

DEPARTMENT OF MANAGEMENT AND FINANCE

FINANCIAL MANAGEMENT

PROGRAM MISSION: To ensure the prudent use of County resources.

The Financial Management component of the Department of Management and Finance consists of Administration/Tax Policy Coordination; Management and Budget; Accounting and Audit; and Purchasing and Contracts.

- ❖ **Administration/Performance Measures Division** ensures that the Department of Management and Finance staff receive the leadership, policies, tools, services and support required to serve their customers. This program area provides overall leadership, management and administrative support for the Department of Management and Finance, as well as for the Department of Real Estate Assessments (a division of DMF). Responsibility for the development, deployment and monitoring of the County’s performance measurement system, Arlington Counts! is also integral to this division.
- ❖ **Management and Budget Division** facilitates effective resource allocation and budget execution for the provision of services to Arlington residents. The Management and Budget Program provides financial, economic and policy analysis, research and recommendations to the County Board, County Manager, departments, agencies, and the public, and prepares the annual County operating budget. This program also coordinates County bond sales, staffs the Industrial Development Authority (IDA) and the Fiscal Affairs Advisory Commission, as well as monitors County expenditures and revenues. Staff support for the Countywide Capital Improvement Program is provided by the Management and Budget Division.
- ❖ **Accounting and Audit Division** provides effective controls and sound financial services. The Accounting and Audit program provides the best possible financial information to the County Board, County management, County staff, the public and other interested organizations such as bond rating agencies, and institutional investors. The program also ensures that County purchase orders and payments to vendors are processed in an accurate and timely manner and that integrity is maintained in all financial processes and in the financial information system.
- ❖ **Purchasing and Contracts Division** assists agencies in the purchase of needed goods and services in a timely manner while complying with legal requirements. Purchasing and Contracts Program provides quality goods and services which meet user customer needs at reasonable costs by assuring that all purchasing actions are fair and impartial, with all qualified sellers having equal access to County business. This program provides purchasing services, consults with user agencies on bidding strategies and contract development for all County departments and agencies, and participates in regional cooperative purchasing efforts to achieve cost reductions through volume buying.

Financial Management				
	FY 2004	FY 2005	FY 2006	% Change:
	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>'05 to '06</u>
Personnel	\$2,407,464	\$2,637,763	\$2,690,344	2%
Non-Personnel	286,448	229,568	223,510	-3%
Subtotal	2,693,912	2,867,331	2,913,854	2%
Intra-County Charges	(30,997)	(53,000)	(117,850)	122%
Total Expenditures	2,662,915	2,814,331	2,796,004	-1%
Fees	137,930	95,000	105,416	11%
Total Revenues	137,930	95,000	105,416	11%
Net Tax Support	\$2,524,985	\$2,719,331	\$2,690,588	-1%
Authorized FTEs	33.0	33.0	34.0	-
Funded FTEs	33.0	33.0	34.0	-

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SIGNIFICANT BUDGET HIGHLIGHTS:

- ↑ Personnel expenditures reflect a two percent increase made to fully fund all step increases for eligible employees and employee benefits as well as the addition of a Contract Monitoring Position (\$64,850 and 1.0 FTE).
- ↓ Non-Personnel reflects a decrease (\$6,058) due to a decrease in telephone charges.
- ↑ Intra-County Charges increased due to the cost of one additional FTE for Contract Monitoring (\$64,850) being charged out to Utilities Fund.
- ↑ Revenues have increased due to an increase in administration fees from the Rosslyn Bid Project (\$10,416).

PERFORMANCE MEASURES:*Administration/Performance Measures*

	<u>FY 2002 Actual</u>	<u>FY2003 Actual</u>	<u>FY 2004 Actual</u>	<u>FY 2005 Estimate</u>	<u>FY 2006 Estimate</u>	<u>FY2006 Goal</u>
<i>Mission Outcome Measures</i>						
Percent of internal department's personnel transactions processed satisfactorily within guidelines	N/A	97%	N/A	99%	99%	100%
Percent of department financial transactions satisfactorily processed within established timeframes	N/A	98%	N/A	99%	99%	100%
Percent of departments/ programs using outcome measures	40%	100%	100%	100%	100%	100%
Percent of departments/ programs using customer measures	N/A	25%	99%	100%	100%	100%
<i>Customer Measures</i>						
Internal customer satisfaction index	N/A	N/A	N/A	80%	80%	80%
Percent of department payroll transactions processed without error	N/A	N/A	N/A	99%	99%	100%
Percent of grams processed on time	N/A	95%	95%	99%	99%	100%

- ❖ Some of the measurements identified above are newly identified and no historical information is available. Data collection for these performance measures will commence in FY 2005.
- ❖ Internal customer satisfaction index will be based a rating scale from 1 to 100 which will be acquired through a survey regarding DMF products and processes in CY 2005, and measures will be reflected in 2005 Actual and 2006 Estimates. The target benchmark of 80 is established utilizing the American Customer Satisfaction Index through comparisons with other public and private sector organizations providing similar services.

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Management and Budget

	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Actual</u>	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Estimate</u>	<u>FY 2006</u> <u>Estimate</u>	<u>FY 2006</u> <u>Goal</u>
<i><u>Mission Outcome Measures</u></i>						
Bond rating (by rating agency)	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>	<small>S&P/Moody's/ Fitch AAA/Aaa/AAA</small>
GFOA Distinguished Budget Award received (yes/no)	Yes	Yes	Yes	Yes	Yes	Yes
Percent variance between actual expenditures and appropriation (based on final audit report, total General Fund)	2%	4%	4.2%	<5%	<5%	<5%
<i><u>Customer Measures</u></i>						
Internal customer satisfaction index	73.9	N/A	N/A	80%	80%	80%
Percent of customer requests fulfilled by established timeframes	N/A	N/A	N/A	95%	98%	100%
<i><u>Workload Measures</u></i>						
Bond issuance (millions), general obligation bonds, notes sold or refinanced	\$39.5	\$140.8	\$60.1	\$174.0	86.20	N/A
Industrial Development Authority (IDA) bonds issued	\$159.4	\$11.2	\$9.0	\$149.2	\$15.0	N/A
Dollar value of other financings obtained (millions)	\$4.5	\$12.6	\$103.1	\$6.5	\$5.0	N/A
Total dollar value of transactions (millions)	\$203.4	\$164.6	172.2	\$329.7	\$106.2	N/A

- ❖ Several of the measurements identified above are new requirements and no historical information is available. Data collection for these performance measures will commence in FY 2005.
- ❖ FY 2002 customer satisfaction index is based on survey results from customers of the Management and Budget Division. An expanded Department wide survey will be conducted in FY 2005 to solicit feedback on all DMF products and services. The target benchmark of 80 is established utilizing the American Customer Satisfaction Index through comparisons with other public and private sector organizations providing similar services.

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Accounting and Audit

	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Actual</u>	FY 2005 <u>Estimate</u>	FY 2006 <u>Estimate</u>	FY 2006 <u>Goal</u>
<i><u>Mission Outcome Measures</u></i>						
Comprehensive Annual Financial Report (CAFR) received "unqualified" opinion from external auditors	Yes	Yes	Yes	Yes	Yes	Yes
CAFR received GFOA "Certificate of Achievement for Excellence"	Yes	Yes	Yes	Yes	Yes	Yes
Auditor of Public Accounts Transmittal and CAFR prepared by state deadline	Yes	Yes	Yes	Yes	Yes	Yes
State Auditor of Public Accounts Transmittal of Comments received (regarding the CAFR)	7	5	1	1	1	1
<i><u>Customer Measures</u></i>						
Percent of Countywide payments processed within payment terms	N/A	75%	81%	85%	100%	100%
Internal customer satisfaction index	N/A	N/A	N/A	80%	80%	80%
<i><u>Workload Measures</u></i>						
Payment vouchers processed	42,800	45,500	41,549	46,000	46,000	46,000

- ❖ Typically, three or fewer comments on the State Auditor of Public Accounts Transmittal of Comments are indicative of a high level of achievement and performance regarding the CAFR. This pertains to the translation of the CAFR to the Auditor of Public Accounts format.
- ❖ Customer satisfaction index will be based on FY 2005 survey results from customers of the Accounting and Audit Division. The target benchmark of 80 is established utilizing the American Customer Satisfaction Index through comparisons with other public and private sector organizations providing similar services.

Purchasing and Contracts

	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Actual</u>	FY 2005 <u>Estimate</u>	FY 2006 <u>Estimate</u>	FY 2006 <u>Goal</u>
<i><u>Mission Outcome Measures</u></i>						
Number of protests of purchasing actions upheld by a final authority (court)	0	0	0	0	0	0
Number of contracts that lapsed without timely replacement due to purchasing action or inaction	N/A	N/A	N/A	4	0	0

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	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Actual</u>	FY 2005 <u>Estimate</u>	FY 2006 <u>Estimate</u>	FY 2006 <u>Goal</u>
<i><u>Customer Measures</u></i>						
Internal customer satisfaction index	N/A	N/A	N/A	80%	100%	100%
Percent of customer requests fulfilled within established timeframes	N/A	N/A	N/A	95%	100%	100%
<i><u>Workload Measures</u></i>						
Formal bids and contracts processed	404	457	471	460	460	460
Informal bids and contracts processed	448	553	326	350	350	350
Emergency procurements processed	79	109	92	110	110	110

- ❖ Several of the measurements identified above are new requirements and no historical information is available. Data collection for these performance measures will commence in FY 2005.
- ❖ Customer satisfaction index will be based on FY 2005 survey results from customers of the Purchasing Division. The target benchmark of 80 is established utilizing the American Customer Satisfaction Index through comparisons with other public and private sector organizations providing similar services.
- ❖ Decrease in number of informal bids and contracts processed due to increased agency awareness of contracts through access to information.