

Lines of Business

LOB #48:

DEPARTMENT LEADERSHIP

Purpose

The Department of Management and Budget (DMB) provides financial and analytical consultant services; develops, implements and monitors the County's budget; and produces information for Fairfax County agencies, the Board of Supervisors, the County Executive, and residents in order to maintain the County's fiscal integrity and accountability, as well as to support effective decision-making. In addition, the department serves as the centralized functional support organization for the County's enterprise resource planning system, FOCUS. This LOB includes strategic direction, management, and oversight of countywide budget-related activities and centralized support of the FOCUS enterprise resource planning solution.

Description

The Leadership and Management LOB provides direction, leadership, and oversight to the department. This includes performing the function of the Chief Financial Officer (CFO) for Fairfax County Government. The role of the CFO is to lead the financial management and budget operations and be responsible for oversight of the departments of Tax Administration, Finance, and Procurement and Material Management (formerly the Department of Purchasing and Supply Management). The CFO also serves as a liaison with the County's Office of the Internal Auditor and the Retirement Administration Agency.

The Leadership LOB establishes strategic goals for the budget, CIP/Debt Management programs, revenue and fiscal analysis, and the FOCUS Business Support Group (FBSG) that embrace innovative solutions and improve efficiency and savings. Through policy and procedures, the Leadership LOB works to ensure that strong budgetary controls are in place and operating effectively throughout the organization, thus enabling the County to get the most value for each taxpayer dollar. In addition, this LOB provides project management oversight, engages strategic thinking for new opportunities, promotes consistent change management practices, and ensures that the ERP platform remains functional, compliant, and current and that the County continues to leverage its' investment in the ERP solution.

Benefits

The LOB provides a significant benefit to the County by serving as a key component in ensuring that strong budgetary controls are in place and operating effectively throughout the organization. This is in alignment with tenets of the County's *Ten Principles of Sound Financial Management*. The oversight role of the Department of Management and Budget benefits the County through the formation of policy/procedure guidance, training decentralized budget staff, and serving as an overall consultant and resource for issues that have a fiscal impact to the County. The LOB also serves to ensure that mandated and administratively required budgetary, CIP, debt management, and revenue forecasting activities are carried out in accordance with the Code of Virginia, as well as federal regulatory requirements.

Centralized support of the FOCUS enterprise resource planning solution, staffed with functional subject matter experts that can have knowledge in both County business and ERP-specific skills, results in better overall utilization and lower costs instead of IT resources being dispersed throughout agencies and not effectively coordinated.

- Centralized planning and prioritization of all medium to large application development projects
- Optimizes use of IT resources, knowledge and expertise and achieves efficient use of software maintenance resources and cost

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- Transforms data into information for better management decision making across systems
- Leverages repeatable processes for development and reporting
- Works in partnership with other teams supporting other ERP modules to standardize methodology and provide consistency across business processes and transactions for more predictable customer service outcomes
- Departmental resources can focus on business needs, thus allowing better use of staffing in departments
- Focuses on Business Process Owner engagement in all aspects of the process to meet business changes and requirements to providing successful outcomes and improved customer satisfaction.
- Leverages customer feedback gleaned from multiple avenues of interaction: Business Process owner feedback, help desk tickets, trends across modules, outreach, and communication, to maintain a high-functioning system.
- Allows quick assembly of the correct resources across modules to triage, troubleshoot, and plan for systems changes/issues/enhancements.

Mandates

This LOB is not a state or federal mandate, but it is responsible for providing management and oversight for the other department LOBs that are governed by state or federal mandates and compliance policies which must be performed under County, state, and/or federal guidelines.

Trends and Challenges

As a growing and increasingly diverse community, Fairfax County faces significant budget challenges regarding increasing demands for services, as well as how to fund them. In addition to requirements associated with population growth, Fairfax County's budget has been impacted by external factors such as restrictions on revenue diversification that severely limit the County's flexibility in addressing budget requirements and also continue to place a disproportionate burden on property owners, particularly residential taxpayers. At the same time, the County faces the dual challenges of maintaining an aging infrastructure, while addressing the needs of a growing population that requires additional facilities.

To help address some of these challenges, and in recognition of the restrained revenue growth in the current fiscal environment, the department is spearheading an effort to comprehensively review the County's Lines of Business (LOBs) in FY 2016. The LOBs exercise will offer several benefits. First, it will provide a framework of the County's numerous programs and promote discussion of the necessity of those services. With a focus on performance metrics, it will also allow Board members and residents to gain a better understanding of the effectiveness and efficiency of individual County programs. Lastly, through a multi-year process, the LOBs initiative will provide a basis for services to be reduced or eliminated based on thorough evaluations and allow for the creation of a sustainable financial plan. Through every phase of the initiative, the department will be working closely with the Board of Supervisors, the County Executive, and other members of senior management to ensure that the LOBs exercise is a valuable tool, for both educational purposes and decision-making.

A continuing return on investment for the FOCUS system will be defined by the ongoing direction and commitment to maintaining and upgrading the enterprise resource planning application. As an element of a standard maintenance process for an ERP, a post-implementation review was completed and a strategy developed to maintain FOCUS. The assessment from the independent study was that Fairfax County's implementation, compared with public sector organizations of like or larger size, was successful. The assessment noted the robust business functionality offered, including ECC 6.0, Supplier Resource Management (SRM) 7.0 with Procurement for the Public Sector (PPS), and Human Capital Management (HCM). In addition, the report identified a need for a lifecycle strategy for planned enhancements, upgrades, fixes, and regular reviews. The FBSG, in collaboration with DIT, has developed and will continue to refine the lifecycle strategy for planned enhancements, upgrades, fixes, and regular reviews of the ERP

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solution. In an integrated resource planning solution, these updates require significant planning, communication and outreach to ensure the least amount of disruption to end user expectations for 24x7 availability and the critical business operations that must be completed in a timely fashion to meet state, federal, County and FCPS mandates, policies and regulations. The FBSG, in collaboration DIT, has implemented multiple software updates as part of regular system maintenance and required updates to aid in the accurate implementation of payroll year-end processing. In addition, beginning in 2015, the County began the process of implementing an overall version upgrade of the enterprise resource planning solution to ensure compliance and offer increased functionality leading to increased efficiency.

The administration of a complex integrated system should not be underestimated. The key challenge is a rationalized approach which allows the County to keep pace with technology changes as benefits are obvious that also considers budgetary constraints. Additionally, demand for newer technologies continues to grow. Future initiatives will focus on promoting employee engagement and higher levels of productivity. The following are some examples of anticipated trends and challenges:

- End user expectations of high performance, high visibility, and high availability; 24 x 7 applications with no down time increases demands upon both staff and budget resources
- Planned maintenance to keep systems available, operational, and secure
- Establishment of archival and data retention policies in accordance with business process requirements.
- Mobility to enable users to perform County business from anywhere reliably and securely
- Continuing to leverage FOCUS functionality to meet business requirements and enhance interfaces with other systems of record.
- Expansion of the data warehouse to aid end users and assist in management decision making and predictive analytics
- Continuing to enhance the failover system to ensure all FOCUS data is replicated to a secure third-party off-site location, providing a full backup of all data and ability for FOCUS to continue to remain operational in the event of a catastrophic event.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #48: Department Leadership			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$575,569	\$548,166	\$508,704
Operating Expenses	53,380	53,069	22,140
Total Expenditures	\$628,949	\$601,235	\$530,844
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$628,949	\$601,235	\$530,844
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	5 / 5	5 / 5	5 / 5
Total Positions	5 / 5	5 / 5	5 / 5

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Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
Bond Rating of AAA/Aaa/AAA	Yes	Yes	Yes	Yes	Yes
Number of FOCUS System Upgrades and Other Major Initiatives (Overall)	21	32	62	50	50

The metrics for this LOB indicate that the Department of Management and Budget is diligent in the budgetary and fiscal management of the County and consistently exceeds the minimum requirements to prepare annual budgetary information that evidence the spirit of transparency and full disclosure.

GFOA Distinguished Budget Presentation Award:

The critical role that the Department of Management and Budget has of maintaining the fiscal integrity of the County's funds requires that budgetary controls be managed and maintained. The Department of Management and Budget is committed to ensuring that these functions happen without issue and have achieved 100 percent completion of these duties within the required timeframes.

Bond Rating of AAA/Aaa/AAA:

The County holds a Aaa from Moody's Investors Service (awarded 1975), a AAA from Standard and Poor's Ratings Service (awarded 1978), and a AAA from Fitch Ratings (awarded 1997). As of May 2015, Fairfax County is one of only 10 states, 40 counties, and 30 cities to hold a triple-A rating from all three services.

Number of FOCUS System Upgrades and Other Major Initiatives (Overall):

The implementation of an enterprise resource planning solution requires a high level of coordination across organizations/departments, expert knowledge of the ERP solution, and clear definition of the business process requirements to carefully coordinate system and business requirements. A functional support organization is primarily responsible for partnering with agencies to drive continuous improvement, optimize system usage and investment, and maintain and support the software.