



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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CFO ADMINISTRATIVE ORDER

No. 2018-101-040

SUBJECT: Strategic Management of the Office of the Chief Financial Officer

ISSUANCE DATE: December 21, 2018

EFFECTIVE DATE: December 21, 2018

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2)(a), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.

2. OBJECTIVE

- 2.1. To create a direction and foundation for the use of data and evidence in decision-making and management of the Office of the Chief Financial Officer (OCFO).
- 2.2. To ensure OCFO Divisions align their business operations with the OCFO's mission, vision, values, objectives, outcomes, and strategies.
- 2.3. To ensure the OCFO has the qualified and trained professionals with defined career paths to effectively achieve the OCFO's mission, vision, values, objectives, outcomes, and strategies.
- 2.4. To foster an environment for employees to think strategically about how their work is performed and its effectiveness on achieving out-comes.

3. PURPOSE

- 3.1. To establish the Strategic Management policy for the OCFO which will ensure the OCFO is able to achieve its goals, deliver the appropriate services efficiently and effectively, and build the capabilities needed to evolve.

4. SCOPE

- 4.1. This CFO Administrative Order applies to all OCFO Divisions.
- 4.2. This CFO Administrative Order does not cover individual employee performance evaluations and should be read in conjunction with CFO Administrative Order No. 2018-101-014: Performance Management.

5. RESPONSIBILITIES

- 5.1. The CFO's Office shall be responsible for the following:
 - 5.1.1. Develops the OCFO Strategic Plan.

- 5.1.2. Conducts the Annual Performance Review.
 - 5.1.3. Conducts the Organizational Analysis.
 - 5.1.4. Creates and administers Surveys to obtain feedback from various stakeholders.
 - 5.1.5. Monitors progress toward annual performance targets.
 - 5.1.6. Ensures program and policy accountability and fund integrity.
 - 5.1.7. Monitors the OCFO Training and Development Plan.
- 5.2. Deputy CFOs shall be responsible for the following:
- 5.2.1. Develops the divisional Business Plan.
 - 5.2.2. Develops performance goals for their areas of responsibility.
 - 5.2.3. Will provide necessary information to the CFO's Office to enable successful completion of the Annual Performance Review, Organizational Analysis and Surveys.
 - 5.2.4. Oversees the implementation of programs which achieve performance goals.
 - 5.2.5. Ensures program accountability and fund integrity for their areas of responsibility.

6. POLICY

- 6.1. The OCFO will establish the OCFO Strategic Plan which will identify Objectives, Outcomes and Strategies to achieve its mission to provide service to City of Detroit citizens, Elected Officials and departments through ensuring fiscal stability, providing sound business advice and maintaining data integrity.
- 6.2. At the beginning of each fiscal year, each OCFO Division will produce/ update a Business Plan which identifies the key activities/ programs anticipated to be performed during the year. Performance measures and targets must be included.
- 6.3. The CFO's Office, with assistance from the Deputy CFO's, will prepare an OCFO-wide Organizational Analysis which will be prepared and integrated with the budget request.
- 6.4. Operational Performance Reviews to the CFO's Office will be held at least quarterly.
 - 6.4.1. Operational Performance Reviews, at a minimum, shall include the following:
 - 6.4.1.1. Current year performance measures and targets.
 - 6.4.1.2. Actual performance.
 - 6.4.1.3. Reporting of results to quantify measurable and meaningful outcomes to demonstrate whether targets were exceeded, met, or not met.
 - 6.4.1.4. Analysis of the results.
 - 6.4.2. An Annual Operational Performance Review will be held at the end of the Fiscal Year and will be led by the CFO's Office.

7. PROCEDURE

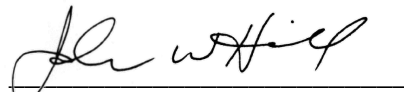
- 7.1. July / August (Q1) – Conduct Annual Operational Performance Review. Review of annual progress against prior year (PY) objectives and priorities. Analysis of the performance that provides information on the progress of achieving the goals and priorities described in the OCFO Strategic Plan and divisional Business Plans. Will be used to support budget requests as it provides evidence of past performance. Perform employee performance evaluations (see CFO Administrative Order 2018-101-14: Performance Management for additional information on employee performance evaluations).
- 7.2. August (Q1) – CFO's Office, in coordination with the Deputy CFOs, to deliver Surveys to gauge service delivery to vendors, citizens and Department Directors. Employee Surveys may also be delivered to CFO staff to address engagement, availability of resources, opportunities, etc.
- 7.3. October/ November (Q2) – Deputy CFO to update divisional Business Plans for next FY. Survey results should be used to inform priorities and programs identified in the Business Plans. Business Plan will be used to support annual budget requests.
- 7.4. December – March (Q3) – Modifications as needed, based upon CFO, Mayor and City Council review of Budget. Annual divisional Business Plans will be finalized based upon the Final Budget.
- 7.5. May – Finalized divisional Business Plans based upon final Budget.
- 7.6. Ongoing – Operational Performance Reviews as described in Section 6.4 of this Administrative Order.

8. DEFINITIONS

- 8.1. *Annual Performance Review*: Review of annual progress against prior year goals and objectives. Analysis of the performance that provides information on progress towards achieving goals and objectives as described in the OCFO Strategic Plan. Foundation for budget justification, as evidence of past performance.
- 8.2. *Business Plan*: Each OCFO Division will develop an annual plan which aligns their divisional work to the OCFO Strategic Plan. It will be used to develop the OCFO budget. It must cover each program activity identified in the OCFO Function Statement. Should define work streams which produce outcomes and support objectives and strategies identified in the OCFO Strategic Plan. It should create a deeper understanding of OCFO programs, cost drivers and performance while increasing accountability and transparency.
- 8.3. *Function Statement*: Identifies the roles and responsibilities performed within a division or branch, as well as key work products produced. Any change to language within a Function Statement must be approved by the CFO.
- 8.4. *OCFO Strategic Plan*: The enterprise-wide 3-5 year plan which has the following components:

- 8.4.1. Enterprise-wide Goals/ Objectives: Broad statements of measurable outcomes to be achieved on behalf of customers. Must be results-oriented and reflect what the organization must do to achieve their vision and mission.
- 8.4.2. Outcomes: Grounded in mission and statute, assess progress towards objective/ goals. These statements reflect what would be visible if the Objectives were achieved.
- 8.4.3. Strategies: Outline what must be done well, or what barriers must be overcome, to achieve Objectives and Outcomes. Strategies allow for prioritization of agency effort and activity. Strategies can also define items NOT to do.
- 8.4.4. Measures: metrics and key performance indicators that may fall into various categories including effectiveness, efficiency, customer service, accuracy, quality and compliance.
- 8.5. *OCFO Training & Development Plan*: a document which identifies the various trainings and other professional development opportunities available to OCFO employees, by position, to progress in their career in the OCFO.
- 8.6. *Operational Performance Reviews*: data-driven progress reviews to speed performance and efficiency improvements on goals including savings and management goals. These reviews shall be implemented in a way that is useful to the organization and for strengthening the OCFO's analytic capacity and to problem solve.
- 8.7. *Organizational Analysis*: An analysis to assess the work performed throughout OCFO and the resources required to meet core service and operational requirements. The Organizational Analysis will consider systems, process and performance as identified in standard operating procedures or similar documents. The OCFO Training & Development Plan which identifies deployment and training strategies that utilize staff resources in the most effective manner will inform the Organizational Analysis.
- 8.8. *Surveys*: Annual surveys to be administered to all employees, leadership, and internal and external customers to identify strengths of the Office of the CFO, as well as areas of improvement. Results will be anonymous and compiled and analyzed to inform decision making.

APPROVED



John W. Hill

Chief Financial Officer, City of Detroit