

Department of Management and Budget

LOB #54:

FOCUS BUSINESS SUPPORT GROUP - CORE FINANCE AND REPORTING

Purpose

The FBSG Core Finance team provides functional system administration oversight for the financial management modules in FOCUS including Financial Accounting, Financial Controlling, Financial Reporting, Funds Management, Grants Management, Projects Systems, and Asset Accounting/Management. This team of subject matter experts provides functional program policy and governance support for finance and budget-related activities that impact the system and enables continuous improvement and smooth operation of the production systems. The Core Finance team works to improve upon the implementation and provide support for changing business processes. In addition this LOB includes the reporting team that provides overall coordination and development of reports utilized by the various end users in FOCUS, including the development of a data warehouse solution.

Description

Core Finance

The Core Finance portion of this LOB provides functional project and systems implementation planning and estimating, change management and enhancement prioritization, and project management leadership associated with the maintenance of current functionality and the implementation of new functionality for the following modules:

- FI/GL (Financial Accounting and General Ledger)
- CO (Internal Controlling)
- FM (Funds Management)
- GM (Grants Management)
- PS (Project Systems)
- Financial reporting solutions
- Fiscal year-end processes.

The staff in this LOB serve as the Functional Project Manager for major projects and, in that work, are the subject matter expert lead and work with their counterparts in the Department of Information Technology to:

- Partner with business stakeholders to successfully perform critical business functions on a daily, weekly, bi-weekly, monthly or annual basis (e.g. month-end and year-end close-out of financial and procurement processes, carry-forward of budgetary allocations)
- Monitor and manage inbound and outbound interface processing for systems that send data to and receive data from FOCUS.
- Investigate, diagnose, and resolve complex system-related problems.
- Perform configurations in the FOCUS system to implement new functionality or change existing functionality.
- Provide support during various audits being performed by the external auditor, the County or FCPS internal audit organizations, and the BOS or FCPS Board Auditor(s).
- Participate in special projects, providing subject matter expertise, for applications that have a direct impact on or that will interface with FOCUS.

Department of Management and Budget

The primary business process owners are the County's Department of Finance and the Department of Management and Budget, the Fairfax County Public Schools Office of the Comptroller and Office of Budget Services, and staff within the County and FCPS that are responsible for all financial, budget, grant management, capital project accounting, and asset accounting activities. In that work, the Core Finance team conducts business process and systems analyses; applies in-depth SAP knowledge; and applies subject matter expertise, theoretical knowledge, and experience in supporting highly complex functional system administration processes associated with the business and associated legislative and other legal and statutory requirements for finance and budget functionality. These professionals analyze business requirements and determine the appropriate ERP options to meet those needs through participation in special projects, providing procurement and logistics subject matter expertise, for applications that have a direct impact on or that will interface with FOCUS.

The FBSG Core Financials and Reporting Team is responsible for functional systems administration of the Funds Management, Grants Management, Financials/General Ledger/Controlling, Project Systems, Asset Accounting, Data Warehouse, Reporting, and Transparency modules.

- Maintain the chart of accounts
- Creation and management of management of master data utilized for grants management, capital project management, state and federal reporting and financial/budgetary organization and funds control
- Coordinate year-end closing/carryover activities and other topics of interest to the end user population.
- Coordinate month-end closing activities - Final close-out of the respective accounting periods.
- Determine the schedule and manage the opening and closing of financial periods for financial and procurement to implement internal controls for proper accounting and reporting.
- Bi-weekly payroll reconciliation
- Managing budgetary/funding controls in the system
- Triage, troubleshoot and fix availability controls as necessary
- Review and management of Asset Accounting class and sub-class categories
- Process monthly settlements for project systems and controlling
- Manage depreciation, capital outlay and posting behaviors in the system
- Transparency
- Data Warehouse
- Resolution of external interface errors

The subject matter experts responsible for the Financial and General Ledger module (FI/GL) work with DOF, the FCPS Office of the Comptroller, and the various financial staff in the County and FCPS to ensure the FI/GL modules are updated and maintained to accurately record and manage the module used as the basis for financial accounting and reporting for the County and Schools. FI provides the ability to track all financial activities and to produce financial statements by fund(s), grant(s), and business areas (discretely presented component units), including balance sheets, statements of revenue, expenditures, changes in fund balances and cash flow statements. This module facilitates the reporting of financial activities for such areas as Accounts Receivable, Accounts Payable, and Fixed Assets. The main ledger supports modified and full accrual accounting in compliance with Generally Accepted Accounting Principles (GAAP) and the accounting and reporting requirements determined by the Governmental Accounting Standards Board (GASB), as well as common practices that have been adopted and formalized through other organizations such as the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants and the Financial Accounting Standards Board (FASB). The financial accounting ledger is used primarily to support external reporting requirements. Financial statements and much of the required disclosure information for reporting to third parties are prepared using information from this ledger including the Virginia Auditor of Public Accounts reporting, grantor reporting, other specialized external

Department of Management and Budget

reporting (for example, Federal Housing and Urban Development Department Reporting and Financial Statements).

Staff responsible for the Internal Cost Management (Controlling-CO) module work with DOF, the FCPS Office of the Comptroller, and the various financial, budget, capital projects and grant staff in the County and FCPS to ensure the Internal Cost Management (CO) module provides cost management controls including the ability to manage cost allocation among organizational units, the ability to control budget at different levels, the ability to monitor the costs and revenues of a specific service, the ability to manage costs which are relevant to capital projects and grants, the ability to support re-organization and report costs in a re-organized structure, and the ability to report at an alternate hierarchy of cost centers.

Staff responsible for the Funds Management (FM) module work with DOF, DMB budget staff, the FCPS Office of Budget Services, the FCPS Office of the Comptroller, and the various financial and budget staff in the County and FCPS to ensure the functions in this component support County/Schools in the execution of budgets and availability control for appropriations set by the governing body. The purpose of Funds Management is to budget and control revenues and expenditures and to stop the budget from being exceeded in compliance with the Code of Virginia. County/Schools can adapt the budget to changes in conditions by entering releases, supplements, returns, and transfers. The fund and organization structure must be created and maintained based on external reporting requirements such as: CAFR, governmental accounting, Virginia Department of Education, the School Board Annual Program Budget and the Auditor of Public Accounts.

Staff responsible for the Asset Accounting (AA) module work with DOF, the FCPS Office of the Comptroller, and the various financial staff in the County and FCPS responsible for the tracking and monitoring of capital assets. The Asset Accounting module gives staff the tools and reports to monitor compliance. Asset Accounting provides full life-cycle tools to manage capital assets efficiently from asset creation to closeout. The module supports the management of capitalized and non-capitalized assets, including management of rules related to the useful life of assets, depreciation, reporting on completed and assembly in progress projects, maintenance of multiple asset classes, and management of multiple acquisition and disposal methods for multiple entities with separate business rules. The module complies with all recording and reporting requirements to meet Comprehensive Annual Financial Report (CAFR), Auditor of Public Accounts (APA), Generally Accepted Accounting Principles (GAAP), Association of School Business Officials International (ASBO), Government Finance Officers Association (GFOA), Governmental Accounting Standards Board (GASB), bond, grant, federal, and state requirements.

Staff responsible for the Project Systems (PS) module work with DOF, the FCPS Office of the Comptroller, and the various financial staff in the County and FCPS responsible for the tracking and monitoring of capital project activity. Project Systems provides full life-cycle tools to manage projects efficiently from the initial planning stages through the project completion and closeout stages. It provides seamless integration between Project Systems and other application components such as purchasing, payroll, funds management, grants management, fixed assets, and general ledger. The module also provides a single, accurate project reporting database, eliminating the need to enter and consolidate project information from multiple sources. Therefore, projects are capitalized and closed-out efficiently.

Reporting

The Reporting portion of this LOB is the primary contact for end users to get assistance with queries and reports from the FOCUS system. There are multiple types and levels of reports available in SAP, and the FBSG partners with DIT to be the experts in reporting solutions. Specifically, the assistance provided includes developing an overall strategy for reporting, including the scheduling and distribution of certain reports; providing custom reports as needed to end users; and managing programming support for the following types of reports in SAP:

- Transactions for online queries
- ABAP (Advanced Business Application Programming) reports
- Report Painter reports
- Business Intelligence (BI) reports

Department of Management and Budget

- Dashboard reports
- FOCUS Data Warehouse

In addition, the subject matter experts in this line of business coordinate and support regular updates of the data presented in the County's transparency application. This externally-facing module provides residents the ability to browse budget and expenditure data, as well as certain vendor payments for the current fiscal year-to-date (YTD) that begins July 1 for both County and Schools financial activity. The financial data for the current fiscal year is updated on a monthly basis by the end of the following month from the County's financial system. Amounts displayed are year-to-date, aggregated through the selected fiscal month. Data is available beginning with Fiscal Year 2013.

Staff in this line of business coordinate and lead the development and maintenance of the FOCUS Data Warehouse project. The data warehouse provides an additional reporting tool to end users of the system including customized multi-dimensional cross module reporting and standard FOCUS Data Warehouse reports.

Benefits

The FBSG Core Finance team provides services to the entire County, but most directly to the County's Department of Finance and the Department of Management and Budget, the Fairfax County Public Schools Office of the Comptroller and Office of Budget Services, and staff within the County and FCPS that are responsible for all financial, budget, grant management, capital project accounting and asset accounting activities. The FBSG leverages County IT investments to optimize project management oversight, engage strategic thinking for new opportunities, promote consistent change management practices, and ensure that the ERP platform remains functional, compliant, and current. The LOB ensures processes within procurement and payment meet County strategic and business goals. Additionally, it enables and promotes innovation, quality customer service, web-based online public access to information and services, transparency, efficient cross agency business processes, and compliance with state and federal regulations.

Staff supporting this LOB regularly evaluate business process impacts, assist in reviewing alternatives, propose resolutions, and implement resolutions to problems. Significant value is added as staff work continuously to leverage and extend the investment in an enterprise resource planning solution by finding synergies and efficiencies.

Staff in this LOB provide monthly, quarterly, and annual support to the Department of Finance to aid in financial monitoring, reconciliation, reporting, and external audit processing. In addition, the subject matter experts in this LOB are primarily responsible for the accurate and timely close-out of the County and FCPS financial, procurement, logistics and budget year-end close-out activities, as well as the monthly close-out activities required to maintain accurate financial accounts, maintain financial and procurement operations, and meet audit requirements.

This LOB is also responsible for the execution of the County's budget within FOCUS. In addition, the subject matter experts in this LOB are primarily responsible for the accurate and timely carry forward of budget for the County and FCPS.

In addition, the staff in this LOB regularly participate in special projects, providing Core Finance subject matter expertise, for applications that have a direct impact on or that will interface with FOCUS.

Department of Management and Budget

Mandates

This LOB is not a state or federal mandate; the LOB manages a technology solution that supports state or federal mandates in agencies and compliance policies which must be performed under County, state, and/or federal guidelines. For example:

- Department of Finance – Accounting & Financial Reporting (LOB#16) - The LOB is fully mandated by the Code of Virginia §15.2-2510 Comparative report of local government revenues and expenditures, by the Code of Virginia §15.2-2511 Audit of local government records, etc.; Auditor of Public Accounts, by the Code of Virginia §§ 2.2-615 to 619 Implementation of Federal Mandates Act, by PL 104-156 Single Audit Act Amendments of 1996, and by the Code of Federal Regulation, Title 2, Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), Subparts A-F.
- Additional duties incorporated within this LOB are performed to support compliance with the County’s financial policy requirements and generally accepted accounting principles (GAAP).

Trends and Challenges

Core Finance

In recent years, the use of technology has played a significant role in the dissemination of financial information. The FBSG Core Finance team worked closely with staff from the Department of Information Technology, the Department of Finance, the Department of Management and Budget, and Fairfax County Public Schools on a countywide transparency initiative to expand the availability of financial data on the County and FCPS websites. The transparency application went live in the summer of 2013. The online application provides access to financial and budgetary data to view amounts paid to County vendors and expenditures by Fund or General Fund agency each month (www.fairfaxcounty.gov/transparency/).

While Finance serves as the central oversight department for financial/accounting areas, there are decentralized staff and processing roles in departments and agencies throughout the County. Ensuring that staff in those agencies are properly trained and have knowledge of financial processes and necessary internal controls is a challenge, given the staff size in Finance in relation to the number of FOCUS system financial module users (1,850) and the number of staff involved in various parts of decentralized financial/procurement activities. In early 2016, the Core Finance team will conduct training on the most effective methods to ensure uniformity of financial management and reporting of assets in FOCUS for staff in the various component units (e.g. FCPS, Parks, Housing) that are responsible for asset management.

Reporting

Since the day FOCUS went live, the people who work in this important system have had a consistent message: “We need more reporting.” In other words, the ability to easily pull, “slice and dice,” and present data in the various areas (financial accounting, grants management, accounts payable, accounts receivable, etc.) served by FOCUS. Staff from the FBSG and DIT have been working hard on a solution. Recently, FBSG and DIT efforts have resulted in the release of the first phase of the Data Warehouse (DW) and associated standard FOCUS Data Warehouse reports via the County’s intranet.

This new tool was implemented in FY 2016 based on ongoing conversations with FOCUS users about what works in the system and what could be better, helping to ensure that FOCUS is as efficient and effective as possible. The new Data Warehouse has been designed to enhance FOCUS reporting. The data taken from FOCUS is in a format that can be accessed and used directly in Microsoft Excel. In its current state, the FOCUS Data Warehouse offers users increased reporting speed and the ability to execute reports directly from FairfaxNet (the County’s internal website) without logging into FOCUS. The first phase of implementation includes FOCUS data related to Funds Management (FM) — information required for monthly reconciliation. As the DW project continues, additional modules such as grants management, financial accounting/general ledger, accounts payable, purchasing, and accounts receivable, will be brought into the data warehouse and the cross-module ties will be strengthened, enabling far more detailed and comprehensive reporting for users. These modules enhance end users’ ability to report and reconcile financial activity.

Department of Management and Budget

Once employees have received training, they can access the new tool through a data connection in Excel, so any user who can create and use pivot tables can filter, search, and drill-down into FOCUS data nearly any way imaginable. This method of delivery also enables access from County workspaces or via telework. Nearly 300 county employees have already received training and the ability to work in the Data Warehouse to-date. Data Warehouse and standard FOCUS Data Warehouse reports provide valuable features including increased reporting speed, enhanced reporting descriptions, and access to data without logging in to FOCUS.

Another goal for reporting is to continue to expand the use of spend analytics to deliver on multiple goals of the County. DPMM and OPS would like to utilize expenditure data to identify opportunities for spend optimization and savings, get visibility of diversity spending, and minimize procurement risks.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #54: FOCUS Business Support Group - Core Finance and Reporting			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$544,458	\$565,423	\$585,844
Operating Expenses	50,495	54,740	25,497
Total Expenditures	\$594,953	\$620,163	\$611,341
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$594,953	\$620,163	\$611,341
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	8 / 8	8 / 8	8 / 8
Total Positions	8 / 8	8 / 8	8 / 8

Department of Management and Budget

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Total number of jobs performed for financial reporting, reconciliation and settlement	411	411	411	411	411
Percent of month-end jobs performed on time	100%	100%	100%	100%	100%
Number of End Users Trained (FOCUS Data Warehouse)	NA	NA	NA	300	300

Total number of jobs performed for financial reporting, reconciliation and settlement,

Percent of month-end jobs performed on-time:

The critical role that the FOCUS Business Support Group has of maintaining the fiscal integrity of the County's financial reporting system requires that essential functions be executed on time and accurately. The FBSG is committed to ensuring that these functions happen without issue and have achieved 100 percent completion of these duties within the required timeframes. By establishing written procedures and ensuring sufficient staffing is in place to support these critical functions, this LOB intends to maintain 100 percent completion of these duties in the fiscal years ahead.

Number of End Users Trained (FOCUS Data Warehouse):

The FOCUS data warehouse is the online reporting tool. This tool pulls data from FOCUS to allow users to synthesize data in ways that are not readily available in FOCUS. Development of this functionality was a priority following the implementation of FOCUS.