

**PUBLIC OVERSIGHT HEARING  
ON THE FY 2015 AND FY 2016  
SPENDING AND PERFORMANCE  
OF THE OFFICE OF  
THE CHIEF FINANCIAL OFFICER (OCFO)**

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

**The Honorable Jack Evans, Chairman**

**March 8, 2016, 11:00 a.m.  
Council Chambers  
John A. Wilson Building**



**Testimony of  
Jeffrey S. DeWitt  
Chief Financial Officer  
Government of the District of Columbia**

Good morning, Chairman Evans and Members of the Committee on Finance and Revenue. I am Jeff DeWitt, Chief Financial Officer of the District of Columbia. I am very pleased to appear before you today to testify on the FY 2015 performance of the Office of the Chief Financial Officer and outline my plans for the agency in FY 2016 and beyond. Seated with me is Angell Jacobs, Deputy CFO and Chief of Staff. We are also joined by members of the executive team of the OCFO who will assist in answering any questions that the Committee may have.

As I discussed at our previous oversight hearing, in FY 2014, with input from our various stakeholders, the OCFO developed a Strategic Plan. The plan outlines the objectives and initiatives that will be the focus of our efforts over the next three to five years; and it is the mechanism that we use to measure our agency's progress and performance. I am pleased to report that over the past year, we have made significant progress in our efforts to execute the plan and continuously improve our agency. Today, I would like to provide you an update on our accomplishments to date.

Before I begin, I would like to take this opportunity to thank the employees of the OCFO for their hard work and dedication over the past year. They play an integral role in the agency's accomplishments and the success of this plan.



District of Columbia

# **OCFO Performance Oversight Hearing FY2015 and FY2016**

**March 8, 2016**



District of Columbia

# Overview of the Office of the Chief Financial Officer

## CENTRAL FINANCIAL OPERATIONS - Deputy CFOs

Office of Budget and Planning (OBP)  
**Gordon McDonald**

Office of Finance and Treasury (OFT)  
**Jeffrey Barnette**

Office of Financial Operations and Systems (OFOS)  
**Bill Slack**

Office of Revenue Analysis (ORA)  
**Fitzroy Lee**

Office of Tax and Revenue (OTR)  
**Stephen Cordi**

Continuous Improvement Officer  
**Baraka Ondiek**

## Government of the District Columbia Office of the Chief Financial Officer Organizational Chart

**D.C. CHIEF FINANCIAL OFFICER**  
**Jeffrey S. DeWitt**

Deputy Chief Financial Officer and Chief of Staff  
**Angell Jacobs**

Chief Risk Officer  
**Marshelle Richardson**

### EXECUTIVE SUPPORT

General Counsel  
**David Tseng**

Integrity and Oversight Executive Director  
**Timothy Barry**

Economic Development Finance Senior Advisor and Director  
**John Ross**

Senior Financial Policy Advisor  
**Darryl Street**

Agency Chief Information Officer  
**Richard Weil (interim)**

Management and Administration Executive Director  
**Paul Lundquist**

Public Affairs Officer  
**David Umanzky**

## AGENCY FINANCIAL OPERATIONS - Associate CFOs

Economic Dev. and Regulation  
**Cyril Byron, Jr.**

Government Operations  
**Mohamed Mohamed**

Government Services  
**George Dines**

Human Support Services  
**Delicia Moore**

Public Safety and Justice  
**Angelique Hayes Rice**

Education  
**Deloras Shepherd**

Not-for-Profit Hospital Corporation  
**Lillian Chukwuma**

DC Lottery  
**Tracey Cohen (interim)**  
Executive Director

EventsDC  
**Henry Mosley**

### Agency Fiscal Officers

DCRA: Rebecca Berry (POC)  
DHCD: Doug Kemp  
DISB: Bright Ahalwe  
DMPED: Curtis Lewis  
OPC/PSC: Gurmeet Soogins

EDM/DCHR: James Hurley  
DCPL: Tammie Robinson  
DGS: Massimo Marchiori  
OAG: Victoria Syphax  
DOES: Natalie Mayers  
OFFRM: Paul Blake  
OCA: Paul Blake  
OCTO: Phil Peng  
DCQA/ORM: Shilonda Wiggins

DDOE: Robert Jose  
DDOT: Calvin Skinner  
DMV: Vacant  
DPW: Perry Fitzpatrick

CFSa: Justin Kopca  
DDS/ODR: Antonio Baxter  
DHS: Hayden Bernard  
DBH: Joyce Jeter

DOH: Andrea Deane  
DHCF: Darin Shaffer  
DPR: Marjorie Edmonds  
DYRS: Jarine Fletcher  
HBX: Kara Onorato  
(HBX is an Independent Agency)

DDC: Antoinette Hudson-Beckham  
FBMS: Dan Proudfoot  
MPD: Leroy Clay  
OCME/CJCC: Leatruy Dixon  
OUC: Daryl Staats  
HSBMA: John Nitz

UDC: Donald Rickford  
DCPCSB: Paris Saunders  
DCPS: Deloras Shepherd  
OSSE: Paris Saunders

DCLB: Craig Lindsey



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## OCFO Core Functions

The Independent Office of the Chief Financial Officer:

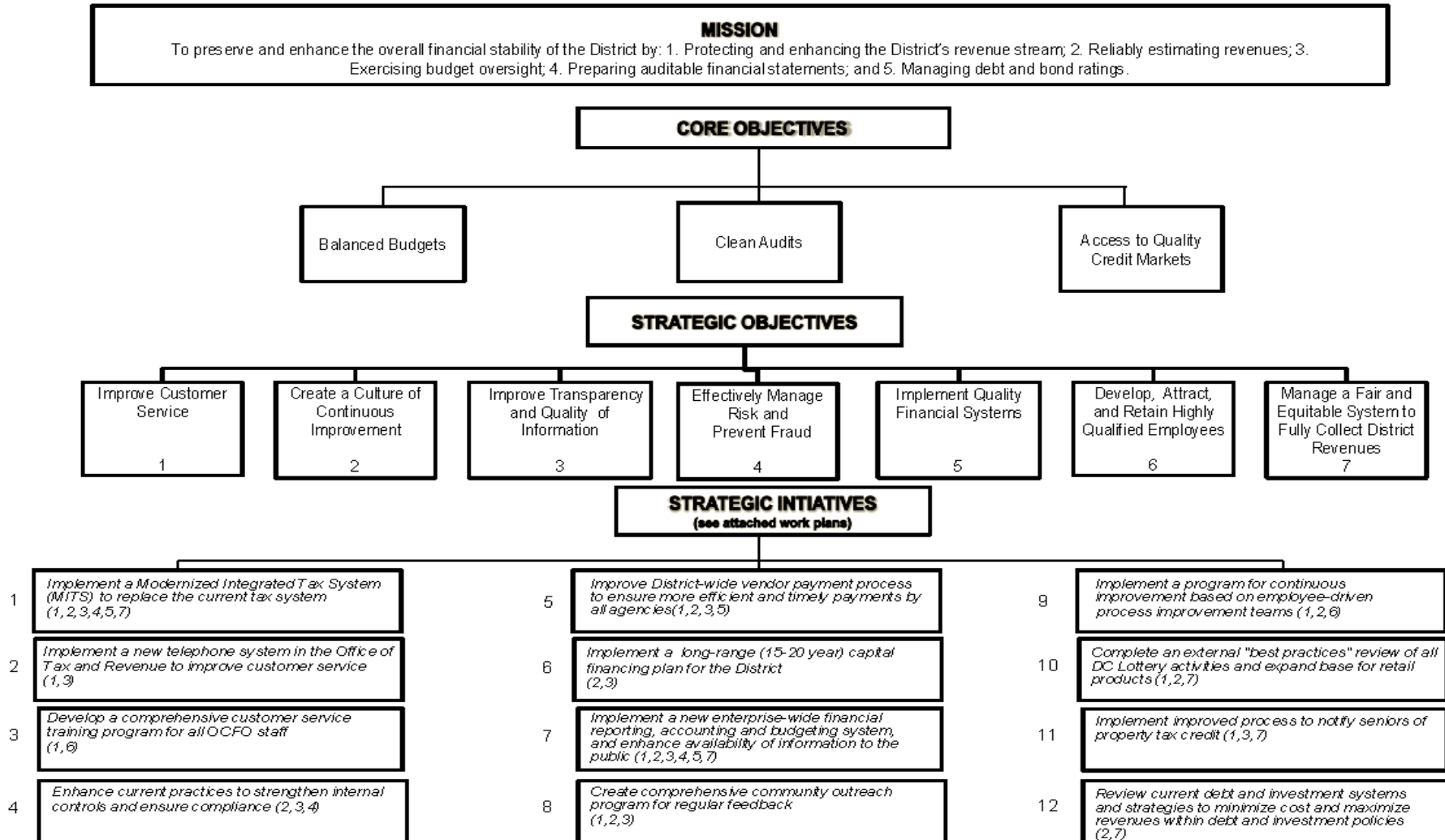
- Certifies budgets are balanced and financial statements are fairly represented
- Provides independent revenue estimates
- Monitors revenues and spending
- Evaluates fiscal impacts of all legislation
- Reviews all economic development projects
- Issues all debt, manages all investments, and oversees credit ratings
- Oversees tax collections and lottery
- Manages financial personnel (budget, accounting and payroll functions) in all agencies



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## Office of the Chief Financial Officer Strategic Plan

Chart 1 of 2

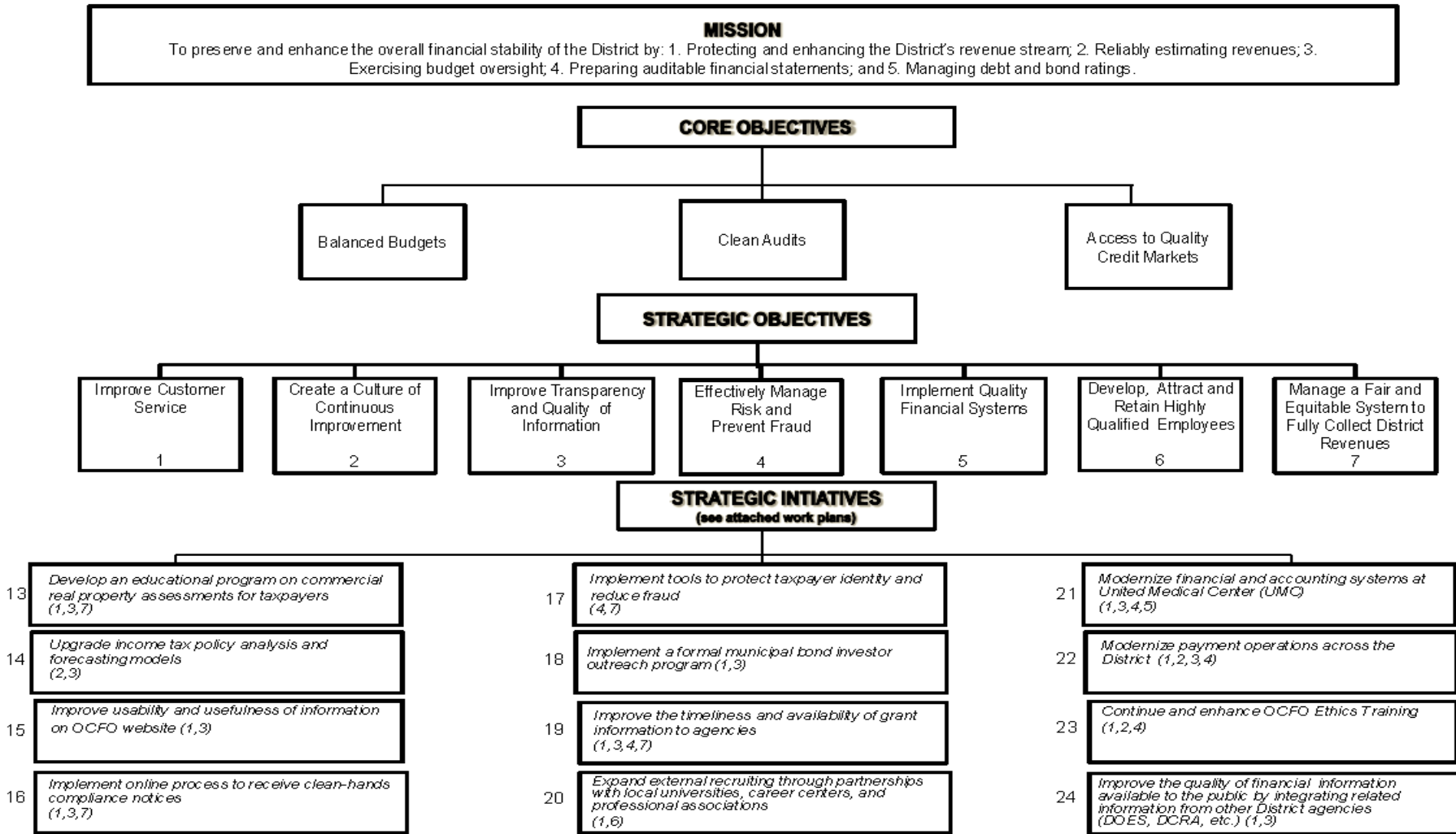




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## Office of the Chief Financial Officer Strategic Plan

Chart 2 of 2





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## Strategic Objectives

### 7 Strategic Objectives:

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





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## 24 Strategic Initiatives

**1** Implement a Modernized Integrated Tax System (MITS) to replace the current tax system

**2** Implement a new telephone system in the Office of Tax and Revenue to improve customer service

**3** Develop comprehensive customer service training program for all OCFO staff

**4** Enhance current practices to strengthen internal controls and ensure compliance

**5** Improve District-wide vendor payment process to ensure more efficient and timely payments by all agencies

**6** Implement a long-range (15-20 year) capital financing plan for the District

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

**8** Create comprehensive community outreach program for regular feedback



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## 24 Strategic Initiatives (con't)

9

**Implement a program for continuous improvement based on employee-driven process improvement teams**

13

**Develop an educational program on commercial real property assessments for taxpayers**

10

**Complete an external "best practices" review of all DC Lottery activities and expand base for retail products**

14

**Upgrade income tax policy analysis and forecasting models**

11

**Implement improved process to notify seniors of property tax credit**

15

**Improve usability and usefulness of information on OCFO website**

12

**Review current debt and investment systems and strategies to minimize cost and maximize revenues within debt and investment policies**

16

**Implement online process to receive clean-hands compliance notices**



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## 24 Strategic Initiatives (con't)

17

**Implement tools to protect taxpayer identity and reduce fraud**

18

**Implement a formal municipal bond investor outreach program**

19

**Improve the timeliness and availability of grant information to agencies**

20

**Expand external recruiting through partnerships with local universities, career centers, and professional associations**

21

**Modernize financial and accounting systems at United Medical Center (UMC)**

22

**Modernize payment operations across the District**

23

**Continue and enhance OCFO Ethics Training**

24

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



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## Strategic Plan Highlights/Accomplishments

- 19<sup>th</sup> consecutive CAFR on-time with a clean opinion
- GO bond upgrade by Moody's Investor Service from Aa2 to Aa1
- Completed comprehensive review and update of District-wide policies and procedures which enhanced internal controls and improved operational efficiency
- Awarded comprehensive risk assessment and internal controls review contract
  - Work to commence in April 2016
- Developed inter-agency approach to address external audit findings
  - Resulted in no Yellow Book findings for the FY 2015 CAFR



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## Strategic Plan Highlights/Accomplishments (con't)

- Modernized Integrated Tax System (MITS)
  - Income Tax Module (Phase I) successfully implemented on-time and within budget
    - Benefits
      1. Comprehensive integration of customer records
      2. Improved notices/information to customers
      3. Enhanced fraud detection
- Implemented automated tools to further protect taxpayer identity and reduce fraud
  - MITS Fraud Manager
  - Lexis/Nexis Service
- Implemented online BID (Business Improvement District) payment system
- Upgraded income tax policy analysis and forecasting models
- Improved process to notify seniors of property tax credit



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## Strategic Plan Highlights/Accomplishments (con't)

- Completed a “best practice” review of DC Lottery operations
  - Ranked 7<sup>th</sup> in overall performance in the US lottery industry
- Developed a comprehensive customer service training program
  - Rollout planned for summer 2016
- Enhanced external recruiting through expanded partnerships with employment centers, universities, and professional associations such as:
  - State of Maryland Department of Labor, Licensing and Regulation/Division of Workforce Development and Adult Learning
  - Howard University
  - Government Finance Officers Association
- Enhanced OCFO ethics training
- Initiated a preliminary version of CARSS (Capital Asset Replacement Scheduling System) for long-range capital financing plan
  - Preliminary model will be used in FY 2017 capital budget formulation



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## Strategic Plan Highlights/Accomplishments (con't)

- Hired Continuous Improvement Officer to lead employee-driven process improvement teams and drive culture of continuous improvement
- Implemented online process for City Clean-Hands compliance notices
- Developed a formal municipal bond outreach program
  - Conducted 1<sup>st</sup> institutional investor conference to educate investors and bond industry professionals on the strength of the District's credit
- Implemented Healthcare Insights (HCI) financial and accounting reporting system at UMC that provides:
  - Enhanced readability, access and report development
  - Improved budget creation capability
  - Detailed analysis of financial and patient level information



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## Major Initiatives Over the Next Year

- Update OCFO Strategic Plan
- Continue to drive the culture of continuous improvement
- Continue MITS project implementation Phase II (withholding and franchise taxes)
- Continue successful inter-agency approach to address external audit findings
- Implement Phase I of telephone/customer relation system upgrade
- Begin development of enterprise financial system implementation plan with OCTO and OCP
- Complete comprehensive review of capital maintenance and other long-term capital needs to develop long-range capital financial plan
- Complete process improvements for timely vendor payments by all agencies
- Implement an online property tax assessment appeal system





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## Major Initiatives Over the Next Year (con't)

- Acquire financial systems and technical expertise to increase efficiency of treasury investment operations
- Modernize payment operations across the District to include:
  - Electronic payments to all vendors and benefit recipients
  - Increased employee direct deposits
- Improve the grants management and administration process throughout the District



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**QUESTIONS?**