



Financial Services Administration

October 2016

DSHS MISSION

To transform lives

DSHS VISION

- People are healthy
- People are safe
- People are supported
- Taxpayer resources are guarded

DSHS VALUES

- Honesty and Integrity
- Pursuit of Excellence
- Open Communication
- Diversity and Inclusion
- Commitment to Service

FSA MISSION

We transform lives by promoting sound management of Department resources

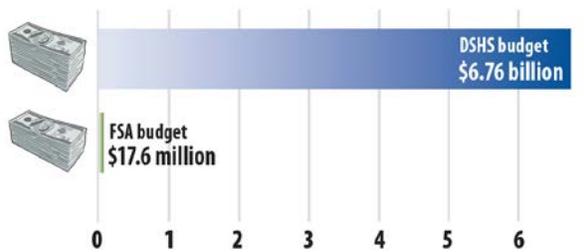
FSA VISION

Effective, efficient and accountable financial, operational and risk management services

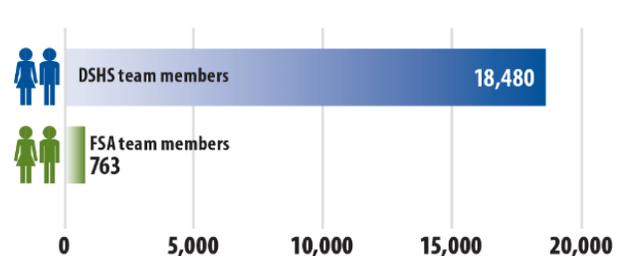
FSA VALUES

- Stewardship
- Teamwork
- Collaboration
- Respect
- Advocacy

BUDGET (July 2015 - June 2016)



NUMBER OF TEAM MEMBERS (as of June 30, 2016)



The number of team members is an approximate count and includes part-time staff.

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STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
1115 Washington Street SE, Olympia, Washington 98504-5010



SECRETARY LETTER
October 2016

Dear Teammates:

It's clear from a review of the Financial Services Administration's accomplishments and strategic plan for the future that the team fully embraces the role it plays in supporting Department employees and in ensuring public safety.

From doing provider background checks that keep our clients safe, to managing millions of square feet of office space, to ensuring DSHS employees are paid on time, to maintaining the fiscal integrity of Washington's largest agency, Financial Services is sharply focused on challenging tasks that assist in the work of transforming lives.

Every day, Financial Services demonstrates the value of collaboration and that is so appreciated by all Department administrations. Thank you for supporting your colleagues and our clients.

Sincerely,

A handwritten signature in cursive script that reads "Patricia K. Lashway".

Patricia K. Lashway
Acting Secretary

DSHS: Transforming Lives





STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Financial Services Administration
Post Office Box 45013, Olympia, Washington 98504-5013



ASSISTANT SECRETARY LETTER
October 2016

Hello FSA Team:

I am honored to be *transforming lives* throughout the state of Washington with each and every one of you. Your role in FSA provides critical support services to all of the administrations in the Department of Social and Health Services (DSHS). Every day we perform operational, financial, or risk management services that touch the lives of our clients in need and our fellow employees. This strategic plan details our commitment to the actions we will take to support successful service delivery for all of DSHS and remain responsible stewards of state resources.

Last year I had the opportunity to travel with our former Assistant Secretary/Chief Financial Officer (CFO), Kathy Marshall, and the Financial Services Administration (FSA) Leadership Team. Our goal was to better understand the need in the remote facilities around the state and to foster relationships. During our visit we discussed these strategic objectives with our intention to help staff understand the wide and varied work being done throughout FSA. Examples of work that impact the department include: when FSA staff at Naselle rallied to get emergency supplies for the youth who fight fires in the summer; twice monthly we pay over seventeen thousand employees accurately and on time; we exceeded our goal for reducing the amount of losses in our annual inventory; the decreased number of work loss days because of Stay-at-Work incentives; and working diligently to propose a sustainable budget to serve our clients. I am continually amazed at our loyal staff and the values they practice each day.

As I transition into the Assistant Secretary/CFO role and we revise the strategic plan, I plan to continue to make visits and meet with as many of the FSA staff as possible. I want to hear your thoughts and suggestions about your role in the strategic plan; I want to understand what is important to your success and how I can help. We have much work to do and I'm excited to know that I have a top-notch team to carry the weight. I look forward to engaging with all the divisions and working for you.

I encourage you to read this strategic plan and the plans for the administrations you serve. Through these planning efforts, all of DSHS is positioning itself to continue to serve those who need us well into the future. Thank you for all you do to *transform lives* today and tomorrow!

Sincerely,

Vann R. Smiley
Assistant Secretary/CFO
Financial Services Administration



Introduction

The Financial Services Administration (FSA) provides leadership in financial, operational and risk management services to support the mission and goals of the Department of Social and Health Services (DSHS). By promoting sound management of Department resources, FSA enables programs throughout DSHS to place a priority on their core, client-focused missions. The work of FSA touches all parts of the Department. We apply continuous improvement principles and process improvement techniques to deliver more effective and efficient services. The administration subscribes to the values of stewardship of all resources; teamwork and collaboration within the administration, across DSHS and with our partners throughout the state; advocacy for the resources DSHS needs to provide services to our clients; and respect for each other and those we serve.

FSA consists of four divisions:

- The Office of the Deputy Chief Financial Officer provides budget management for DSHS through its Central Budget Office (CBO). It prepares and submits the Department's annual and biennial budget requests to the Governor's Office and annually responds to more than 300 fiscal note requests from the state Legislature. It is a key participant in financial forecasting and strategic planning activities for DSHS. Budget and accounting services are provided to the executive and administrative services of DSHS through the Fiscal Services Office within the Office of the Deputy Chief Financial Officer.
- The Enterprise Risk Management Office (ERMO) consists of Loss Prevention Services, Audit Services, Discovery and Document Services and Forms and Records Management. ERMO is responsible for coordinating the Department's enterprise risk management activities and advising the Secretary and

Every year in FSA

- BCCU processes 300,000+ background checks for customers serving Washington's vulnerable adults and children.
- CFM manages 5 million square feet of space in 500+ buildings at state-owned facilities.
- CCLS oversee DSHS' 78,000 active contracts, 95 percent of which are for services provided directly to DSHS clients.
- LFU manages 3.1 million square feet of leased office and warehouse space statewide.
- CPU manages 16,000+ Purchase Orders processed annually.
- The Asset Management Program manages the annual inventory project for 43,250+ assets.
- The Human Services Building (HSB) Mailroom processes 1 million pieces of mail.
- HSB Information Center provides 34,000+ actions answering phone calls, scheduling conference rooms, escorting visitors, receiving guests and issuing security badges.
- LTC administers 3,250+ tests to certify/authorize interpreters and translators.
- CIBS processes nearly 20,000 purchase requests.
- RBCs process 13,600+ purchases/travel arrangements.
- Payroll processes almost 417,000 paychecks and issues over 20,000 W2s.
- The Tax and Garnishment Unit (TGU) processes approximately 18,600 garnishments and liens for SSPS provider payments.
- Grants Management manages over 150 grants providing over \$3 billion in federal funding to DSHS.



Assistant Secretaries on potential risk issues of significant consequence to DSHS.

- The Finance Services Division (FSD) consists of the Office of Accounting Services (OAS), Consolidated Institutional Business Services (CIBS) and the Regional Business Centers (RBCs). It provides financial and other business services across DSHS. FSD supports its customers by providing sound financial and business management, guidance and analysis in addition to developing policies and procedures that ensure compliance and a strong internal control environment.
- The Operations Support and Services Division (OSSD) consists of the Operations and Administration Unit (OAU); Background Check Central Unit (BCCU); Capital Facilities Management (CFM); Consolidated Maintenance and Operations (CMO); Central Contracts and Legal Services (CCLS); Office of Administrative Resources (OAR) which includes: Fleet Management; Language Testing and Certification (LTC); Leased Facilities Unit (LFU); Human Services Building (HSB or OB2) Facilities and Mailroom Services; DSHS Facilities Maintenance and Surplus Services; Purchasing Services; Supply Chain Management; and Wireless Services.

Every year in FSA

- The Travel Unit processes close to 36,000 reimbursement requests through the Travel and Expense Management System (TEMS) to reimburse employees, volunteers and board members for travel related expenses.
- CBO responds to over 300 fiscal note requests, providing cost estimates of proposed legislation and submits over 150 decision packages for agency budget requests to the Office of Financial Management (OFM) and the Legislature.
- The Safety staff travel over 35,000 miles to conduct safety and health consultations, training and direct-service ergonomic evaluations at DSHS locations across the state.
- Risk Management performs over 300 business risk assessments to evaluate the financial viability of prospective long-term adult care facilities.
- Audit Services spend over 19,000 hours completing internal audit and consultation engagements.
- The Claims Management section receives over 1,200 new Workers Compensation claims.
- The Resident Advocates at the Special Commitment Center (SCC) respond to almost 4,500 issues and over 90 percent are resolved at year's end.

Goals

Governor Jay Inslee's Results Washington Goals

FSA is a partner in Governor Jay Inslee's **Results Washington**, a focused effort to create effective, efficient, accountable government.

Results Washington's Goal Area number 4 is Healthy and Safe Communities. Under this area, FSA supports achievement of metrics under **Safe People: Worker Safety**. For example:

- Reduce workplace injuries.

Results Washington's Goal Area number 5 is Effective, Efficient, Accountable Government. Under this area, FSA supports achievement of metrics under **Resource Stewardship: Cost Effective Government**. For example:

- Reduce energy consumption in state-owned buildings.



Department of Social and Health Services Goals (DSHS)

DSHS has five broad goals: Health, Safety, Protection, Quality of Life and Public Trust. FSA has strategic objectives that support the DSHS goals listed below:

- **Safety:** Each individual and community will be safe.
- **Protection:** Each individual who is vulnerable will be protected.
- **Public Trust:** Strong management practices will be used to ensure quality and efficiency.

Strategic Plan

Below are the details of our strategic plan to meet our strategic objectives. Each strategic objective is discussed under its larger DSHS goal area. Each strategic objective includes a statement of its importance, a quantified success measure, a timeline for achieving it and, most importantly, an action plan. FSA strategic objectives are reported quarterly and can be [found at the DSHS Strategic Plans page online](#). Each FSA action plan is updated quarterly.

Strategic Objectives, Importance, Success Measures and Action Plans

1. Safety - Each individual and each community will be safe

Strategic Objective 1.1: Reduce employee workplace injuries.

Importance: The safety of our employees is necessary to meet our mission and to provide quality customer service to our clients. Employee injuries cost DSHS in Worker's Compensation claims, assault benefit claims, overtime, temporary hires, training, etc.



Our Vision: Safety in the Workplace!

Success Measure: Reduce the number of injury/occupational illness incidents in DSHS and reported workplace assaults from 2,136 in January 2016 to 1,928 in December 2017.

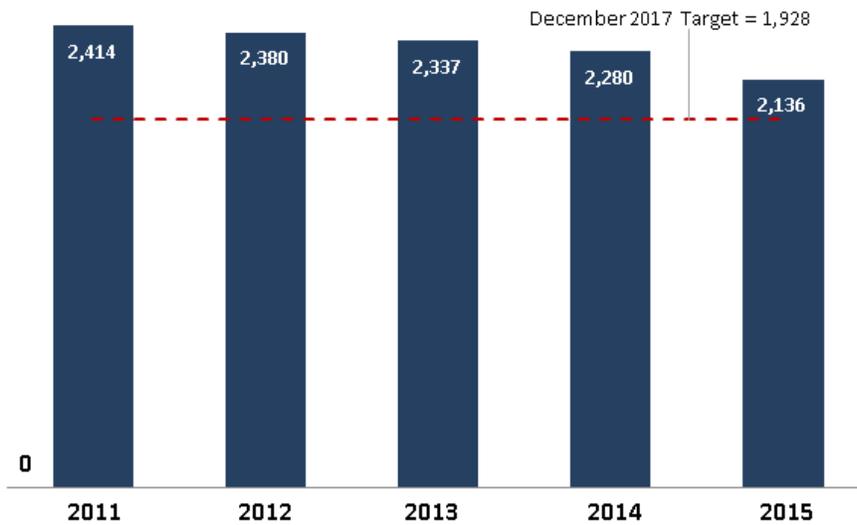
Action Plan:

- Ensure consistent accident prevention plans, job hazard assessments and safety committees at all DSHS sites. Target completion: **December 2017**. (Lead: ERMO)
- Increase staffing to enhance post-incident review capabilities. Target completion: December 2015. (Lead: ERMO) **Item Completed**.



- Complete an internal, Washington Industrial Safety and Health Act (WISHA)-based, safety compliance inspection of every DSHS residential facility, community facility and headquarters/regional/local office. Target completion: **December 2017**. (Lead: ERMO)
- Complete training, consultation and best practice guidelines on assault benefit policy and administrative policy 9.07 (DSHS Safety/Health and Industrial Insurance Programs). Target completion: **Ongoing**. (Lead: ERMO)
- Conduct safety summit in the spring of each year. Target completion: **May 2017** and ongoing. (Lead: ERMO)

Chart 1.1 Comparison of the number of safety events in each Calendar Year



See analysis and plan at: [FSA Action Plan 1.1 Workplace Safety](#)



2. Public Trust - Strong management practices will be used to ensure quality and efficiency.

Strategic Objective 2.1: Provide opportunities for supervisors and managers to increase knowledge and understanding of the benefits of well-managed diversity and inclusion within FSA.

Importance: Well-managed diversity and inclusion increases innovation and productivity and improves outcomes in multiple operational, financial and talent management domains as well as in direct service delivery. Leaders who understand the benefits of well-managed diversity and inclusion are better able to reach, recruit, engage and retain a highly talented diverse workforce. Leaders who understand the importance of well-managed diversity and inclusion are more likely to create a culture of respect, feedback, engagement and recognition. This improved work culture will increase job satisfaction and ultimately lead to the improvements anticipated in Results Washington Goal 5.1.2 whereby Washington increases as an employer of choice.

Success Measure: By June 30, 2017, 90 percent of FSA managers will attend a facilitated conversation about diversity and inclusion as it pertains to recruitment and retention in the workplace.

Action Plan:

- Establish a FSA Diversity and Inclusion Workgroup (DIW). Target completion: Completed.
- Work with the Office of Diversity and Inclusion (ODI) to establish a facilitated diversity and inclusion curriculum. Target completion: **December 2016.** (Lead: FSA DIW)
- Complete facilitated diversity and inclusion discussion (round table discussion) with the Chief Financial Officer Management Team. Target completion: **December 2016.** (Lead: FSA DIW)
- Complete round table discussion with FSA Thought Leaders and Leadership Development Program. Target completion: **October 2016.** (Lead: FSA DIW)
- Develop a timeline for roll-out of round table discussion with front line supervisors. Target completion: **October 2016.** (Lead: FSA DIW)
- Roll out round table discussion with front line supervisors. Target completion: **June 2017.** (Lead: FSA DIW)

Strategic Objective 2.2: Continue to offer a Leadership Development Program across FSA and expand training to include the STAR Program.

Importance: FSA has a Leadership Development Program (LDP) geared toward emerging leaders to prepare staff to embrace future leadership opportunities. Areas of focus include topics such as problem-solving, emotional intelligence, written and verbal communication, leadership interfaces and DSHS site visits. The STAR Program has also launched in FSA with the initial pilot held at RBC 2 in May 2016. This training is taken to FSA's offsite locations to cover topics similar to that of the LDP in shorter increments, generally three-day workshops. STAR represents FSA values of Stewardship, Trust, Advocacy, and Respect.

Success Measure: A second cohort of up to 15 staff from across FSA will begin participation in the LDP by January 31, 2017. The STAR Program will be facilitated at all FSA offsite locations by June 2017.



Action Plan:

- The first FSA LDP cohort will provide feedback for continuing the program administration-wide. Target completion: **June 2016**. (Lead: OSSD OAU)
- OSSD OAU, with assistance from key contacts within FSA, will develop the next iteration of the LDP program, including curriculum and participant selection process. Target completion: **September 2016**. (Lead: OSSD OAU)
- The second FSA LDP cohort will complete the program. Target completion: **June 2017** (dependent upon actual start date). (Lead: OSSD OAU)
- OSSD OAU, with assistance from key contacts within FSA, will develop customized training for each of FSA's offsite locations for the STAR Program. Target completion: Ongoing (Lead: OSSD OAU)
- The STAR Program will be facilitated at all FSA offsite locations. Target completion: **June 2017** (Lead: OSSD OAU)



Strategic Objective 2.3: Reduce energy consumption in leased facilities and state-owned buildings.

Importance: DSHS occupies 135 leased facilities totaling three million square feet plus 463 institutional buildings with five million square feet. Electricity, natural gas and diesel fuel provide power for equipment, lighting, space heating, hot water and steam production.

DSHS continues to face budget challenges and needs to take advantage of all opportunities to reduce costs while maintaining services. Heating, cooling and operating state buildings are a large source of greenhouse gas emissions. Increasing energy efficiency in state buildings reduces the cost of government and makes our buildings more comfortable and our people more productive.

Success Measure: Reduce energy consumption in department-owned and leased facilities from 689 million kBtu in calendar year 2014 to 675 million kBtu in calendar year 2016. (kBtu is a composite of kWh (electricity) and Therms (natural gas)).

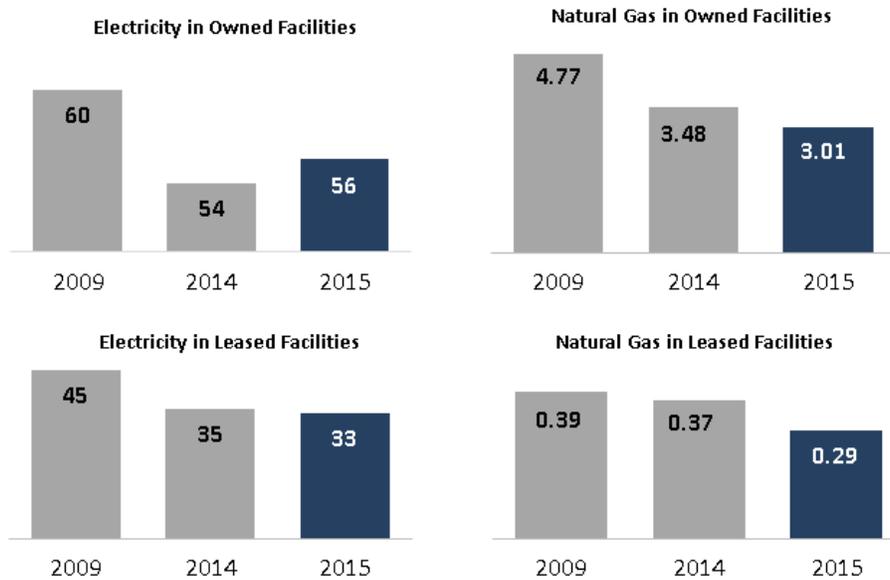
Action Plan: DSHS will continue efforts to reduce energy consumption and greenhouse gas emissions as required by Executive Order 12-06 and Chapter 70.235 RCW.

- Reinstitute Resource Conservation Manager centralized management and enforcement of energy

- conservation guidelines, through contract. Target completion: Completed. (Lead: OSSD)
- Develop formal energy consumption guidelines. Target completion: **December 2016**. (Lead: OSSD)
- Develop and launch awareness campaign. Target completion: **December 2016**. (Lead: OSSD)
- Develop consistent tracking of energy use information. Target completion: Completed. (Lead: OSSD)
- Implement Energy Saving Company (ESCO) performance projects, where practical, at owned facilities. Target completion: **June 2017** (Completed at Western State Hospital and Rainier School). (Lead: OSSD)
- Update owned and leased space requirements to include more energy efficient use of space. Target completion: **December 2017**. (Lead: OSSD)
- Address energy efficiency issues at lease renewal. Target completion: **October 2016**. (Lead: OSSD)

Chart 2.3 Usage data based on best available data, but does not include every facility

Statewide in Millions of Kilowatt Hours (Electricity) and Therms (Natural Gas)
 *Please note scale is different for electricity and natural gas



See analysis and plan at: [FSA Action Plan 2.3 – Energy Consumption](#)

Strategic Objective 2.4: Increase accuracy of payments to employees.

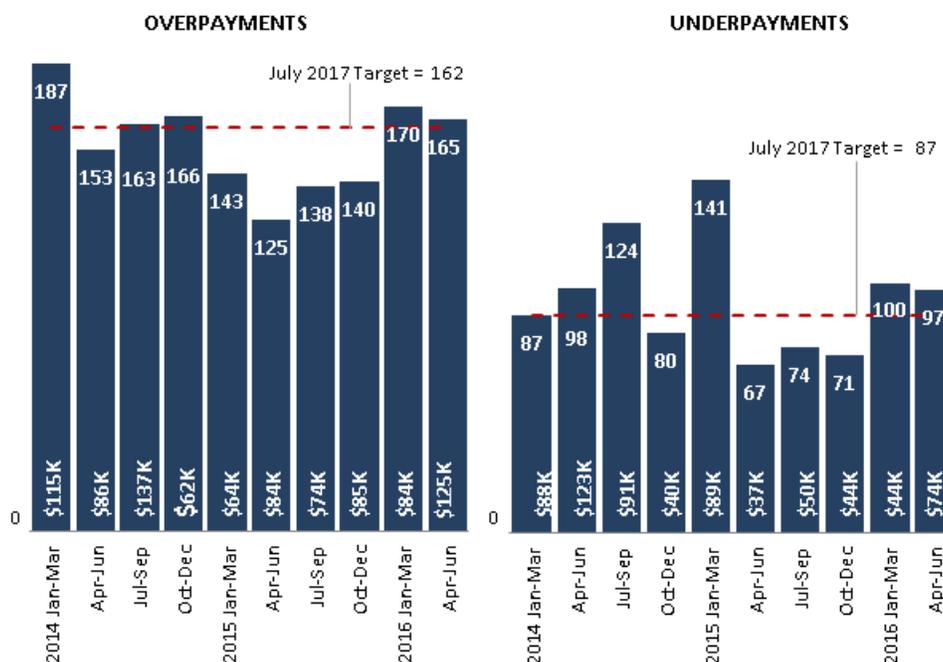
Importance: Payroll errors result in inefficiencies and are a significant drain on scarce Department resources. They also can decrease morale, not only for the employee who is not paid correctly, but for those staff who do additional work in order to correct these issues. Underpayments to employees require the Department to make supplemental payments to employees and overpayments result in a burdensome collection process. Errors can occur anywhere in the process, from incorrect date entry to employees or supervisors who submit time information late.

Success Measure: Reduce the number of payroll overpayments and underpayments from 284 in January 2015 to 249 in July 2017.

Action Plan:

- Increase communication efforts by frequent notifications/reminders, provide more training, conduct additional site visits and share error data with timekeeping, human resources and payroll staff and management. Target completion: **July 2015 and ongoing.** (Lead: OAS)
- Analyze and update metrics to identify areas for targeted training and addressing business needs. Target completion: **June 2016, then ongoing.** (Lead: OAS)
- Encourage and support Leave Tracker implementation at Western State Hospital and Eastern State Hospital. Target completion: **June 2017.** (Lead: OAS)

Chart 2.4 Overpayments issued based on research by the payroll section and underpayments corrected based on employee's request for supplemental payments



See analysis and plan at: [FSA Action Plan 2.4 – Payroll Overpayments & Underpayments](#)



Strategic Objective 2.5: Update Local Funds financial system and policies.

Importance: The Department's consolidated business services are responsible for the consistent and accurate processing of Local Funds. Local Funds are client monies held in trust by DSHS in a local bank account. These funds are used for the purchases of client needs. A consistent financial system and policies will reduce errors, ensure timely reconciliation and safeguard proper use of funds entrusted to the Department. Inherently, Local Funds are a high risk function. Efficient, effective and consistent procedures are required to mitigate risks and strengthen controls. Sound and consistent procedures with an effective system will strengthen our stewardship of these resources while enhancing transparency and public trust.

Success Measure: A new Local Funds system will be operational by March 2017 and fully implemented with updated processes, procedures and training provided by June 2017.

Action Plan:

- Steering Committee is established for Local Funds System. Completed.
- Selected staff will continue to work with the Steering Committee for Local Funds System (LFS) to review and revise existing local funds processes and procedures to ensure accurate transactions and maintain required separation of duties while providing knowledge and expertise to assist in getting a new program in place for local funds DSHS wide. Target completion: **March 2017** (Lead: Finance Services Division)
- Provide training to all local funds staff. This is to be completed in two parts:
 - Existing local funds process and procedure training. Target completion: **Completed**. (Lead: Finance Services Division)
 - System and updated procedural training. Training will be provided by a combination of staff from Operations Review and Consultation, Consolidated Institutional Business Services, Regional Business Centers and the Office of Accounting Services. Target completion: **June 2017**. (Lead: Finance Services Division)
- Schedule joint reviews with DSHS internal audit staff and Regional Business Center staff. Target completion: begin **July 2015, then ongoing**. (Lead: Finance Services Division)
- Perform periodic on-site review/audit of program and institutional local funds by CIBS and ORC staff. Target completion: begin **July 2015, then ongoing**. (Lead: Finance Services Division)

See analysis and plan at: [FSA Action Plan 2.5 – Local Funds](#)

Strategic Objective 2.6: Engage with financial partners across the agency to standardize the Department's Chart of Accounts.

Importance: The Department's Chart of Accounts provides the expenditure and revenue account code structure for each program in DSHS. It is used by both budget and accounting staff throughout the Department to analyze spending patterns, report on specific programs and provide data to support grant and budgetary requests. Re-establishing consistency in the account code structure across programs will enhance the Department's ability to provide timely, accurate and complete reporting. Consistency and



accuracy in the reporting capabilities increases transparency and enhances public trust.

Success Measure: The Department's Chart of Accounts is updated and revised with published guidelines for structure and naming conventions by June 2017.

Action Plan:

- Central Budget Office and Office of Accounting Services will meet with each program individually to understand the funding and cost objective naming conventions. **Completed.**
- Establish a workgroup with budget representatives and accounting representatives from across the Department. **Completed.**
- Establish and document guidelines for account structures and naming conventions for publication on the Finance Services website. Target completion: **September 2016.** (Lead: OAS, CBO)
- Establish policy, practices and procedures to develop consistency within the Chart of Accounts, to include cost objectives, process for deleting vs. deactivating an account, structures and conventions. Target completion: **December 2016.** (Lead: OAS)

See analysis and plan at: [FSA Action Plan 2.6 – Chart of Accounts](#)

Strategic Objective 2.7: Enhance the Department's facilities maintenance and surplus services within each region.

Importance: Department staff rely on warehouse/transportation/maintenance support to complete office moves, deliver and pick up surplus supplies and equipment, complete cubicle configurations, provide warehouse storage, transportation and temporary storage of client case records, etc. Appropriate coordination of services across each region will enhance customer support, provide consistency and ensure more efficient use of resources.

Success Measure: Consolidate statewide DSHS facilities maintenance and surplus services under one organization in order to provide efficient and effective services to support all DSHS leased facilities by **June 30, 2017.**

Action Plan:

- Analyze workload by facility and appropriate staffing levels. Target completion: **December 2016** (Lead: OSSD Office of Administrative Resources (OAR))
- Establish minimum of three warehouses. Target completion: **Complete.** (Lead: OSSD OAR)
- Establish Maintenance Mechanic staff in appropriate locations. Target completion: **Ongoing.** (Lead: OSSD OAR)
- Develop an effective customer service platform utilizing SharePoint and an electronic work order system. Target completion: **September 2016.** (Lead: OSSD OAR)
- Develop a standard service level agreement between FSA and DSHS programs. Target completion: **September 2016.** (Lead: OSSD OAR)





See analysis and plan at: [FSA Action Plan 2.7 – Facilities Maintenance Surplus Services](#)

Strategic Objective 2.8: Reduce average duration of open Workers’ Compensation days

Importance: Every open Workers’ Compensation claim has a financial impact on DSHS. Together with Labor and Industries, our Claims staff work to close claims as quickly as possible. Reducing the duration of the number of open claim days is one of the contributing factors that we influence in keeping our workers compensation rates and costs down.

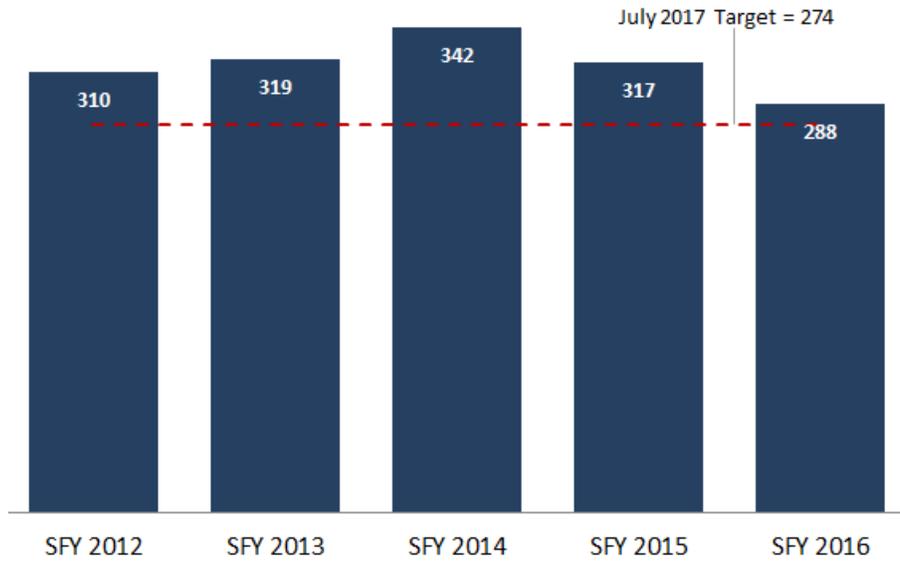
Success Measure: Reduce the average duration of days by 5% on open claims from 288 to 274 by July 2017.

Action Plan:

- Annually decrease the number of open claim duration days by 5%. Target completion: **June 2019 and ongoing.** (Lead: ERMO Claims)
- Continue to build internal and external partnerships focused on returning employees to work and resolving claims earlier in the life of the claim. Target completion: **Ongoing.** (Lead: ERMO Claims)
- Use quality improvement tools to continue to identify and implement program improvements. Target completion: **June 2017 and ongoing.** (Lead: ERMO Claims)
- Claim and disability claim management training for all ERMO Claims Loss Prevention Consultants. Target completion: **Ongoing.** (Lead: ERMO Claims)
- Increase awareness of open claims fiscal impact between executive and field management. Target completion: **Ongoing.** (Lead: ERMO Claims)
- Work in collaborative partnership with the ERMO Safety Division. Target completion: **Ongoing.** (Lead: ERMO Claims/Safety)



Chart 2.8 Open Workers' Compensation claim duration days



See analysis and plan at [FSA Action Plan 2.8 – Workers Compensation Claims](#)



Organizational Chart

Department of Social and Health Services Financial Services Administration



July 18, 2016

