

February 28, 2002

Council of the District of Columbia

PUBLIC OVERSIGHT HEARING ON THE PERFORMANCE OF THE OFFICE OF THE
CHIEF FINANCIAL OFFICER DURING FISCAL YEARS 2001 AND 2002

Testimony of Barbara Jumper, Deputy Chief Financial Officer and Director, Office of Finance and Resource Management, before the Committee on Finance and Revenue

Good morning, Chairman Evans and Members of the Committee. My name is Barbara Jumper, deputy chief financial officer and director of the Office of Finance and Resource Management (OFRM). I am pleased to appear before you today to discuss the agency's performance for FY 2001 and FY 2002 and to present our accomplishments over the past year.

The OFRM is comprised of three functional areas: fixed cost central payments, shared services, and resource management. Combined, these functional areas comprise budget authority totaling over \$780 million. OFRM operates with a budget of \$2.2 million. With our staff of 37 authorized FTEs, OFRM has successfully linked its basic core role of central payments, its financial advisory responsibility to 21 agencies, and its functional responsibility of conducting resource audits that result in overall savings to the District. OFRM has had tremendous success in ensuring that each of its 21 client agencies receives the highest level of financial and budgetary services. We have formulated solid working relationships with our agencies, assisting them in meeting their performance goals and ensuring that they are met within budget.

OFRM was awarded the "Outstanding Financial Operations Awards" in FY 2001 by Dr. Natwar Gandhi, the District's Chief Financial Officer.

Review of the FY 2001 Performance Plan

1. *Conduct more frequent client agency forums to promote OFRM's A/P unit and increase client confidence.*

OFRM has implemented a three-tier approach to our client-management interaction. At the primary level, the assigned financial manager meets with an agency representative at least once a week. Information on current financial issues is discussed during these sessions. The second tier involves senior level interaction between the Director of Finance or the Budget Director, who make themselves available to agencies at all times. Any critical issues and problems are resolved by these individuals in the manner most beneficial to the client agency. The third and final tier is the chief financial officer. The CFO meets with the agency director or designate on a monthly basis to ensure that the customer's expectations are being met or exceeded.

2. *Anti-Deficiency Act compliance*

OFRM implemented extensive processes for budget monitoring, expenditure review and analyses, and revenue collection and recording. Since its inception, OFRM has never incurred a deficit for any of its client agencies. That is a standard that we pledge to maintain.

3. *Ensure all appropriate management is fully trained and equipped to utilize EIS and Impromptu reporting systems*

OFRM has trained all financial managers and senior staff in the use of these reporting tools.

4. *Complete the restructuring of the telecommunications billing procedures on behalf of all customer agencies with assistance from the Office of the Chief Technology Officer*

A telephone billing structure has been created that more appropriately comports to the government's structure. OFRM, on behalf of the city, continues to initiate changes in Verizon that will enable each agency to manage its telecommunications costs. Proper billing alignment, agency buy-in, and improved access to information will act to contain telecommunications costs. Additionally, OFRM now pays and

reports wireless telecommunication expenses separately from telephony expense. Agencies can now distinguish between communications costs.

5. *Completion of the citywide utility audit initiative*

The telecommunications audit and subsequent work as mentioned previously have thwarted our ability to complete the full utilities audit. OFRM's efforts have resulted in a streamlined billing process from PEPCO. OFRM is currently analyzing the Washington Gas invoicing and billing system as well as the GSA invoicing systems for steam.

Maintaining Financial Integrity

During FY 2001 and today, OFRM remains committed to maintaining financial integrity by ensuring the:

- successful close of 21 agency budgets, on time and within budget for the FY 2001 CAFR,
- timely submission of agency FRPs and the executive summary to each agency director and the Office of Budget and Planning, and
- successful and timely close of the city's fixed cost intra-district budget of \$129 million.

Improving Financial Systems

The OFRM Web site is now available to all client agencies to provide read-only access to agency-specific billing and account information. Our shared-service agencies also have access to current online budget and expenditure data, to include current purchase order and payment information.

Managing Programs

The D.C. Tuition Assistance Grant Program, under the direction of the State Education Office (SEO), is one of OFRM's keystone financial services. Working in partnership with the SEO, OFRM has disbursed over \$9.1 million in FY 2001 and \$6.4 million year-to-date in tuition assistance grants to over 150 colleges and universities that our residents attend. OFRM looks forward to continually supporting the DCTAG to ensure prompt and accurate disbursement of payments so members of our community can benefit from this significant program.

OFRM is working closely with the Office of Property Management (OPM) to analyze trends in utilities. OFRM hopes to refine OPM's cost projections throughout the fiscal year cycle and create current year projections that minimize the fiscal impact on city agencies and provide them with quality information that assists the agencies in making informed management decisions regarding overall operational costs.

Managing Resources

OFRM's resource management section continues its work with Verizon to streamline telecommunications billing in a manner that reflects the true structure of government. Verizon, in conjunction with the Office of the Chief Technology Officer (OCTO), will soon offer online billing using Intranet technology. This will enable city agencies to view their bill using OCTO's online Tel-Watch system.

In FY 2001, part two of OFRM's telecommunications financial audit report was completed. Due diligence performed by the resource management staff on utility/telecommunications billings has resulted in over \$1.4 million in savings to District agencies during FY 2001. A new fixed cost partnership council was formed comprised of officials from each of the major utility and telecommunications companies to discuss and resolve common billing structure issues and policies.

Employee Development

Technical and professional development training was extended to every member of the staff, with particular emphasis placed on SOAR and EIS training. All OFRM employees also participated in a mandatory staff development conference to finalize the framework for the agency's revised strategic plan.

Organizational Leadership

Budget workshops were conducted for each of our 21 client agencies on the FY 2002 and FY 2003 budget process, and for agency CFOs on the intra-district process for fixed cost central payments.

In closing, OFRM is an example of government that works. OFRM is the embodiment of shared services. Through a carefully engineered plan, OFRM strategically aligned its resources to capture the greatest economies of scale. Operating at its current budget level of \$2.2 million, OFRM can provide its services at a cost of 3/10 of one cent for every dollar managed. The staffing structure of this organization has been recognized for its operational efficiencies in managing the three (3) primary functional areas with a mere staffing complement of 37 FTE's. This structure has been compared to other agencies with less financial authority and responsibility. In order to maintain its position as a responsible fiduciary partner, OFRM will sustain a process of continuous improvement in order to move to its next level of organizational effectiveness. Our goal is to provide timely, value-added support services to our client agencies. In doing so we will continue to visit the topic of customer service. We will monitor performance measures linked to the strategic plan. We will provide value-added service with existing resources. We will stay dedicated to putting our customers first.

Thank you, Mr. Chairman, for the opportunity to speak before you today. I will be happy to answer any questions you may have.