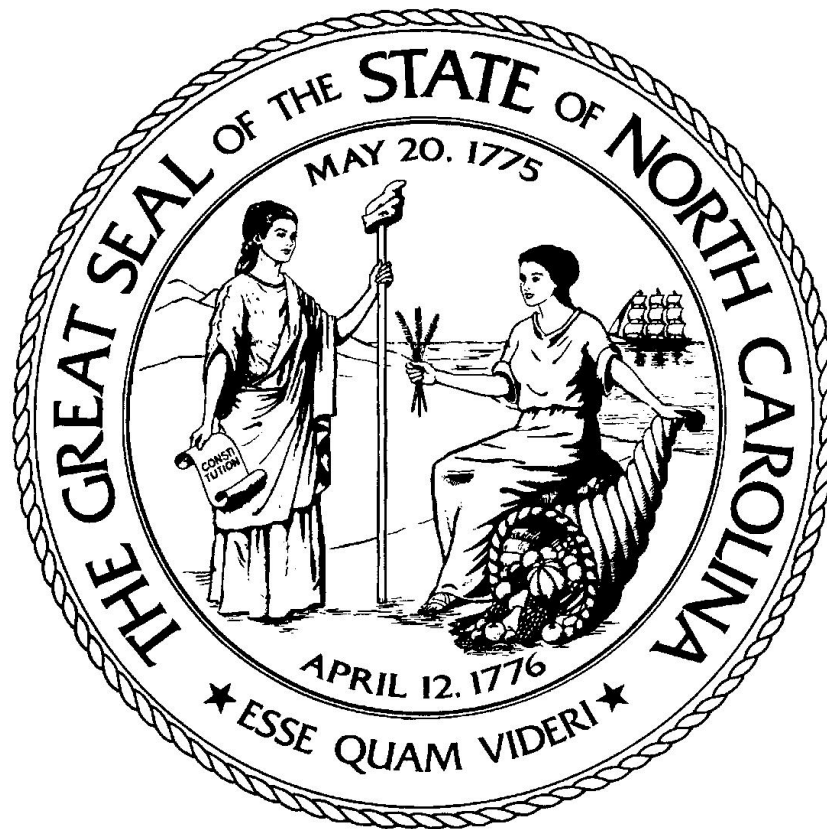


Office of the State Controller

Strategic Plan

2019 – 2021



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1. Strategic Plan Executive Summary

The State Controller is the State's Chief Fiscal Officer and serves as an independent resource to protect the financial integrity of the State and to promote accountability in an objective and efficient manner through its accounting, disbursing, payroll, internal control, data management, eCommerce and financial reporting systems. We exist as an independent, centralized, enterprise-focused agency whose mission is to provide essential fiscal services to support North Carolina's State Government. We assist State agencies in complying with state and federal fiscal laws, rules, regulations, and generally accepted accounting principles.

Enterprise system initiatives managed by the Office of the State Controller include the following:

- **Statewide Accounting** – maintains North Carolina Accounts System (NCAS) and Decision Support System (DSS) for use by state agencies, ensures use of proper accounting principles, compiles and issues annual financial statement (CAFR)
- **Cash Management Control System (CMCS)** – maintains system of appropriations, allotments, expenditures and revenues for use by state agencies and manages cash flow
- **Integrated HR-Payroll System** – maintains system, pays approximately 80,000+ employees
- **Risk Mitigation and Internal Controls** – ensures a proper system of internal controls
- **E-Commerce** – manages statewide contracts for merchant card processing and electronic funds transfers
- **Tax Compliance Program** - – provides training to state entities to ensure compliance.

All OSC initiatives provide state-wide business solutions that promote operational efficiency, pair business and IT using innovative technology, invest in security and minimize risk as well as enhance service reliability and delivery.

Management of each of these systems as well as the overall strategic success of the Office of the State Controller team is achieved through a professional atmosphere that provides a personal touch with a high level of expertise achieved through recruitment, retention and promotion of motivated, innovative skilled professionals supporting and managing effective, up-to-date secure equipment and systems.

The primary strategic initiative throughout the 2019-2021 biennium will be the implementation of the State's new enterprise financial backbone system. The RFP process to identify and deploy this system solution began during the second half of the 2017-19 biennium. This system will replace the quarter century old functionality of the North Carolina Accounting (NCAS) and Cash Management Control (CMCS) Systems used by most State agencies as well as provide the foundation for future business area functionality replacement and technology enablement needs of the State. Having significant impact agency-wide to the State's financial operations, accounting, cash and Comprehensive Annual Financial Report (CAFR) and Governmental Accounting Standards Board (GASB) reporting, the financial backbone system must meet both the known current and foreseeable future needs of the State of North Carolina. This new enterprise financial initiative will occur in parallel with normal operations, support and maintenance of the six enterprise system initiatives listed above using existing OSC resources combined with identification and recruitment of select temporary time limited subject matter experts and solution

deployment resources. Due to the complexities and business areas impacted, implementation is a multi-year effort encompassing the 2019-21 biennium and part of the 2021-23 biennium.

2. Mission, Vision, and Values

Mission Statement

OSC's mission is to protect the financial integrity of the State and promote accountability in an objective and efficient manner.

Vision Statement

The Vision of the Office of the State Controller is continual commitment to excellent customer service.

This continual commitment is maintained by:

- Ensuring maximum funds are available for Treasury investment
- Delivering cost effective quality services that achieve efficiencies and promote collaboration
- Building and maintaining core enterprise business systems

Organizational Values

OSC's five core values are:

- Professional atmosphere
- Personal touch
- High level of expertise
- Teamwork
- Measure to ensure success

Details of each of these values are outlined in the **OSC Customer Service Code of Conduct** on the next page.

OSC Customer Service Code of Conduct

1. We create a professional atmosphere.

- a. We acknowledge that everyone we serve is a customer, with our ultimate customer being the citizens of the State of North Carolina.
- b. We treat others with respect and empathy.
- c. Our speech should never sound scripted. We use genuine, friendly, courteous phrases when we communicate.
- d. We maintain a neat, professional appearance.
- e. We never complain or mention operational or personal issues in the presence of customers.

2. We provide the personal touch.

- a. We empower and expect the first touchpoint to take ownership of the customer's inquiry and to provide complete service within their level of responsibility.
- b. We acknowledge that a single good or bad experience can form a customer's impression of our overall performance.
- c. We operate with a sense of urgency with requests and always follow through with what we begin.
- d. We do not send customers in circles or "pass the buck" when responding to customers' requests.
- e. We strive to exceed expectations and provide remarkable customer experiences.

3. We maintain a high level of expertise.

- a. We are prepared to respond cheerfully and with humility to all questions:
 - i. Immediately when we know the answers.
 - ii. As quickly as possible when we need to seek additional information.
- b. We know who to ask with routine questions that are beyond our expertise.
- c. We embrace and practice the art of proper communication.
- d. We always seek to improve ourselves.

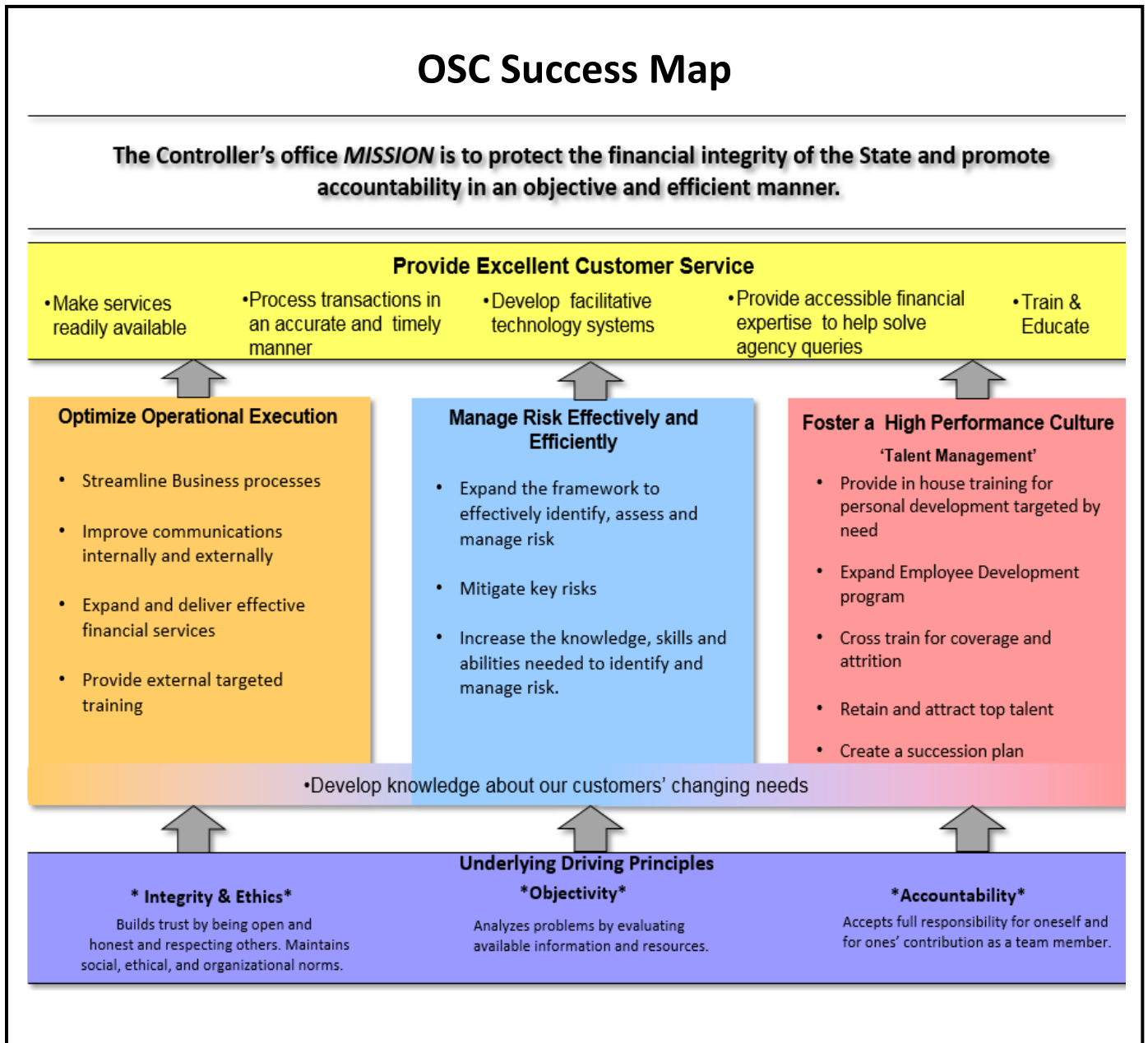
4. We are a team.

- a. We maintain a friendly, informal atmosphere.
- b. We do not allow the mechanics of our operation to interfere with our service.
- c. We communicate freely and openly with each other and our customers.
- d. We take time to celebrate our customer service successes.
- e. We demonstrate respect for the priorities and responsibilities of others.

5. We will measure to ensure success.

- a. Our measurements for customer service will examine both outcomes and outputs.
- b. We will continuously evaluate to ensure we are asking the right questions and the right people.
- c. We will constantly examine and evaluate all touchpoints to provide the best possible customer experience.
- d. We will rapidly and honestly communicate with each other to deal with multi-touchpoint challenges.
- e. We will strive to have no backlog where customers are waiting for OSC to respond.

The OSC strategic plan can be summarized in the **OSC Success Map** infographic below:



3. Goals, Objectives, and Performance Measures

Goal 1 – Enterprise backbone financial system implementation.		
Objective 1.1 – Implementation on time.		
1.1.1 – Performance Measure or Milestone Deliverables on time per pre-approved project plan.	Initiative	Continuous detailed project management oversight.
	Brief Description Careful coordination and project management oversight through Project Coordinator, Business Lead, Program Finance and Project Managers (OSC and vendor) via regular status meetings and monitoring project plan, schedule, milestone deliverables and budget.	
Objective 1.2 – Implementation deliverables within budget.		
1.2.1 – Performance Measure or Milestone Deliverables within budget per pre-approved project plan.	Initiative	Continuous detailed project management oversight.
	Brief Description Careful coordination and project management oversight through Project Coordinator, Business Lead, Program Finance and Project Managers (OSC and vendor) via regular status meetings and monitoring project plan, schedule, milestone deliverables and budget.	
Objective 1.3 – Implement a solution that meets the State’s financial requirements		
1.3.1 – Performance Measure or Milestone Deliverables meet the State’s financial requirements for the accounting system.	Initiative	Continuous detailed project management oversight.
	Brief Description Careful coordination and project management oversight through Project Coordinator, Business Lead, Program Finance and Project Managers (OSC and vendor) via regular status meetings and monitoring project plan, schedule, milestone deliverables and budget.	
Goal 2 – Maintain and support the State’s Bond ratings.		
Objective 2.1 - Publish the CAFR and all other legislative reports on a timely basis.		
2.1.1 – Performance Measure or Milestone Obtain an unqualified audit opinion.	Strategy	CAFR unqualified audit opinion.
	Brief Description Comprehensive Annual Financial Report (CAFR) conforms to generally accepted accounting principles (GAAP) and contains no material misstatements.	
Objective 2.2 – GFOA Certification.		
2.2.1 – Performance Measure or Milestone Receive the GFOA certification.	Strategy	GFOA Certification.
	Brief Description Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for transparency, full disclosure and going beyond the minimum requirements of generally accepted accounting principles.	

Goal 3 – Continuous optimization and enhanced expansion of Shared Service Center (SSC).

Objective 3.1 – HR/Payroll reporting metrics.

3.1.1 – Performance Measure or Milestone Percentage of time system operationally available.	Strategy	System Up-time.
	Brief Description Maintain 99.5% or greater up time operational availability during normal operating hours.	
3.1.2 – Performance Measure or Milestone Payroll processing accurate and timely.	Strategy	Payroll processing accuracy.
	Brief Description Payrolls processed off cycle or outside normal biweekly and monthly payroll schedules 0.05% or less.	

Objective 3.2 – SSC expanded scope

3.2.1 – Performance Measure or Milestone Identify additional services that should be in SSC.	Initiative	Shared Service Center (SSC) expanded role and scope.
	Brief Description Identify additional statewide and enterprise services to include in the SSC that would yield increased efficiencies, improved consistencies, faster delivery of services and better customer service experiences.	

Goal 4 – IT operational enhancements and improvements.

Objective 4.1 – Improved customer service and more effective operations.

4.1.1 – Performance Measure or Milestone Improved security.	Initiative	MFA (Multi-factor Authentication).
	Brief Description MFA for HR/Payroll. MFA provides enhanced IT best-practice security in that system access is successful only after authentication of two or more credentials – something the user knows, something the user has and something the user is.	
4.1.2 – Performance Measure or Milestone Improved processing.	Initiative	IT processing improvements.
	Brief Description Personal information for HR/Payroll, new hardware for the accounting information and reporting Decision Support System(DSS), upgraded call logging/voice solution, taking advantage of new Office 365 functionality.	
4.1.3 – Performance Measure or Milestone Improved usability.	Initiative	SAP Fiori
	Brief Description Implementation of SAP Fiori mobile app for HR/Payroll. SAP Fiori is a set of apps, that address the most broadly and frequently used SAP functions and provides flexibility for users to enter, review and approve time worked via smartphone devices rather than a desktop or laptop via web connection.	

4. Highlights and Opportunities

Agency Highlights and Best Practices

Success is driven by our dedicated OSC staff. Therefore, we need to encourage and cultivate a skilled, professional, collaborative, balanced and positive environment to enable us to foster the development, growth and retention of employees through opportunities including:

- OSC Leadership Development – “Developing the Leader in You” for supervisory staff to expand and enhance their overall communication, leadership, and management skills – a requirement for all supervisors.
- OSC Lunch and Learn activities surrounding fitness, diet, health and wellness, retirement, estate planning, customer service, records retention and various other topics based upon employee input
- OSC Learning labs featuring in-house subject matter experts with low teacher-to-student ratio on topics including HR/Payroll operations, NCAS/CMCS operations, Microsoft Excel and others
- Continuing Professional Education (CPE) offerings
- OSC Institute for Excellence in Public Service to encourage and foster professional growth, customer service and communication skills in all staff
- OSC Health and Wellness activities including yoga, flu shot clinics, blood drives, guest speakers, CPR/First Aid Training and more
- OSC “Above and Beyond” Recognition program highlighting exceptional customer service and significant accomplishments
- OSC Intranet website acknowledgments and congratulations of Service Achievements, team accomplishments, new employees, and personal or family accomplishments employees desire to share

Also impacting staff, but having more expansive benefits, in the past biennium OSC renegotiated lease and space requirement resulting in:

- Significant long term annual cost savings to the state
- Reduce square footage requirements
- Improved utilization of leased space
- More flexible space to accommodate changing business needs
- Overall improved work environment
- Enhanced and better building security

Potential Initiatives

Expand the Scope of Shared Services Center

- Consolidate and include more services in the existing OSC HR/Payroll Shared Services Center
 - Health Benefits Representatives (HBR) moved from agencies or field sites

- Accounting check writing
- Centralized accounts payable
- Results in improved and consistent policy interpretation
- Better standardization of processes
- More efficient use of resources and improved skillsets, more specialized subject matter experts
- Single point of contact for end users, thus more efficient and effective
- Dedicated pool of subject matter experts

Collaborative Opportunities

Build and expand upon the currently in process Financial Backbone Replacement Project new financial architecture for additional business functions beyond the initial scope of the North Carolina Accounting System (NCAS) and Cash Management Control System (CMCS).