



District of Columbia

# **OCFO Performance Oversight Hearing FY2013 and FY2014**

February 27, 2014





District of Columbia

## Mission Statement and Core Functions

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
5. Managing debt and bond ratings



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## Highlights of OCFO Accomplishments

- Office of Financial Operations and Systems (OFOS)
- Office of Finance and Treasury (OFT)
- Office of Revenue Analysis (ORA)
- Office of Tax and Revenue (OTR)



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## Office of Financial Operations and Systems

- 17<sup>th</sup> Consecutive CAFR on-time with a Clean Opinion
- Received Certificate of Achievement for Excellence in Financial Reporting for the District's FY2012 CAFR and PAFR (Popular Annual Financial Report)
- Successfully Implemented Five New Accounting Standards During FY2013 (GASB 60, 61, 62, 63, and 65)
- Timely Processed Payrolls for Approximately 32,000 District Employees and Approximately 3,800 Federal Retirees
- Implemented New Pension Accounting System in PeopleSoft



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## Office of Finance and Treasury

- Rating Upgrade from Standard & Poor's on GO Bonds
- Financed the District's CIP and TRANs Borrowing
  - \$405 Million Tax Revenue Anticipation Notes (TRANs)
  - \$97 Million Variable Rate Income Tax Secured Bonds (ITSB)
  - \$495 Million Fixed Rate General Obligation Bonds
- Central Collection Unit (CCU)
  - Collected \$35 Million in FY2013 - Forecast was \$31 Million
  - Hired 8 FTEs, 1 Opening
  - Contract Awarded for Collection Database Software Vendor
- Increasing Transparency with the Introduction of OPEB Annual Report
- \$135 Million of District Investments Placed with Local Banks



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## Office of Revenue Analysis

- Quarterly Revenue Estimates
- 328 Fiscal Impact Statements (FIS) Produced
- Advisory Boards
  - Business Advisory Group
  - Real Estate Advisory Board
  - Local and Regional Government Advisory Groups
- Nationally Recognized Publications
  - Monthly Economic Trends Report
  - Tax Burden Study (Recognized in the Wall Street Journal)
- Presentations to National and Professional Organizations
- Technical Support for Tax Revision Commission
  - Estimated Impacts of Alternatives
  - Education on the District's Tax Structure
- Automated the Generation of Monthly Cash Report



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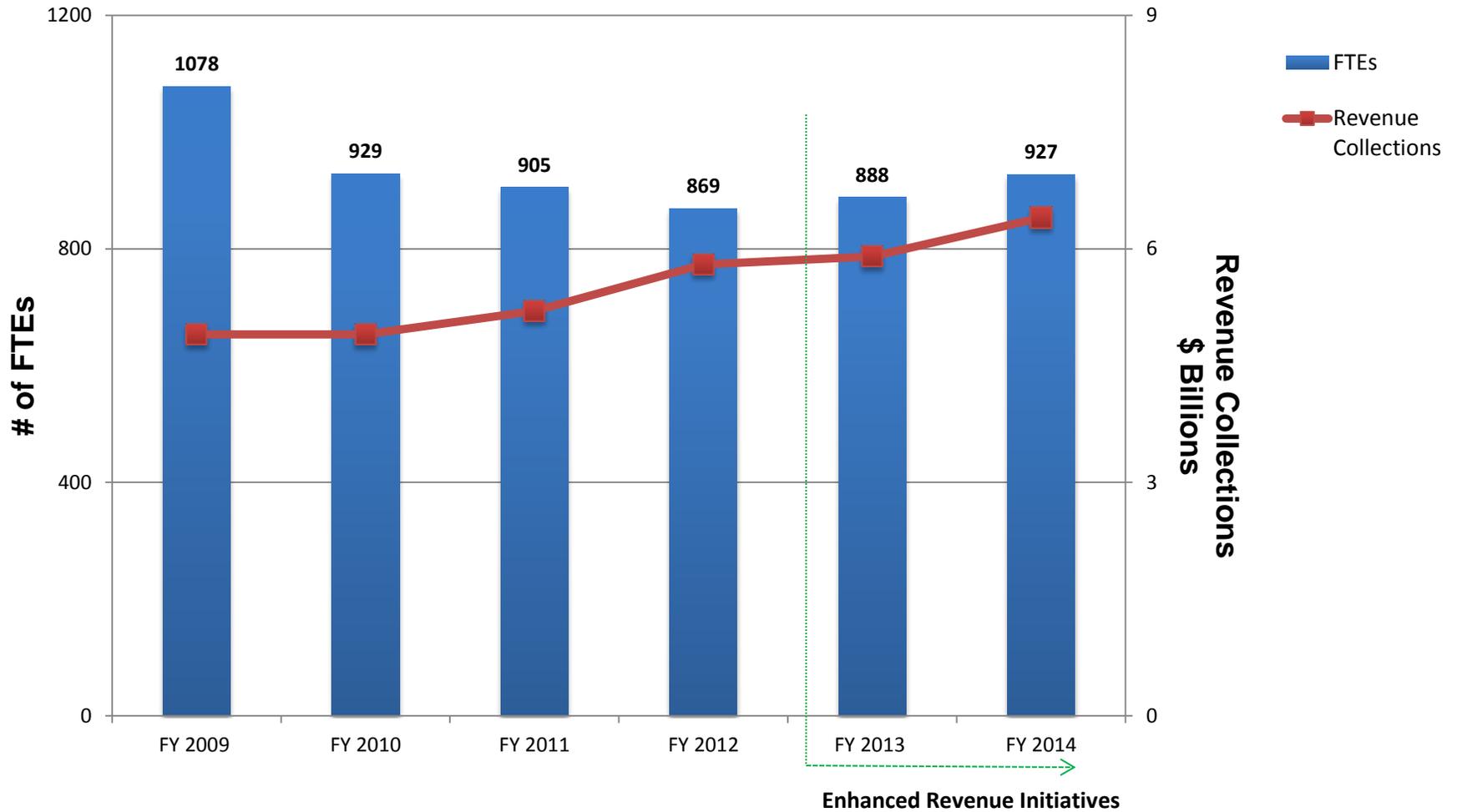
## Office of Tax and Revenue Enhanced Revenue Initiatives

- Implemented Compliance Initiatives
  - Federal vendor offset has produced \$10.8 million since March 2013
  - DMV Offset has produced \$6.1 million since February 2013
  - DC/MD reciprocal offset has produced \$3 million in 2 years
- Implemented a Pre-Paid Debit Card Option for Income Tax Refunds
- Implemented a Free Electronic Fillable Forms Tax Filing System
- Electronic Filing of Real Property Income and Expense Reports for the Upcoming Assessment Season
- Other Refund Offset Programs to be Implemented This Year:
  - Cross Tax Type
  - DC/Illinois



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## OCFO Full-Time Equivalent Employees (FTEs) - Office of Tax & Revenue Collections FY2009-FY2014





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## Capital Projects/System Replacements

- CFO\$olve (Business Intelligence/Reporting Tool) Upgrade
- Modernized Integrated Tax System (MITS)
  - Contract for Approval - Spring 2014
- Recorder of Deeds (ROD) System Upgrade
- Computer Assisted Mass Appraisal (CAMA) Upgrade (Security Enhancement)
- Telephony Upgrade (OTR Customer Service Enhancement)
- Central Collection Unit (CCU) Accounts Receivable System
- SOAR and Budget System Modernization
  - Implementation Plan and Timetable under Review



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## Yellow Book Findings

### **No Material Weaknesses**

### **2 OCFO Significant Deficiencies**

- Capital Assets (Timely Booking of Assets from Work in Progress)
- Cash and Investments (Timely Reconciliation of Two Payments and Timely Closing of Dormant Bank Accounts)



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## Yellow Book Findings - Plan of Action

### Capital Assets

- Implemented policies and procedures for closing out capital projects
- Currently hiring for vacant positions to ensure timely recording of assets

### Cash and Investments Reconciliation

- Unreconciled items identified during audit have been reconciled
- Increased supervisory focus on timely reconciliation and dormant bank account closing
- Office of Integrity and Oversight (OIO) currently conducting an in-depth audit to verify that issues have been resolved and to provide recommendations to the CFO



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## Public Information and Outreach

### OCFO Website

- Robust Repository of The District's Financial Information Including:
  - Budget
  - Economic Trends
  - CAFR
  - Other Reports
- Website Under Constant Review for Improvement
- Customer Survey in March 2014 to Evaluate Content and Ease of Use



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## Public Information and Outreach

### CFO Outreach

- Meetings
  - ANC Chairs
  - Community Groups
  - Business Organizations
  
- **General Outreach Efforts**
  - Tax Resolution Day in Each Ward
  - Quarterly Meetings with Tax Advisory Council and Practitioners
  - Advertisements of Programs with Local Radio Outlets and Newspapers
  - Quarterly Briefing with City Council Constituent Services Directors
  - Meetings with Federal State and Local Officials, Private Industry and Nonprofit Group Experts
  - Customer Feedback Opportunities:
    - Surveys
    - Social media – Twitter
    - Meetings and other Outreach



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## Going Forward

### Three Areas of Focus:

1. Customer Service
2. Continuous Improvement
3. Transparency

### OCFO Five-Year Strategic Plan Includes:

- Input from all stakeholders (residents, elected leaders, District agencies, business and civic groups, OCFO employees and supervisors, and labor unions)
- Comprehensive review of current and planned technology
- Outcome is Detailed Five-Year Strategic Work Plan of OCFO Priorities