to County departments and agencies to ensure that transactions align with accounting needs and requirements |
| 2. Develop and maintain effective processes that support Countywide payroll, budgeting, accounting, property tax allocations and reporting functions |
| 3. Build a strong accounting foundation that supports efficiencies in technology deployment |
| 4. Provide information to support fiscal and budget planning |

GOAL IV

Invest in our employees to optimize the performance of the department

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| Countywide Goal | VII. Employer of Choice |
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| FY 2012-13 Key Initiatives |
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| 1. Recruit, train and retain highly qualified employees |
| 2. Provide high value, low cost training by creating a cooperative educational program that uses departmental technical experts |
| 3. Recognize and reward employee contributions to increase morale |

VI. KEY CHALLENGES AND OUTSTANDING ISSUES

- Responding to increased service demands due to the downturn in the economy
 - Citizens are less able to pay their taxes and fees, increasing workload of staff due to the need to manage more customer issues and establish payment plans, etc.
 - Increased requests for financial information due to increased scrutiny regarding how public monies are spent both by the citizenry and the press
- Keeping the County in compliance with consistently changing state and federal regulations
- Evaluating operations by documenting all DOF business processes (not only those directly related to the financial system), as part of the ATOM project in order to achieve efficiencies and modernize business practices
- Recreating an organization that best aligns business functions and processes with the most appropriate organizational structure
- Increasing exposure to industry best practices and experiences gained through staff participation on the ATOM project will increase staff skills and competencies
- Developing a highly collaborative executive management team that will lead the department to successfully accomplish its vision, goals and objectives
- Participating in building a collaborative framework and alignment amongst the newly formed administrative services team (HR, CAO, IST, and DOF) to establish an integrated and higher quality of service to the public and operating departments
- Ensuring the DOF's goals and objectives are aligned with the County's vision
- Providing more meaningful, real-time, accessible financial information to assist departments in making timely and more informed management decisions

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- The new financial system will give the DOF the chance to address many of the challenges we currently face. The opportunities listed above will all manifest themselves during some aspect of the ATOM project

VII. PERFORMANCE MEASURES

INTERNAL AUDIT

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| Department Goal | Goal II - Enhance the County's fiduciary accountability to the public. |
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Objective: Ensure that high magnitude or sensitive transactions are authorized, executed, recorded and reported appropriately

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Workload Measures | | | | | |
| Number of non-mandated audits conducted | 8 | 4 | 12 | 5 | 5 |
| Number of transactions over \$1,000,000 subject to special review | n/a | n/a | 27 | 50 | 50 |
| Efficiency Measures | | | | | |
| Number of staff hours per non-mandated audit | 200 | 927 | 548 | 2,000 | 2,000 |
| Effectiveness Measures | | | | | |
| Number of transaction processes strengthened by new control procedure | n/a | n/a | 3 | 3 | 3 |
| Number of customized control reports developed for manager oversight | n/a | n/a | 4 | 4 | 4 |

➔ Indicates a Key Measure

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FINANCIAL SERVICES

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| Department Goal | Goal III – Provide high quality financial services by applying sound financial policies that create an understanding of how County resources are used and protect the community’s ability to obtain grants and other money. |
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Objective: Ensure excellence in training professionals in governmental accounting and audit skills Countywide

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2011-12 Target |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Effectiveness Measures | | | | | |
| Number of department employees with professional accounting designations (i.e., Certified Public Account, Certified Public Financial Officer, Certified Internal Auditor) | 4 | n/a | 8 | 6 | 6 |

➔ Indicates a Key Measure

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| Department Goal | Goal II - Enhance the County's fiduciary accountability to the public. |
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Objective: Provide excellent customer service by expediently apportioning property tax revenues to taxing entities

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Workload Measures | | | | | |
| Number of entities apportioned | 320 | 325 | 337 | 328 | 328 |
| Efficiency Measures | | | | | |
| Number of apportionments per FTE | 10 | 14 | 15 | 15 | 15 |
| Effectiveness Measures | | | | | |
| Percentage of Teeter property tax apportioned within five days of secured installment due date | 95% | 99% | 95% | 95% | 95% |

➔ Indicates a Key Measure

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| Department Goal | Goal III – Provide high quality financial services by applying sound financial policies that create an understanding of how County resources are used and protect the community’s ability to obtain grants and other money. |
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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

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Workload Measures | | | | | |
| Total number of payroll payments made | 96,992 | 98,794 | 92,818 | 69,300 | 69,300 |
| Number of payments made using direct deposit | 86,965 | 89,666 | 84,881 | 63,750 | 63,750 |
| Total number of vendor payments made | 65,807 | 65,000 | 70,609 | 60,000 | 60,000 |
| Number of payments made using ACH | 4,730 | 7,836 | 9,637 | 11,000 | 11,000 |
| Effectiveness Measures | | | | | |
| Percent of payments made using direct deposit | 90% | 91% | 91% | 92% | 92% |
| Percent of payments made using ACH | 7% | 12% | 14% | 18% | 18% |

➔ Indicates a Key Measure

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| Department Goal | Goal I – Increase access and awareness to transparent, useful information with the intent to create a more informed citizenry and County workforce. |
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Objective: Improve and shorten the year-end closing process

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Workload Measures | | | | | |

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| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Number of instructional and informational sessions conducted | 1 | 2 | 12 | 7 | 7 |
| Efficiency Measures | | | | | |
| Percent of internal charges billed after June 30 | 60% | 20% | 23% | 8% | 8% |
| Effectiveness Measures | | | | | |
| Number of months to issue financial reports | 13 | 7 | 8 | 4 | 4 |
| Number of months to issue state regulatory reports | 18 | 12 | 13 | 5 | 5 |

➔ Indicates a Key Measure

Objective: Allocate shared costs (A-87) efficiently to optimize cost recovery from state and federal programs

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Effectiveness Measures | | | | | |
| ➔ Number of days from fiscal year to create County's cost allocation plan | n/a | 700 | 700 | 180 | 180 |
| ➔ Percent of departments giving a satisfactory score of the inter-departmental charges process | n/a | 25% | 25% | 80% | 80% |

➔ Indicates a Key Measure

CENTRAL COLLECTIONS

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|------------------------|---|
| Department Goal | Goal III – Provide high quality financial services by applying sound financial policies that create an understanding of how County resources are used and protect the community's ability to obtain grants and other money. |
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Objective: Increase the accuracy of information on County departmental collection assignments submitted in order to more efficiently pursue collection accounts

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Effectiveness Measures | | | | | |
| Percentage of requests submitted electronically by departments | 61% | 64% | 70% | 80% | 80% |
| Percentage of accounts resolved annually | n/a | 79% | 80% | 80% | 80% |

➔ Indicates a Key Measure

TREASURER

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|------------------------|---|
| Department Goal | Goal III – Provide high quality financial services by applying sound financial policies that create an understanding of how County resources are used and protect the community's ability to obtain grants and other money. |
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Objective: Reduce interest on County debt through effective bond ratings

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Effectiveness Measures | | | | | |
| ➔ Pension Obligation bond - Moody's rating | Aa1 | Aa1 | Aa1 | Aa1 | Aa1 |
| ➔ Pension Obligation bond - Standard & Poor's rating | AA+ | AA+ | AA+ | AA+ | AA+ |
| ➔ Certificate of Participation (Moody's rating) | Aa2 | AA+ | Aa2 | Aa2 | Aa2 |
| ➔ Certificates of Participation (Standard & Poor's rating) | AA+ | AA+ | AA+ | AA+ | AA+ |

➔ Indicates a Key Measure

PUBLIC ADMINISTRATOR

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Department Goal

Goal I – Increase access and awareness to transparent, useful information with the intent to create a more informed citizenry and County workforce.

Objective: Increase the community’s awareness of the services provided by the Public Administrator’s office and the benefits of estate planning

| MEASURES | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Actual | FY 2011-12 Target | FY 2012-13 Target |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Effectiveness Measures | | | | | |
| ➔ Number of informational workshops conducted | 4 | 4 | 4 | 8 | 8 |
| ➔ Number of hits received on the Public Administrator’s website | n/a | 9,929 | 10,500 | 11,000 | 11,000 |

➔ Indicates a Key Measure