**FINANCIAL SERVICES**

**REINTRODUCE STRATEGIC PLANNING AND PERFORMANCE BUDGETING PROCESSES**

<table>
<thead>
<tr>
<th>Objectives and Achievements</th>
<th>In Progress</th>
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| • Issue: The State does not routinely perform agency or statewide strategic planning or performance budgeting processes, thereby depriving decision makers of data that would better inform the budget decisions affecting the allocation of scarce State resources.  
• **Objective:** Reinstitute strategic planning and performance budgeting processes to provide information for preparation of data-driven budget recommendations and budget decisions  
• Ongoing authorization for OMB to sweep special fund balances into the General Fund provided in HS1 for HB 275, FY 2018 Appropriation Act, Section 96. | • Rewriting Governmental Accountability Act (GAA) from specifying elements to be included in the GRB documents to supporting a performance management budget system dedicated to continuous process improvement and making government more efficient.  
• Developing implementation plan to identify resources, timeline, strategic planning and performance budgeting processes and business process improvement systems.  
• Conduct research on Delaware’s past strategic planning practices and current strategic planning and performance budgeting practices in other states. |

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<th>Next Steps (Future Activities)</th>
<th>Challenges (Issues and Risks effecting your effort)</th>
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| • Completion of rewrite of legislation and implementation plan.  
• Presentation of rewritten GAA and implementation plan to legislators (primarily co-chairs of JFC) for sponsorship and placement on General Assembly agenda. | • Identifying existing, not new, resources and a very short timeframe for implementation. |
## FINANCIAL SERVICES
### Banking Architecture Redesign

**Objectives and Achievements**

- **Issue:** A comprehensive assessment and re-engineering of banking needs has not been conducted in more than 25 years

- **Objective:** Implement a new statewide banking architecture to drive greater value to state agencies from banking partners

**In Progress**

- Complete Comprehensive Review (PFM)
- Evaluate PFM Report/Recommendations
- Present progress update to Financial Services Delivery-GEAR
- Discuss P/Virtual Card(s) with Division of Accounting and Gov. Support Services
- Present recommendations to Banking Subcommittee of the Cash Management Policy Board
- Draft Scope of Work for RFP Components
- Complete IT Business Case(s)
- Update/Request Support from GEAR

### Next Steps (Future Activities)

- Work with GSS to raise awareness
- Organize Selection Committee(s)
- Finalize/Issue Comprehensive RFP
- Evaluate Technical/Cost Proposals
- Select Partners & Negotiate Contracts
- Create Implementation Plan

### Challenges (Issues and Risks effecting your effort)

- **Sustained** participation of subject matter experts from state organizations is needed throughout the project life-cycle
- Multi-year/agency implementation requires quality project management
## FINANCIAL SERVICES
**ELIMINATE DUPLICATIVE INTERNAL FINANCIAL SERVICE FUNCTIONS**

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<td>• Issue: State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs.</td>
<td>• Formed the Senior Financial Officer Roundtable: Objective is to comprehensively address issues with the State’s financial management functions</td>
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<td>• <strong>Objective:</strong> Eliminate duplicative internal financial service functions and realize process efficiencies and cost savings</td>
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<td>• Adopt enterprise financial services delivery model for selected financial functions common to multiple agencies</td>
<td>• Text</td>
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<tr>
<td>• Encourage all agencies to participate in the discovery, prioritization, and migration/consolidation of redundant financial services and systems into FSF</td>
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## Objectives and Achievements

- **Issue:** State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs.

- **Objective:** Ensure effective internal control systems are developed and maintained

## In Progress

- The Auditor of Accounts is conducting an inspection to determine if internal control weaknesses exist in the State’s PCard program. The report will focus on key controls of authorization and independent receipt. The report will provide recommendations and share best practices. It will be issued in early 2018.

- The Auditor of Accounts is conducting an inspection of school district expenses relative to unit counts for the last fiscal year. The three districts tested had errors in state funding. The report will be issued in early 2018.

## Next Steps (Future Activities)

- Develop action plan to manage and improve the quality of data fundamental to the operation of FSF

- Make improvements to the tracking of school district positions relative to unit counts (estimated cost avoidance of $800,000)

## Challenges (Issues and Risks effecting your effort)

- Lack of guidance related to the usage and monitoring responsibility over Division I funding.
## Objectives and Achievements

- **Issue:** The use of multiple data sources for State decision making leads to duplication of efforts, conflicting and competing analyses, and higher costs for both analyses and decisions made. The Office of State Planning and Coordination (OSPC) seeks to improve data integration and mapping through the following recommendations:

- **Objective:** Improve data integration and mapping so that better information is available for decision makers at some cost savings

## In Progress

- Require all agencies to use Delaware population Consortium projections for all planning, grants, loans, performance metrics, etc. *(See separate page below)*

## Next Steps (Future Activities)

- Require that school district enrollment projections be centrally produced and managed on a regular schedule

- Leverage FirstMap geographic information service (GIS). Build a management team to ensure FirstMap program viability. Cease purchases of GIS data from outside sources to avoid unnecessary expenditures and data quality variation.

## Challenges (Issues and Risks effecting your effort)

- Text
### FINANCIAL SERVICES
**REQUIRE ALL STATE AGENCIES TO USE DELAWARE POPULATION CONSORTIUM PROJECTIONS**

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| • Issue: The Counties are required to use the Delaware Population Consortium projections for planning, grants, loans, etc., State agencies, school districts and other levels of government are not.  
  • **Objective:** Requiring all State agencies to use Delaware Population Consortium projections for all planning grants, loans, performance metrics, etc.  
  • By using shared statewide data and population projections all entities will be able to agree on their accuracy as well as see the “big Picture” statewide. | • Draft Legislation has been presented to Wilmapco and Dover Kent MPO director for comments. Also the draft has been distributed to all the County Executives for review and comment.  
  • A presentation to the League of Local Governments will take place on March 22 at the meeting.  
  • Staff has presented the draft to Secretary Bunting of the Department of Education, Department of Transportation and are currently in the process of contacting the correct staff member with DNREC to discuss. |

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<td>• Create a list of suggested amendments, of which we have a few. We will incorporate suggestions into draft and hopefully in Late march select sponsor for the bill and proceed with approval.</td>
<td>• Any problems would come from misinformation which is why the OSPC is circulating the bill for review and input. Currently staff has received positive comments. The funding is already in place, this legislation just codifies procedures most people are doing but eliminates spending unnecessarily on contracts being done for data the state already pays for and is available.</td>
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## FINANCIAL SERVICES
### CREATE A FINANCIAL SERVICES ROUNDTABLE

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| • Issue: Currently, there is no centralized entity identifying continuous improvement opportunities or potential issues and risks affecting the State’s financial management functions. Such responsibility falls to individual agencies performing these functions and the response and solutions are often fragmented and ineffective.  
• Objective: Objective is to create a financial services roundtable composed of senior financial officers to comprehensively address issues with the State’s financial management functions. | • Organizing roundtable logistics and overseeing initial implementation of Financial Services Delivery Team GEAR projects.  
• Initially, FSD Team will constitute the roundtable:  
  o Secretary of Finance  
  o Director of OMB  
  o Controller General  
  o State Treasurer  
  o Auditor of Accounts  
• Rounding out the participants:  
  o Chief Financial Officer of the Delaware Judiciary  
  o Representative from school district business managers |

### Next Steps (Future Activities)

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<td>• Identifying additional financial services processes and practices that can be improved.</td>
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<td>• Changing fragmented financial practices that have “worked” for individual State entities.</td>
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| • Issue: State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs.  
• Objective: Ensure effective internal control systems are developed and maintained: Reduce travel per diem complexity that leads to inefficiencies in use and enforcement compliance and auditing (estimated savings $800,000).  
• Total Travel spend FY 2017 $3.7 M (all funds, no HiEd or SDs).  
• Leadership: OMB (Sullivan) and DOF (Cole). | • DOF working with OST to issue joint PCard RFP so that PCard spending, rebates, cost savings and banking fees addressed comprehensively. Requires extending current JPMC contract so have time to prepare joint RFP.  
• DOF identifying travel management services companies who may be interested in managing the State’s travel and impose consistency regarding booking conveyance and lodging and use of per diem.  
• OMB reviewing Federal General Services Administration (GSA) travel policy and per diem standards. This is a 300+ page document. |

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| • Obtaining GEAR approval for joint DOF/OST PCard RFP.  
• Continuing explorations of travel management services and Federal GSA travel policy and per diems.  
• Looking into adjusting current travel approval processes to see if efficiencies can be gained (e.g., raise the threshold for OMB/DOF review of missing receipt affidavits from $20.00 to $100.00).-  
• Revising the State’s travel policy in the Budget and Accounting Policy Manual so it conforms to any new policy changes, approval practices and so on. | • If the current PCard contract not extended would likely need to wait out the term of any new PCard contract before being able to consolidate PCard with the banking architecture. |
### Objectives and Achievements

- **Issue:** State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs.
- **Objective:** Ensure effective internal control systems are developed and maintained: Increase PCARD usage (each additional $250M in spend will increase rebates $300K and lower costs for processing checks)
- **Current PCard spend 2017 $130.1 M**
- **Leadership:** DOF (Cole) and OST (Gonzalez).

### In Progress

- DOF working with OST to issue joint PCard RFP so that PCard spending, rebates, cost savings and banking fees addressed comprehensively. Requires extending current JPMC contract so have time to prepare joint RFP.

### Next Steps (Future Activities)

- Obtaining GEAR approval for joint DOF/OST PCard RFP.
- Together with travel continue explorations of travel management services which through connection to the PCard will result in increased usage.
- Reduce the current pay cycle for checks and ACH transactions from daily to weekly or biweekly to drive more payments to the Single Use Account (SUA) within the PCard program.

### Challenges (Issues and Risks effecting your effort)

- If the current PCard contract not extended would likely need to wait out the term of any new PCard contract before being able to consolidate PCard with the banking architecture.