

Williamson County Auditor's Office

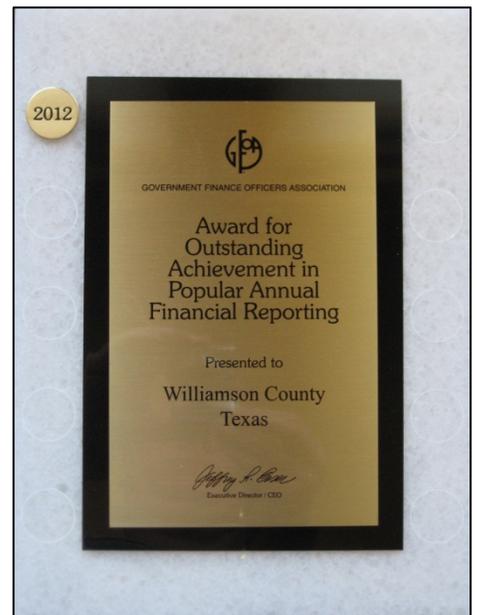
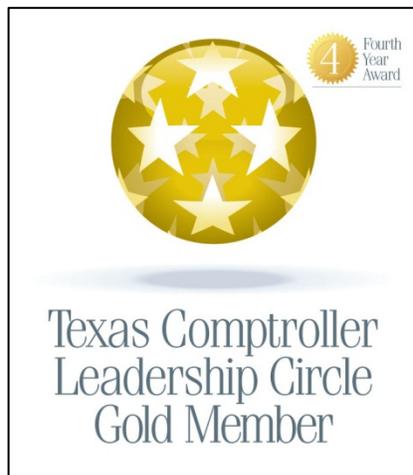
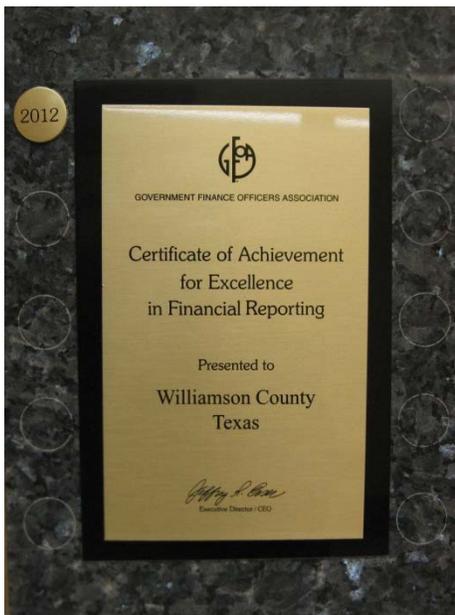
710 S. Main Street, Georgetown, Texas 78626



March 2014



Commitment Award Application





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February 12, 2014

David U. Flores
Williamson County Auditor
Williamson County Auditor's Office
710 S. Main Street, Suite 301
Georgetown, TX 78626

Dear Mr. Flores:

Based on the information provided in your Eligibility Certification Form, Quality Texas is pleased to report that Williamson County Auditor's Office is eligible to participate in the 2013-2014 Quality Texas Performance Excellence Cycle 5. Your organization will be evaluated at the Commitment Level in the Non-Profit Business Sector. All Commitment level applicants will be recognized at the annual luncheon awards event on June 24, 2014, so please plan for your organization's attendance.

An original application document, one additional copy, and CD (pdf file) containing the complete application packet must be postmarked no later than March 17, 2014, along with a check in the amount of \$3,500 to cover assessment fees. Please make checks payable to Quality Texas and send all packages to the new address listed above.

Please note all instructions for preparing and submitting the application. These can be downloaded from our website at www.texas-quality.org. Remember to include a copy of this letter and the Eligibility Certification Forms in each copy of the Application documents.

We look forward to working with you during the 2013-2014 Quality Texas Performance Excellence cycle. Please feel free to call us if you have any questions.

Sincerely,

Lynn M. Tomaszewski

Lynn M. Tomaszewski
ASQ CMQ/OE, LSSGB
Chief Executive Officer
Quality Texas Foundation

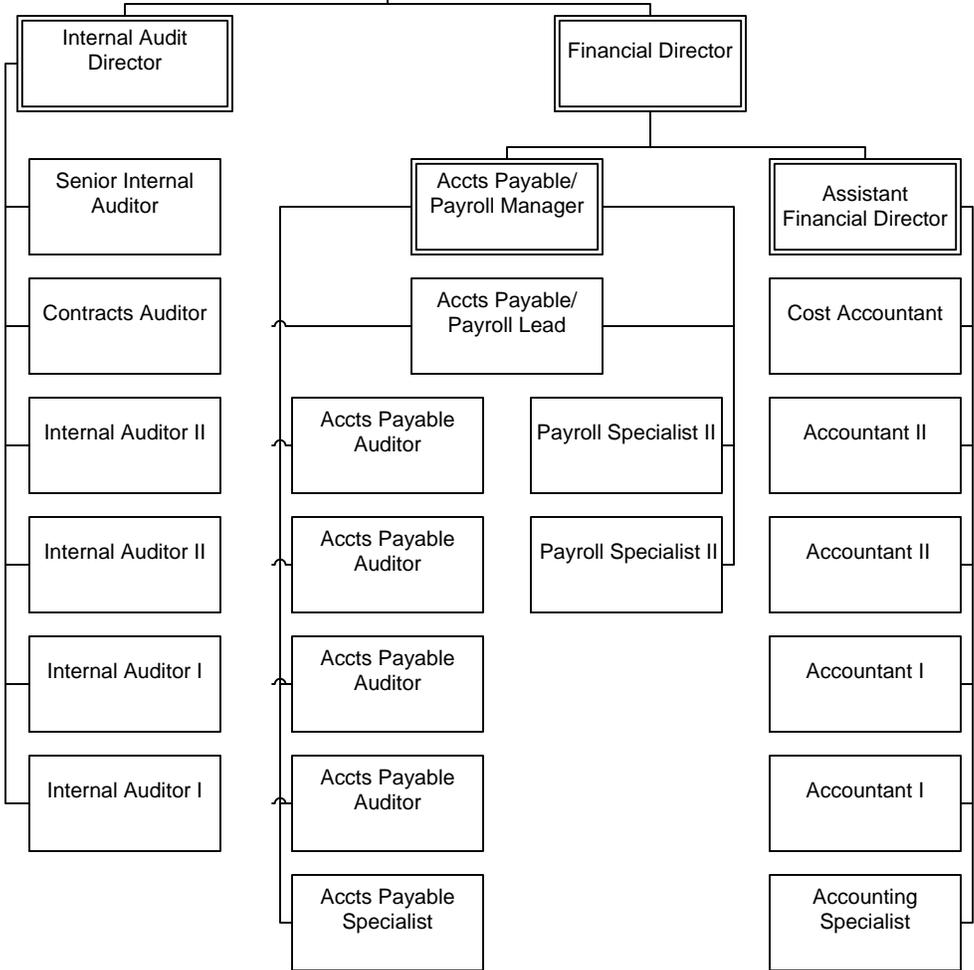
cc: Kathy Wierzowiecki

County Auditor



Williamson County
Office of the County Auditor

First Assistant
County Auditor



GLOSSARY OF TERMS & ABBREVIATIONS

A

AED

Automated External Defibrillators

AICPA

American Institute of Certified Public Accountants

AP

Accounts Payable

APM

Accredited Payables Manager

APS

Accredited Payables Specialist

B

BO

Budget Officer

BP

Business Plan

C

CA

County Auditor

CAFR

Comprehensive Annual Financial Report

CC

Commissioner's Court

CCSA

Certification in Control Self-Assessment

CD

Contract Database

CFE

Certified Fraud Examiner

CGAP

Certified Government Auditing Professional

CIA

Certified Internal Auditor

CJ

County Judge

CPA

Certified Public Accountant

CPFO

Certified Public Finance Officer

CRMA

Certification in Risk Management Assessment

CSS

Customer Satisfaction Survey

CW

County Website

D

DEH

Departmental Employee Handbook

DJ

District Judges

E

EPE

Employee Performance Evaluation

F

FA

Financial Accounting

FM

Financial Management

G

GAAP

Generally Accepted Accounting Principles

GAGAS

Generally Accepted Auditing Standards

GASB

Governmental Accounting Standards Board

GFOA

Government Finance Officers Association

GL

General Ledger

H

HR
Human Resources

I

IA
Internal Audit

IIA
Institute of Internal Auditors

IP
Intranet Portal

IT
Information Technology

L

LGC
Local Government Code

O

OEBS
Oracle E-Business Suite

OP
Oracle Portal

P

PAFR
Popular Annual Financial Report

PC
Performance Center

PI
Process Improvement

PR
Payroll

S

SEC
Securities & Exchange Commission

SL
Senior Leaders

SM
Senior Management

SOP
Standard Operating Procedures

SP
Strategic Plan

T

TMAMS
CCH TeamMate Audit Management System

V

VMCV
Vision, Mission & Core Values

W

WC
Worker's Compensation

WCDEM
Williamson County Department of Emergency
Management

Wilco
Williamson County

WilcoAO
Williamson County Auditor's Office

ORGANIZATIONAL PROFILE

P.1 Organizational Description

The County Auditor (CA) is the Fiscal Officer of the County with oversight responsibility of all financial books and records of each county office. The CA is guided by many rules and regulations; however, the most copious guidelines reside in the Texas Local Government Code (LGC) where the CA's primary responsibilities and authority are outlined. County government was created in the Texas Constitution of 1876, and subsequently, it was determined that county government needed a system of checks and balances to ensure no one branch of government would be without accountability in complying with the State's statutes. In response to this need, the position of CA was created by state statute in 1905.

Williamson County (Wilco) is located in Central Texas and is the 12th most populous (500,627 estimated for 2014) of 254 Texas counties and has grown over 82% since 2000.



Figure P.1-1 Williamson County identified in Texas

The central focus of the Williamson County Auditor's Office (WilcoAO) is maintaining the integrity of financial management of County assets. According to Texas LGC 84.006(a)(4), the CA appointee must be a "person of unquestionably good moral character and intelligence". They must be competent in the administration of the public's business. They must be competent in the areas of accounting and auditing, be able to communicate concisely and be skilled in developing interpersonal relationships.

CA's and their assistants are a vital part of overall county government and a resource to elected officials and department heads in county government. They must adhere to the delicate system of constitutional checks and balances created to protect county funds. Texas law gives the Office of the CA

the responsibility and authority to guard public assets and ensure that local government officials comply with the law.

The CA is appointed by the District Judges and not under the hierarchical control of the Commissioners Court (CC), thus the integrity of County finances is protected by a dual system of "checks and balances". The system works in this environment because neither has authoritative control over the other.

P.1a Organizational Environment

The CA is responsible for enforcing laws governing County finances, advising CC on financial conditions and the County's financial position as it relates to and affects the decision-making process. WilcoAO duties include preparing and administering accounting records for all County funds, auditing the records and accounts of the various County departments, administering the County budget as approved by CC and forecasting financial data for revenue budgetary formulation purposes.

The Auditor must sign all checks written within the County. Financial reporting is also performed by the WilcoAO as well as overseeing the payroll function, managing fixed assets, and administering and reporting all grant funds received from the state, federal government and other entities.

There are four primary functional areas of expertise in the WilcoAO, all of which serve the County. They include Financial Accounting (FA) and Reporting, Internal Audit (IA), Accounts Payable (AP) and Payroll (PR).

P.1a (1) The WilcoAO provides three major goods and/or services which are, in part, driven by the state legislative body:

- 1.) Comprehensive and timely accounting of County revenue and expenses in a transparent, user-friendly format.
- 2.) Financial accountability by timely auditing and reporting of the books and records of County officials.
- 3.) Timely payment of County obligations.

The WilcoAO uses the following key reporting mechanisms and delivery processes. Financial information is made available to our customer base via the County Website (CW) and the Intranet Portal (IP). The website provides clear, concise pictures of financial activity and shares that information in a user-friendly format that allows customers to drill down for more detailed information. Detailed financial records are available internally via the Performance Center (PC) and to the public through the CW.

The WilcoAO audits each department within the County at least once each quarter. There are

approximately 125 audits and projects performed annually. Financial and compliance audits of County departments are developed in CCH TeamMate Audit Management System (TMAMS), fully-automated and highly configurable audit management software which has increased the efficiency and productivity of the Internal Audit (IA) process. Audit reports are distributed internally through e-mail to the auditee, Commissioners Court, and District Judges, when applicable.

P. 1a.(2) Organizational Culture: Vision, Mission, and Core Values (VMCV).

VISION STATEMENT
To be the number one County Auditor’s Office in the state of Texas at instilling public trust in all fiscal matters.
MISSION STATEMENT
To ensure integrity by delivering fiscal excellence, safeguarding assets and providing innovative stewardship.
CORE VALUES
Customer Focus ~ Excellent Stewardship Ethical Behavior ~ Innovative Thinking Personal and Professional Integrity A Unified, Strong and Diverse Workforce
Figure P.1-2 Culture of Excellence

Our principal mission areas are:

- 1.) Maintain successful and ethical staff
- 2.) Sustain the County’s financial strength
- 3.) Promote County-wide fiscal integrity
- 4.) Provide efficient and timely services
- 5.) Embrace innovation through technology

Leadership provides a framework for achieving performance excellence in all principal mission areas. The WilcoAO achieves this mission by means of goals, strategies and core values that serve as the foundation of the overall operation and behavior of each employee.

P.1a.(3) Workforce Profile: The WilcoAO operates as one of 52 departments in WC and employs 26 professional accountants and/or auditors, of diverse ethnicities, ages and experience.

DISTRICT JUDGES			
COUNTY AUDITOR			
FIRST ASSISTANT COUNTY AUDITOR			
INTERNAL AUDIT DIRECTOR	FINANCIAL DIRECTOR		
Senior Internal Auditor	ACCTS PAYABLE/PAYROLL MGR		ASSISTANT FINANCIAL DIRECTOR
Contract Auditor	Accts Payable/Payroll Lead		Cost Accountant
Internal Auditor II	Accts Payable Auditor	Payroll Specialist II	Accountant II
Internal Auditor II	Accts Payable Auditor	Payroll Specialist II	Accountant II
Internal Auditor I	Accts Payable Auditor		Accountant I
Internal Auditor I	Accts Payable Auditor		Accountant I
	Accts Payable Specialist		Accounting Specialist

Figure P.1-3 WilcoAO Organizational Chart

As stated earlier, the Texas LGC states that the County Auditor (CA) and his assistants shall be persons of unquestionable moral character and intelligence. They will be competent in the administration of the public’s business. They must be competent in the areas of accounting and auditing, be able to communicate clearly and be skilled in developing interpersonal relationships. The CA and his assistants are a vital resource to all elected officials and department heads in county government. They must adhere to the delicate system of constitutional checks and balances created to protect county funds. Texas law gives the CA responsibility for guarding public assets and the authority to use the office to ensure that local governments comply with the law.

Among the professional staff, several certifications and designations have been earned. They include Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Public Finance Officer (CPFO), Certified Government Audit Professional (CGAP), Certification in Risk Management Assurance (CRMA), Certification in Control Self-Assessment (CCSA) designation, Accredited Payables Specialist (APS) and Accredited Payables Manager (APM). A bachelor’s degree from a recognized major university is required to fill the Internal Audit (IA) and Financial Accountant (FA) positions within the office. Bachelor’s degrees are held by most staff members and encompass BBA’s in Accounting, Marketing, Finance and Economics.

P.1a.(4) Each employee is provided ample office space in the County Courthouse located in historic downtown Georgetown. The work environment of the WilcoAO is conducive to creating an excellent work product. Hard copy records are stored offsite in a warehouse within five miles of the office location and are managed through guidelines provided by the State of Texas. One of the WilcoAO's current projects focuses on electronic storage of documents and establishing guidelines and processes that conform to statute. The Courthouse, because of its construction of ample concrete with a large basement, serves as a storm shelter. Periodic fire drills are held to ensure each member of the office is familiar with exit procedures and meeting location. This allows management to account for everyone in a short period of time. Should an injury occur in the workplace, it is to be reported to management immediately so proper action can be taken and documentation completed for Workers Compensation (WC), if required. There are two automated external defibrillators in the building with several County employees trained to use them.

The WilcoAO utilizes the Oracle E-Business Suite (OEBS), a fully automated solution to support financial control and reporting processes. General Ledger (GL), Accounts Payable (AP), Grants and Projects, Fixed Assets and Payroll (PR) are included in this suite. The OEBS allows total integration of automated processes for cash receipts, payments, investments, budgeting and encumbrance accounting which increases our efficiency and reduces back-office costs. Our office also utilizes the Performance Center (PC) which allows independent reporting out of the Oracle database. This highly-specialized, unique reporting tool provides real-time reporting to all County departments and increases transparency. This application helps bind together the otherwise fragmented structure of county government.

TeamMate Audit Management System is utilized by IA as a powerful integrated audit software program that incorporates a multitude of audit tools that enhance the entire audit process. IA also utilizes Idea, a user-friendly, high-performance data analysis software to improve the efficiency and effectiveness of the audit process.

P.1a.(5) The Government Accounting Standards Board (GASB) provides the WilcoAO statutory guidelines to ensure proper treatment of accounting and auditing standards. Best practice and industry standards are considered in the pursuit of timely and accurate outcomes while producing financial statements, releasing audits to internal customers, making payments to vendors, and completing payroll.

P.1b Organizational Relationships

P.1b.(1) Employees within the WilcoAO take their lead from Senior Management (SM) which embraces the concept of “tone at the top” or leading by example. The WilcoAO works together to accomplish the vision and mission set forth by SM.

Key Customers	Key Customer Requirements
District Judges County Judge Commissioners Co-workers & County Departments	Performance of core values Consultant to the Court Revenue projection Excellent customer service Internal Audit Provide accounting guidance Ensure financial integrity
Stakeholders	Stakeholder Requirements
Taxpayers/Citizens of Williamson County	Transparency, fiscal responsibility & ethical behavior

Figure P.1-4 Customers and Stakeholders

P.1b.(3) One goal of WilcoAO is to sustain financial strength through exceptional stewardship. In order to accomplish this goal, the WilcoAO works with a collective group of suppliers and partners on a regular basis. Our external auditors serve as consultants when preparing a Comprehensive Annual Financial Report (CAFR). This required report must adhere to the requirements set by the Government Finance Officers Association (GFOA) in order to obtain the Certificate of Excellence. The certification of the annual financial reports is a key factor in maintaining the County's excellent credit rating. Also, daily contact with our independent financial advisors allows the County to minimize the cost of debt. Our investment advisors assist us in maximizing investment returns. Our road project administrators provide consulting services and guidance to maximize bond dollars spent on capital projects. Other partners of the WilcoAO are County elected officials and department heads. These relationships promote fiscal integrity in various ways. Working with the County Judge and Commissioners during the annual budget process helps to promote infrastructure development and to address capital needs while maintaining a stabilized tax rate. Constant communication with County officials, department heads and key personnel works to streamline procedures, and ensures contractual and legal compliance exists.

Key partners and suppliers are active contributors who work with the Williamson County Auditor's Office (WilcoAO) to improve services and help achieve its mission and goals.

Financial Advisors	Collaborate to sustain financial strength by optimizing debt management and SEC compliance
Bond Counsel	Consults to adhere to AG, IRS and other bond-related requirements which also enhances financial strength
Investment/ Arbitrage Advisors	Consult to maximize investment returns which promote exceptional stewardship including arbitrage calculation and compliance
Road Bond/ Project Consultants	Supply vital services to manage road bond projects effectively and efficiently
GASB, SEC, IRS, GFOA, Texas LGC	Supplies guidance ensuring procedural, contractual and legal compliance in all
County Judge and Commissioners	Collaborate to promote tax rate stability while addressing capital and infrastructure needs
Elected Officials, Department Heads and key County personnel	Collaborate to ensure effective fiscal practices and streamline processes

Figure P.1-5 Suppliers & Partners and their role.

P.1b.(4) WilcoAO’s key partners and suppliers play a vital role in assisting in the delivery of our services to all customers whether they be County officials or citizens. The most important requirements we provide our suppliers, partners and collaborators are timeliness, quality of work, integrity, courtesy, and delivery of high-quality products and services. The preferred communication mechanism for key partners and suppliers is face to face or telephone conversations, followed by e-mail. Both formal and informal data are collected to determine partner/supplier satisfaction. The data collected from partners and suppliers is analyzed and used for process improvement and innovation in future communication techniques.

P.2a. Organizational Challenges

Challenges	Advantages
Conducting business in a fragmented environment	Collaboration with County departments and Commissioners Court.
Managing growth within County government	Growth supports infrastructure with additional tax based revenue.
Recruiting and retaining professional employees	Management provides a more creative and innovative work environment.

Figure P.2-1 Challenges and Advantages

P.2a. Competitive Environment

P.2a.(1) County business is, at times, conducted in a fragmented, challenging environment creating workflow and planning obstacles and a need for enhanced coordination between departments.

However, the WilcoAO collaborates to develop and adopt policies with the Commissioners Court (CC) to promote innovative initiatives.

Responding to growth, such as addressing infrastructure needs, can be challenging because of the constraints of working within a fragmented government environment. However, that same growth benefits county-wide initiatives because it provides additional tax based revenues.

Wilco has grown to a population of approximately 456,232 residents, with 2014 projections estimated at 500,627. A nearby major city to our south draws potential employees by offering higher wages. However, the available opportunities and innovative environment assist in attracting well-qualified and creative individuals to the WilcoAO.

P.2a.(2) Our focus on aggressive innovation and desire for cooperative collaboration with every County department determines our success relative to our competitors.

P.2a.(3) Professional publications put forth by the Institute of Internal Auditors (IIA), GFOA and the American Institute of Certified Public Accountants (CPFO), to name a few, serve as sources of guidance, best practices, standards and recommendations within our industry. There are a wide range of topics covered; however, the subject matter is often narrowly defined and may not always apply to Texas County government.

P.2b. Strategic Content

The key business, operational and human resources (HR) strategic challenges that exist for WilcoAO include the challenging environment in which we operate. No single business area within the County operates in a vacuum; we are interdependent. To ensure we continue to build and strengthen our valuable relationships, we strive to collaborate in a cooperative and constructive manner with HR and all other departments within the County.

P.2c. Performance Improvement System

WilcoAO continues our innovative pursuits and willingness to be constructive collaborators with our suppliers, partners and customers. WilcoAO is continuously evaluating needs, concerns and goals of our counterparts. Through this consideration we are learning new and better ways to achieve excellence for the WilcoAO and the County overall.

Category 1 LEADERSHIP

1.1 Senior Leaders (SL) of the WilcoAO have created and work to sustain an environment for excellence. They have established a system of governance in order to fulfill legal, ethical and societal responsibilities.

SL have set forth and communicated organizational vision, values and plans for improved performance first by sharing their goals with Senior Management (SM) and then introducing them to staff members during a day-long team building event. Our Vision, Mission, Core Values (VMCV) are posted in common areas of the office and on the website, stated in the Departmental Employee Handbook (DEH), reviewed during the annual staff training and the Employee Performance Evaluation (EPE) process. Management has developed Customer Satisfaction Surveys (CSS) that will be sent to audited departments electronically to obtain feedback on the audit process. Surveys have been developed to obtain feedback on the services provided by FA, AP and PR. In addition, management has developed and launched an anonymous fraud hotline website that has provided a secure place for county personnel to report any fraud, waste and/or abuse they encounter. Professional handling of the information has enhanced the value of this new customer related opportunity.

The WilcoAO Professional Ethics Policy aids in creating an environment that fosters and requires legal and ethical behavior. This policy, included in the Departmental Employee Handbook, covers ethical behavior surrounding the topics of Personal Standards, Responsibilities as Public Officials, Professional Development, Professional Integrity and Conflict of Interest. It is included as part of the annual EPE and staff training sessions. Certifications held by many members of this office (CPA's, CIA's, and CFE's) require annual ethics training. SL ensure the training is completed and individuals are reimbursed upon completion. Maintaining high ethical standards is part of the culture of the WilcoAO as demonstrated daily by SL and managers.

1.2 In order to continue improvement of organizational performance and accomplishment of the mission and strategic objectives, SL conduct an annual meeting to review the WilcoAO Strategic Plan. During this meeting clear expectations are communicated to staff members about where the office is headed and the role of each staff member in the accomplishment of the departmental objectives. Feedback is encouraged from the entire staff.

Management also reviews the goals and objectives of each staff member to measure progress and ensure goals are in line with the overall strategic plan. This is accomplished during the annual

Employee Performance Evaluation (EPE). EPE's are administered to all staff members including SM. Performance measures such as work quality, work quantity, professionalism and work habits are reviewed on an individual basis.

The position of County Auditor is appointed by five District Judges. Performance is evaluated annually and successful County Auditors' are reappointed every two years by the District Judges. The SL review each request for training to ensure it meets departmental goals and objectives as well as conforms to both Departmental and County policies.

It is the goal of SL and SM to recruit, develop and maintain a successful, diverse, ethical and well-informed staff by instituting a three layer interview process that includes SL, management and staff members from throughout the organization. SL and SM recognize the advantages of hiring and developing future leaders for WilcoAO. As professionals join the team, they are made aware of opportunities to move up in the organization and observe how others have done the same over time. Within one week of hiring a new staff member, managers from each major area of the office gather with him or her and provide a brief description of their function and offer assistance in order to make the transition comfortable and efficient.



Figure 1.1-1 Employee Performance Evaluation Criteria

The daily operations of the WilcoAO impact society and the local economy. The Vision, Mission and Core Values have been written with this in mind. Safeguarding assets minimizes property loss which reduces costs for taxpayers. Senior Leaders maintain

the County’s “AAA” bond rating by taking a conservative approach regarding money management activities. This top rating minimizes interest cost which stabilizes and/or reduces the annual tax rate imposed upon the taxpayer. Streamlining processes and utilizing technological advancements reduces the cost of general government which saves taxpayer dollars.

Maintaining public trust and increasing taxpayer confidence results in increased support for bond elections. This support enables the building of infrastructure throughout the County which results in investments that increase the tax base and promote stabilization and/or reduction of the tax rate.

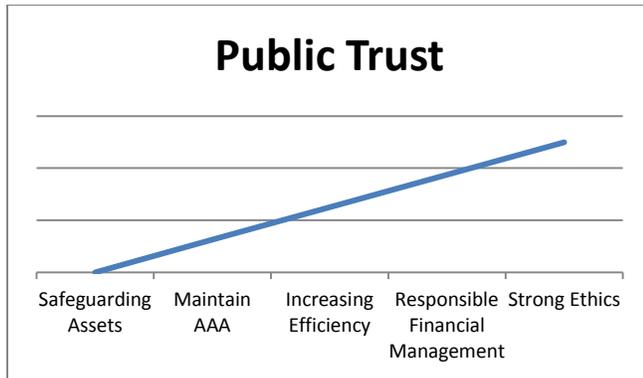


Figure 1.1-2 Building Public Trust

WilcoAO responsibilities that make up the Vision, Mission and Core Values have been developed in response to key areas, and identified by SL with emphasis on organizational involvement and support. There are also key activities that the department engages in that contribute to the well-being of the local environment, social and economic systems.

Extensive utilization of electronic reporting of daily financials and all internal audits, through the external website, and the cloud based Performance Center (PC) has vastly reduced the need for hardcopy reports. Extensive recycling has reduced negative impact on the environment. Electronic filing/storing of information has significantly reduced the need for physical storage space.

Staff members of WilcoAO support several non-profit organizations each year on a voluntary basis by collecting and donating clothing, furniture, electronics and household goods. These donations stay within our local community. The office has met the goal of making quarterly donations. An annual blood drive, now in its third year of existence, will again support area hospitals with much needed blood and plasma inventory. Both activities directly impact the local economy. There is an on-going effort to reach out to schools to help educate the community on

matters of county government and to introduce high school students to careers in accounting and auditing.

Category 2 STRATEGIC PLANNING

2.1 Annually, Senior Leaders (SL) of the WilcoAO complete an assessment and set directions that refine the strategic objectives and timetables for completion. Input and feedback are gathered at the annual staff training/planning session. The key short-term and long-term action plans are developed and implemented in the strategic planning process. Action plans are deployed to all levels of the organization through multiple approaches including auditor meetings, electronic communications, the department website and the Intranet Portal. To achieve strategic objectives, key employees are identified and engaged from the very beginning in developing and executing the plan.

Short-term action plans are deployed with a focus on immediate outcomes. Financial and audit activities are completed through daily operations and are on-going. The annual audit schedule is written, approved by management and completed so annual auditing goals can be measured. WilcoAO is made available to customers on-going to answer questions and help with improving processes. Financial activities, such as posting and producing financial information occur daily and can be reviewed in real time through the PC.

Long-term strategic objectives are met with annual outcomes such as production of the Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR) both award winning financial reports and both based on cumulative daily activities of WilcoAO staff members. Financial activity is audited annually by an independent audit firm whose results are reviewed with the audit committee and Commissioner’s Court. Strategic planning for objectives that can run for five years or longer is accomplished, in tandem, with the County Judge and Commissioners and input from stakeholders. Projects include bond sales, long term road and bridge building/repair funding, revenue projections for budgeting, and a multitude of other large funding initiatives. Projects are continually managed by project accountants and deviations reported and resolved immediately.

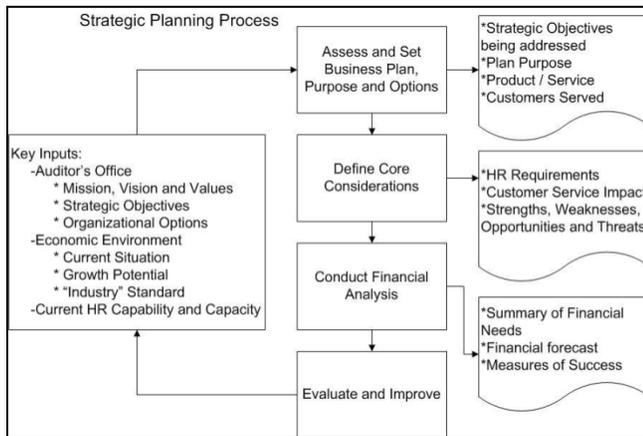


Figure 2.2-1 Strategic Planning Process

2.2 To ensure sustainability of outcomes and long-term success, the county employs external fund managers to review and report monthly activities revolving around investment and bond activity. Adjustments are made according to activity best serving key stakeholders. The budget is reviewed on-going by utilizing the PC. WilcoAO implemented the PC and made it available to all county employees interested in county finances.

Long and short term strategies are often managed and met through the County's formal contract process. Written job descriptions are in place outlining tasks for each job type and annual evaluation occurs where goals are defined in writing and strategies to meet the goals are reviewed, approved, and supported.

All business plans align with the strategic plan which links to the defined Mission and Vision. Key excellence indicators have been defined for each strategic goal. For example, our vision is to instill public trust in all things financial. As a result, WilcoAO maintains a AAA bond rating, has developed a web based Contract Database, provides timely and transparent financial data through the Performance Center all of which defines WilcoAO as a leader in County government throughout the State of Texas.

Category 3 Customer Focus

3.1 As a government entity, our customers are internal to the overall operation, and include the District Judges (DJ), County Judge (CJ), Commissioners Court (CC), County departments and co-workers. These groups and individuals are paramount to our success as fiscal managers and auditors and receive the majority of our focus.

Customer satisfaction is a collaborative effort and our customer's needs often dictate the

development of our products. For example, financial statements are timely, current, and meaningful. They are developed and improved on-going, and answer the need to accumulate and report revenue and expenditures so budgets can be adhered to and spending managed by all departments. Oracle E-Business Suite (OEBS) was implemented by members of WilcoAO in 1998 and received its latest update in 2013. Built off the Oracle platform is the Performance Center which allows our customers the opportunity to view, real time, their financial information and write reports useful to their particular operation. WilcoAO manages grants and project expenditures, tracks assets, develops award winning financial publications, processes payroll and related information for the entire county, pays all warrants, and manages major contracts through the use of the OEBS. All of these activities have answered the needs of our customers and have been developed to improve processes and save taxpayers money.

3.2 WilcoAO is prominent on the intranet portal providing customers with forms, policies, access to projects, grants, financial and payroll data through the PC. This access has assisted each manager to review budget sensitive information and adjust as necessary. Kronos, our time keeping software allows for each department to track employee time. OEBS, made available to our customers via the portal, provides tools for managers to manage payroll and personnel. The Self Service Manager tool was implemented to enable managers to safeguard assets/equipment by assigning them to a particular employee.

When departments are audited, prior to releasing any information to county management, we engage our customers by reviewing all audit results with them. If there are findings, the department head of the audited office will write comments to the findings. Management in the WilcoAO monitors the audit stages and approves the completed audit reports prior to SL final approval. Audit reports are then distributed to the County Judge, Commissioners, and audited department management. Reports are coded green, yellow and red based on audit results and findings. Commissioners have commented that audit reports allow them to "stay in the loop" of events which they may not otherwise be aware. Color coding draws their attention to the level of finding(s) and assists them with time management.

Surveys and the fraud hotline, both developed recently, will allow for direct feedback from our customers. The County Auditor maintains an on-going dialogue with the County Judge and County Commissioners (CC) concerning financial conditions

and the County's financial position as it relates to and affects the decision making process.

WilcoAO builds relationships and acquires customer satisfaction by collaborating with County departments and acting as a primary resource to standardize, enhance and promote effective fiscal practices, all of these practices help streamline processes and add value. WilcoAO fosters an open and transparent relationship with its customers allowing for on-going customer feedback which has improved efficiency and productivity.

Category 4 MEASUREMENT, ANALYSIS, and KNOWLEDGE MANAGEMENT

4.1 WilcoAO tracks daily operations and overall organizational performance through the Oracle E-Business Suite (OEBS) which supports the financial, accounts payable and payroll modules and other reporting processes. The Suite provides internal controls for creating segregation of duties in posting journals and allows for review and approval of all journal entries. Accounts Payable (AP) relies on timely and correct data provided by general ledger activity. AP must meet weekly deadlines, as required by statute, in order to present Commissioner's Court with a list of invoices for payment. The newly implemented Performance Center (PC) provides real-time budget information, reporting and analysis allowing customers to monitor spending and provide continuous feedback to WilcoAO. WilcoAO management uses budget activity to monitor spending in its department and countywide, to ensure sound financial performance, one of its principal missions.

CCH TeamMate Audit Management System (TMAMS) is used to schedule, produce, track and report Internal Audit activities. WilcoAO management evaluates audit work in progress for more efficient and timely completion of all audits, as required by Local Government Code. Internal Audit conducts entrance and exit conferences to allow customer feedback. The Contract Database, a repository of all County contracts issued, is located on the County web-site and is a source of information for AP to ensure invoices for payment meet contract requirements. Transparency, a core focus of Senior Management in WilcoAO, is the driving force behind many of these advanced technologies.

The increase in the County's bond rating from "AA+" to "AAA" in 2010 was a direct result of excellent financial management, analysis and recommendations provided to County officials from the WilcoAO. Organizational decision making for WilcoAO is based on this information as well as Information obtained internally from our suppliers, customers and stakeholders.

Goal-based annual employee evaluations are used to grade each employee on his or her progress in accomplishing goals. Periodic review of these goals ensures that managers and employees are collaborating to accomplish the mission of the WilcoAO. Employee feedback is obtained during annual employee training sessions. Annual external audits and periodic credit rating scores help analyze County performance, as well as provide feedback on internal controls, accuracy and conformance with accounting principles and financial management. Direct feedback from elected officials and department heads and the Customer Satisfaction Survey (CSS) give quality measurement of the services provided by WilcoAO.

4.2 Data is made available to the workforce, suppliers, partners, collaborators and customers in a variety of ways through OEBS. These include the GL, AP, Purchasing, Grants, Projects, Fixed Assets and employee payroll information. This suite allows for interfacing directly with receivables so that customers can see exactly when their funds are deposited and posted to the general ledger. Requisitions and purchase orders can be viewed to know how much funds for a particular budget line item have been encumbered. OEBS allows total integration of automated processes for cash receipts, payments, investments, budgeting and encumbrance accounting. Departmental inventory of fixed assets can also be obtained.

The Performance Center, available through the Auditor's Portal, Intranet and Internet, is a highly-specialized unique reporting tool and allows immediate delivery of WilcoAO services county-wide. The Contract Database is updated weekly and is used by AP to obtain details of each contract prior to paying invoices. It is also used by County engineers to track building/road projects for overall performance. Providing efficient and timely services to customers and stakeholders is one of WilcoAO principal mission areas. Advanced technology has allowed for delivery of efficient, timely, and excellent customer service by WilcoAO.

There is a balance between staff members with less than five years tenure and staff members with ten years or more. WilcoAO has managed transfer of knowledge from seasoned to new employees, through established mentoring relationships, thereby recognizing the value of both groups. WilcoAO takes into consideration the vision of cooperation between individuals, allowing the same career training for both seasoned and new employees. Staff members draw on this training to successfully carry out their work independently. Standard Operating Procedures (SOP) are also available for individual job

duties to strengthen the knowledge base. There are training manuals for the Performance Center and the OEBS. Transfer of knowledge to our customer base is accomplished through innovative technology by utilizing the Intranet Portal, which provides information pertaining to human resources, the County budget, Commissioner's Court agenda, benefits and payroll information. The Contract Data Base is a depository of contracts, agreements, and change orders supplied to county departments and the public. E-mail and internal networking group folders allow WilcoAO to receive and collect workforce knowledge and transfer relevant information from customers and suppliers. Internet access provides utilization of advanced banking services and research capabilities.

In order to provide support for our customers and stakeholders, WilcoAO is developing a Business Continuity Plan to mitigate down time in the event of a disaster. The Plan outlines general procedures to be taken in the event of a serious business disruption, or threat thereof, affecting the operation of our key functions.

Category 5 WORKFORCE FOCUS

5.1 Senior leaders (SL) and Senior management (SM) meet throughout the year to discuss and evaluate needs and goals of the workforce. SM assesses skills and competencies such as attention to detail, communication techniques, emotional maturity, exercising good judgment, respect for personnel and equipment, timeliness and efficiency of job completion during the annual Employee Performance Evaluation (EPE). WilcoAO's action plan provides and promotes training and educational opportunities that encourage employee retention and career development. To ensure follow-through, management and employees meet periodically to discuss progress. Each fiscal year training dollars are budgeted for all positions. Employees present their training requests to management; each request is reviewed to ensure it is pertinent to the job responsibilities and conforms to departmental needs and policies. Many staff members have obtained career specific certifications during their employment with WilcoAO.

SL of WilcoAO endeavor to create and sustain an environment for excellence among its workforce that promotes performance improvement and accomplishment. SL goal is to develop and maintain a successful, diverse, ethical and well-informed staff. For the WilcoAO, this begins with the hiring process by looking for aptitude, applicable skill sets, strong work ethic and a positive outlook while following up with proper screening, interviews and evaluations. Once hired, individuals begin with an

orientation where all aspects of the office are introduced and ethical and positive behaviors are reviewed.

The workplace of WilcoAO is professional and conducive to fulfilling its mission within a safe environment, prioritizing the health, safety and security of the workforce. Any injury occurring in the workplace is reported to management immediately so proper action can be taken and documentation completed for workers compensation, if required. The Courthouse, because of its concrete construction with a large basement, serves as a storm shelter. Periodic fire drills are held to ensure each member of the office is familiar with exit procedures and meeting location, allowing management to account for everyone in a short period of time. Two automated external defibrillators (AED) are located in the building with several county employees trained to use them. Staff members are encouraged to participate in wellness activities that assist in promoting a healthier lifestyle.

5.2 SL of WilcoAO regularly re-assess and refine key factors that affect workforce engagement and satisfaction. Management frequently measures workforce engagement. Engagement is the key to sustaining a positive employee connection, maximizing performance and retention. Management leads this approach by proactively interacting with staff members on a daily basis to review that day's priorities. Weekly staff meetings prompt employees to discuss their job assignment progress and future engagements. Strategic dialogue with one's peers, while offering/receiving feedback such as problem solving ideas, promotes engagement. Proactively engaging employee feedback while keeping the focus positive has raised workforce satisfaction and created a culture of positivity. Input and feedback is also solicited through open dialogue during annual staff training/planning sessions where office policies, procedures and strategic plans are reviewed. Annual staff training/planning sessions often consist of bringing in a guest speaker for formal training with a topic specific to the overall VMCV. WilcoAO sponsors monthly birthday celebrations throughout the year providing an opportunity for office members to gather informally and interact in a casual manner. SL take this opportunity to recognize employees who have achieved certifications or reached milestones of employment longevity.

Goals and achievements are used to measure accomplishment, employee success and new skills attained throughout the year. Annual EPE assessments require the workforce to set three performance goals each year that align with the VMCV as well as reflect the individual talents of each

member. Throughout the year SM discusses progress of these goals and accomplishments while offering constructive coaching and ongoing support. This consistent interaction provides feedback and assists in ensuring a productive and engaged workforce. Three specific areas of special achievement obtained throughout the year, as well as three measurable individual goals set the previous year, provide a barometer for measuring employee success, satisfaction and engagement. The EPE is reviewed, one on one, giving the employee and manager opportunity for positive interaction and productive feedback.

Category 6 OPERATIONS FOCUS

6.1 WilcoAO has systematically established that five core competencies provide a sustainable competitive advantage in our work system: Customer Service, Financial Stewardship, Integrity, Strong Ethical Workforce and Cutting Edge Technology. WilcoAO Business Plan (BP) includes initiatives to further build on these strengths. The current BP includes initiatives for maintaining a successful staff; providing excellent stewardship of County funds; providing efficient and timely services to our customers; and using innovative, efficient and environmentally-friendly technological solutions.

Work system design is based on five principles that support WilcoAO values and encourage innovation. They are customer focus, excellent stewardship, ethical behavior, personal and professional integrity, and a unified, strong and diverse workforce.

In WilcoAO, decisions are made in the strategic planning process. This process includes analysis of customer needs, expectations and requirements. Key work processes of WilcoAO involve all employees and are most critical to adding value.

Core Competencies	Key Requirements	Performance Measure
Customer Service	Responsiveness, presentation and reliability	Customer satisfaction surveys
Financial Stewardship	Transparent, follows GAAP and GASB. Supports short-term and long-range solvency, and is sustainable	External audits, GFOA standards, Bond Ratings
Integrity	Continued training and evaluations, Fair and impartial hiring practices	External audit and customer satisfaction surveys
Strong, Ethical Workforce	Continued training and evaluations. Fair and impartial hiring practices	External audit and customer satisfaction surveys
Cutting Edge Technology	Work closely with IT. Maintain up-to-date reporting on County website.	Customer satisfaction surveys, GFOA recommendations

Figure 6.1-1 Competencies, Requirements, Measures

Processes are designed to meet all key requirements. Multiple phases of testing take place, often including customer involvement, before a process change is revised and fully implemented. New technology is incorporated into processes with assistance from the Information Technology (IT) staff, which supports external development teams. Best practices are researched through affiliation with professional associations, user groups and networks of local governments. The design process begins with the needs of customers and staff members and incorporates organizational knowledge. WilcoAO Staff members work on teams with “cross-fertilization,” of organizational knowledge built into all processes. Learning is shared among staff members with the support of Senior Management during team meetings. Primary sources of on-going feedback come from the County Judge, Commissioners comments, customer complaints/comments and requests that are continuously monitored for trends. If comments, requests or complaints indicate a need for change, teams will analyze the data and a rapid process improvement (PI) initiative will occur. Agility is a function of the WilcoAO organizational structure. A short chain of command reduces cycle time for problem identification and resolution. All service and delivery systems are designed to minimize costs and maximize productivity by strategically assigning workload and projects throughout the department.

WilcoAO works to designing processes that ensures requirements are implemented through evaluation and feedback, followed by process improvement, when necessary. The performance measures used for control and improvement of key work processes, and the associated process measures are listed in Figure 6. 1-1. These measures, based on process requirements and training requirements, are the principal way WilcoAO ensures requirements are met in day-to-day operations.

Key support processes are apparent in departmental, functional, and employee objectives and are used to reinforce core competencies. These support processes include knowledge based activities such as excellent accounting and auditing skills, an awareness of the importance of good customer service, and empowering/training staff members to take action when requirements are not met. Supplier, partner and collaborator input are used in managing processes. For instance, IA meets regularly with County departments to review performance data and exchange information and ideas regarding operations during audit exit interviews. Progressive hiring practices reflect the diverse and strong workforce of WilcoAO and add value to the overall product offered to customers. Another key support process is how SL have recognized and supported technological advances in the workplace by purchasing and implementing updated software, new computer systems and scanning/data storage technology.

The "Tone at the Top" sets in motion an ethical workforce. SL ensure the WilcoAO Code of Ethics is posted in public sites around the office and that it is included in the policy and procedure manuals made available to all staff members.

WilcoAO management is trained in process management/improvement activities. Central to "defect" prevention are systems employed to assure employees maintain all their required certifications. Prevention is accomplished through team research on best practices and the experience of other counties that employ the systems being evaluated.

The approach to improving work processes is described in the Organizational Profile. Training on process improvement stresses the analytical power of segmenting performance data. For instance, response time statistics for a month might appear to meet requirements, but segmenting data by day, week, time or area of the WilcoAO, deficiencies might be identified. Segmenting the data permits a targeted and effective approach to generating solutions.

6.2 Periodic input from customers on key and core processes keeps them current with customer needs. SM discusses ongoing process improvement at weekly staff meetings so knowledge, ideas,

improvements and experiences can be shared. The Balance Scorecard (BSC) approach that is being developed by WilcoAO is assisting us in monitoring organizational performance against our strategic goals.

WilcoAO departmental budget is developed and monitored on-going and is part of the overall County budget. Costs are contained by planning and prudent spending. The county employs a Zero Based Budget so requirements are based on current needs and historical spending patterns year by year. The overall county budget is monitored by WilcoAO through Accounts Payable along with General Ledger activity and the Local Government Code which outlines revenue and spending procedures countywide.

Ours is a process-based working environment where customers are our suppliers and our suppliers are our customers. In order to provide the best customer service, we must collaborate with other departments in the county to ensure workflow is optimal. If departments don't provide approved invoices accounts payable cannot pay the bill timely. Because of the interdependence, effective communication becomes even more important. Communication takes place, in part, through the Budget Order (BO) where county policies and procedures are located. Audit recommendations, and management feedback are also part of the communication process, and add to customer satisfaction. Joint committees are common within the county and include members from different departments working together for the county as a whole. Joint committees include the Benefits Committee, Mental Health Committee, Regional Animal Shelter Committee, and the Audit Committee which includes citizen members.

WilcoAO has introduced the Business Continuity Plan to staff members and has begun working with Technology Services to design programs that will mitigate down time in the event of a disaster and minimize losses during recovery. A phone tree has been developed to improve communication among staff members and management and laptops can be relocated anywhere with VPN access. Centralized meeting places have been designated and mission essential individuals have been designated and trained in case of emergency or natural disaster. WilcoAO works cooperatively with the Williamson County Department of Emergency Management (WCDEM) to prepare and obtain necessary training and certifications from national organizations such as Federal Emergency Management Association (FEMA) concerning the financial aspects of emergency response.

Safety and a comfortable workplace are of the utmost importance to SL. Slip mats are located in strategic areas and ergonomic furniture is available to all staff members because of the repetitive nature of work duties. Response to fire drills is communicated and then defined in the department policy handbook and first report of injury procedures are as well. Staff members are trained to call 911 in case of emergency and doors are locked where necessary to protect staff members and sensitive information from the general public during business hours.

Category 7 RESULTS

7.1 For the past 21 years, WilcoAO has received the Certificate of Achievement for Excellence in Financial Reporting. In recent years, we have received recognition for Outstanding Achievement in Popular Annual Financial Reporting. WilcoAO has maintained an AAA rating from both Fitch Ratings and Standard & Poor’s Ratings Services since fiscal year 2010.

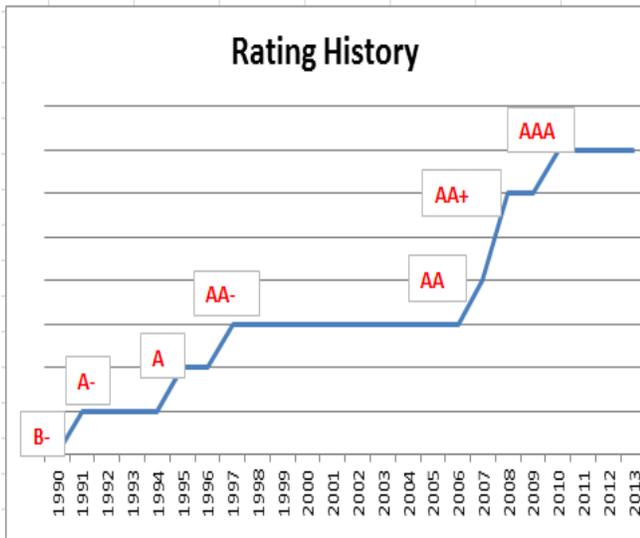


Figure 7.1-1 Financial Standing – Bond Ratings

WilcoAO bond rating of AAA is a key indicator of product performance in the financial management area along with the GFOA Award for Excellence in Financial Reporting. These areas will continue to be measured.

7.2 Internal and external customer satisfaction is based on three key product producing areas of the WilcoAO. They include financial information, which must be timely, correct and transparent. Internal Auditors are required by Local Government Code to be available to audit each fee collecting office quarterly and provide a quality product beneficial to management. Accounts Payable is required to pay invoices timely and as error free as possible.

Customer satisfaction surveys (CSS) for these three key product areas have been developed and will measure customer satisfaction and will be formally tracked in the following areas:

- Financial information is timely, correct and transparent.
- Quarterly audits in fee collecting offices are providing value to management.
- AP invoice payments are timely and as error free as possible.

The following figures address key financial and market results that show financial sustainability, fiscal stewardship, and the County’s marketplace challenges and opportunities. All of the measures are tracked by SM to assess financial performance and viability, particularly the bond rating, GFOA awards, and audit findings.

One way we can measure results in the Financials function is to compare the percentage variances of the budgeted annual revenues versus the actual annual revenues. The goal for this measurement is for the lines to converge into one leaving no variance.

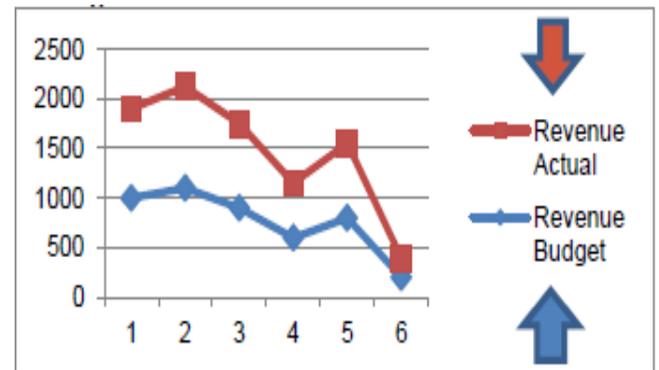


Figure 7.2-1 Budget Information

TMAMS, the software program used by IA, can measure and provide report results at any time. It also allows SM the ability to monitor the IA schedule to ensure audits are timely. The software provides reports showing the level of risk with each audit, allowing the manager to schedule appropriately. This increases efficiency by providing layers of work quality review throughout the process. The report below out of TMAMS is used to monitor IA completions.

Project	Schedule Name	Risk	Origin	Scope	Group
JP #1	FY 2012/2013 Q2	High	Statute	Limited Review	Justice of the Peace Pct. 1
JP #2	FY 2012/2013 Q2	High	Statute	Limited Review	Justice of the Peace Pct. 2

Figure 7.2-2 Quarterly Audits

The following report out of TMAMS is used to denote risk in County departments.

Project Name	Origin	Risk	Final Risk
<u>Constable #3</u>	Statute	High	Medium
<u>Constable #4</u>	Statute	Medium	Medium

Figure 7.2-3

Results presented in the following graph address the key work processes and key operational requirements. The AP function is measured by comparing the number of checks per invoices processed versus electronic payments and credit charges.

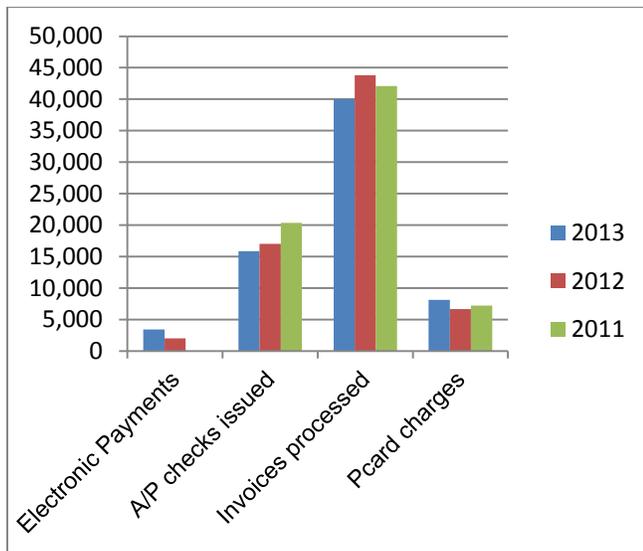


Figure 7.2-4 Accounts Payable Stats

CSS results will be tracked so performance can be improved. The WilcoAO understands that it isn't just about customer satisfaction but also identifying problems and arriving at resolution. It's about

establishing and maintaining positive relationships with our customers.

Results coming in from Performance Center users have been positive. Comments include quotes such as: "it provides me with actually better details than the expenditure report ever did" and "this is very nice. I really think we are going to LOVE this once we get used to it." One user reports saving up to two hours per month inputting data. That is a saving of approximately \$500.00 per year. We expect more good news and will track savings.

7.3 Senior Leaders of WilcoAO assess workforce engagement and satisfaction and include these key measures for specific feedback:

- ample training resources to afford all staff members training opportunities to stay current with industry standards for specialized service areas
- track sick leave for patterns of occurrence; open dialog with staff member
- evaluate staff turnover events and have staff members complete questionnaires prior to departure

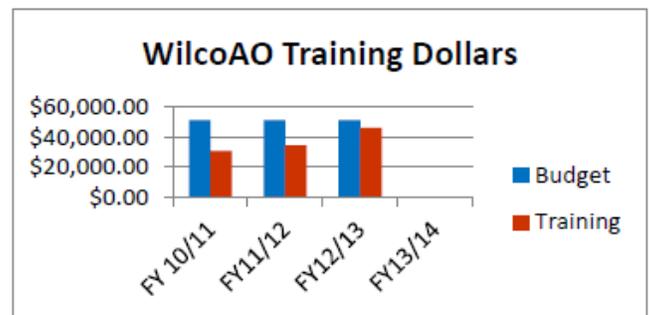


Figure 7.3-1 WilcoAO Training Funds

7.4 Strategic plan and action plan accomplishments can be measured using the annual employee assessments which evaluate progress to goals. Core competencies can be used to track results and accomplishments as they relate to the strategic plan and WilcoAO mission areas. Goals have been generated with these items in mind. The employee level goals roll up into the functional level goals which align with departmental goals that directly support the mission and vision of the department.

WilcoAO management demonstrates and expects ethical behavior among its staff members. To ensure this behavior exists and persists in the department, the following actions are accomplished and documented.

- Communicate expectations of ethical behavior at formal in-house training at least annually.

- Attach a printed Code of Ethics poster to frequented areas in the department.
- Administer the Oath of Office to in-coming Assistant County Auditors. Oath of Office is administered by a presiding District Judge of Wilco.

WilcoAO SL set the tone for an environment conducive to meeting regulatory and legal compliance. This is measured by:

- compliance with regulatory and legal requirements, i.e. no material findings in the annual external audit of financial reporting.
- completing required quarterly audits in fee collecting offices as required by statute.
- paying invoices timely and accurately as required by statute.

WilcoAO is committed to improving the environment and participating in programs that assist members of the community. The following activities will be measured and charted for reporting.

- Because of a more paperless work environment, paper recycling has increased. Placing recycling receptacles in key locations around the office; using less paper by receiving documents electronically; creating electronic files and folders where documents and key information are placed instead of using traditional paper files and folders.
- Members of the department have participated in a blood drive the past two years. The blood drive is an annual event and set to take place again this year.
- The department donates goods and services to non-profits in the community several times a year. Tracking of these events will begin this year for reporting purposes.

7.5 WilcoAO was issued a clean opinion for fiscal year 2013 from the external auditors. No audit findings confirm that the County's internal control structure produces financial statements that "are free of material misstatement." An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation" according to the external auditors.

The current Bond Rating, receiving the GFOA award for financial reporting, and the results of our annual external audit directly measure WilcoAO's progress in reaching our mission goals of maintaining financial strength through excellent stewardship; ensuring contractual and legal compliance and integrity, and maintaining a well-trained, informed and competent staff.

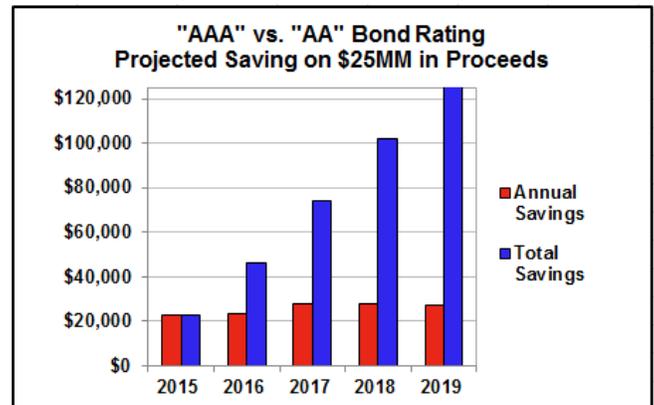


Figure 7.5 Bond Ratings Projected Savings

Bond ratings indicate long-range planning and sustainability. Williamson County has had an "AAA" rating from both Fitch Ratings and Standard & Poor's Ratings Services since Fiscal Year 2010. According to Fitch Ratings, "despite growth pressures, financial performance has consistently been strong, benefiting from conservative fiscal stewardship and budgeting practices." Standard and Poor's stated "further supporting the rating is the County's maintenance of strong finances." "AAA" rated bonds are considered the safest for investors, with the least risk of default. Our cost to finance debt is reduced because of the County's credit worthiness. (See Figure 7.5 Bond Rating's Projected Savings).