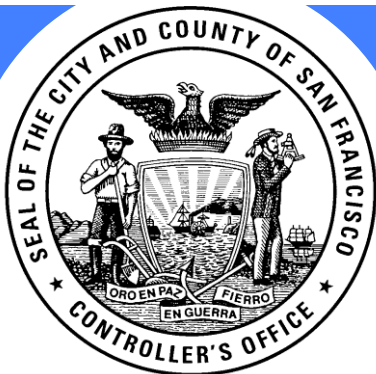


Controller's Office Proposed Budget FY 2021-22 and 2022-23



CITY & COUNTY OF SAN FRANCISCO

Ben Rosenfield, Controller

June 14, 2021

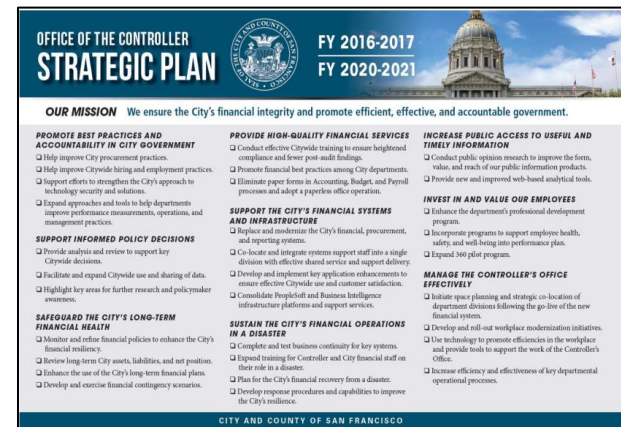
Mission and Key Strategic Goals

Our Mission:

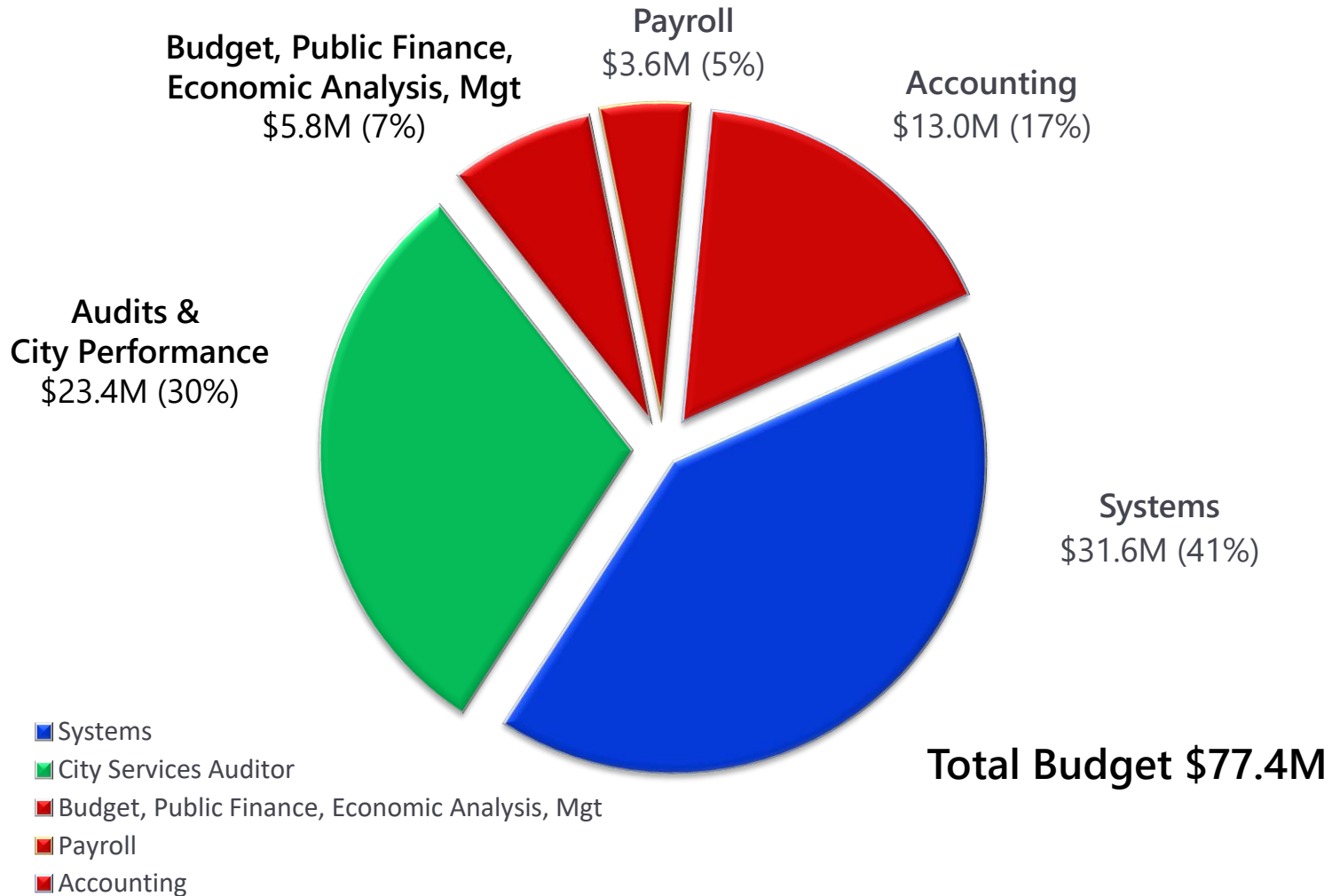
We ensure the City's financial integrity and promote efficient, effective, and accountable government.

Our Key Strategic Goals:

- Promote Best Practices and Accountability in City Government
- Support Informed Policy Decisions
- Safeguard the City's Long-Term Financial Health
- Provide High-Quality Financial Services
- Support the City's Financial Systems and Infrastructure
- Sustain the City's Financial Operations in a Disaster
- Increase Public Access to Information
- Invest and Value our Employees
- Manage the Controller's Office Effectively



Proposed FY 2021-22 Budget



Controller's Office Budget Snapshot

	FY 2020-21 Approved	FY 2021-22 Proposed	FY 2022-23 Proposed
Total Budget	\$75.1M	\$77.4M +\$2.3M	\$76.2M -\$1.2M
General Fund Support	\$11.7M	\$12.3M +\$0.6M	\$12.2M -\$0.1
Funded Positions (FTEs)	248	252	256
Off-Budget Positions (FTEs)	49	48	44

Summary of Key Budget Changes

- \$4.9M to complete replacement of the City's budget system
Down from \$6.8M estimate the prior year
- \$0.5M annual savings beginning in FY22-23 from lease space consolidation given hybrid work arrangements
- \$1.2M savings from improved recoveries from non-General Fund sources
- \$0.3M increase for contractor equity reporting project
Other key system work includes system upgrades, portal enhancements, efficiency improvements
- Four proposed new non-General Fund positions:
 - Public integrity auditing and investigation (2 FTEs)
 - Performance and technical assistance (2 FTEs)
- One new partially General Funded position:
 - Human resources, focus on equity action plan and timely hiring

Eliminate Corruption and Waste

- Ongoing Public Integrity Investigation in partnerships with the City Attorney's Office, and implementation of recommendations for improvement.
- Ongoing risk-based, citywide audit program, enhanced staffing in our proposed budget to institutionalize ongoing public integrity audit program.
- Enhanced staffing for technical assistance projects, working with departments to improve efficiency and effectiveness of targeted program delivery.
- Maintain the City's control environment for City spending – systems, procedures, post-auditing, external financial statement audit.
- Enhance use of the City's new financial system to improve system controls and enhance public transparency.
- Augment the City's public transparency tool for public contracting, budget, and spending information.

Rebuild a Better City

Shifting from substantial staff dedication to the City's emergency operations to focus on many of the City's key challenges & inequities, many exacerbated during the past year:

- Ongoing support for financial and economic monitoring and planning
- Analysis and staffing for critical system changes:
Homelessness, mental health, equity, & others
- Resuming regular inspections & reporting on the City's parks and streets
- Law enforcement performance monitoring, use of force reviews & audits
- Ongoing work on reform of City business taxes & fees

Innovate by Focusing on Impact

- New tools for core business functions: Completing generational replacement of the City's core business technology systems with go-live of the new budget system in FY2021-22.
- Process improvement: Wringing the full value out of those new tools, including modernizing user experience, promoting electronic self-service, revising business processes for key supported functions.
- Measuring our department impact: Annual workplans flow from our five-year strategic plan; results measured and reported at mid-year and year-end; annual report of results.
- Public transparency services: Enhance our public citywide spending and contracting tool; resuming our public performance reporting on city services; public audits of high-risk functions.

Questions or comments?

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Planning & Measuring Results

OFFICE OF THE CONTROLLER
STRATEGIC PLAN



FY 2016-2017
 FY 2020-2021



OUR MISSION We ensure the City's financial integrity and promote efficient, effective, and accountable government.

PROMOTE BEST PRACTICES AND ACCOUNTABILITY IN CITY GOVERNMENT

- Help improve City procurement practices.
- Help improve Citywide hiring and employment practices.
- Support efforts to strengthen the City's approach to technology security and solutions.
- Expand approaches and tools to help departments improve performance measurements, operations, and management practices.

SUPPORT INFORMED POLICY DECISIONS

- Provide analysis and review to support key Citywide decisions.
- Facilitate and expand Citywide use and sharing of data.
- Highlight key areas for further research and policymaker awareness.

SAFEGUARD THE CITY'S FINANCIAL HEALTH

- Monitor and refine financial performance and financial resiliency.
- Review long-term City assets, liabilities, and risks.
- Enhance the use of the City's financial data.
- Develop and exercise financial risk management strategies.

PROVIDE HIGH-QUALITY FINANCIAL SERVICES

- Conduct effective Citywide training to ensure heightened compliance and fewer post-audit findings.
- Promote financial best practices among City departments.
- Eliminate paper forms in Accounting, Budget, and Payroll processes and adopt a paperless office operation.

SUPPORT THE CITY'S FINANCIAL SYSTEMS AND INFRASTRUCTURE

- Replace and modernize the City's financial, procurement, and reporting systems.
- Co-locate and integrate systems support staff into a single division with effective shared service and support delivery.
- Develop and implement key application enhancements to ensure effective Citywide use and customer satisfaction.

INCREASE PUBLIC ACCESS TO USEFUL AND TIMELY INFORMATION

- Conduct public opinion research to improve the form, value, and reach of our public information products.
- Provide new and improved web-based analytical tools.

INVEST IN AND VALUE OUR EMPLOYEES

- Enhance the department's professional development program.
- Incorporate programs to support employee health, safety, and well-being into performance plan.
- Expand 360 pilot program.

MANAGE THE CONTROLLER'S OFFICE EFFECTIVELY

OFFICE OF THE CONTROLLER

ANNUAL REPORT
 FISCAL YEAR 2017-2018




Performance Plans

FY18-19 Performance Plan

Home

Five-Year Strategic Plan

FY18-19 Performance Plan

Mid-Year Update

FY17-18 Annual Report

FY17-18 Performance Plan

Prior Year Plans

Prior Year Annual Reports

new item

FY18-19 All Division - Accounting Division - Admin

Find an item

✓ Edit Measure

Goal 1: Promote best practices and accountability in City government (36)

Goal 2: Support informed policy decisions (1)

Goal 3: Safeguard the City's long-term financial health (16)


- Monitor and enforce adopted reserve and debt management policies, and report on status on regular financial reports.
- Prepare COWCAP calculation; approve and monitor GEN expenditures, including MOU and litigation reserves; facilitate participatory budgeting.
- Implement all voter-approved spending requirements and revenue transfer requirements (including reserves), and report quarterly on compliance with adopted rules.
- Prepare state revenue reports and allocations, fee certifications, and development impact fee reports using tools updated for Peoplesoft.
- Percentage variance between budgeted and actual revenues. Target: 2.00%
- Percentage by which actual revenues vary from mid-year estimates. Target: 1.5%
- Support labor contract negotiations with all employee organizations except Police and Fire, including support developing and costing proposals, developing financial models, and providing input on proposals.
- Support the update of the City's adopted five-year financial plan by March 1, 2019, including modifications and enhancements developed with the Mayor's Budget Committee.
- General obligation bond rating (Moody's). Target: Aaa
- Unreserved fund balance as a percentage of revenues. Target: 16.7%
- Stabilization reserve balance as a percentage of revenues. Target: 10.0%
- Percent funded, pension and retiree health liabilities. Target for pension: 90%; Target for retiree health: 3%
- Refresh retiree health liability analysis by March 1, 2019. Continue to develop and cost pension reform concepts as part of ongoing city staff pension working group.
- Propose new financial policies by October 1. In FY 2018-19, develop recommended reserve policies for three departments with special revenue funds (REC, UH, and UH).
- Develop set of key economic indicators to track and report each quarter, to monitor local economic risks, by October 2018.
- Support the development of the City's Ten-Year Capital Plan, including modeling of capacity for G.O. bonds and General Fund debt and as-needed assistance to fund capital projects.

Goal 4: Provide high-quality financial services (43)

- Refine business and system processes for an effective submission of Annual Financial Transactions Report to State Controller's Office in January 2019, and complete by March 2019.
- Issue Single Audit report by March 2019.
- Number of audit findings with questioned costs in annual Single Audit of federal grants. Target: 4
- Complete first year-end closing process in the new financial system, conduct debrief sessions to suggest system and business process changes for future year closing processes, and produce findings document by March 2019.
- City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association (1 equals yes). Target: 1
- Timely completion of the City's annual financial report (CAFR) for FY17-18. Target: 300 days
- Maintain no material weaknesses in the City's financial statement audit. Target: 0
- Identify and resolve Peoplesoft related-bank reconciliation issues with Treasurer, the City's selected banks and city departments by the end of each fiscal year-end closing process. Review bank reconciliation process following first year use of the new system, and measure the efficiency of the process by January 2019.
- Resolve and reconcile remaining data conversion issues resulting from cut-over to the new financial system. In FY18-19, complete clean-up of 100% of cash and debt entries and 30% of grant entries.
- Update and refine Controller's accounting guidelines for the new Peoplesoft Financial System.


Racial Equity Action Plan

January 1, 2021 through December 31, 2023



December 31, 2020

City & County of San Francisco
 Office of the Controller



Key Performance Measures

Provide High-Quality Financial Services	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Number of days to complete the City's comprehensive financial report (CAFR) for the previous fiscal year	182	268	183	150	150
City receives certificate of achievement for excellence in financial reporting from Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes
Number of findings of material weakness in annual City audit	0	0	1	0	0
Percent of payroll transactions not requiring correction	98.7%	98.8%	99.3%	99.0%	99.0%
Provide High-Quality Financial Systems	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percent of scheduled time that financial systems are available for departmental use	99.8%	100%	100%	99.9%	99.9%
Percent of scheduled time that human capital systems are available for departmental use	99.9%	100%	100%	99.9%	99.9%
Safeguard the City's Long-Term Financial Health	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percentage by which actual revenues vary from mid-year estimates	2.9%	4.2%	-3.6%	1.5%	1.5%
Percentage by which actual General Fund revenues vary from prior year revised budget estimates	2.7%	5.0%	-4.35%	2.0%	2.0%
Stabilization reserve balance as a percentage of General Fund revenues	8.8%	8.8%	10.0%	7.2%	3.8%
Ratings of the City's General Obligation Bonds from Moody's	AAA	AAA	AAA	AAA	AAA

Key Performance Measures

Ensure Government is Accountable to City Residents	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percent of audit recommendations implemented within 2 years after report issuance.	98%	90%	92%	85%	85%
Percent of auditee ratings that are good or excellent	89%	83%	97%	85%	85%
Percent of client ratings for technical assistance projects that are good or excellent	100%	100%	100%	95%	95%
Support Informed Policy Decisions	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2021-22 Target
Percentage of OEA economic impact reports completed by the hearing date	83%	100%	100%	100%	100%
Completion rate of ballot analysis by hearing date	100%	100%	100%	100%	100%
Number of Data Academy Training Participants	1,096	1,436	1,269	1,100	1,100

Racial & Gender Equity, Inclusion and Diversity

- Implement the Controller's Office Racial Equity Action Plan, published Dec. 31, 2020 and covering the next three-year period, including:
 - Seven key areas : Hiring and Recruitment, Promotions and Retention, Mobility and Professional Development, Discipline and Separation, Diverse and Equitable Leadership, Organizational Culture of Inclusion and Belonging, and Boards and Commissions
 - Over 90 actionable tasks

- Specific tasks for FY 2021-22 includes:
 - Implement an annual mentorship program for staff
 - Expand internship and fellowship opportunities
 - Review job announcement and examination plans to make them more inclusive and remove potential barriers to employment
 - Expand and track recruitment efforts and develop new recruitment pipelines
 - Provide training and resources on matters of equity to leadership and staff
 - Administer department-wide survey on equity, inclusion and diversity