

St. Louis County
Auditor/Treasurer's Office

BUSINESS PLAN
2008-2010

Don Dicklich, Auditor



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Executive Summary

The Auditor/Treasurer's office oversees five divisions comprised of 72 employees: Elections, Clerk of the Board, Accounting & Finance, Property Taxes, and the St. Louis County Auditor Service Center. The most important obligation is to conduct fair and impartial elections. The office accounts for all county funds, oversees and distributes local government's tax distributions, and manages county investments. Maintaining high financial integrity is one of the top priorities of this office. The office reviews county activities to help ensure they are conducted in an effective, efficient and legal manner.

Who Are We?

MISSION

Deliver the highest possible customer service effectively and efficiently across its Core Services. Core services include:

- Elections – Conduct fair and impartial elections.
- Clerk of Board – Safely keep and publish accurate records of the County Board of Commissioners.
- Finance and Accounting – Provide professional finance and accounting services in keeping with best practices, ensuring that public dollars are used exclusively for authorized public purposes.
- Property Tax Administration – Fairly administer State of Minnesota property taxes in compliance with all statutes.
- Licensing – Provide mandated and discretionary licensing services in a timely manner.

PRIMARY LINES OF BUSINESS

Election Administration

- Administer federal, state and county elections within St. Louis County.
- Oversee voter registration in St. Louis County.
- Print and distribute ballots and supplies.
- Administer absentee voting.
- Tabulate, certify and submit elections results to the Secretary of State.
- Train election judges and local election officials.
- Conduct all aspects of voting within unorganized areas/precincts.
- Act as a resource for local election officials.
- Perform as a clearing house for all election matters.

Clerk of the County Board

- Record each board meeting.
- Prepare and distribute regular Board agendas and related items for each meeting.
- Prepare, distribute and publish Board and Committee of the Whole minutes.
- Keep and maintain historical records of the County Board.
- Act as a resource and research tool for internal and external customers.
- Publish notices as mandated by law.
- Prepare and distribute materials as requested or needed by the Board.

Licenses

- Issue on-sale, off-sale and on/off sale liquor licenses.
- Issue tobacco licenses.
- Issue miscellaneous licenses including auctioneer, fireworks, and precious metals.

Financial Analysis

- Analyze data, work with relevant assumptions and develop budgets in conjunction with Administration.
- Analyze expenses before payment to assure that funds have been appropriated and that expenses are for a public purpose.
- Assist departments with reports and financial analysis.
- Manage accounts payable.
- Manage accounts receivable.
- Serve Board, departmental, administrative, and other customers by preparing financial statements and reports.

General Accounting

- Perform monthly bank reconciliations.
- Do cash accounting and reconciliations.
- Responsible for retiree health and dental plan accounting and maintenance.
- Period and year end closing and reconciliation of general ledger and subsidiary ledgers.
- Audit and process purchase card payments.
- Assist in preparation of Comprehensive Annual Financial Report (CAFR).

Investment Management

- Manage St. Louis County investment portfolio.
- Analyze cash flow needs and incorporate into investment portfolio.
- Track daily cash requirement and work with bank to assure adequate cash to meet County payroll and payables.

Internal Audit

- Assist external auditors with Audit of CAFR.
- Conduct financial, operational, information systems and performance (or efficiency) audits.
- Provide consulting services as requested.

- Conduct special investigations.
- Respond to management and Board requests.
- Furnish management with analyses, appraisals, recommendations and counsel concerning any activities or processes reviewed.
- Assist taxpayers with specific inquiries and concerns.

Payroll Management

- Provide excellent customer service to all employees and vendors.
- Process payroll transactions and distribute approximately 63,000 direct deposit remittances annually.
- Calculate and process payments to retirement plans.
- Calculate, process, and submit federal and state withholding taxes.
- Calculate and submit payments to deferred compensation plans.
- Process payments of employer provided life insurance, medical, dental enrollments and coverage, etc.
- Reporting of all pay deductions and remittances to departments, managers and outside agencies.

Property Tax Administration

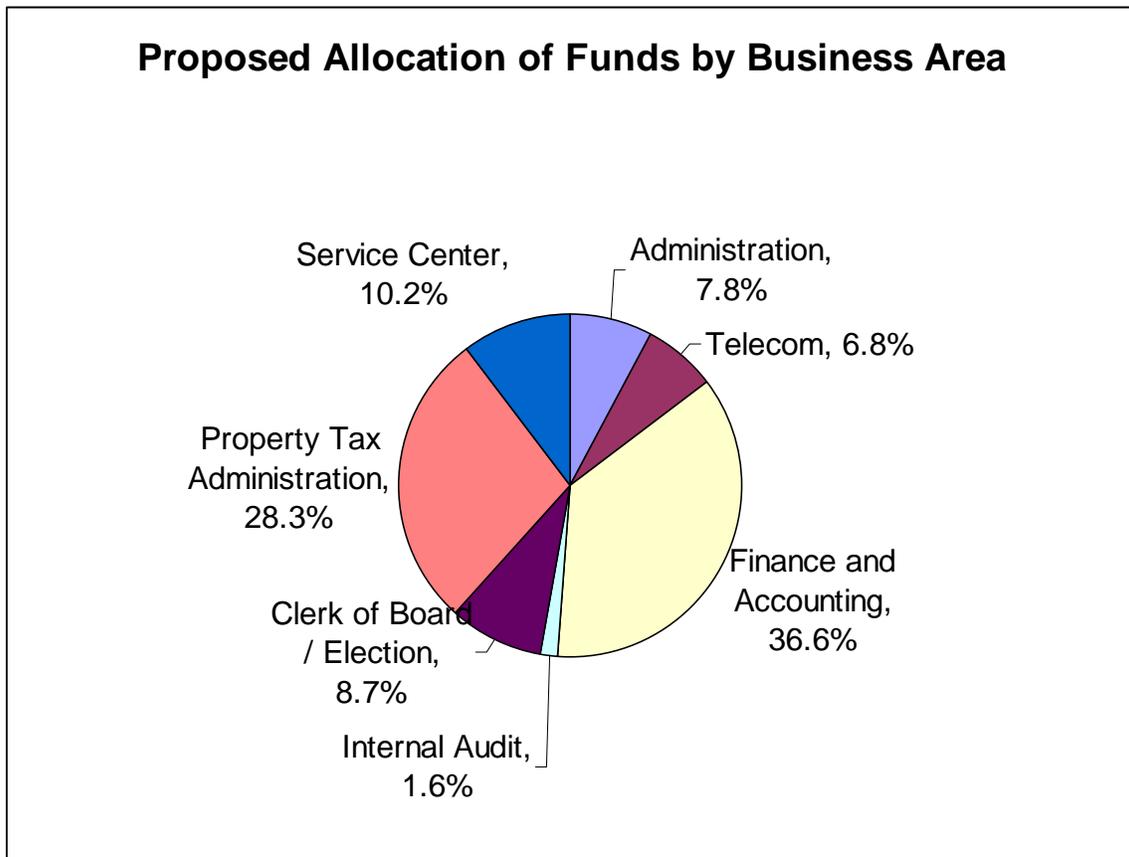
- Provide excellent customer service to approximately 20,600 walk in customers 69,200 phone customers annually.
- Calculate and certify annual levy.
- Annually process 16,400 mortgage tax applications.
- Certify over 12,000 deeds annually.
- Process over 23,000 parcel changes annually.
- Partner in countywide effort to map GIS parcel layers.
- Over 143,000 tax statements calculated and sent out for real estate, personal property and mobile homes.
- Property tax payments collected throughout the year.
- Tax receipts settled to other governmental agencies as mandated by statute.
- Perform fiduciary responsibility for area wide fiscal disparity calculation, collection and settlement.
- Responsible for tax increment financing calculation.

Service Center

- Provide excellent customer service in processing over 85,000 license and property tax transactions annually.
- Process 49,000 motor vehicle registrations.
- Issue 17,600 driver's licenses.
- Process over 3,600 passports.
- Issue over 6,600 recreational vehicle licenses.
- Accept and process 8,300 property tax payments.

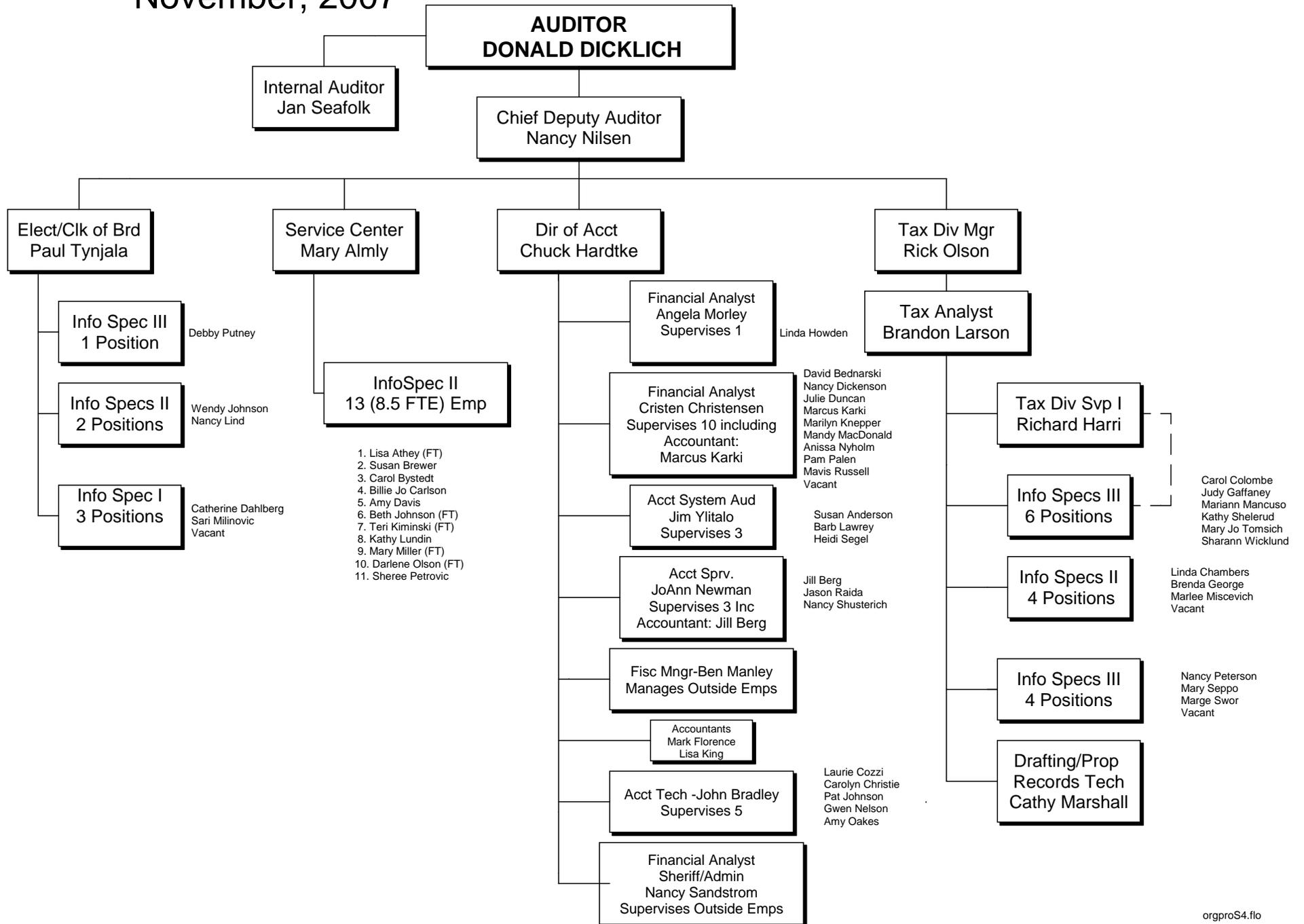
PROPOSED ALLOCATION OF FUNDS BY BUSINESS AREA

	<u>Core Services</u>	<u>Percentage of Resources</u>
• Administration	Yes	7.8%
• Telecom	No	6.8%
• Finance and Accounting	Yes	36.6%
• Internal Audit	Yes	1.6%
• Clerk of Board / Elections	Yes	8.7%
• Property Tax Administration	Yes	28.3%
• Service Center	Yes	10.2%
• * Election Year add \$290,000	Yes	



Auditor's Office

November, 2007



SIGNIFICANT TRENDS AND CHANGES

External Factors:

- “Help America Vote Act” Legislation
 - Have to put assistive voting machines in all the precincts, which requires ballot modification, and additional programming costs.
 - Add vote tabulators to precincts that request them. This increases efficiency and decreases vote counting errors.
 - We are required to have more accountability for grant expenditures.
- Property Tax Legislation
 - As the legislature develops new laws, the tax division must be able to react in a timely manner. This affects our on-going operations and sometimes requires one time projects as well. In essence, legislation can change the way we do business.
- Competition for Resources
 - Personnel pool limited by competing opportunities due to retirements.
 - The civil-service rules allow transfers from our Service Center to positions anywhere in the county. The end result is constant turnover, which results in training new employees on a regular basis.
- Investment / Bond Market Volatility
 - Interest earnings are not stable. The investment markets are forever changing and have highs and lows.
- Passport Legislation
 - Legislation now requires passports for travel to Mexico and Canada. This has increased the passport business extensively. Marketing efforts have been increased in this area.
- Telecommunications and Other Technology Advancements
 - GIS project requires evaluating all the discrepancies in the parcel layer as it is drawn by Pro West. This translates into increased man hours. We have gone from 1.5 to 2.5 employees working on this project.
 - Customer Payment Options – kiosks, credit cards, debit cards, ACH – someone sends us a check and we convert it to digital / electronic.
 - Travel Expense Processing – payment to the employees will be through the payroll system and direct deposit instead of the accounts payable system and the need to cut a check.
 - ACH is becoming more sophisticated (electronic bank fund transfers) – the accounts payable department will send an e-mail to the vendor with the check stub information. The money gets deposited directly into their account the next day. Due to this, not as much check stock or micr toner will be used. This also saves time because staff doesn’t have to fold, stuff, and mail the checks. Postage costs are reduced, as well.
 - Web-based Services – cashiering system, mortgage and transfer system.

Internal Factors:

- Succession Planning – need faster recruitment and staffing model (change / flexibility). Positions need to be reviewed for advanced qualifications.
- Key Employee; employee retirements will cause a strain on knowledge transfer and remaining employees. Less knowledgeable staff will mean longer response times.
- Information System opportunities and structural constraints. Several older systems could limit Auditor operations in the future.
- Statutory Limitations on Certain Business Activities – e.g. investments.
- Limited county financial resources.

What Do We Want To Achieve?

VISION FOR DEPARTMENT

- Continue to work on streamlining processes, containing costs, maximizing investment and Service Center income.
- Wider utilization of web-based services both internal and external.
- Break down information silos / barriers.
- Expand service locations.
- Service improvement through a Web Portal and Advanced GIS capability.

How Are We Going To Get There?

KEY INITIATIVES

Commissioner Priority Area – Efficient, Effective Government

Elections

Goal

Maintain High Election Standards and public confidence in the election process in compliance with state and federal election laws including HAVA.

Objectives

- Accurate, fair, honest results.

Performance Measures

- Error free election. No legal contests. Minimal voter complaints.
-

Finance and Accounting

Goal

Produce award winning Comprehensive Annual Financial Report (CAFR) every year.

Objectives

- Achieve the Government Finance Officers Association award.

Performance Measures

- Receive the Government Finance Officers Award every year.
-

Goal

Phase II payroll implementation.

Objectives

- Employee & manager self service module is operational.

Performance Measures

- Employees will be able to view their payroll information on-line, including pay history, assignments, and up to date leave banks.
 - Supervisors can look at their employee's information on-line and approve employee time on-line.
-

Goal

Cash management – effectively and efficiently manage the accounts payable process.

Objectives

- Implement electronic funds transfer payments to vendors.

Performance Measures

- Manages cash flow and positively impacts interest earnings.
-

Goal

Develop interfaces to the new public works system, which allows project information to be sent through the payroll system.

Objectives

- Interfaces are operational.

Performance Measures

- Achieve increased efficiency of Public Works budgeting, forecasting and State reporting.

Goal

Modify the payroll system to allow for payment of employee reimbursements through Highline and interface back to Mitchell Humphrey accounts payable.

Objectives

- Allow payments to be made through direct deposit.

Performance Measure

- Reduce the time spent entering taxable items.
 - Efficiency improvement resulting in cost savings.
-

Goal

Install Business Objects – Crystal Reports Server Module.

Objectives

- Get reports to users in a timely automated fashion.

Performance Measure

- This will allow for automated report distribution.
 - Will save time and money spent distributing reports.
-

Goal

Provide internal control reviews & efficiency audit services to select departments.

Objectives

- Produce Internal Audit reports on one department.
- Provide analysis and recommendations to management.
- Other reports prepared as requested.

Performance Measure

- County departments will have improved fiscal management.
-

Goal

Provide assistance to external auditors.

Objective

- Maintain or reduce external auditor time.

Performance Measure

- Achieve a decrease or limit an increase in external audit costs.

Property Tax Administration

Goal

Implement automatic check processing and archiving.

Objectives

- Tax Posting and Refund process is streamlined.

Performance Measure

- Bank fees reduced and interest earnings maximized.
-

Service Center

Goal

- Keep the Service Center financially viable.

Objectives

- To be profitable.

Performance Measure

- Is profitable.
-

AUDITOR'S MATRIX

Commissioner Priority Area (1-5)	Division	Department Goal	Related Department Objective(s)	Tactics, Initiatives, Action Steps	Measures (KPIs or internal measures)
Effective, Efficient Government	Elections	Maintain high election standards and public confidence in the election process in compliance with state and federal election laws including HAVA.	Accurate, fair, honest results.	Train auditor's staff. Put process in place to make sure equipment is operating correctly. Program and test equipment. Train local election officials and judges.	Error free election. No legal contests. Minimal voter complaints.

	Finance & Accounting	Produce award winning Comprehensive Annual Financial Report (CAFR) every year.	Achieve the Government Finance Officers Association award.	Send out CAFR assignments with estimated completion dates to all workers involved. Entrance interview with State Auditor's Office to determine timelines and scope of annual audit. Inform county departments of various deadlines for closing out audit year. Ongoing review of the status of CAFR assignments.	Receive the Government Finance Officers Award every year.
		Phase II payroll implementation.	Employee & manager self service module is operational	Meet with Highline Corporation to determine game plan/configuration. Create proposal for self service. Install system. Conduct training sessions on self service.	Employees will be able to view their payroll information on-line, including pay history, assignments, and up to date leave banks. Supervisors can look at their employee's information on-line and approve employee time. on-line.

		Cash Management – effectively and efficiently manage the accounts payable process.	Implement electronic funds transfer payments to vendors	Identify top dollar amount vendors. Send letter to vendor for bank information. Work with Mitchell Humphrey to configure accounting software to do ACH transfers. Update vendor file to implement ACH. Perform ACH with selected vendors. Perform ACH with all vendors.	Manages cash flow and positively impacts interest earnings.
		Develop interfaces to the new public works system, which allows project information to be sent through the payroll system	Interfaces are operational.	Work with Highline and Mitchell Humphrey to create specifications and design the interfaces. Install and test the interfaces.	Achieve increased efficiency of Public Works budgeting, forecasting and State reporting.
		Modify the payroll system to allow for payment of employee reimbursements through Highline and interface back to Mitchell Humphrey accounts payable.	Allow payments to be made through direct deposit.	Organizational meeting to define project scope. Contact Highline for assistance. Highline setup and testing to meet	Reduce the time spent entering taxable items. Efficiency improvement resulting in cost savings.

				requirements. MIS interface setup and testing for imaging and Mitchell Humphrey update. Full system testing.	
		Install Business Objects – Crystal Reports Server Module.	Get reports to users on a timely automated fashion.	Attend Training. Install software. Schedule reports that need to go to various users. Test server to make sure everything is working correctly. Conduct training sessions.	This will allow for automated report distribution. Will save time and money spent distributing reports.
Internal Audit	Provide internal control reviews & efficiency audit services to select departments	Produce Internal Audit reports on one department. Provide analysis and recommendations to management. Other reports prepared as requested.	Select departments or procedures for review. Develop a plan. Follow the plan.	County departments will have improved fiscal management.	
	Provide assistance to external auditors.	Maintain or reduce external auditor time.	Respond to requests for information. Monitor external auditor costs.	Achieve a decrease or limit an increase in external audit costs.	
Property	Implement automatic	Tax Refund	Put out an	Bank fees	

	Tax Admin.	check processing and archiving.	process is streamlined	RFP for vendor selection. Meet with vendors for demonstrations. Select product. Get approval from the board. Get a contract created and signed. Purchase the software and hardware. Create an implementation plan that includes software setup, training and implementation.	reduced and interest earnings maximized.
	Service Center	Keep the Service Center financially viable.	To be profitable.	Provide good customer service. Market the services.	Is profitable.

What Resources Are We Going To Use?

Finance Plan

Financing the initiatives set forth will come through departmental revenues and the regular budgeting process.

Workforce Plan – Succession Planning

More time will be spent developing a succession plan. Currently, a formal succession plan does not exist. An in-depth analysis of the positions within the auditor's office will be undertaken in the very near future. Staffing changes will be required that enhance customer service, develop organizational depth in order to minimize expertise and knowledge drain when key employees leave, and also, to cultivate an enterprise-wide awareness. Evaluate changing skills required to deliver services driven by new technology.

Cross training is utilized within each of the Auditor's divisions, and throughout the department, along with specified training and continuing education to assure both the development of staff, the use of best practices, and the most efficient deployment of staff resources.

By filling key positions with staff who have proven ability to take on increasing responsibility, display initiative, have functional knowledge, technical expertise, and a shorter learning curve than average, the Auditor's Office is preparing for retirement of the majority of managers/supervisors in the next decade.

Technology Plan

There are several initiatives within the area of technology that will be undertaken. These are: Upgrade the current Cashiering System, implement Phase II of payroll, continue implementation of the GIS mapping, and implement a Crystal Report distribution system.

MIS Equipment: New equipment will be necessary for the Cashiering System. New scanners and printers will need to be installed. The server requirements have been reviewed with MIS. The rest of the equipment needs have been a part of the bidding process, which went through the purchasing department. Routine P.C. and printer replacement.

MIS Staff Time: No anticipated changes

Purchasing Plan

Software and hardware will be purchased for the implementation of the Cashiering System. Software will be purchased for the Crystal Report distribution system.

Space Plans

A space plan was conducted by SJA Architects to determine what was needed by the Auditor's office. The auditor's office is included in the proposed 2nd floor changes. See the attached plan.