

BUDGET HEARING

ON

**THE FISCAL YEAR 2012 BUDGET REQUEST
OF THE
OFFICE OF THE CHIEF FINANCIAL OFFICER**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairperson

**April 21, 2011, 9:30 a.m.
John A. Wilson Building, Room 500**



**Testimony of
Anthony F. Pompa
Deputy Chief Financial Officer
Office of Financial Operations and Systems**

Good morning Chairman Evans and members of the committee. My name is Anthony Pompa and I am the Deputy Chief Financial Officer for the OCFO's Office of Financial Operations and Systems (OFOS). I am pleased to be here today to present testimony on the FY 2012 budget request for OFOS as well as other related matters.

OFOS Operations

OFOS is primarily responsible for maintaining the District's general ledger, producing the District's Comprehensive Annual Financial Report (CAFR), and administering the District's payroll and retirement systems. Accordingly, OFOS's operations are divided into two functional areas: the Controller's Office and the Office of Pay and Retirement Services.

Controller's Office

The Accounting Operations Division within OFOS maintains the District's general ledger (District's "books of record") to ensure that timely and accurate information is available to stakeholders. In addition, OFOS's Financial Control and Reporting Division examines reports, analyzes data, prepares reclassification and other correcting entries, provides accounting and reporting guidance to agencies, interacts with various auditing teams, and prepares the CAFR. OFOS also provides functional SOAR training and assistance through the SOAR Help Desk and maintains security for all financial system applications. In addition, OFOS's Policies and Procedures Division manages the development, update, and maintenance of the District's Financial Policies and Procedures Manuals.

OPRS Functions

The Office of Pay and Retirement Services (OPRS) ensures that the District's workforce and annuitants are paid on time and in accordance with applicable compensation rules. During FY 2010, OPRS processed two bi-weekly payrolls and one semi-monthly payroll for approximately 34,000 active employees and one monthly annuity payroll for approximately 3,800 federal annuitants. These payrolls were processed using two different payroll systems, the new PeopleSoft Payroll System for active employees and the Pension Automated Payroll System (PAPS) for federal annuitants.

OPRS continued to enhance the capabilities of the Employee Self Service System (ESS). Employees can log into the PeopleSoft system through the Internet to: view and print current and prior pay period earning statements, enter time worked (which still must be approved by their supervisor), and print their calendar year W-2 Wage and Tax Statement. The ESS features allow employees to perform a variety of actions such as: start/stop/change allotments; change withholdings for Federal and State taxes; designate dollar amounts for contribution to the District's 457 Deferred Compensation Plan; change their home address and update other personal information regarding self and/or dependents.

FY 2012 Operating Budget Request

OFOS is requesting a total budget of \$10.7 million and 92 full-time equivalents (FTEs) to support the Controller and Pay and Retirement operations. OFOS's overall FY 2012 budget request is approximately \$333 thousand less than the budget for FY 2011, which represents a decrease of approximately 3.0%. The number of FTEs requested for FY 2012 is six less than the approved FTE level for FY 2011.

FY 2011 Accomplishments

As provided in testimony at the March 7, 2011 oversight hearing, we assess operations on an on-going basis and implement measures that are needed to enhance overall efficiency, reliability, and effectiveness. I am happy to highlight the following accomplishments made by OFOS during the first half of the current fiscal year:

- The FY 2010 annual close process was completed timely with no major drawbacks or delays. Improved efficiency in the overall annual close process continued to be noted by OFOS as a result of agencies focusing more on general ledger “clean-up” during the March and June interim closes. As such, agencies were able to complete annual closing requirements in a more timely and accurate manner.
- The FY 2010 Comprehensive Annual Financial Report (CAFR) was completed on-time with a clean audit opinion.
- The FY 2010 Yellow Book Report contained no material weaknesses and five significant deficiencies. Perhaps the most noteworthy improvement is the fact that Management of the District’s Medicaid Program was not reported as a Yellow Book finding for fiscal year 2010. This is a significant accomplishment because over the years, there have been numerous and recurring Yellow Book findings pertaining to Medicaid.
- OPRS and OCTO PeopleSoft Support are working with several District agencies to improve the automated interfaces into PeopleSoft. Finally, OPRS

is working to identify and implement measures to strengthen the internal controls over all payments (e.g., regular payrolls, supplemental payrolls, back pay case payments, and refunds of deductions due to employee changes in benefits, overpayments and collections therein) and improve OPRS's general business processes.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions that you or other members of the Committee may have at this time.