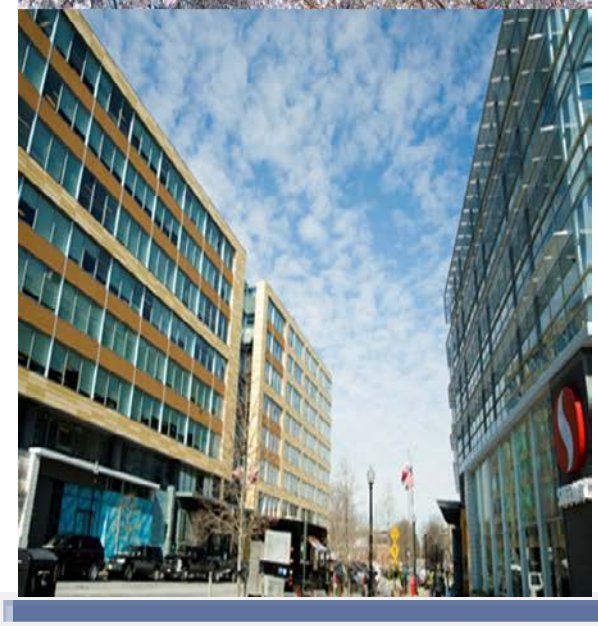

Office of the Chief Financial Officer

STRATEGIC PLAN

2014

ENHANCING FISCAL AND FINANCIAL STABILITY, ACCOUNTABILITY, AND INTEGRITY OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Government of the District of Columbia

Jeffrey S. DeWitt
Chief Financial Officer

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Jeffrey S. DeWitt
Chief Financial Officer

August 5, 2014

Mayor Gray, Councilmembers, and District Residents**:**

I am pleased to present the initial Strategic Plan (Plan) for the Office of the Chief Financial Officer (OCFO) that will provide the focus and direction for the OCFO over the next several years. This Plan is based on a careful review of OCFO operations and systems and discussions and feedback over the past six months with the Mayor, Councilmembers, agency directors, OCFO staff, community and business leaders, and residents of the District.

Since its creation, the OCFO has enhanced the financial status of the District by improving bond ratings, producing 17 consecutive clean audits, and working successfully with Mayors and Councils to balance budgets. This Plan is intended to build upon those successes and to address issues raised in the numerous discussions with stakeholders.

The result is a Plan that focuses our efforts on 7 strategic objectives that will result in ongoing improvements to the OCFO to better serve the Government of the District of Columbia and its businesses and residents. These strategic objectives are:

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. Effectively Manage Risk and Prevent Fraud
5. Implement Quality Financial Systems
6. Develop, Attract, and Retain High Quality Employees
7. Manage a Fair and Equitable System to Fully Collect District Revenues

The Plan includes individual initiatives that support one or more of the 7 objectives. In all, 24 strategic initiatives were developed that are outlined on the following chart. In general, this Plan focuses on implementing and maintaining the highest quality financial systems, ensuring best practices are in place for areas ranging from fraud prevention to lottery operations, improving the vendor payment process, developing a long-range capital financing plan, improving online tools

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for businesses and residents, ensuring quality training and a workplace culture that attracts and retains the highest quality employees, and most importantly, on service to the public.

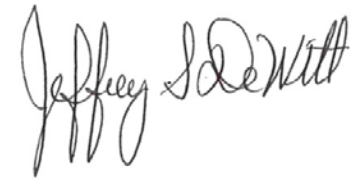
The strategic initiatives will require significant effort and resources. In particular, modernization of the tax and financial systems must be completed in phases over three to five years, but will have a significant return in terms of efficiencies, improved customer service, transparency, and improved internal controls. Over time, when fully implemented, the initiatives are intended to place the OCFO in the category of "best in class" and result in more efficient operations and improved services. An important element of this Plan is to develop a culture of continuous improvement where employees are encouraged to bring ideas forward, recognized for their contributions, and empowered to improve all areas of their work. Modernized systems, when combined with empowered employees, will transform the business operations of all areas of the OCFO.

This Plan will be regularly updated to reflect necessary changes and the priorities of the District. The OCFO is available to discuss the Plan in public forums, and a specific initiative for regular outreach and feedback is included in the Plan.

I would like to express my sincere appreciation to all the OCFO staff for their honest and candid feedback in the development of this Plan. I would also like to thank the community and business leaders, and District residents who provided their perspectives on the financial management of the District. Finally, I would like to thank Mayor Gray and all Councilmembers for their support and input, which were critical to the Plan's development.

On behalf of the OCFO, we look forward to beginning this important work.

Sincerely,



Jeffrey S. DeWitt

Office of the Chief Financial Officer
Strategic Plan

MISSION

To preserve and enhance the overall financial stability of the District by: 1. Protecting and enhancing the District's revenue stream; 2. Reliably estimating revenues; 3. Exercising budget oversight; 4. Preparing auditable financial statements; and 5. Managing debt and bond ratings.

CORE OBJECTIVES

- Balanced Budgets
- Clean Audits
- Access to Quality Credit Markets

STRATEGIC OBJECTIVES

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. Effectively Manage Risk to Prevent Fraud and Losses
5. Implement Quality Financial Systems
6. Develop, Attract, and Retain Highly Qualified Employees
7. Manage a Fair and Equitable System to Fully Collect District Revenues

STRATEGIC INTIATIVES
(see attached work plans)

1. *Implement a Modernized Integrated Tax System (MITS) to replace the current tax system (1,2,3,4,5,7)*
2. *Implement a new telephone system in the Office of Tax and Revenue to improve customer service (1,3)*
3. *Develop a comprehensive customer service training program for all OCFO staff (1,6)*
4. *Enhance current practices to strengthen internal controls and ensure compliance (2,3,4)*
5. *Improve District-wide vendor payment process to ensure more efficient and timely payments by all agencies(1,2,3,5)*
6. *Implement a long-range (15-20 year) capital financing plan for the District (2,3)*
7. *Implement a new enterprise-wide financial reporting, accounting and budgeting system, and enhance availability of information to the public (1,2,3,4,5,7)*
8. *Create comprehensive community outreach program for regular feedback (1,2,3)*
9. *Implement a program for continuous improvement based on employee-driven process improvement teams (1,2,6)*
10. *Complete an external "best practices" review of all DC Lottery activities and expand base for retail products (1,2,7)*
11. *Implement improved process to notify seniors of property tax credit (1,3,7)*
12. *Review current debt and investment systems and strategies to minimize cost and maximize revenues within debt and investment policies (2,7)*

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STRATEGIC INTIATIVES
(see attached work plans)

13 *Develop an educational program on commercial real property assessments for taxpayers (1,3,7)*

14 *Upgrade income tax policy analysis and forecasting models (2,3)*

15 *Improve usability and usefulness of information on OCFO website (1,3)*

16 *Implement online process to receive clean-hands compliance notices (1,3,7)*

17 *Implement tools to protect taxpayer identity and reduce fraud (4,7)*

18 *Implement a formal municipal bond investor outreach program (1,3)*

19 *Improve the timeliness and availability of grant information to agencies (1,3,4,7)*

20 *Expand external recruiting through partnerships with local universities, career centers, and professional associations (1,6)*

21 *Modernize financial and accounting systems at United Medical Center (UMC) (1,3,4,5)*

22 *Modernize payment operations across the District (1,2,3,4)*

23 *Continue and enhance OCFO Ethics Training (1,2,4)*

24 *Improve the quality of financial information available to the public by integrating related information from other District agencies (DOES, DCRA, etc.) (1,3)*

Office of the Chief Financial Officer
Strategic Plan

Overview

Over the last six months, the Office of the Chief Financial Officer (OCFO) has established the strategic direction of the OCFO for the next several years. The Strategic Plan (Plan) establishes priority areas of focus for the OCFO and measures that can be specifically taken to further improve the office. The underlying goal of this Plan is to ensure an office that performs at the highest levels and can be considered "best in class" in all areas of operation.

A strategic plan of this type requires a great deal of feedback and a full assessment of the areas to be improved. For this process, the Chief Financial Officer (CFO) had several meetings with a wide array of stakeholders throughout the District, including the Federal City Council, Board of Trade, Chamber of Commerce, social service organizations, Advisory Neighborhood Commissioners, business organizations, and neighborhood block watch committees. Discussions with the Mayor, Councilmembers, District agency directors and staff at all levels of the OCFO were also used to develop the Plan.

This initial Plan focuses on **7 Strategic Objectives** and **24 Strategic Initiatives** that will be undertaken to improve these objectives. This approach is intended to show where improvement efforts will be focused and to illustrate the work plans that will be undertaken to achieve results. Factors commonly associated with strategic plans, such as key performance indications (KPIs) and other elements, will be developed in the coming months to ensure the OCFO is grounded in a culture of continuous improvement where progress is measured and results are regularly evaluated.

Background of OCFO

The independent Office of the Chief Financial Officer was established in 1996 through amendments to the Federal Home Rule Act. Under this Federal Act, the CFO is appointed by the Mayor, confirmed by the District Council, and approved by the U.S. Congress to a five-year term. Under the Home Rule Act, the OCFO:

- Certifies budgets are balanced and financial statements are fairly represented
- Provides independent revenue estimates
- Monitors revenues and spending
- Evaluates fiscal impacts of all legislation
- Reviews all economic development projects
- Issues all debt, manages all investments, and oversees credit ratings

- Oversees tax collections and lottery
- Manages financial personnel (budget, accounting and payroll functions) in all agencies.

In order to ensure independence, the federal law provides the CFO with independent personnel, contracting and legal authority. As such, the OCFO has its own human resources, contracting and legal functions within the office.

Strategic Objectives

Over the last decade, the core objectives of the OCFO have been to ensure balanced budgets, unqualified or "clean" audits, and access to quality credit markets with high and improving bond ratings. These are core objectives of any highly functioning public finance office. In addition to these core functions, it became apparent through numerous discussions with stakeholders that additional strategic objectives were needed to focus the energy and resources of the OCFO. It is very important to the community that it has access to knowledgeable OCFO staff, information is transparent, modern technology is used to provide quality information, and issues such as fraud and fairness of the tax administration system are addressed.

Finally, to achieve and maintain best in class status for the OCFO, a culture of continuous improvement and employee empowerment is required, where employees at all levels of the agency are engaged in finding ways to improve work processes and outcomes. This important objective provides the foundation for the other strategic objectives.

Listed below are the **7 Strategic Objectives** identified in the development process and a brief description of each.

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. Effectively Manage Risk and Prevent Fraud
5. Implement Quality Financial Systems
6. Develop, Attract, and Retain High Quality Employees
7. Manage a Fair and Equitable System to Fully Collect District Revenues

1. Improve Customer Service

This strategic objective is intended to improve the quality, timeliness, and accuracy of services provided by the OCFO to the public, District agencies, and elected officials. This may include improvements in technology such as financial systems,

monitoring of customer satisfaction, ongoing customer service training, and improvements in employee morale to enhance customer service.

2. Create a Culture of Continuous Improvement

This strategic objective seeks to create a work environment and culture that always looks to improve processes, be more efficient, and enhances the quality of work performed at all levels. This requires an employee-empowered culture of accountability that encourages suggestions and ideas from employees, and that addresses problems in partnership with management. The popular management concept, the "Oz Principle" of "See It, Own It, Solve It, Do It," or similar concepts will be used to empower a culture of continuous improvement.

3. Improve Transparency and Quality of Information

This strategic objective works to ensure that information provided by the OCFO is accessible, timely, and can be easily understood and relied upon as accurate. Regular feedback from OCFO customers is required to ensure this objective is met. Although complete transparency is the objective, the OCFO must take care to protect confidential information, such as taxpayer information, or information that puts the District at risk of fraud or theft.

4. Effectively Manage Risk and Prevent Fraud

This important objective is essential to ensure, that as stewards of public funds and public trust, the OCFO implements and maintains controls to prevent and detect fraud. This includes regular risk assessments, audits of sensitive areas, hotlines to report inappropriate activity, regular testing of internal controls, and ongoing employee training to actively prevent and detect fraud in the workplace.

5. Implement Quality Financial Systems

With many of the OCFO's financial systems more than fifteen years old, significant efforts are required to meet increasing demands from the public for timely and quality information. This objective focuses on updating OCFO financial systems in the areas of tax, financial reporting, budget, and business intelligence. The intent is to implement quality systems that are updated regularly and reflect effective and efficient business processes.

6. Develop, Attract, and Retain High Quality Employees

Highly-qualified and well-trained employees are critical to meeting all the OCFO's goals. This strategic objective focuses on recruiting a highly-qualified and diverse staff, ensuring that necessary training programs are in place for all areas of the OCFO, and that there are appropriate rewards and recognition events to retain top talent.

7. Manage a Fair and Equitable System to Fully Collect District Revenues

This strategic objective focuses on improving our ability to fairly and equitably collect District revenues. This includes the use of technology, ensuring only fair and reasonable collection tools are used, conducting audits and other available options that provide businesses and residents assurance that everyone is paying their fair share under current laws and regulations. Efforts will be made to ensure that only the proper amounts due are collected, and any amounts owed individual taxpayers and businesses are paid promptly.

Strategic Initiatives

As discussed above, the OCFO, in addition to its core responsibilities, will focus on the 7 strategic objectives. As a result, through a number of workshops with executive staff, 24 strategic initiatives were identified that align with and support one or more of the strategic objectives. Detailed information regarding the 24 strategic initiatives can be found on the pages that follow. The initiatives focus on improving technology for better customer service and transparency, reducing the risk of fraud through strong internal controls and training, improving the timeliness of vendor payments, improving the management of debt and investments, integrating financial information for better decision making, enhancing staff training and recruiting, improving the work environment to encourage a "best practice" culture, developing a long-range capital financing plan, and establishing a process to gather regular stakeholder feedback.

The 24 strategic initiatives will drive the focus of the OCFO and the dedication of staff and other resources to achieve them. In particular, the technology areas will require multiple years and phases, and a significant dedication of staff to implement. The initiatives will be undertaken in addition to maintaining the core functions of the OCFO, with the goal of improving day-to-day operations, increasing efficiencies, and improving customer service. This Strategic Plan is intended to make those efforts transparent, and encourage a dialogue with stakeholders for further improvements to the level and quality of services provided by the Office of the Chief Financial Officer.

Strategic Initiative Summaries

Strategic Initiative #1

Title of Initiative: Implement a Modernized Integrated Tax System (MITS) to replace the current tax system

Description of Strategic Initiative: This initiative will replace the District's 15-year- old tax administration system with a proven commercial-off-the-shelf integrated tax system. The new system will use state-of-the-art technology to provide a flexible, high performance, scalable, configurable and reliable tax processing solution. This modernization will enable the OCFO to improve productivity, reduce processing costs, enhance collection activities, enhance fraud detection activities, and assure fair and equitable application of rules and regulations. As the new systems come online, a communications and outreach program will be instituted to provide District taxpayers with the information they need to make full use of the new system and to provide feedback for future improvements. The new system and process changes required will be reviewed by the Office of the Chief Risk Officer (OCRO) to ensure all necessary internal controls are maintained.

Responsible Areas for Implementation: Office of Tax and Revenue (OTR), Office of Chief Information Officer (OCIO), Office of Financial Operations and Systems, (OFOS), Office of Finance and Treasury (OFT), Office of Chief Risk Officer (OCRO), and Public Affairs.

Strategic Objectives Impacted: 1**.** Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; 5. Implement Quality Financial Systems; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives: Ensure that the OCFO's Tax Administration system will remain current and reliable for the foreseeable future; Provide accurate real time processing capabilities; Provide enhanced analytics for use in fraud prevention, collections improvement, revenue analysis, and other discovery purposes; Reduce processing costs; Enable rapid response to changing tax laws and District Council initiatives; Enhance compliance programs; Improve system security and auditability; and Improve convenience and levels of service to taxpayers through use of a taxpayer e-commerce and payment portal.

Resources Required: 36 OCFO staff working full time, 14 part-time, with total projected capital funding cost of $65.6M (System integrator- $37.4 M, OCFO Project Support- $18.8 M, Project Management /Hardware/Licensing support- $9.4 M)

Estimated Timelines for Completion (start and end dates): The implementation timeline is 4 years with 4 phased rollouts. Phase 1 will include individual income taxes; Phase 2 will include franchise and withholding taxes; Phase 3 will include sales and use taxes; and all remaining taxes and fees will be rolled out in phase 4. Project begins – September 1, 2014. Phase 1 is estimated to complete by winter 2016; Phase 2 by winter 2017; Phase 3 by winter 2018; and Phase 4 by winter 2019. *Note: This is the preferred timeline, subject to change based on discussions with the vendor.*

Strategic Initiative #2

Title of Initiative: Implement a new telephone and customer relations system in the Office of Tax and Revenue to improve customer service

Description of Strategic Initiative: Implement a modernized telephone system and a single Customer Relations Management (CRM) system for the Office of Tax and Revenue (OTR). The goal is to integrate the telephone system with other OCFO applications such as the tax system, email, voice mail, written correspondence, notices, etc. so all customer interactions are recorded and tracked in a single system. As the new systems come online, a communications and outreach program will be instituted to provide District taxpayers with the information they need to make full use of the new system and to provide feedback for future improvements.

Responsible Areas for Implementation: Office of Chief Information Officer (OCIO), Office of Tax and Revenue (OTR) and Public Affairs

Strategic Objectives Impacted: 1**.** Improve Customer Service; 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: Improve levels of service to residents; Improve efficiency of operations across all customer-facing OCFO business units; and provide visibility into types and levels of customer service provided by the OCFO.

Resources Required (FTEs and Funding): This initiative will require 1 OCIO staff working full time on the project with existing staff from OTR assisting with requirements and testing. The estimated total projected cost is $1.5M for the phone and CRM system, not including staffing.

Estimated Timelines for Completion (start and end dates): Phase 1: Implement a modernized telephone system for the Office of Tax and Revenue (OTR) prior to Phase 1 for the new integrated tax system (strategic initiative #1)

Subsequent Phases: Implement a centralized Customer Relationship Management system that integrates all customer contacts into a single system.

Timeline – Phase 1 – Summer 2015; Phase 2 for Full Integration – by Fall 2017.

Strategic Initiative #3

Title of Initiative: Develop a comprehensive customer service training program for all OCFO staff

Description of Strategic Initiative: The Human Resources Division will design and develop a customer service training program for all employees that focuses on the fundamental principles of providing excellent service to our internal and external customers. The initial training module will establish customer service as a core value and will create a clear and common understanding of the Agency's expectations, requirements, and standards for delivering excellent customer service. The initial training program will consist of an e-learning module that each employee will be able to access from their desktops thus reducing the amount of time they are away from their work locations. In addition, all new hires will take the e-learning training so that each OCFO employee has a common understanding of what is expected of them from the first day of employment.

Responsible Areas for Implementation: This effort will be led by the Human Resources Division and will involve various OCFO unit representatives, as well as external resources.

Strategic Objectives Impacted: 1. Improve Customer Service; 6. Develop and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: 1. Increases public trust in agency employees; 2. Establishes a common set of standards and practices for delivering customer service; 3. Provides OCFO staff with the skills and abilities to deliver quality customer service; 4. Improves the Agency's reputation with external customers; and 5. Decreases customer complaints.

Resources Required (FTEs and Funding): No expected increase in FTEs, but will require the assistance of agency staff to serve as subject matter experts and anticipated vendor and product costs associated with the development and delivery of this training program.

Estimated Timelines for Completion (start and end dates):

Start Date – July 2014; Completion Date – December 2014
Development – July 2014 through December 2014
Training – January 2015 through March 2015

Strategic Initiative #4

Title of Initiative*:* Enhance current practices to strengthen internal controls and ensure compliance with all accounting and auditing standards, and applicable laws and regulations

Description of Strategic Initiative: This initiative covers several separate areas of focus by the OCFO to ensure strong internal controls, with an emphasis on continuous improvement, to reduce future audit findings and to ensure the quality and integrity of our financial statements, processes, policies and procedures are at the highest level. The general areas of focus are listed below.

- Identification and remediation of external audit findings (Comprehensive Annual Financial Report (CAFR))
- Identification and remediation of audit findings related to federal grants (Single Audit)
- Comprehensive review of all policies and procedures
- Comprehensive risk assessment of all business units to identify fraud risks and develop necessary additional controls
- Peer review of internal audit (Office of Integrity and Oversight) to ensure compliance with audit standards

Responsible Areas for Implementation: Office of Financial Operations and Systems (OFOS); Office of Integrity and Oversight (OIO), Office of the Chief Risk Officer (OCRO), OCFO staff within the affected agencies, program staff. OCFO personnel will work collaboratively with program staff within the affected agencies as well as other representatives of the Executive Office of the Mayor and the Council.

Strategic Objectives Impacted: 2 – Create a Culture of Continuous Improvement; 3 – Improve Transparency and Quality of Information; 4 – Effectively Manage Risk to Prevent Fraud

Strategic Initiative #4 (con't)

Summary of Expected Impact on Strategic Objectives: This initiative emphasizes a holistic and comprehensive approach to proactively reduce risks of fraud and to actively address any issues identified by both external and internal auditors. The work efforts focus on all areas of the OCFO and District agencies to maximize federal grants, eliminate audit risk, and regularly review business processes, policies and procedures in order to maintain the highest standards. Detailed work plans and oversight committees will ensure audit findings are addressed; agency internal staff will be assisted by risk assessment consultants to review all areas vulnerable to fraud; internal staff will document policies and procedures; and external peer reviews will be used to ensure internal audits are of the highest quality. The intended result is to assure elected officials, agencies and the public that all reasonable efforts are being taken to manage fraud risk by the OCFO.

Resources Required (FTEs and Funding):

- Identification and remediation of any external audit findings
  (Existing OCFO staff and dedicated agency staff to address any findings)
- Identification and remediation of audit findings related to federal grants (single audit),
  (Existing OCFO staff and dedicated agency staff to address any findings)
- Comprehensive review of all policies and procedures for all areas
  (Led by OCRO staff with staff assigned from each area of the OCFO)
- Comprehensive business risk assessments of all areas to identify fraud risks and necessary additional controls
  (External contractors estimated 5 FTEs over a 24-month period overseen by OCRO; estimated cost TBD after procurement is completed).
- Peer review of internal audit (Office of Integrity and Oversight) to ensure compliance with audit standards
  (1 FTE dedicated as quality assurance expert; approximately $20,000 for all costs for peer review team).

Estimated Timelines for Completion (start and end dates):

- Identification and remediation of any external audit findings
  (Continuous)
- Identification and remediation of audit findings related to federal grants (single audit)
  (Continuous)
- Comprehensive review of all policies and procedures for all areas
  (Start October 2014, Complete September 2015: training program delivered October 2015)
- Comprehensive business risk assessments of all areas to identify fraud risks and necessary additional controls
  (Contractor selected December 2014, Complete all assessments December 2016)
- Peer review of internal audit (Office of Integrity and Oversight) to ensure compliance with audit standards
  (Start September 2015, Completed by April 2016)

Strategic Initiative #5

Title of Initiative: Improve District-wide vendor payment process to ensure more efficient and timely payments by all agencies

Description of Strategic Initiative: This initiative will improve the payment process to all vendors and contractors doing business with the District. This initiative will implement processes to measure monthly compliance with the District of Columbia Quick Payment Act (QPA) of 1984; timely identify and resolve weaknesses in the procurement and accounts payable process; develop improvements and corrective action plans; and track results. The OCFO will:

a) Update policies and procedures to include clearly defined timelines for each stakeholder in the payment process from initial acceptance of receiving goods and services to approval of invoices through payment release.
b) Re-educate/train all stakeholders in the complete procurement-to-payment cycle (program team, accounts payable, vendors): 1) review purchase order aging, invoice aging, and QPA reports, and provide bi-weekly status reports to program team; 2) conduct periodic (quarterly) workshops on invoice processing requirements to program managers and project managers.
c) Monitor QPA activity reports by individual agencies as part of agencies' performance metric data.
d) Measure accounts payable group performance and develop and implement staff productivity metric/performance standards for timely processing of invoices.
e) Leverage technology to enhance efficiency and measure progress by 1) establishing a linked OCFO/OCP vendor portal for both initial submission of and updating payment information; 2) implementing an electronic invoice submission, (if cost-effective) or developing a vendor web-portal for invoice submission that allows invoice tracking by agencies to allow them to view and accept/reject invoices; and 3) providing the capability for vendors to check in on their submitted invoices and status of payments.

Responsible Areas for Implementation: Office of Financial Operations and Systems, Office of Finance Treasury, Office of the Chief Information Officer, Office of the Chief Risk Officer, and all D.C. Government agencies

Strategic Objectives Impacted 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency of Information; 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives: This initiative will: 1. ensure timely and accurate payment of valid vendor invoices in compliance with the District's QPA; 2. eliminate audit findings; 3. streamline procurement and accounts payable processes; and 4. improve accounts payable group performance.

Resources Required (FTEs and Funding): Dedication of existing staff and agency personnel to process improvement teams and potential funding for a payment portal if not available in the new financial system. (strategic initiative #7)

Estimated Timelines for Completion (start and end dates): Started process reviews in July 2014 and training by Dec 2014. Payment portal – TBD.

Strategic Initiative #6

Title of Initiative: Implement a long-range (15-20 year) capital financing plan for the District

Description of Strategic Initiative: This initiative will involve the development of a long-range (15 to 20 Year) capital financing plan and the financial options to fund the city's infrastructure needs. The plan will identify costs to maintain current assets, new capital facilities and Business Improvement Districts (BIDs) and Tax Increment Financing (TIF) projects. The plan will require a facilities maintenance plan for District assets and master plans for the Washington Metropolitan Area Transit Authority (WMATA), District Department of Transportation (DDOT) and other large capital infrastructure programs. The intent of the plan is to determine the optimal mix of financing tools including municipal bonds, pay-as-you-go capital, and public/private partnerships, to fund these needs and to identify any gaps in needs versus resources in order to develop strategic options for consideration by policy makers.

Responsible Areas for Implementation: This effort will be led by the OCFO Executive Office and will involve the Office of Budget and Planning, Office of Finance and Treasury, and the Office of Revenue Analysis with support by various District agencies responsible for capital planning and infrastructure maintenance.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement**;** 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: This initiative will provide for better information on current capital projects as well as future capital and infrastructure needs. In addition, the plan will identify funding needs to maintain current infrastructure; the capacity of different funding options; and the impact of policies on the District's debt cap and pay-as-you-go levels as well as the need for alternative financial options such as public/private partnerships and infrastructure trusts.

Resources Required (FTEs and Funding): Dedication of 0.50 full-time equivalent (FTE) from the OCFO Senior Financial Policy Advisor, staff support from Office of Budgeting and Planning and Office of Finance and Treasury, and consulting services and support from various District agencies

Estimated Timelines for Completion (start and end dates): Phase 1: Complete Long-Range Capital Maintenance Assessment (May 2015); Phase 2: Complete Assessment of Other Capital Needs (Dec. 2015); Final Plan for Review (March 2016)

Strategic Initiative #7

Title of Initiative: Implement a new enterprise-wide financial reporting, accounting and budgeting system and enhance the availability of information to the public

Description of Strategic Initiative: This initiative will replace the current accounting, budget, and procurement systems used by the District with an integrated system. This integrated financial management system will simplify the creation of the annual budget; improve monitoring and reporting on the financial activities during the fiscal year; and provide the District with the ability to easily accommodate new business requirements introduced by federal or District legislation. The new system will provide improved auditing and monitoring capabilities while complying with new accounting and financial reporting requirements introduced by the Governmental Accounting Standards Board. This initiative will result in improved management of the District's cash flow and investments and more efficient integration with other systems such as the procurement systems. The goal is to also expand the availability of data to the public through the use of expanded and improved analytical tools, such as CFOInfo.

Strategic Objectives Achieved/Impacted: : 1**.** Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; 5. Implement Quality Financial Systems; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives: This initiative will streamline the creation of the Comprehensive Annual Financial Report; automate and simplify the cash reconciliation process; improve grants management; and enhance internal controls. The new financial system will allow for more timely and more accurate reporting of the District's finances and provide improved integration with other District systems for increased efficiencies. Increased information and analytical capabilities will also be available to the public.

Responsible Areas for Implementation: This initiative will be led by the OCFO Executive Office and will involve the Office of Financial Operations and Systems, the Office of Budget and Planning, the Office of Finance and Treasury, the Office of the Chief Information Officer, and the Office of Management and Administration, with support from District agencies.

Resources Required (FTEs and Funding): Estimated dedicated staffing is approximately 40 FTEs with implementation cost currently estimated at approximately $70 million for completion of a full enterprise-wide system, subject to a complete project review.

Estimated Timelines for Completion (start and end dates): A full assessment of the timing and scope of the projects is under review and will be completed by January 2015. Phase 1 will begin in the summer of 2015, with full completion planned by 2018.

Strategic Initiative #8

Title of Initiative Create comprehensive community outreach program for regular feedback

Description of Strategic Initiative: Receiving timely information and opinions from all segments of the District's population is a vital part of the OCFO's decision-making process. In order to accomplish this goal, representatives from the OCFO will meet regularly with Community, Business and Public Service organizations throughout the city. . These meetings will be an important part of an on-going dialogue with individuals and organizations throughout the city. The Public Information Officer will create a year-long Calendar, available on the OCFO website, cfo.dc.gov, which will allow the public to see when OCFO meetings are scheduled throughout the city. Social media tools will be explored to determine how these communications tools can be used to increase the OCFO's outreach capabilities.

Responsible Areas for Implementation: OCFO Public Affairs Officer, the Executive Assistant to the CFO, Deputy and Associate Chief Financial Officers

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: Regular feedback from District residents on the effectiveness of OCFO functions, projects and initiatives. Increased public knowledge of the OCFO's mission and programs.

Resources Required (FTEs and Funding):

Public Affairs Officer, the Executive Assistant to the CFO, and Deputy and Associate Chief Financial Officers

Estimated Timelines for Completion – July 2014 and continuing on an ongoing basis.

Strategic Initiative #9

Title of Initiative: Implement a program of continuous improvement based on employee-driven process improvement teams

Description of Strategic Initiative: This initiative develops a program to elicit employee ideas and suggestions that will improve the workplace. From process improvements and customer service to employee morale, ideas and suggestions will be reviewed and considered for assignment to employee teams led by a facilitator to review issues, develop recommendations, and present results to supervisors and managers. Once approved, employees would implement any changes. The concept or culture that will be encouraged is, "See It, Own It, Solve It, Do It" and would use "Six Sigma" efficiency standards for process improvement strategies along with employee empowerment to find efficiencies and increase morale.

Responsible Areas for Implementation: This effort will be led by the OCFO Human Resource Area and the OCFO Executive Office**.** The first pilot for this project will be in the Office of Tax and Revenue where initial focus groups have been completed to address employee morale and customer service.

Strategic Objectives Impacted: 1**.** Improve Customer Service; 2. Create a Culture of Continuous Improvement; 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: Once fully implemented, this program will encourage employees to bring their ideas to supervisors and managers to improve work environments and efficiencies, and ensure employees are heard. Managers and Supervisors will have more engaged employees who help solve problems and take ownership of their assignments. Morale will improve and efficiencies in all areas will be enhanced.

Resources Required (FTEs and Funding): A process improvement specialist position with experience in facilitation and Six Sigma techniques will be recruited. An estimated 2-3 positions in HR will be assigned to this process, which will be piloted in the Office of Tax and Revenue.

Estimated Timelines for Completion (start and end dates): Pilot Project in the Office of Tax and Revenue to implement suggestions for Customer Service and Employee Morale. Initial Recommendations from Employees – Late Fall 2014; Full Program Underway in OTR – Spring 2015. All OCFO areas – by December 2015.

Strategic Initiative #10

Title of Initiative: Complete an external "best practices" review of all DC Lottery activities and expand base for retail products.

Description of Strategic Initiative: This initiative will contract with an external and independent business consultant with experience in lottery operations to conduct a "best practice" review of the DC Lottery. The review will cover all areas of the DC Lottery, including structure, staffing, marketing, and contracting to develop recommendations to ensure "best in class" operations to maximize benefits to District residents and revenue to the General Fund.

Responsible Areas for Implementation:

Executive Office of the OCFO, Executive Director and Chief Operating Officer of the DC Lottery, and Office of Contracts

Strategic Objectives Impacted: 1**.** Improve Customer Service; 2. Create a Culture of Continuous Improvement; 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives:

Ensure "best in class" operations of the DC Lottery and, if necessary, implement recommended changes through a strategic plan specific for the DC Lottery.

Resources Required (FTEs and Funding): Consulting Services contract, in an amount to be determined, and access to all DC Lottery staff and resources for the review.

Estimated Timelines for Completion (start and end dates):

Complete procurement for consulting services by December 2014; Complete study by December 2015 including a retail expansion plan.

Strategic Initiative #11

Title of Initiative: Implement improved process to notify seniors of property tax credit

Description of Strategic Initiative: Develop a match process between the birthdate on individual income tax returns (beginning with 2013 returns) and homestead property owners. Owners who will be turning 65 during the current billing cycle will be notified that they may qualify for the senior credit, and provided with information and an application. This information can also be used to verify property owners claiming the senior credit are doing so correctly. A communications and outreach program will be instituted to provide District taxpayers with the information they need to make full use of this benefit.

Responsible Areas for Implementation: Office of Tax and Revenue (OTR), Office of the Chief Information Officer (OCIO) and Public Affairs

Strategic Objectives Impacted: 1. Improve Customer Service; 3. Improve Transparency and Quality of Information; 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: This is an outreach program to ensure real property owners are made aware of credit opportunities.

Resources Required: OCIO will require 3-4 months to fully develop and implement the program at an estimated cost of approximately $75,000, including public outreach by OTR.

Estimated Timelines for Completion (start and end dates): Project began – June 1, 2014 with completion by Fall 2014

Strategic Initiative #12

Title of Initiative: Review current debt and investment systems and strategies to minimize costs and maximize revenues within debt and investment policy guidelines.

Description of Strategic Initiative: Debt: Phase 1 of this initiative involves a review of current operations and systems with respect to the District's debt management program. Phase 2 of the initiative involves implementing new debt strategies that minimize the overall risk and cost exposure. This initiative will include the review of the timing of bond sales, use of variable versus fixed rate debt, implementation of new credits to the debt program, as well as new programs such as Public Private Partnerships (P3s) and Infrastructure Banks.

Investments: Phase 1 of this initiative involves review of current operations and systems, as compared to best practices, with respect to cash and investment management programs. Phase 2 of the initiative involves implementing new investment strategies that minimize overall risk and maximize the return profile of cash investments.

Responsible Areas for Implementation: This effort will be led by the Office of Finance and Treasury. It will also involve the Senior Financial Policy Advisor to the CFO.

Strategic Objectives Achieved/ Impacted: 2. Create a Culture of Continuous Improvement; 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives: Phase 1 of the initiative will identify areas of potential improvement in debt and investment management and determine what information technology may be needed to support the program. Phase 2 will implement new technology, and debt and investment strategies that will lead to better risk management, lower debt service costs, and increase investment returns.

Resources Required (FTEs and Funding): No additional FTEs are required. Initial development may require consulting services. The current budget will cover initial program costs for the review. Phase 2 costs for new systems and potential for additional FTEs will be determined in the future.

Estimated Timelines for Completion (start and end dates): Phase 1 review of the program will begin in August 2014 and be completed by May 2015, and Phase 2 will be implemented by September 2016.

Strategic Initiative #13

Title of Initiative: Develop an educational program on commercial real property assessments for taxpayers

Description of Strategic Initiative: Senior management of the Assessment Division of OTR's Real Property Tax Administration will initiate discussions with the District of Columbia Building Industry Association, property owners and other individuals interested in the commercial property assessment process concerning the development of capitalization rates, treatment of vacancies and lease-up expenses, market rent determinations, allowances for capital improvements and other relevant factors impacting assessments. OTR's goal is to reflect the market and assess properties at market value. A communications and outreach program will be instituted to provide District commercial taxpayers with the information discussed in these meetings and any changes that may result.

Responsible Areas for Implementation: Real Property Tax Division, Office of the General Counsel and Public Affairs

Strategic Objectives Impacted: 1. Improve Customer Service; 3. Improve Transparency and Quality of Information; 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives:
The initiative will create a better understanding of the commercial real property assessment process by the property owners and their representatives. It will also provide a vehicle for feedback to improve customer service and make the process more transparent to taxpayers. The Assessment Division will benefit through a greater understanding of the commercial real property market in the District of Columbia from the perspective of property owners. The goal is to reduce appeals and improve the overall process.

Resources Required (FTEs and Funding): Staff time to develop workshops and coordinate meetings with industry groups can be done with existing resources.

Estimated Timelines for Completion (start and end dates): The initiative will commence in the summer of 2014, concluding by the end of calendar 2014, so that any resulting changes in the assessment process for commercial real property can be incorporated with the 2016 assessments which are required to be mailed by March 1, 2015.

Strategic Initiative #14

Title of Initiative: Upgrade income tax policy analysis and forecasting models

Description of Strategic Initiative: As part of its commitment to continuously improve its analysis of the effects of fiscal policies on the District's economy and budget, the Office of Revenue Analysis (ORA) regularly upgrades its statistical and modeling software, including a micro-simulation model based on individual income tax data. Dramatic changes in the economic and fiscal landscape since the last upgrade – notably, the financial crisis and the government's response to it – have reduced the efficacy of the model in recent years and make an upgrade particularly desirable at this time. This initiative will expand the range of policies that ORA will be able to analyze, while incorporating major changes in the D.C. and federal tax laws since the model was developed.

Responsible Areas for Implementation: Office of Revenue Analysis (ORA), with the support of the Office of Contracts to solicit and evaluate bids, and to award a contract for upgrading ORA's individual income tax simulation model.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement; and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: By upgrading its individual income tax simulation model, ORA will have greater ability to estimate more accurately and in more detail how tax revenues will be affected by changes in the economy or tax law. The project will involve updating D.C. tax records from 2010 to 2012, supplementing the local data with 2012 data from the IRS, and capturing recent changes in federal tax law. As a result, ORA will be able to provide policymakers with better information to guide their decisions.

Resources Required: This initiative will require contractor support. Previous work of a similar scope to develop ORA's individual income tax simulation model has typically cost between $75,000 and $100,000.

Estimated Timelines for Completion: The contractor's work will be completed by September 30, 2014, and full implementation of the upgrades (encompassing testing of the system by ORA and any revisions that the contractor would need to make) by December 31, 2014.

Strategic Initiative #15

Title of Initiative Improve the usability and usefulness of information on OCFO website

Description of Strategic Initiative: This initiative will upgrade and improve the OCFO and Office of Tax and Revenue (OTR) websites to make them more complete, transparent and customer-friendly. These websites are the primary communications tools for the OCFO/OTR and they must be complete, transparent and easy to use by all segments of the community, not just those with detailed knowledge of the OCFO/OTR. The website will be revised to make it as easy as possible (fewest number of clicks) for our customers to find and understand the information they are seeking. Information "silos" will be broken down so that relevant information from different OCFO departments will be readily available. In addition, easy-to-follow directions will be provided to enable individuals with follow-up questions to reach OCFO/OTR staff, who will provide timely responses. This will be an ongoing process with users being regularly surveyed for their ideas for improvements and technical upgrades will be made as they become available.

Responsible Areas for Implementation: OCFO Public Affairs Officer, CIO and OTR Public Affairs Specialist

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: This initiative will improve access to information by the public, news media and government officials.

Resources Required (FTEs and Funding): OCFO Public Affairs Officer; OTR Public Affairs Specialist, CIO and CIO staff. Funds will be required for an outside consultant to evaluate the transparency and ease of use by customers.

Estimated Timelines for Completion: Complete the review and recommended changes by Fall 2014. Redesign and rollout improved website in early 2015.

Strategic Initiative #16

Title of Initiative: Implement online process for citizens to receive City clean hands compliance notices

Description of Strategic Initiative: Currently, the public must come to District offices to obtain "Clean Hands" compliance notices indicating they do not own any taxes or fees with the District in order to conduct business with the City. This initiative implements web services technology that will allow this certification to occur online, through a secure and confidential process, rather than via mail or in person. The system will provide better services to the customers and reduce the need for staff resources dedicated to this function. As the new tax system comes online, a communications and outreach program will be instituted to provide District taxpayers with information they need to make full use of the new system and to provide feedback for continued improvements.

Responsible Areas for Implementation: Office of Tax and Revenue (OTR), Office of the Chief Information Officer (OCIO), and Public Affairs

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives: Provides citizens with a method of receiving a City Clean Hands compliance notice immediately, resulting in increased customer satisfaction. If a citizen is not compliant, they will be directed to the agency requiring satisfaction in order to become compliant. Taxpayers whose situations cannot be handled automatically will be referred to the Compliance Administration for expedited review.

Resources Required: OCIO will require 2 developers dedicated for approximately 4-6 months, followed by testing by OTR staff. Hardware and web services resources will also be required. A least one FTE will be required in OCIO and OTR as well as help desk training. The total estimated cost is estimated at approximately $250,000.

Estimated Timelines for Completion (start and end dates): Project begin date – December 2014; completed and ready for public use by late 2015.

Strategic Initiative #17

Title of Initiative: Implement tools to protect taxpayer identity and reduce fraud

Description of Strategic Initiative: This initiative is designed to reduce the number of fraudulent tax refunds related to identity theft that has become an issue nationwide. The program will select a contractor to review each refund file for demographic validation and verification of the taxpayer's identity. Taxpayers whose identity cannot be validated with existing information will be sent a letter to take an online quiz that uses certain criteria that only the valid taxpayer would know. Those without online access can call or come to the office to be validated. Those validated will be issued the refund claimed. Similar programs in other states have substantially reduced fraudulent tax refunds.

Responsible Areas for Implementation: Office of Tax and Revenue (OTR), Office of the Chief Information Officer (OCIO), and Public Affairs

Strategic Objectives Impacted: 4. Effectively Manage Risk to Prevent Fraud and Losses; 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: This new program is expected to improve the validation and verification of taxpayers claiming refunds and improve customer service. Based on programs in other states, OTR estimates it can reduce the number of fraudulent returns by 50 percent in the first year.

Resources Required: The dedication of approximately 5 FTEs in OTR will be needed for the new program. OCIO will require I FTE for approximately 4-6 months to provide necessary data and technical support. Contracting costs are estimated at less than $100,000. Efficiency savings from reduced fraudulent tax refunds will pay back in the first few months of the program.

Estimated Timelines for Completion (start and end dates): Project start date: August 1, 2014
Completed by: Winter 2015.

Strategic Initiative #18

Title of Initiative – Implement a formal municipal bond investor outreach program

Description of Strategic Initiative: This initiative involves the development of an investor relations program to provide more proactive information to the District's current and potential municipal bond investors, particularly large institutional investors. The program will include investor conferences, roadshows and a dedicated investor website. The intent of the program is to increase awareness of the District's financial condition and debt management practices with the investment community. A communications and outreach program will be instituted to provide potential District and national investors with information they need to invest in the District's future.

Responsible Areas for Implementation: This effort will be led by the Office of Finance and Treasury. It will also involve the Senior Financial Policy Advisor to the CFO, Office of Revenue Analysis, Office of Budget and Planning, and Public Affairs.

Strategic Objectives Achieved/ Impacted: 1. Improve Customer Service; 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: The initiative is designed to increase investor demand for District bonds; with increased demand there is potential for better pricing levels and lower interest rates on new debt. This provides long-term interest cost savings for the District.

Resources Required (FTEs and Funding): No additional FTEs are required. Cooperation with District agencies will be necessary to implement the program. Initial development may require consulting services. Current resources are expected to cover the initial program costs.

Estimated Timelines for Completion (start and end dates): Development and implementation of the program will be completed by May 2015 with ongoing outreach in the following years.

Strategic Initiative #19

Title of Initiative: Improve the timeliness and availability of grant information to agencies

Description of Strategic Initiative: The centralized Grant Repository will provide a central place to store and track all documents related to a specific grant for all grant-receiving agencies throughout the District Government. The centralization of documents will facilitate the easy transfer of grants from one agency to another; serve as a data warehouse used for federal audits, and facilitate a reduction in lapsing grant funds. Specifically, the Repository will track all federal grant award notification letters, notice of changes, spending plans, grant budgets and revisions, asset dispositions, close-out documents, and federal financial reports. The Repository will include a notification system that identifies grant expiration dates and timelines and provide alerts when expiration dates are approaching, and will contain documents associated with the entire grant life cycle. As the Repository comes online, a communications and outreach program will be instituted to provide District agencies and District grant recipients with information they need to make full use of the data in the Repository and to provide feedback on how it is working and how it can be improved.

Responsible Areas for Implementation: All District Grant-Receiving Agencies, Office of Partnerships and Grants Services, the Office of Budget and Planning, Office of Financial Operations and Systems, Office of Finance and Treasury, Office of the Chief Information Officer, Associate CFOs, and Public Affairs.

Strategic Objectives Impacted: 1**.** Improve Customer Service; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues.

Summary of Expected Impact on Strategic Objectives: The development and implementation of a centralized Grant Repository system will provide: built-in compliance and audit controls; improved customer satisfaction; transparency; and streamlined and enhanced workflow. In addition, provide the District with a quality system that will allow for accurate monthly reporting and reduction of grant lapse.

Resources Required (FTEs and Funding): After the development of a full work plan, the number of staff and external resources will be identified.

Estimated Timelines for Completion (start and end dates): Develop a work plan for the project by January 2015 with the full implementation expected by the end of 2017.

Strategic Initiative #20

Title of Initiative: Expand external recruiting through partnerships with local universities, career centers, and professional associations

Description of Strategic Initiative: This initiative will ensure that the OCFO is hiring the best talent. Achieving this initiative will include developing long and short-range recruitment strategies to address current and projected needs of the agency; identifying sources of viable candidates; networking through industry contacts, professional associations, career centers and current employees; partnering with local universities; participating in job fairs for the purpose of representing the Agency as the "employer of choice"; and utilizing the Internet for recruitment purposes to include social networking.

Responsible Areas for Implementation: This effort will be led by the OCFO Human Resources Division.

Strategic Objectives Achieved/ Impacted: 1**.** Improve Customer Service; 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: 1. Reduces the time to fill vacant positions; 2. Increases the number of qualified candidates; 3. Heightens public awareness of viable employment opportunities within the OCFO; 4. Creates a more diverse workforce; and 5. Improves morale by providing additional support to current staff.

Resources Required (FTEs and Funding): No expected increase in FTEs.

Estimated Timelines for Completion (start and end dates): Start Date – July 2014; Completion Date – Continuous

Strategic Initiative #21

Title of Initiative: Modernize financial and accounting systems at United Medical Center (UMC)

Description of Strategic Initiative: By updating the current system, the OCFO at UMC will be able to monitor expenses and productivity to rapidly resolve issues on-line for billing, payments, and inventory; link daily operations to budget; issue and track automatic alerts when performance deviates from plan; tie performance to key success factors; instantly measure progress against industry standards; convert current manual generation of financial statements, budgets and key operating indicators to an automated process; and provide the OCFO with flexibility to customize reports to conform with key stakeholders requirements.

Responsible Areas for Implementation: The OCFO team at UMC will be responsible for implementation of this initiative.

Strategic Objectives Impacted: Objective 1. Improve Customer Service; Objective 3. Improve Transparency and Quality of Information; Objective 4. Effectively Manage Risk to Prevent Fraud; Objective 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives:

a) Maximize revenue and cost-savings opportunities not easily achieved with current manual system.
b) Quickly adjust to changing circumstances that prevail in the health care industry.
c) Align product-line and patient-level budgeting with strategic initiatives

Resources Required (FTEs and Funding): Will not require additional FTEs to implement and maintain new system. Cost for implementation - $75,000 – implementation and licensing cost; $80,000 per year annual maintenance costs.

Estimated Timelines for Completion (start and end dates): Begin Project October 2014 with completion by October 2015

Strategic Initiative #22

Title of Initiative – Modernize payment operations across the District

Description of Strategic Initiative: This initiative involves the transition of a paper check-based payment system to a system that utilizes more modern banking programs such as Direct Deposit, Automated Clearing House payments (ACH) and Debit Card programs. The move to these programs provides efficiencies for the District and limits potential risks associated with paper checks. Major areas affected under the initiative include employee payroll (including Not-For-Profit Hospital (UMC)), tax refunds and vendor payments. Tax refunds and vendor payment process is likely a second phase as this will require changes in vendor contract requirements.

Responsible Areas for Implementation: This effort will be led by the Office of Finance and Treasury. It will also involve the Office of Tax and Revenue, Office of Financial Operations and Systems, Public Affairs, as well as other District agencies that make vendor payments.

Strategic Objectives Impacted: 1**.** Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses

Summary of Expected Impact on Strategic Objectives: This initiative improves customer service, creates a culture of continuous improvement, improves transparency and quality of information, and effectively manages risk to prevent fraud and losses.

Resources Required (FTEs and Funding): No additional FTEs are required. Cooperation of District agencies will be necessary to implement the program. Current budget will cover initial program costs.

Estimated Timelines for Completion (start and end dates): Phase 1 – implement payroll requirements will be completed by May 2015
Phase 2 – implement tax refunds and vendor payments will be completed by July 2016

Strategic Initiative #23

Title of Initiative: Enhance OCFO ethics training

Description of Strategic Initiative: The OCFO has a comprehensive mandatory ethics training program to ensure all OCFO employees are aware of their unique responsibilities as stewards of the District's finances. This initiative will regularly review and enhance the training program to ensure that all OCFO employees are aware of their responsibilities. This will include classroom as well as e-learning modules, training videos, and other materials that will reinforce the ethical obligations of their positions.

Responsible Areas for Implementation: OCFO Executive Team, Office of Integrity and Oversight (OIO), and the Human Resources Division (HR)

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvements; 4. Effectively Manage Risk to Prevent Fraud and Losses

Summary of Expected Impact on Strategic Objectives: Regular review of OCFO ethics training will provide opportunities to improve this important training module, including updating training materials; upgrading technologies used to enhance ethics training and monitoring; and improving participation and morale of OCFO employees.

Resources Required (FTEs and Funding): OIO and HR will dedicate staff; consultant services for training materials and trainers may also be necessary.

Estimated Timelines for Completion (start and end dates): July 2014 and Ongoing

Strategic Initiative #24

Title of Initiative: Improve quality of financial information available to the public by integrating related information from other District agencies (DOES, DCRA, etc).

Description of Strategic Initiative: This initiative will enhance the capacity of the Office of Revenue Analysis (ORA) to perform more detailed and informative analyses of fiscal, tax, economic, and demographic data by drawing on data available from the Department of Consumer and Regulatory Affairs (DCRA) and the Department of Employment Services (DOES). Both DCRA and DOES have access to a wealth of business data, including industrial sectors and business locations, that are presently lacking in ORA's tax databases. By linking DCRA and DOES' data to ORA's tax data, we will be able to estimate more precisely the impact of policy and economic changes on different types of businesses and different neighborhoods.

Responsible Areas for Implementation: Office of Revenue Analysis (ORA), Office of the Chief Information Officer (OCIO), Office of the General Counsel (OGC) in conjunction with DCRA and DOES; with regard to data sharing and privacy issues.

Strategic Objectives Impacted: 1. Improve Customer Service and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: This initiative will enable ORA to provide better service to the Mayor and Council and their staffs, through more detailed information and analysis of economic and policy changes. Policymakers often want to know how these changes will affect particular geographic areas (wards, TIF districts, commercial corridors) and industries (tourism, technology). In addition, members of the public are also interested in this type of data and analysis that will be made available online in coordination with other initiatives.

Resources Required (FTEs and Funding): This initiative can be accomplished using existing staff and funding.

Estimated Timelines for Completion: Discussions with both agencies are already underway. Target date for completion is March 2015.

Government of the District of Columbia

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