

**Vision:** Making safe and innovative financial services easy to offer in Arizona.

**Mission:** To protect and foster the success of Arizona citizens and businesses by promoting a strong, diverse, safe and vibrant financial services marketplace.

**Agency Description:** The Department of Financial Institutions (DFI) licenses, monitors and examines state-chartered financial institutions and enterprises to ensure safety and soundness, and to verify compliance with federal and state laws; investigates consumer complaints; and takes appropriate enforcement actions for violations.

**Executive Summary:** The Department of Financial Institutions (DFI) is facing an increasingly complex and innovative financial services industry offering products and services to Arizonans. We have identified the following three strategic priorities toward encouraging financial services innovation while protecting Arizona citizens and businesses:

**Agency Consolidation** by identifying and proposing ways to modernize and unify insurance, financial-institution and auto-theft-authority laws and rules; and, by unifying agency operations, incorporating best practices.

**Agency Modernization** by improving the agency's configuration of Salesforce to better fulfill customer and agency needs, and by improving customer communication and information.

**Regulatory Expertise** by improving industry-related training and staff retention to remain responsive to evolving regulatory concerns and priorities.

### Summary of 5 Year Strategic Priorities

| # | Multi-Year Strategy  | Start Year | Progress / Successes   |
|---|----------------------|------------|--|
| 1 | Agency Consolidation | 2019       | Launched collaboration among the Department of Insurance, Department of Financial Institutions and the Arizona Automobile Theft Authority to formulate an action plan for agency consolidation.  |
| 2 | Agency Modernization | 2018       | Implemented a more robust licensing and regulatory information system; eliminated cash payments, improved efficiency and control over cash receipt transactions, and expanded online application and payment opportunities; implemented an updated Internet website; all mortgage examiners completed 21 hours of professional training; reduced licensing time by 40%; reduced complaint resolution time by 19%; implemented examination manual adjudged "exceptional" by CSBS; updated appraisal statutes. |
| 3 | Regulatory Expertise | 2018       | Improved availability of professional training opportunities for examiners; received CSBS mortgage program accreditation; awarded two-year accreditation with a finding of "Excellent" by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council; implemented cross-training program for financial services examiners.   |

| Strategy # | FY20 Annual Objectives  | Objective Metrics  | Annual Initiatives  |
|------------|---|--|---|
| 1          | Identify and propose ways to unify insurance, financial-institution and auto-theft-authority rules  | # of improved or eliminated rules  | Work with stakeholders to identify and improve or eliminate outmoded or conflicting rules.  |
|            | Unify agency operations, incorporating best practices   | % of 2019 and prior audit findings resolved  | Implement best practices for administration, licensing, consumer assistance and examination/analysis functions; resolve findings in Auditor General and General Accounting Office performance and internal control audit reports. |
| 2          | Improve customer communication and information  | % change in # of calls to the Licensing and Consumer Affairs Division                                      | Implement consolidated website that adopts best practices for providing visitors with an intuitive, easy-to-use resource; leverage Salesforce capabilities to communicate with customers  |
|            | Improve Salesforce configuration  | % of transactions performed entirely online<br>% of transactions completed entirely by customer            | Maintain list of issues and improvement ideas and coordinate ADOA-ASET staff to implement improvements; train and develop agency staff concerning Salesforce and the agency's Salesforce configuration.                           |
| 3          | Improve industry-related training, staff retention, and succession planning to remain responsive to evolving regulatory concerns and priorities | % of financial institution examiners completing 21 or more hours of industry-specific continuing education | Identify and encourage employees to complete industry-specific training.  |
|            |   | # of employees voluntarily separating<br>Level of employee engagement                                      | Evaluate how position classification and compensation for agency positions compare to those in other state agencies and the private sector; analyze causes of employee attrition and implement countermeasures.                   |