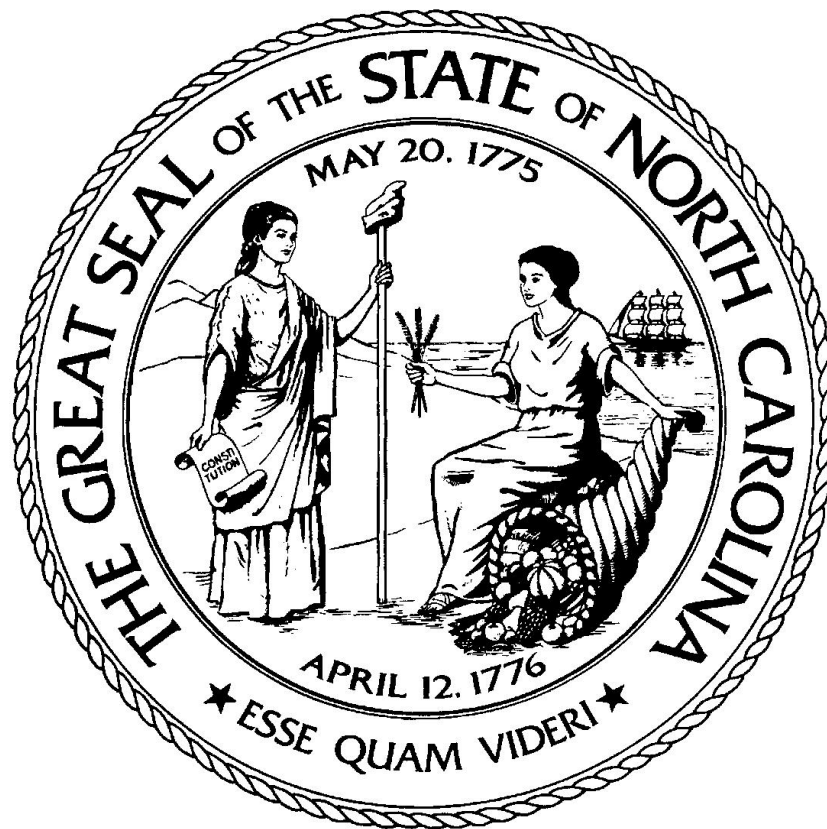


Office of the State Controller

Strategic Plan

2021 – 2023



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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 (OSC) 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 2021-2023 biennium will be the implementation of the State's new enterprise financial backbone system, the North Carolina Financial System (NCFS). The RFP process to identify and deploy this system solution began during the second half of the 2017-2019 biennium and implementation efforts are well under way with Release 1 to replace the Cash Management Control System (CMCS) which should be implemented and live in April 2021. Additional releases to replace the North Carolina Accounting System (NCAS) used by most State agencies will continue through the 2021-2023 biennium. The NCFS initiative impacts complex processes and many business areas with significant impact agency-wide to the State's financial operations, accounting, cash, CAFR, and Governmental Accounting Standards Board (GASB) reporting and thus must meet both the known current and foreseeable future needs of the State of North Carolina.

This new enterprise financial initiative occurs 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 contract vendor implementation and deployment resources.

Additional planned initiatives, improving upon existing operations, are in line with OSC's visons of delivering cost effective quality services that achieve efficiencies and promote collaboration as well as building and maintaining core enterprise business systems. Examples of these include:

- *AWS (Amazon Web Services) Proof of Concept for HR-Payroll System cloud-based hosting*
- *Expanded processes for retirement refunds and claims*
- *Streamlined processes for payroll claims*
- *Enhanced Leave of Absence processing for agencies*
- *Move service center customer call tracking system to a cloud-based solution*
- *Automation of Statewide Tax Compliance and Statewide Cost Allocation programs*
- *Expansion of OSC policies supporting Teleworking and COVID 19*

OSC's primary mission and vision outlined in Section 2 of this document combined with the goals and objectives included in Section 3 as do all OSC managed enterprise systems and planned initiatives align with the Governor's budget priority of "Ensuring an effective, accountable, well-run state government" in that they support agencies statewide to become more effective, accountable and help sustain government entities supporting accounting and cash business operations, payroll and benefits, internal controls and tax compliance along with e-commerce operations impacting each agencies ability to meet all of the Governor's budget priorities. Ultimately, this helps enable agencies to achieve their missions and goals thereby indirectly contributing to all the Governor's budget priorities.

2. Mission, Vision, and Values

Agency Mission Statement

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

Agency 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*

Agency Values

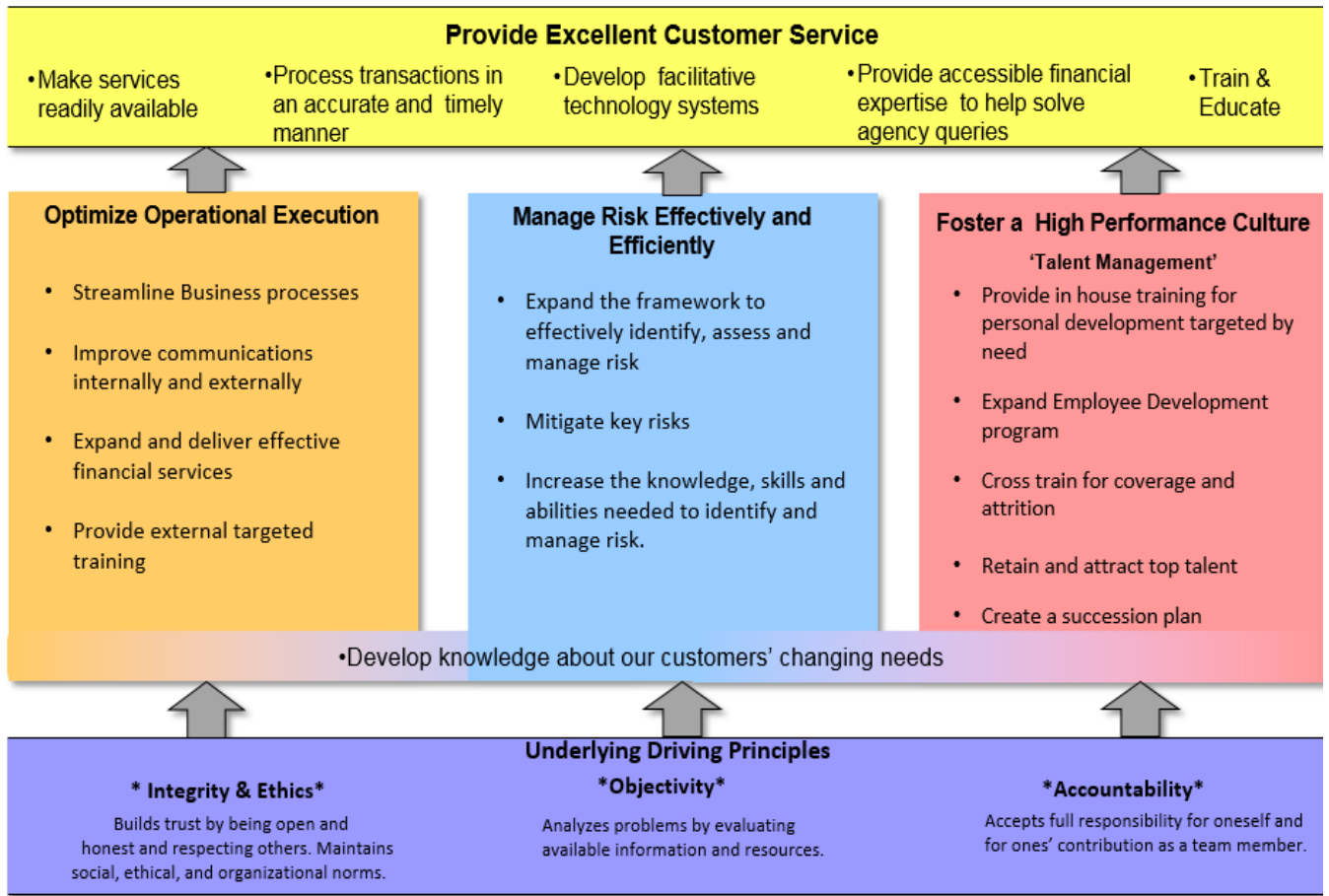
OSC's five core values are:

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

*The Overall OSC strategic plan can be summarized in the **OSC Success Map** infographic on the following page.*

OSC Success Map

The Controller's office *MISSION* is to protect the financial integrity of the State and promote accountability in an objective and efficient manner.



3. Goals, Objectives, and Performance Measures

*Note – The table below is a suggested format for organizing your agency’s goals, objectives, and performance measures. If your agency has a preferred format, you are welcome to use it as long as the same basic elements are captured. **While this table provides a format matching one objective to one performance measure, there may be cases where multiple objectives are linked to one measure and vice versa. Agencies should feel free to manipulate this table to best fit the needs of their plans.***

<p>Goal 1</p> <p><i>Enterprise backbone financial system implementation.</i></p>	
<p>Objective 1.1</p> <p><i>Implementation on time.</i></p> <p><i>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.</i></p>	<p>Performance Measure or Milestone 1.1</p> <p><i>Deliverables on time as per the pre-approved project plan.</i></p>
<p>Objective 1.2</p> <p><i>Implementation deliverables within budget.</i></p> <p><i>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.</i></p>	<p>Performance Measure or Milestone 1.2</p> <p><i>Deliverables within budget as per the pre-approved project plan.</i></p>
<p>Objective 1.3</p> <p><i>Implement a solution that meets the State’s financial requirements.</i></p> <p><i>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.</i></p>	<p>Performance Measure or Milestone 1.3</p> <p><i>Deliverables meet the State’s financial requirements for the accounting system.</i></p>

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.

Comprehensive Annual Financial Report (CAFR) conforms to generally accepted accounting principles (GAAP) and contains no material misstatements.

Performance Measure or Milestone 1.1

Obtain an unqualified audit opinion.

Objective 2.2

GFOA Certification.

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.

Performance Measure or Milestone 1.2

Receive the GFOA certification.

Goal 3

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

Objective 3.1

*System up-time HR-Payroll reporting metric.
Maintain 99.5% or greater up time operational availability during normal operating hours.*

Performance Measure or Milestone 1.1

Percentage of time system operationally available.

Objective 3.2

*Payroll processing accuracy HR-Payroll reporting metric.
Payrolls processed off cycle or outside normal biweekly and monthly payroll schedules 0.05% or less.*

Performance Measure or Milestone 1.2

Payroll processing accurate and timely.

Objective 3.3

*SSC expanded scope.
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.*

Performance Measure or Milestone 1.3

Identify additional services that should be in SSC.

Goal 4

IT operational enhancements and improvements.

Objective 4.1

*Multi-factor Authentication (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.*

Performance Measure or Milestone 1.1

MFA implemented and Improved security.

Objective 4.2

*IT processing improvements.
SAP PI (Process Integration) 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.*

Performance Measure or Milestone 1.2

Improved processing with implemented updates and enhancements to systems.

Objective 4.3

*SAP Fiori.
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.*

Performance Measure or Milestone 1.3

Improved usability and accessibility.

4. Highlights and Opportunities

Agency Highlights and Best Practices

(success stories or operations to highlight. This section is an opportunity to demonstrate results or best practices that might be useful to share with other agencies. Include strategies or performance related initiatives that have yielded results).

Potential Initiatives

(Possible additional initiatives but do not currently have the resources to undertake).

Collaborative Opportunities

(Opportunities for statewide or inter-agency collaborative initiatives that would yield significant efficiencies or improve effectiveness in State programs).

North Carolina Financial System Expansion Opportunities

Build and expand upon the NCFS new financial architecture for additional business functions beyond the initial scope of the North Carolina Accounting System (NCAS) and Cash Management Control System (CMCS). As DIT's EP MO reviews agency projects, they should consider any projects that could benefit from expanding on the new NCFS solution, such as inventory systems, rather than allowing agencies to purchase unrelated systems that would not be consistent with the state's new ERP NCFS solution.