

St. Louis County
Auditor/Treasurer's Office

BUSINESS PLAN
2011-2013

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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 52,000 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

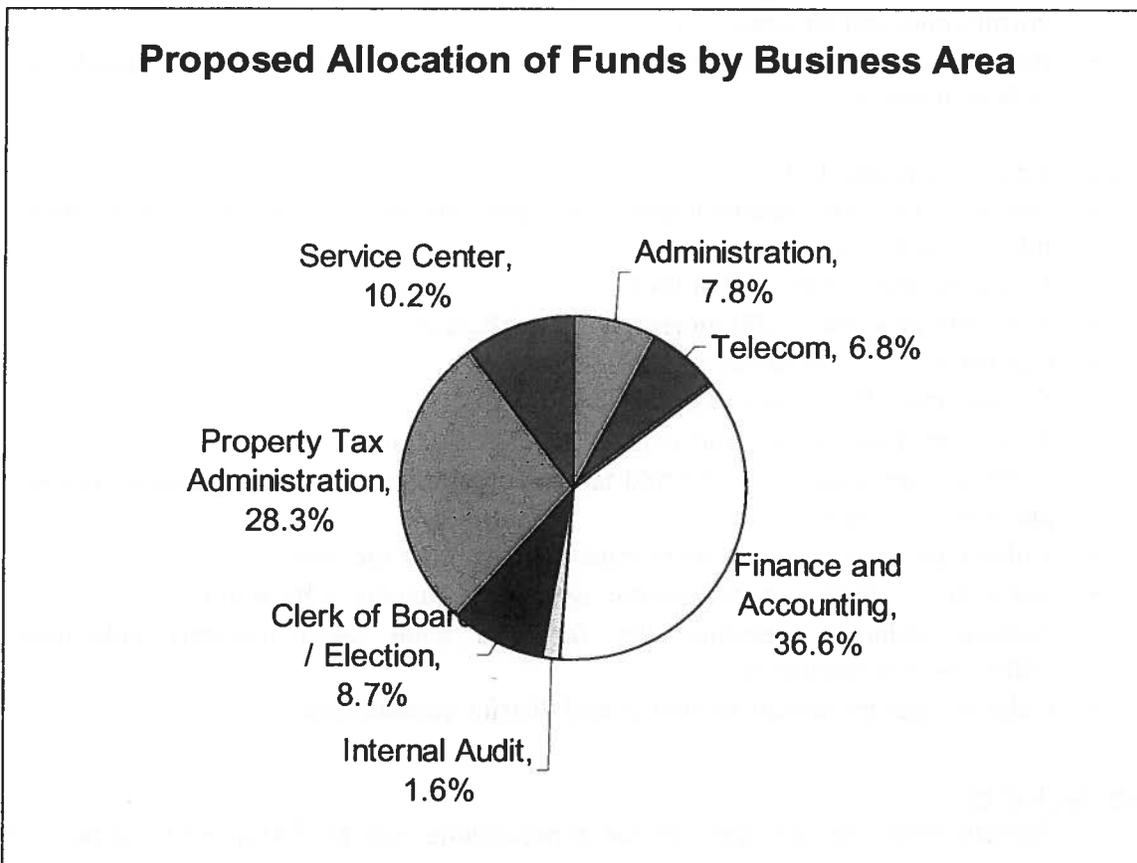
- Provide excellent customer service to approximately 20,600 walk in customers 69,200 phone customers annually.
- Calculate and certify annual levy.
- Annually process 15,200 mortgage tax applications.
- Certify over 10,500 deeds annually.
- Process over 23,000 parcel changes annually.
- Partner in countywide effort to map GIS parcel layers.
- Calculate and mail over 147,580 tax statements for real estate, personal property and mobile homes.
- Collect and post property tax payments throughout the year.
- Settle tax receipts to governmental agencies as mandated by statute.
- Perform fiduciary responsibility for area wide fiscal disparity calculation, collection and settlement.
- Calculate tax increment financing and district maintenance.

Service Center

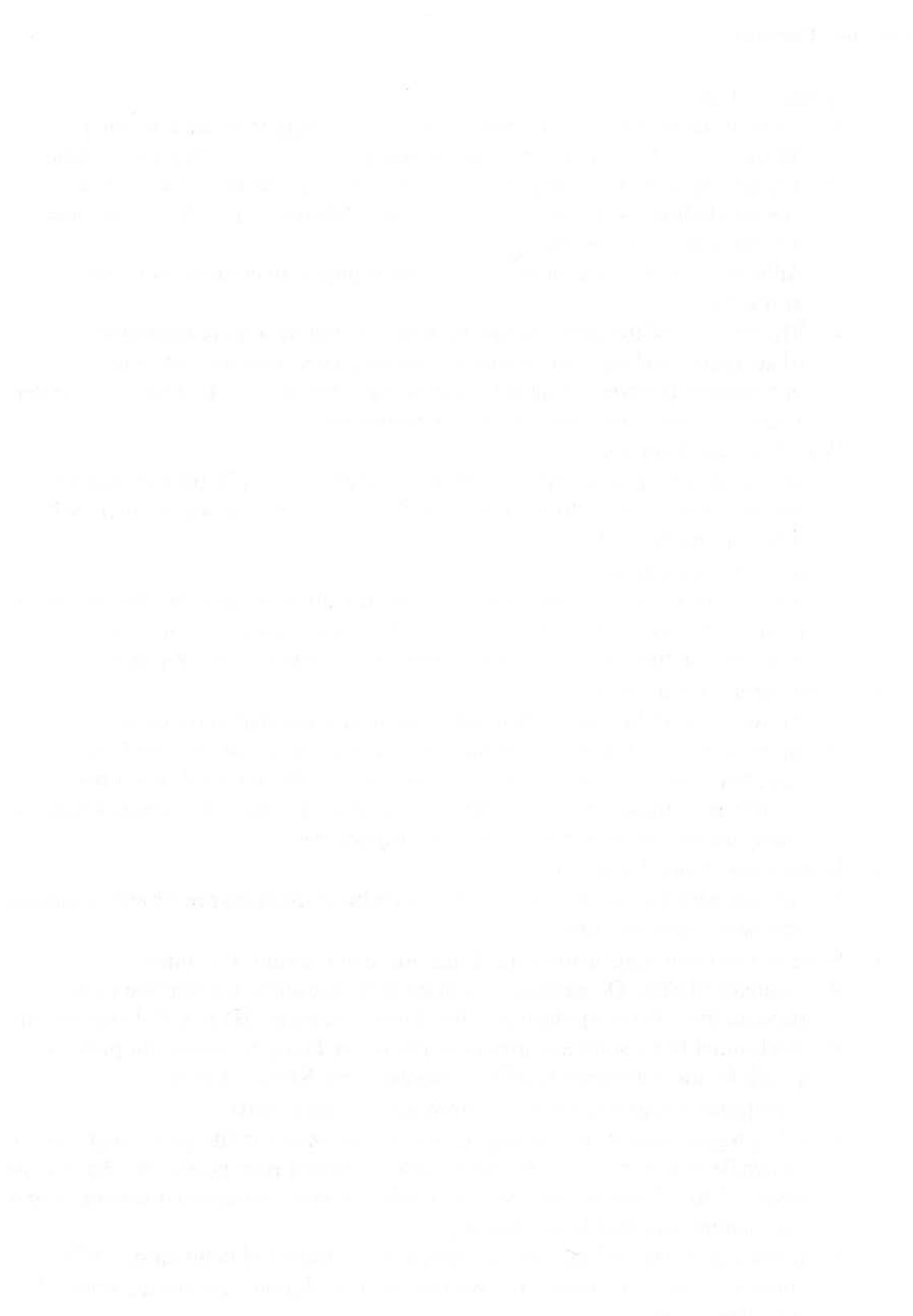
- Provide excellent customer service in processing over 85,000 license and property tax transactions annually.
- Process 49,000 motor vehicle registrations.
- Issue 17,600 driver's licenses.
- Process over 3,600 passports.
- Issue over 6,600 recreational vehicle licenses.
- Accept and process 8,300 property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

PROPOSED ALLOCATION OF FUNDS BY BUSINESS AREA

	<u>Core Services</u>	<u>Percentage of Resources</u>
• Administration	Yes	7.8%
• Telcom	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	



Organizational Chart



SIGNIFICANT TRENDS AND CHANGES

External Factors:

- Absentee Voting
 - Changes to Minnesota laws require absentee voting to be administered through absentee ballot boards at the county level and for delegated clerks.
 - The law requires each precinct to process absentee ballots separate from precinct ballots, which for St. Louis County translates to 178 polling place precincts and 178 absentee precincts.
 - Additional time, equipment and staff are required to comply with absentee voting laws.
 - The benefits of the new AB law includes providing a more consistent review of accepting and rejecting absentee ballots, gives absentee voters an opportunity to correct mistakes, and the new law allows 45 days for absentee voting, giving voters more time to absentee vote.
- Data Practices Requests
 - Data Practices statutes place additional burden on the elections department, and the demand for information from a variety of non-profit, political and other groups is on the rise.
- 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. Legislation can change the way we do business.
- Competition for Resources
 - Personnel pool limited by competing opportunities due to retirements.
 - Because of the number of part-time IS II positions at our Service Center, employees look for and receive promotions to full-time IS III positions anywhere in the county. The end result is constant turnover, which results in costly training of 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.
- State Department regulations First Time Applications and Passports
 - Changes in State Department regulations do not allow the Service Center to process First Time Applications for driver's licenses, ID's, and driver permits.
 - Additional Homeland Security restrictions are being reviewed for passports, which would significantly affect revenue at the Service Center.
- 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. Additional training and a user manual are also being developed.
 - Customer Payment Options – kiosks, online credit and debit cards, ACH – someone sends us a check and we convert it to digital / electronic, point of sale check scanning.

- 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.

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. Cross-training and user manual development for each position will be done to mitigate this.
- Information System opportunities and structural constraints. The need to change software systems could cause a strain on 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.
-

Goal

Expand the Elections Results Management (ERM) to the Virginia Office for the 2012 Election.

Objective

Facilitate access to the ERM by purchasing additional user licenses and serve as a regional hub for election night reporting to Range cities/towns.

Performance Measure

Improve the timeliness of election night results reporting and provide better customer service to Range communities. Since this will be a presidential election more time is expected and this time saving will help greatly in the county's election night reporting.

Goal

Improve tracking and accountability for county licensing including, liquor, tobacco, auctioneer, transient merchant, fireworks, etc.

Objective

Research computer applications to improve tracking and record keeping for licensing.

Performance Measure

Identify and recommend a computer application to improve accountability in issuing licenses, to be able to access statistical data, to improve customer service and streamline licensing operations for the county.

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

Replace Payroll software application.

Objectives

- Install a system that is stable, has better vendor support and has the functionality necessary to run an effective payroll department.

Performance Measures

- The system is available on a regular basis.
 - Upgrades can be installed without problems.
 - Response and resolution time for issues that arise are reasonable.
-

Goal

E-mail Invoices and Statements to vendors.

Objective

- To be able to e-mail out Invoices and Statements to as many customers as possible. This new process will save on time, paper, envelopes and postage costs.

Performance Measures

- Monthly reports will be utilized to measure the change in the number of customers taking advantage of this service year over year.
-

Goal

Load Credit Card Transaction Information in the Accounts Payable Ledger.

Objective

- To load the Credit Card Transactions into the Accounts Payable ledger by vendor so that vendor payments can be accessed by "vendor inquiry".

Performance Measures

- This new process will allow easy access to inquire on any payment made by SLC whether by check, ACH, or credit card.
 - This process will allow the same functionality in Use Tax, 1099's, and reporting for credit card payments that is currently used for ACH and check payments.
-

Goal

Electronically route Accounts Payable vouchers for approval.

Objective

- This will allow all departments to set up an electronic approval process and submit vouchers to the Auditors Office electronically.

Performance Measures

- This process will cut down the current time delay with paper vouchers that need to come to the Auditors Office via courier and will reduce courier stops.
 - This process will cut down on the amount of paper. If a department receives the invoice electronically from the vendor, no paper would be required to have that invoice paid.
-

Goal

Send out internal control reminders and provide internal control reviews and 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 ACH/Check 21 check depositing utilizing iNovah cashier software.

Objectives

- Streamline the check deposit process.

Performance Measure

- Interest earnings maximized and reduction of employee work hours with manual deposit.
-

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.
		To expand Elections Results Management (ERM) to the Virginia Office for the 2012 Election.	Facilitate access to the ERM by purchasing additional user licenses and serve as a regional hub for election night reporting to Range cities/towns.	Purchase the software and hardware necessary. Train the staff how to use it.	Improve the timeliness of election night results reporting and provide better customer service to Range communities.

	Licensing	Improve tracking and accountability for county licensing including, liquor, tobacco, auctioneer, transient merchant, fireworks, etc.	Research computer applications to improve tracking and record keeping for licensing	Identify and recommend a computer application. Purchase and install the application. Train users on the application.	Improve accountability in issuing licenses, to be able to access statistical data, to improve customer service and streamline licensing operations for the county.
	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.
		Replace Payroll software application.	Install a system that is stable, has better vendor	Identify and recommend a computer application.	The system is available on a regular basis. Upgrades can

			support and has the functionality necessary to run an effective payroll department.	Purchase and install the application. Train users on the application.	be installed without problems. Response and resolution time for issues that arise are reasonable.
		E-mail Invoices and Statements to vendors.	To be able to e-mail out Invoices and Statements to as many customers as possible. This new process will save time, paper, envelopes and postage costs.	Customize our existing software. Install and test the software. Train users and then go live.	Monthly reports will be utilized to measure the change in the number of customers taking advantage of this service year over year.
		Load Credit Card Transaction Information in the Accounts Payable Ledger.	To load the Credit Card Transactions into the Accounts Payable ledger by vendor so that payments can be accessed by "vendor inquiry".	Customize our existing software. Install and test the software. Train users and then go live.	This new process will allow easy access to inquire on any payment made by SLC whether by check, ACH, or credit card. This process will allow the same functionality in Use Tax, 1099's, and reporting for credit card payments that is currently used for ACH and check payments.

		Electronically route Accounts Payable vouchers for approval.	This will allow all departments to set up an electronic approval process and submit vouchers to the Auditors Office electronically.	Customize our existing software. Install and test the software. Train individual departments and then go live.	This process will cut down on the current time delay with paper vouchers that need to come to the Auditors Office via courier will reduce courier stops. This process will cut down on the amount of paper. If a department receives the invoice electronically from the vendor, no paper would be required.
Internal Audit		Send out internal control reminders and provide internal control reviews and 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 Tax Admin.	Implement ACH/Check 21 check depositing utilizing iNovah cashier software.	Streamline the check deposit process.	Get the software from Harris/System Innovators, install and test the new software, train staff, and implement.	Interest earnings maximized and reduction of employee work hours with manual deposit.
	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 many senior employees in the next decade.

Technology Plan

There are several initiatives within the area of technology that will be undertaken. These are: Replace the current payroll system, implement a software module to allow for ACH/Check 21 electronic check depositing, continue implementation of GIS mapping, and modify Mitchell Humphrey software for streamlining several processes.

MIS Equipment: Hardware for the new payroll system will have to be reviewed. 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 new Payroll system. Software modifications will be purchased for Mitchell Humphrey changes.

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.