

OFFICE OF THE CONTROLLER

STRATEGIC PLAN

FY 2016-2017

FY 2020-2021



WELCOME

This document is the first five-year Strategic Plan developed and adopted by the Controller's Office. This plan outlines the path we intend to follow over the next five years, as we work to improve the efficiency, effectiveness, and accountability of our government.

During this time we plan to modernize the financial operations of the City and County of San Francisco (City) by replacing antiquated technology and processes that thousands of City workers rely on to perform their work and serve the public. We intend to improve accountability through new means of keeping the public and policymakers informed regarding how their government is performing. We propose to improve the efficiency and effectiveness of government operations through carefully selected audits, reviews, and assistance projects. We aim to safeguard the City's financial health by identifying challenges ahead and charting a course around them. We will support our employees through access to training, modern tools to perform their work, and opportunities to help shape the direction of the department.

I would like to thank the many Controller's Office employees who have participated in the development of this plan and whose skill and dedication will allow our department to achieve the goals it lays out.



Ben Rosenfield

Controller

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ABOUT THE CONTROLLER'S OFFICE

The Controller serves as the chief accounting officer and auditor for the City and County of San Francisco. The Controller's Office is responsible for governance and conduct of key aspects of the City's financial operations, including operating the City's financial systems, establishing accounting procedures, maintaining the City's internal control environment, processing payroll for City employees, managing the City's bonds and debt portfolio, and processing and monitoring the City's budget. The department produces regular reports and audits on the City's financial and economic condition and the operations and performance of City government.

OUR MISSION

We ensure the City's financial integrity and promote efficient, effective, and accountable government.

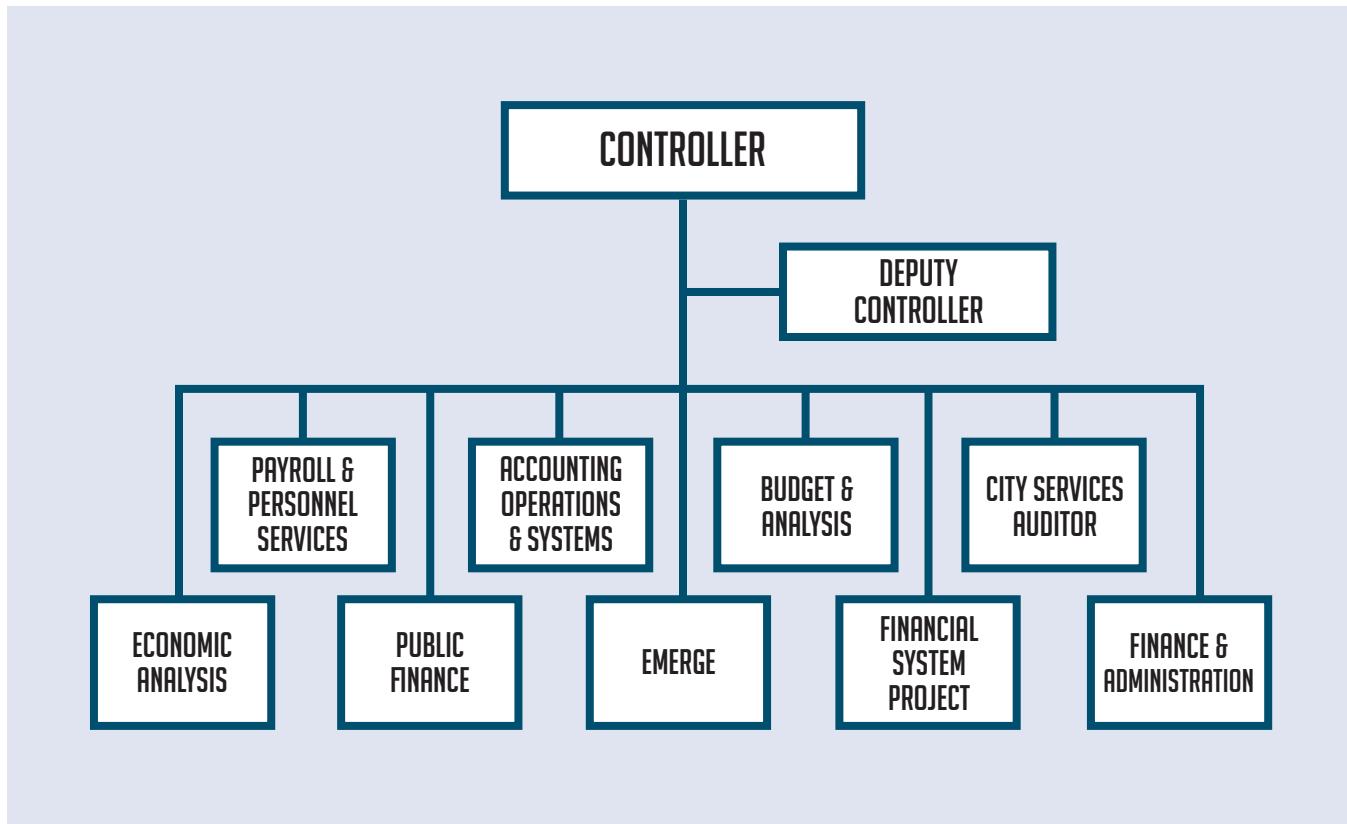
OUR VISION

We strive to be a model for good government and to make the City a better place.

OUR CORE VALUES

Teamwork, Trust, Respect, Equal Opportunity, Communication, Excellence, Service

OUR ORGANIZATION



OUR BUDGET

The Controller's Office adopted budget for Fiscal Year (FY) 16-17 is \$69.2 million, of which \$10.8 million (16 percent) is funded from the City's General Fund, and includes 253 full-time equivalent positions.

PURPOSE OF THIS PLAN

This plan is intended to guide the Controller's Office as we pursue our mission and vision over the next five years by establishing priorities and defining objectives. It aligns the Controller's Office – from the work of the department as a whole to that of individual employees – around common goals and provides a roadmap for the Controller's Office to best serve those who live in, work in, and visit San Francisco.

PLAN IMPLEMENTATION

To ensure implementation of the Strategic Plan, staff leads have been assigned to each strategic goal, and the leads will provide top-level guidance on goal implementation over the next five fiscal years. The leads will hold periodic status update meetings on each goal to analyze progress, adjust approaches, and ensure that all employees have the ability to provide feedback and input over time. If initiatives go off track or fall behind schedule, they will be reevaluated with the key initiative owners.

The Controller's Office will update this plan every two years, in coordination with the development of the City's Five-Year Financial Plan. Updates will build on this plan and continue to guide the Controller's Office in our effort to fulfill our mission to serve the City. In some cases key measures will be further developed and refined in subsequent updates.

LINKAGE TO OUR DEPARTMENTAL PLANNING EFFORTS

This Strategic Plan serves as the foundation on which the Controller's Office builds our annual departmental Performance Plan. The annual Performance Plan, a detailed work plan document, helps the department identify key measures and deliverables for the coming fiscal year, in alignment with the broader goals outlined in the Strategic Plan. The Performance Plan is used to convey the tangible work the department, our divisions, and our employees endeavor to accomplish in the coming year, and measurement of year-end results is communicated to all department staff. Over time the department will continue to align employees' performance plans with Strategic Plan goals.

GOAL 1:

PROMOTE BEST PRACTICES AND ACCOUNTABILITY IN CITY GOVERNMENT

Strategies

- A. Conduct risk-based performance audits to improve effectiveness, efficiency, and accountability of City departments, contractors, and processes
- B. Provide value-add audit recommendations and effective consulting and technical assistance to City departments to improve their operations
- C. Partner with City departments to enhance performance measurement, management, and reporting in support of improved governmental services

Key Initiatives

1. Help improve City procurement practices.

Establish a new strategic sourcing team to improve the efficiency and effectiveness of the City's purchasing approach in FY16-17 and FY17-18 by developing new tools and training, facilitating the development of new catalogs, and implementing key recommendations from the City Services Auditor Division's 2015 Citywide procurement audit. Complete performance and compliance audits related to contract administration and monitoring, inventory management, and procurement requirements and policies, including social policies.

2. Help improve Citywide hiring and employment practices.

Sustain and grow technical assistance work designed to improve the City's hiring process, employee engagement, and other select employment practices in FY16-17 and beyond. Provide analysis and support to labor negotiations with various employee organizations in FY16-17 through FY18-19.

3. Support efforts to strengthen the City's approach to technology security and solutions.

Implement the Cybersecurity Audit Team to ensure the security and regulatory compliance of the various information technology (IT) systems and assets Citywide, including cybersecurity testing, IT operational and internal controls audits, department standards testing, and various aspects of cybersecurity emergency management.

4. Expand approaches and tools to help departments improve performance measurements, operations, and management practices.

Support improvements in departmental strategic plans in FY16-17 and FY17-18. Create and disseminate a Lean model for rapid process analysis and improvement that can be learned and used at all levels of the government in FY16-17, and expand offerings in future years. Conduct performance audits and analyses of risk areas Citywide, including construction and capital projects, financial systems internal controls, fleet management, and key business processes.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|------------|------------|------------|------------|------------|
| Percentage of ratings that are good or excellent for: Technical assistance Audit services provided | 80% 72% | 80% 72% | 80% 72% | 80% 72% | 80% 72% |
| Percentage of audit recommendations implemented within two years after report issuance | 85% | 85% | 85% | 85% | 85% |
| Percentage of audits issued containing recommendations that promote leading or best practices and/or improved accountability | 95% | 95% | 95% | 95% | 95% |

GOAL 2:

SUPPORT INFORMED POLICY DECISIONS

Strategies

- A. Engage with policymakers to plan for areas where our work can help inform key policy decisions
- B. Perform and communicate timely analyses to inform selected legislative, management, and operational decisions
- C. Build the capacity of policymakers and practitioners to find, assess, and use quality data in their work

Key Initiatives

- 1. Provide analysis and review to support key Citywide decisions.** Support the City's jail replacement planning efforts, affordable housing fee-setting process, Affordable Care Act implementation, and collective bargaining process in FY16-17. Deliver key projects for FY17-18 through FY20-21 as determined in ongoing discussions with stakeholders and policymakers.
- 2. Facilitate and expand Citywide use and sharing of data.** Expand Data Academy capacity and offerings in FY16-17 and FY17-18. Develop standard tools and systems to enable

data sharing among departments, with a focus on health and human services and improved client experience in FY16-17. Continue to refine and expand methods, tools, and processes to facilitate expanded access to and use of data in decision making in FY17-18 through FY20-21.

- 3. Highlight key areas for further research and policymaker awareness.** Develop new work products and methods to highlight areas for potential policymaker focus, such as the City service benchmarking report targeted for completion in FY16-17. Refine and develop other work products and approaches to highlight areas for potential policymaker focus for FY17-18 through FY20-21.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|---------|---------|---------|---------|---------|
| Completion rate of economic impact reports by hearing date | 100% | 100% | 100% | 100% | 100% |
| Completion rate of ballot analysis by hearing date | 100% | 100% | 100% | 100% | 100% |
| Annual Data Academy participants | 600 | 700 | 800 | 900 | 1000 |
| Percentage of Data Academy participants satisfied with trainings | 90% | 90% | 90% | 90% | 90% |

GOAL 3:

SAFEGUARD THE CITY'S LONG-TERM FINANCIAL HEALTH

Strategies

- A. Monitor and help manage the City's key long-term liabilities and financial risks
- B. Prepare, manage, and report on the City's budget
- C. Support long-range financial planning

Key Initiatives

1. Monitor and refine financial policies to enhance the City's financial resiliency.

Develop reserve policy recommendations for other key funds in FY16-17 and FY17-18, including possible work on library and parks funds, and explore potential counter-cyclical expenditure reserves. Monitor recently-adopted reserve and other financial policies for their performance during the next economic downturn. Recommend revisions to policies following this review.

2. Review long-term City assets, liabilities, and net position.

Analyze and benchmark key City long-term liabilities in FY16-17, including pension, retiree health, baseline spending requirements, capital asset liabilities, and other long-term liabilities. Develop ongoing methods of reporting projections of these liabilities and specific approaches and recommendations for each area.

- 3. **Enhance the use of the City's long-term financial plans.** Strengthen the linkage of the City's Five-Year Financial Plan with departmental strategic plans and build balancing workshops in the FY16-17 planning process. Review policymaker engagement processes and practices in other jurisdictions and develop plans to deepen engagement in future years.
- 4. **Develop and exercise financial contingency scenarios.** To ensure the City's dynamic economy is positioned for long-term sustainability, augment recession scenarios included in the City's Five-Year Financial Plan with other contingencies, including the possible impact of an earthquake on the City's revenues and expenditures in FY16-17. Expand development of these financial contingencies in future fiscal years.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|---|---------|---------|---------|---------|---------|
| Percentage variance between budgeted and actual revenues | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Unreserved fund balance in months of operation | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Stabilization reserve balance as a percentage of revenues | 6.0% | 7.5% | 9.0% | 10.0% | 10.0% |
| General obligation bond rating (Moody's) | Aa1 | Aa1 | Aa1 | Aa1 | Aa1 |
| Percent funded: | | | | | |
| Pension commitments | 90% | 91% | 91% | 92% | 92% |
| Retiree health commitments | 3% | 4% | 6% | 8% | 10% |

GOAL 4:

PROVIDE HIGH-QUALITY FINANCIAL SERVICES

Strategies

- A. Direct and oversee the City's accounting operations and financial reporting responsibilities
- B. Conduct performance, financial, and other audits and reviews to mitigate key risks
- C. Direct the City's debt management functions and implement financial risk management best practices
- D. Oversee and manage the City's payroll processes

Key Initiatives

- 1. Conduct effective Citywide training to ensure heightened compliance and fewer post-audit findings.** Develop, support, and expand the annual financial training series for department accounting, budget, and payroll professionals, ensuring required competencies and proficiency levels by the end of FY18-19, using the new financial system and upgraded eMerge system.
- 2. Promote financial best practices among City departments.** Provide departments with annual updates to the Controller's Policies and Procedures manuals in Accounting and

Payroll as well as the Controller's Budget Instructions. Ensure departments remain current on Government Accounting Standards Board (GASB) updated standards and guidance.

- 3. Eliminate paper forms in Accounting, Budget, and Payroll processes and adopt a paperless office operation.** Solicit feedback from departments on ways to improve efficiency in existing processes and transfer those processes to an electronic workflow in the PeopleSoft systems by FY18-19.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|----------|----------|----------|----------|----------|
| Number of days after June 30th to complete City's annual financial report (CAFR) | 153 days | 152 days | 151 days | 150 days | 150 days |
| Maintain no material weaknesses in the City's financial statement audit | 0 | 0 | 0 | 0 | 0 |
| Maintain a high payroll accuracy rate | 98.25% | 98.50% | 98.75% | 99.00% | 99.00% |
| Percentage of post-audit recommendations implemented within two years | 85% | 90% | 95% | 95% | 95% |

GOAL 5:

SUPPORT THE CITY'S FINANCIAL SYSTEMS AND INFRASTRUCTURE

Strategies

- A. Provide effective systems for Citywide accounting, budgeting, and procurement functions
- B. Provide effective systems for Citywide payroll, human resources, and benefit management functions
- C. Provide management reporting to support effective City operations

Key Initiatives

- 1. Replace and modernize the City's financial, procurement, and reporting systems.**
Complete the Design Phase by June 2016, Build Phase by November 2016, Test Phase by May 2017, with Go-Live in July 2017.
- 2. Co-locate and integrate systems support staff into a single division with effective shared service and support delivery.** eMerge, Financial System Project, and AOSD systems staff will consolidate in January-June 2018. Develop an integrated methodology and governance model to prioritize goals, manage business line workload, and upgrade underlying technologies across all systems.

- 3. Develop and implement key application enhancements to ensure effective Citywide use and customer satisfaction.** Complete Citywide deployment of online benefit enrollment by FY18-19. Assess need, viability, and timing to implement additional enhancements for budgeting, maintenance management, document management, learning management, electronic onboarding, and recruitment.
- 4. Consolidate PeopleSoft and Business Intelligence infrastructure platforms and support services.** As hardware reaches its scheduled end of life – FY18-19 for eMerge and FY20-21 for the Financial System Project – merge onto a single platform and support model.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|---|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| Percentage of time core systems are available for Citywide use | 99.90% | 99.90% | 99.90% | 99.90% | 99.90% |
| Percentage of active employees and retirees provided self-service portal access | 7% | 25% | 50% | 100% | 100% |
| Percentage of employees satisfied with Controller's enterprise business solutions | Establish baseline in FY16-17 | Develop targets | Develop targets | Develop targets | Develop targets |

GOAL 6:

SUSTAIN THE CITY'S FINANCIAL OPERATIONS IN A DISASTER

Strategies

- A. Ensure the continued usability of the City's core systems in a disaster
- B. Prepare City financial staff for its role in a disaster
- C. Maintain and refresh disaster preparedness plans

Key Initiatives

- 1. Complete and test business continuity for key systems.** Establish, test, and maintain real-time backup of eMerge PeopleSoft and FAMIS at the Rancho Cordova data center by end of FY16-17. Complete deployment of the new financial system to the data center by FY18-19. Test access to the data center semiannually after deployment. Complete the deployment of the back-up generator at City Hall by the end of FY16-17.
- 2. Expand training for Controller and City financial staff on their role in a disaster.** Develop and deliver comprehensive Department Operations Center Finance and Administration Section training to 16 disaster-response departments, with offerings semiannually. Coordinate annual Citywide payroll and timekeeping training for disaster recovery, FEMA-compliant timekeeping awareness, and best practices for cost recovery procedures. Develop role-based checklists and position descriptions for relevant Finance and Administration personnel Citywide. Initiate semiannual exercises for Finance and Administration Section staff.
- 3. Plan for the City's financial recovery from a disaster.** Develop an earthquake scenario in conjunction with the City's Five-Year Financial Plan in FY16-17. Together with the Department of Emergency Management, convene budget and planning discussions on financial and management responses to these scenarios in FY16-17 and FY17-18.
- 4. Develop response procedures and capabilities to improve the City's resilience.** Implement a Citywide Resource Management System for tracking departmental inventory, assets, and people. Ensure this Resource Management System interfaces with the new financial system. Expand the P-Card emergency procurement program Citywide by end of FY17-18. Coordinate with regional partners on collective resilience efforts and establish joint planning groups.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|---------|---------|---------|---------|---------|
| City employees trained annually at the SF Prepared Academy | 100 | 120 | 130 | 150 | 150 |
| Annual tests of backup data center connectivity | 2 | 2 | 2 | 2 | 2 |
| Annual update and role-based training on the department Continuity of Operations Plan (COOP) | 1 | 1 | 1 | 1 | 1 |

GOAL 7:

INCREASE PUBLIC ACCESS TO USEFUL AND TIMELY INFORMATION

Strategies

- A. Provide public information in forms that diverse public audiences can easily access and use
- B. Use effective and varied methods to increase public exposure to our work

Key Initiatives

1. Conduct public opinion research to improve the form, value, and reach of our public information products. Define and conduct this initial market research in FY16-17, focusing on the awareness of the Office's information and reports, the perceived value of various public products, and methods to improve both of these over time. Use this research to finalize a plan to improve our information products and methods in FY16-17. Refresh this research in future years to measure progress towards adopted goals.

2. Provide new and improved web-based analytical tools. Initiate new web-based tools that allow the public to access, navigate, and understand key financial, operational, and performance information. Complete and enhance performance measurement site (SF Performance Scorecard) in FY16-17 and FY17-18, and enhance and upgrade the financial, staffing, and contracting site (SFOpenBook) in FY18-19. Develop plan for other major future initiatives in FY16-17, including possible work with other departments.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| Annual public website visitors | Establish baseline in FY16-17 | Develop targets | Develop targets | Develop targets | Develop targets |
| Annual use of web-based self-service information tools | Establish baseline in FY16-17 | Develop targets | Develop targets | Develop targets | Develop targets |
| Number of mentions of department work in the media | Establish baseline in FY16-17 | Develop targets | Develop targets | Develop targets | Develop targets |

GOAL 8:

INVEST IN AND VALUE OUR EMPLOYEES

Strategies

- A. Provide regular and constructive feedback to employees on their performance in meeting established goals
- B. Provide high-value educational and training opportunities to facilitate success
- C. Seek and implement suggestions for improvements in department management and operations from all staff
- D. Provide employees access to the tools they need to perform their work
- E. Facilitate open and constructive communication to improve individual and group knowledge and effectiveness
- F. Recognize and reward employee contributions and successes

Key Initiatives

1. Enhance the department's professional development program. During FY16-17 identify primary responsibility, develop a central repository for training opportunities, and design a recommended program for supervisor/manager development. In future years develop measurement for training success; create career planning goals for annual performance plan; and create short-term opportunities for inter- and intra-departmental projects and shadowing.

- 2. Incorporate programs to support employee health, safety, and well-being into performance plan.** In FY16-17 publish departmental wellness scores and set a wellness score improvement goal. In future years incorporate work/life balance discussions into performance planning and appraisal process.
- 3. Expand 360 pilot program.** Pilot that began in FY15-16 will be evaluated and expansion recommendations will be developed in FY16-17 for potential future implementation.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|--|---------|---------|---------|---------|---------|
| Percentage of employees who agree with statement: My supervisor works with me to set defined performance objectives that are monitored and measured throughout the performance appraisal cycle | 85% | 87% | 89% | 90% | 90% |
| Percentage of employees who complete 24 hours of professional development in a performance year | 90% | 92% | 95% | 98% | 100% |
| Percentage of employees who agree with statement: I receive guidance and coaching from my supervisor to help me reach my performance goals | 85% | 87% | 89% | 90% | 90% |
| Comparison of departmental Well-Being Assessment with overall City average | 105% | 110% | 115% | 120% | 120% |

MANAGE THE CONTROLLER'S OFFICE EFFECTIVELY

Strategies

- A. Provide high-quality operational support to department staff
- B. Support department hiring, payroll, human resources, finance, contracts, and operational needs
- C. Enhance availability of technology and other tools needed to perform our work

Key Initiatives

- 1. Initiate space planning and strategic co-location of department divisions following the go-live of the new financial system.** Plan for and then merge the Financial System Project and eMerge divisions following the implementation of the new financial system in FY17-18 and FY18-19, including finalization of new organizational chart, space co-location, and all technical, administrative, and change management activities in support of the merger.
- 2. Develop and roll-out workplace modernization initiatives.** Create a work environment that modernizes work space and fosters staff interaction, communication, collaboration, and productivity. Incorporate products and tools that facilitate flexible work options and support departmental wellness goals such as alternative work schedules, teleworking, laptops, use of Skype, and ergonomic furniture. This is a five-year strategy that will be updated with scheduled

reconfigurations or moves and new technologies as they are identified for each FY.

- 3. Use technology to promote efficiencies in the workplace and provide tools to support the work of the Controller's Office.** Manage business processes in portals, reduce paper use and storage, and provide better collaboration opportunities. Improve and leverage existing and/or introduce new technology tools. This is a five-year strategy that will be updated with new projects as they are identified for each FY.
- 4. Increase efficiency and effectiveness of key departmental operational processes.** In FY17-18: Implement Financial System Project paperless office workflows and records management. Introduce and implement continuous process improvements for employee onboarding/offboarding and department-wide conference room scheduling. This is a five-year strategy that will be updated with new projects as they are identified for each FY.

Key Performance Measures

| | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|---|---------|---------|---------|---------|---------|
| Percentage of Controller recruitments completed within 100 days | 90% | 90% | 90% | 90% | 90% |
| Percentage of technology help desk tickets resolved within two days of receipt | 75% | 80% | 85% | 90% | 90% |
| Successful procurement protests | 0 | 0 | 0 | 0 | 0 |
| Percentage of employees who respond that the department is well-managed | 90% | 90% | 90% | 90% | 90% |
| Percentage of employees who respond that they have the necessary tools to do their work | 95% | 95% | 95% | 95% | 95% |



CITY AND COUNTY OF SAN FRANCISCO

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