

*Keys to a Successful  
Process Improvement –  
Lessons Learned from the CAFR  
120 Initiative*

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CAO CASE STUDY – JUNE 8, 2017  
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# Outline

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- Background
- The “Portland Story”
  - Setting the goal
- Five Success Factors
  - Keys to our success
- Final Thoughts

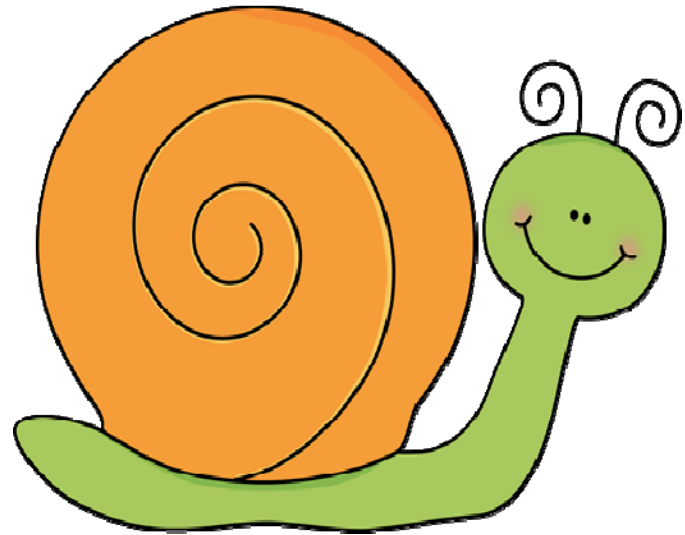
# Background

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The problem:

Government financial reports are not meeting the needs of financial statement users.

(ie: they are slow!)



# Background, cont'd

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GASB Research Brief, March 2011:

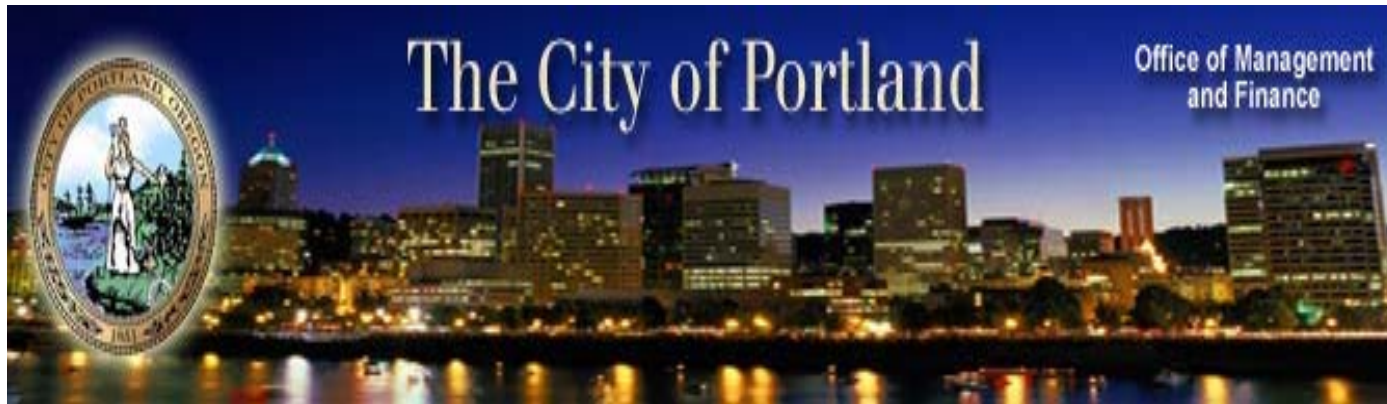
The majority of state/local government reports are issued 6 months or more after year end.

- 3 months and less – 4 %
- 4 months – 12%
- 5 months – 15%
- 6 months – 41%
- 7 months and greater – 28%

# Background, cont'd

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The City of Portland story. What prompted the “CAFR 120” initiative??



# CAFR 120 Goal – Three stage approach

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## Previous year:

FY Ended June 30, 2014      December 19<sup>th</sup> (169 days)

## CAFR 120 Timeline:

FY Ended June 30, 2015      December 1<sup>st</sup> (150 days)      ✓

FY Ended June 30, 2016      November 15<sup>th</sup> (135 days)      ✓

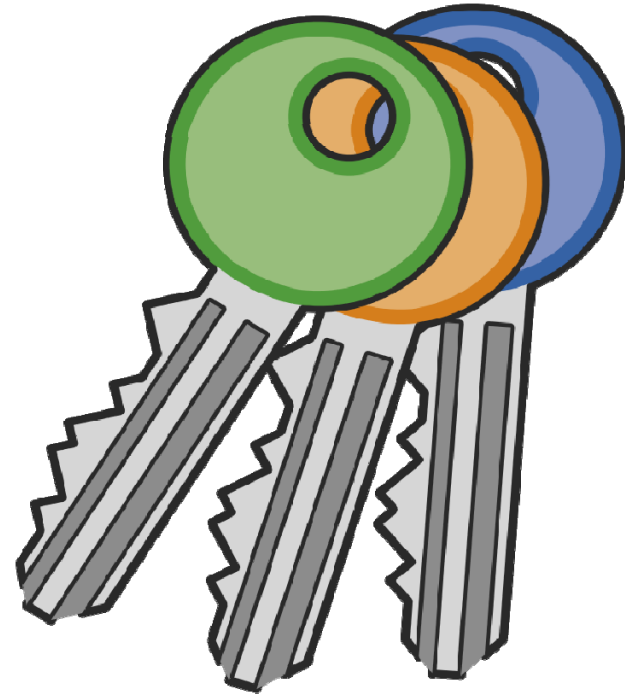
FY Ended June 30, 2017      November 1<sup>st</sup> (120 days)      *In progress*



# Five Success Factors

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Our “keys to success” can be categorized into five overall factors.



# Five Success Factors

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1. Set goal and communicate
2. Planning
3. Optimal use of technology
4. Project management
5. Debrief w/ team & stakeholders



# 1. SET A GOAL AND COMMUNICATE

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Determine key stakeholders in the process

- Management
- Accounting Division
- Internal auditors
- External auditors
- Other stakeholders (City bureaus)

Develop and document goal with key stakeholders




# 1. SET A GOAL AND COMMUNICATE, cont'd

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Communicate the goal message

- Consistency
- Repetition

Focus on the benefits

- Efficient use of internal departments
  - Reduction of time spent on CAFR
  - Timely delivery of CAFR
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## 2. PLANNING

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Set milestone dates

- Seek team input
- Factors to consider:
  - information dependencies
  - high risk and time consuming areas
  - what can be done before year-end

## 2. PLANNING, cont'd

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Seek and include efficiency gains

- Brainstorm with key stakeholders – revise and/or eliminate cumbersome or duplicative processes
- Weigh the assumed need for perfection –
  - Analyze the cost vs the benefit
  - Use materiality to your advantage
- Look ahead and be prepared for changes in regulations, auditor requirements, GASB pronouncements, etc.

# 3. OPTIMAL USE OF TECHNOLOGY

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Includes consideration of financial ERP system (SAP), CAFR preparation software (if used), and spreadsheet work papers and audit schedules

Look for ways in which the technology solution can do the work for you

Make technology improvements during the fiscal year – well ahead of year-end



# 4. PROJECT MANAGEMENT

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Communicate regularly with accounting team and key stakeholders – keep focus on the project

Monitor the project status regularly

- Don't assume all is well

Redeploy resources as needed to keep on track



# 5. DEBRIEF WITH TEAM AND KEY STAKEHOLDERS

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Solicit honest feedback and suggestions for improvement

Utilize these ideas for next year's planning

Seek continual improvement

Celebrate success!!!



# Final Thoughts

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## Benefits Achieved:

- More timely reporting (solving the “problem”)
- Acceptance of change w/in the Acctg Division
- Time to focus on other projects:
  - First City of Portland Popular Annual Financial Report (PAFR)  
– created and distributed in 2016
  - Quarterly Reporting – coming soon!



# Final Thoughts, cont'd

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## Nuggets of General Advice:

- Use your resources
  - Research what others have done
  - Network with colleagues
  - Stay in tune with the industry
- Be involved and engaged
- Anticipate and help plan the future.....

# Thank you! Questions??

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