



Chief Financial Officer Knowledge Transfer

Ohio Fiscal Academy Cohort 6 Capstone Project



Team Getting Good M.A.R.K.S

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Problem Statement

- Without a breadth of knowledge in agency-specific finance roles, newly selected Chief Financial Officers (CFO) for the State of Ohio may not be well versed in certain areas of State operations. This may affect their ability to serve in this strategic role.



Background

- What is a knowledge transfer?
- What is the significance?



“

Coming together is a beginning; keeping together is progress; working together is success.

”

-Henry Ford



Current Process

- Current process of knowledge transfer.
- Results of current process.



Purpose

- The objective of this study is to develop a curriculum and formal methodologies for state agencies to provide the necessary knowledge and tools to new CFO's.



Research Strategies – CFO Interviews

- We held in person interviews with several CFO's to gain better perspective and insight.
- 12 Question Interview.



Research Strategies – Subject Matter Expert Surveys

- We asked the SME's to answer four questions within the confines of a particular Fiscal area – as identified by CFO's.
- The Fiscal area's are as follows:



Research Strategies – Subject Matter Expert Surveys

- Strategic Planning/Management
- Cash Management
- Financial Reporting
- Grants Management
- Procurement/Contract Management
- Asset Management
- Budget Management
- Accounts Receivable
- Accounts Payable
- Revenue Forecasting
- Debt Management
- Policy Management



Research Strategies – Subject Matter Expert Surveys

- We asked our SME's four questions:
 - What method of knowledge transfer do you think would be best for this subject?
 - What are the most important aspects to this fiscal area?
 - Can you highlight some important pieces of this area that a new CFO would need to learn?
 - Are you aware of any existing resources that a CFO could tap into for continued education in that area?



Research Strategies – Academic Research & Professional Publications

- Wharton School published an article on how the role of the CFO is changing.
 - Moving beyond the numbers and being more involved in a strategic role for the organization.



Findings – CFO Interviews

- Consistent responses among interviewed CFO's:
 - Communication and internal controls are important skills.
 - Large focus on technical areas of the Fiscal office
 - Understanding of the budget process and chart of accounts.
 - Business Intelligence reporting familiarity is helpful.



Findings – CFO Interviews Cont.

- CFO job duties varied based on the different types of agencies and the overall organizational structure of the agency.
 - Controlling and maintaining the budget was a top response among interviewed CFOs.
 - Some perform more of a fact-based role to provide other senior management the tools to succeed.
 - Others are more focused on programs and customer service delivery.



Findings – CFO Interviews Cont.

- CFO Participation
 - The majority of interviewed CFOs indicated they would participate if a curriculum was developed.
 - Peer-based knowledge transfer was a popular suggestion.
 - Another suggestion was a combination of web-based instruction and classes would be helpful.



Findings - SME Recommendations

Accounts Receivable Highlights

- Understand agency specific chart fields (optional chart fields).
- Be aware of sub-systems that specific agencies may use and how those systems interact with OAKS.
- Understand the different types of revenue.
- Recommends documenting accounts receivable for each agency.

Revenue Forecasting Highlights

- Two important areas: technical or statistical and subject matter experience.
- Need some sort of formal training in addition to written materials.



Findings - SME Recommendations

Procurement/Contract Mgmt. Highlights

- Good contracts are essential to establishing a reliable procurement process.
- Importance of procurement and how it relates to the budget process.
- Web-based and face to face learning would be beneficial.

Accounts Payable Highlights

- Familiarize with various governing laws/policy (ORC, OAC, etc.).
- Referencing and following agency specific & OBM policies is excellent for knowledge transfer.



Findings - SME Recommendations

Cash Mgmt. Highlights

- Understanding and compliance of Federal laws if grant money is involved.
- CFO provided with list of various revenue sources and policy tied to them.

Budget Mgmt. Highlights

- Budget implementation and fund management are among the most important pieces.
- Recommends web-based trainings and instructor-led classes followed by one-on-one sessions as needed.



Findings - SME Recommendations

Financial Reporting Highlights

- Proper process documentation would be very helpful in assisting a new CFO.
- Assuring proper coding for OAKS transactions.
- Recommends process documentation.

Grants Mgmt. Highlights

- Review of Omni Circular to become acquainted with various requirements.
- Intensive knowledge transfer would be needed due to complexity of each individual grant.



Findings - SME Recommendations

Strategic Planning Highlights

- Understanding organizational flow of the agency is essential.
- New CFO's learn risk mitigation strategies, A133 compliance, and recognize unresolved audit findings.
- Recommends a combination of manuals, report review, and informal meetings.

Policy Mgmt. Highlights

- Understand policies and successfully communicate these to fiscal staff and other related parties.
- Most effective way to knowledge transfer is to provide links to various resources.
 - ❖ Including OBM SAFE Manual, agency resources, ORC, etc.



Findings - SME Recommendations

Asset Mgmt. Highlights

- Understanding the capital asset reporting for CAFR is imperative.
- Recommends use of SharePoint for knowledge transfer.

Debt Mgmt. Highlights

- Vital to have knowledge of capital appropriations.
- Suggested in-person training would be best for this subject area.



CFO and SME Survey Conclusion

- There is currently little to no training for agency CFO's, from an enterprise perspective.
- CFO needs may be very different based on the type of agency, organizational structure, type of revenue sources, and size of budget, among other items.



Recommendations

- We are proposing a three tier solution
 - CFO Online Forum
 - Fiscal Exchange Website
 - Agency-specific template for internal processes and procedures



Recommendations – CFO Forum

- This would serve as a portal for CFO's to log-in and discuss current issues with other CFO's or senior team members.
- CFO's could search topics if they are looking for historical information on a current topic.
- Peer-to-peer sharing encourages collaboration among agency CFO's; including transfer of best practices.



Recommendations – Fiscal Exchange Website

- Re-iterate and recommend use of the newly created Fiscal Exchange Website.
- Allow CFO's, among other staff, to enter best practices and/or adopt other agency best practices.
- Infrastructure is existing and could begin right away.
- Further encourages collaboration among agencies.



Recommendations – Agency-Specific

- We realize the need for agency-specific processes.
- Policy template created by OBM to allow agency's a standard format to record process & procedure's that are specific to their work.



Next Steps

- Discuss forum with OBM to go over costs, security, feasibility, maintainability, etc.
- Encourage use of existing Fiscal Exchange Website.
- Work with OBM to develop, distribute, and maintain a policy/procedure template for agency use.



“

Without continual growth and progress, such words as improvement, achievement, and success have no meaning.

”

-Benjamin Franklin



Questions

