



Office of the Chief Financial Officer District Integrated Financial System

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Chief Financial Officer
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District Integrated Financial System

District Integrated Financial System (DIFS)

- A modern, Cloud-based system that executes and records the District's financial transactions
- OCFO and our partners implemented DIFS in October 2022 to support FY 2023 financial activity
 - On time: October 2022 was the target implementation date when the project began in 2019
 - Within budget: OCFO's expenditures and obligations to date to implement DIFS are \$159 million as of June 2023
 - Future expected expenditures of approximately \$30 million
 - The original budget for the implementation was \$206 million (for both the budget and financial systems)
- Implementing a new financial system requires:
 - Configuring a complex new software system and integrating it with several existing/new systems
 - Redesigning dozens of financial processes from procurement to grant management
 - Training hundreds of staff on how to complete their responsibilities with new financial processes and a new system



District Integrated Financial System

DIFS is processing and recording thousands of transactions worth billions of dollars

District Financial Data: FY 23 v FY 22 (Oct – May)

	<u>DIFS (FY 23)</u>	<u>SOAR (FY 22)</u>
Revenue	\$11,206,327,898	\$11,420,085,095
Payroll	\$2,977,486,427	\$2,446,541,378
Payments(#)	145,072	142,121
Payments(\$)	\$9,281,905,534	9,227,335,478



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Implementing a financial system for a large enterprise is challenging

- Noted management consulting firm Gartner, Inc. estimates that 55% to 75% of all ERP projects fail to meet their objectives (time, budget, or scope)
- The key struggles are:
 - Engineering new financial processes correctly
 - Training staff to:
 - follow new processes
 - *solve* out of the ordinary financial issues with new processes
- OCFO's challenges are:
 - Conversion of data from the old system to the new system
 - Having the correct information for suppliers
 - Majority of issues resolved; working with OCP and OCTO to resolve remaining issues
 - Process design
 - Matching business processes on two or more systems for the same transaction
 - Over engineered new process (expense reimbursement)
 - Full slate of reconciliation reporting not in place at implementation



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Our focus:

- Successful Audit for FY23 that is on time
 - Reconciliations are complete
 - Recording and reporting transactions correctly

Full implementation does not occur until the first successful year-end audit and ACFR publication

- Processes are designed as efficiently as possible, while maintaining appropriate internal controls
 - Best practice suggests review of implementation, both processes and system configuration
- Enhance change management and support
 - Governance for processes and system
 - Problem solving/Help Desk
 - Financial information reporting
 - Training and communications
- Continually improve financial processing and accounting to take full advantage of new system



District Integrated Financial System

“The District’s new financial system will undoubtedly improve District financial management in many, many ways. Implementing a financial management system, however, is not without its challenges and I will devote a large portion of my time and energy to helping our staff implement successfully the District’s new system.”



Questions?