

**PUBLIC OVERSIGHT HEARING  
ON THE FY 2016 AND FY 2017  
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**

**February 27, 2017, 10:00 a.m.  
Room 412  
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 2016 performance of the Office of the Chief Financial Officer and outline my plans for the agency in FY 2017 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.

The OCFO recently updated its Strategic Plan. The plan outlines the objectives and initiatives that will be the focus of our efforts over the next five years to advance our goal of being a best-in-class financial organization. I am pleased to report that since the release of the 2014 plan, we have made significant progress in our efforts to 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, dedication, and commitment to public service over the past year. Without them, none of these accomplishments would be possible. They play an integral role not only in the success of the strategic plan, but in moving our agency and the District forward.



District of Columbia

# **OCFO Performance Oversight Hearing FY2016 and FY2017**

**February 27, 2017**



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**

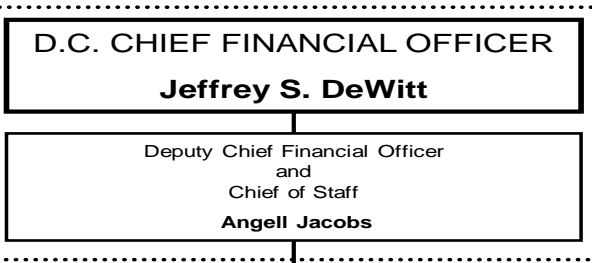
Office of Financial Operations and Systems (OFOS)  
**Bill Slack**

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

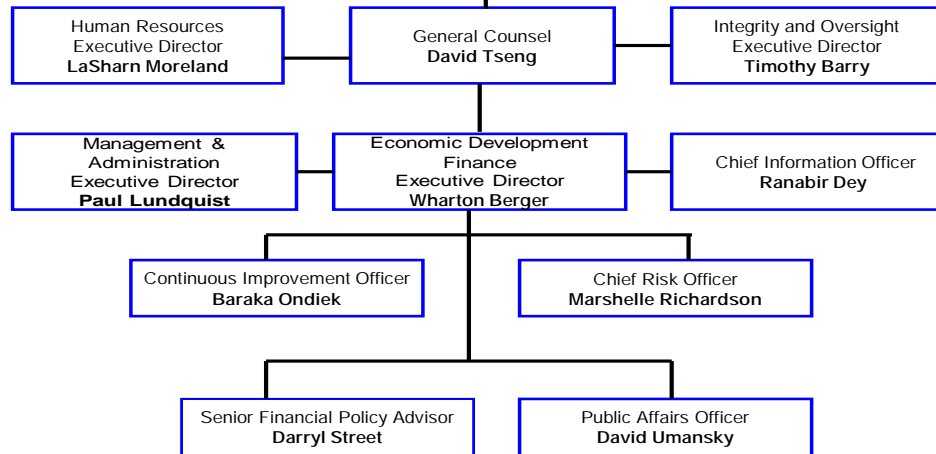
Office of Tax and Revenue (OTR)  
**Keith Richardson**

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

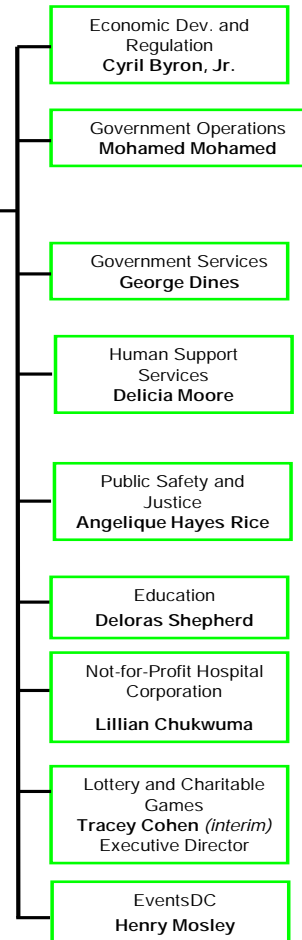
### Organizational Chart



### EXECUTIVE SUPPORT



## AGENCY FINANCIAL OPERATIONS - Associate CFOs





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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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## 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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## Strategic Plan Highlights/Accomplishments

- 20<sup>th</sup> consecutive CAFR on-time with a clean opinion
- 2<sup>nd</sup> consecutive year with no material weaknesses or significant deficiencies (No Yellow Book)
- General Obligation and Income Tax Bond Ratings remain strong (AA to AAA)
- Developed the first ever Long-Range Capital Financial Plan Report to determine funding gaps, including the replacement and maintenance needs of District assets
- Eliminated short-term borrowing for cash flow purposes (No Tax Revenue Anticipation Notes)



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

- Modernized Integrated Tax System (MITS)
  - Implemented a new income and business tax filing system, which includes a taxpayer portal for enhanced customer service (Phases I and II)
    - 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 a new telephone system in the Office of Tax and Revenue to improve customer service
- Upgraded income tax policy analysis and forecasting models
- Improved process to notify seniors of property tax credit opportunities
- Implemented online process for City Clean-Hands compliance notices





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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
- Completed customer service training for all OCFO employees
- Expanded 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



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

- 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
- Completed a comprehensive analysis of resources needed to implement a new financial system
- Created a comprehensive community outreach program
- Developed a new continuous improvement program and OCFO value statement



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## Culture of Continuous Improvement

### OCFO Vision and Value Statement

*“The Office of the Chief Financial Officer is dedicated to being a best-in-class financial organization in order to better serve the residents, businesses, visitors, taxpayers and the government of the District of Columbia.”*

- OCFO Value Statement

*“Each day, I will strive to provide the highest standard of service to the residents, businesses, visitors, and the government of the District of Columbia by being:*

*S - Service Driven with a Strong Work Ethic*

*M - Motivated and Mission Focused*

*A - Accountable*

*R - Respectful of My Customers and Co-workers*

*T - Trustworthy and Team-Focused*

*E - Empowered to Achieve Excellence*

*R - Results Oriented*





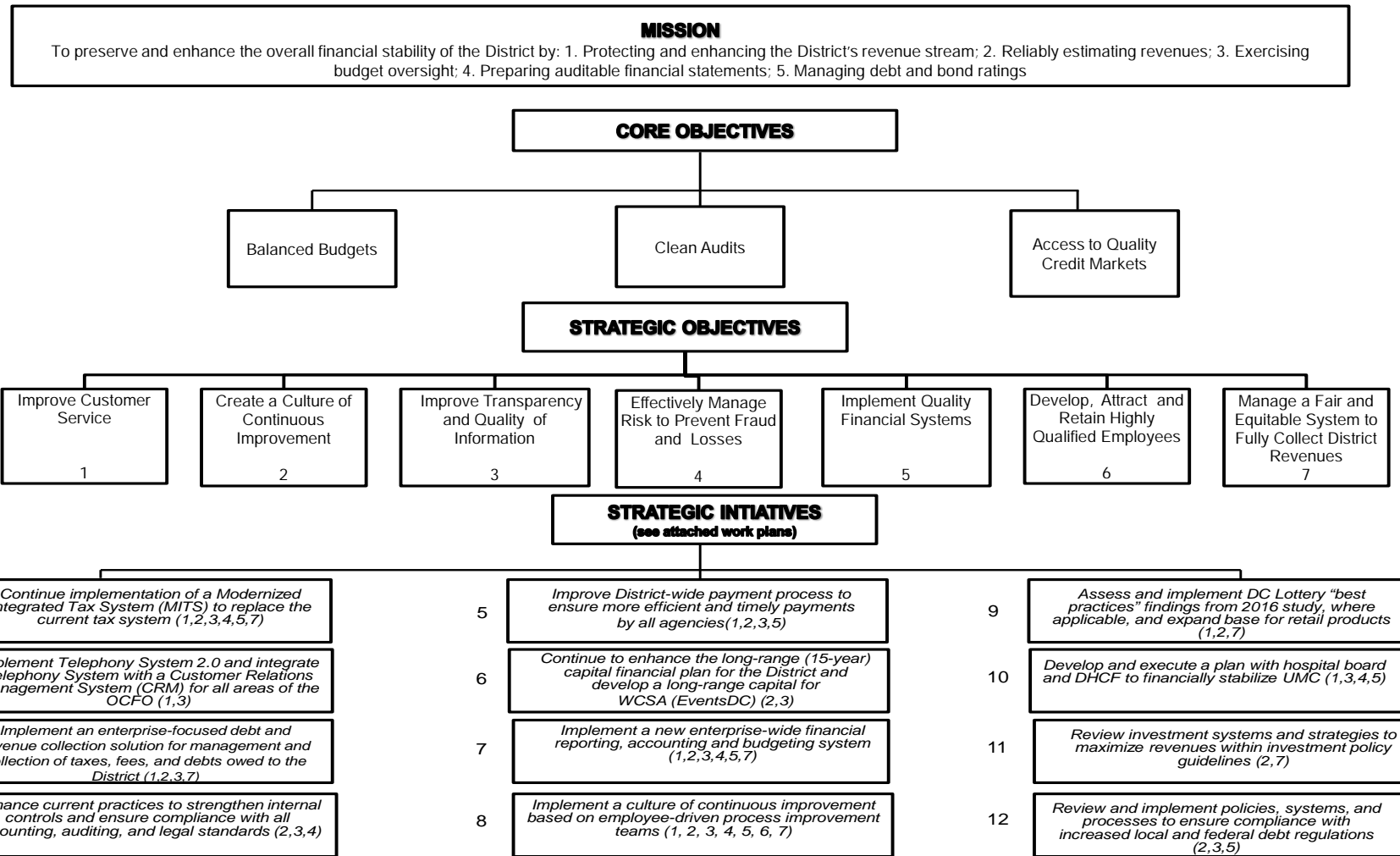
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## Culture of Continuous Improvement

- Drive the culture of continuous improvement
  - OCFO employees are Empowered to improve their workplace, Encouraged to bring ideas forward, and Recognized for their contributions
  - Continuous Improvement Web Portal
    - Idea submission
    - Improvement implementation
    - Recognition/reward

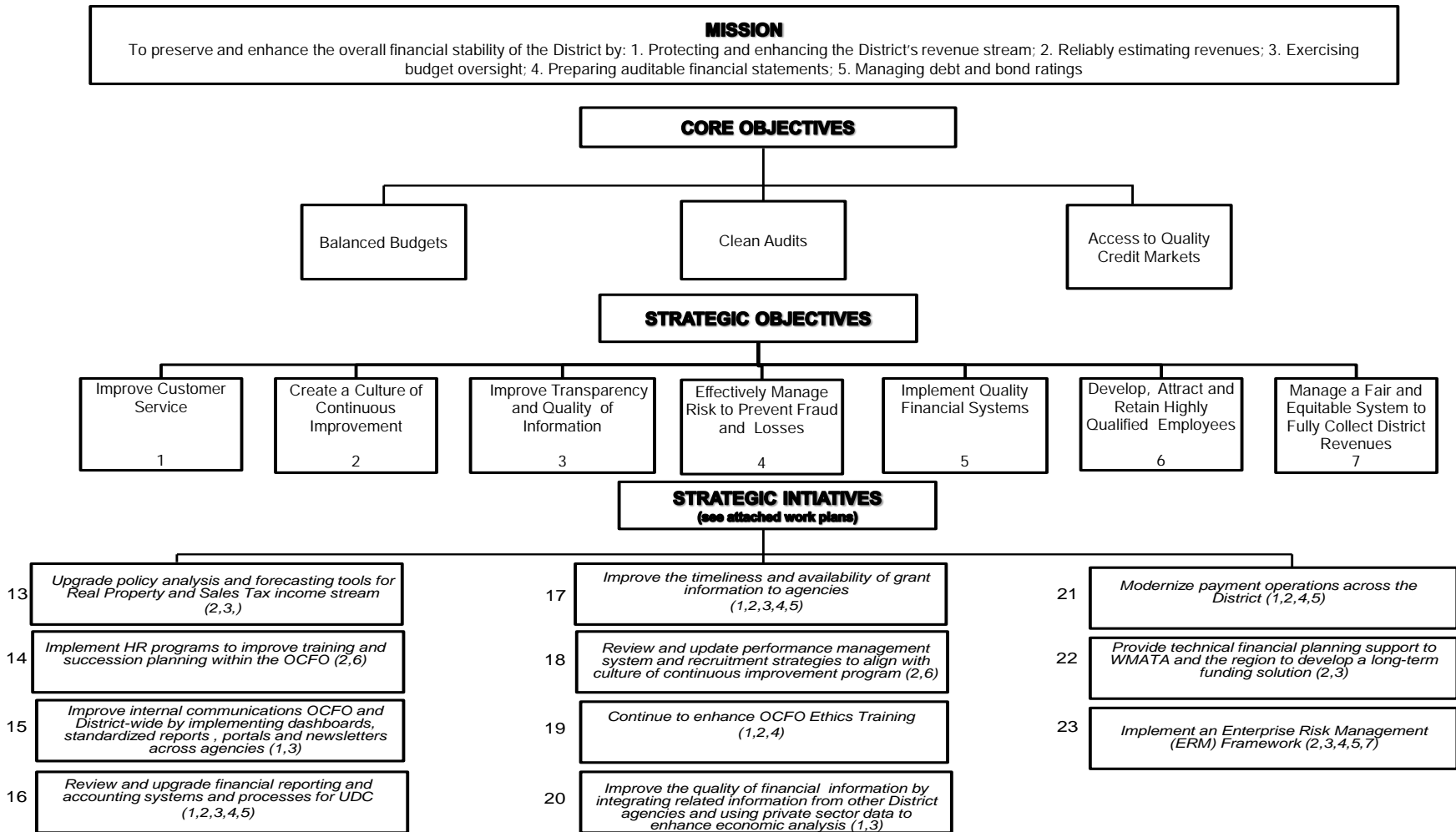


**Office of the Chief Financial Officer  
Strategic Plan**





## Office of the Chief Financial Officer Strategic Plan





## 24 Strategic Initiatives

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

**2** Implement Telephony System 2.0 and integrate Telephony System with a Customer Relations Management System (CRM) for all areas of the OCFO

**3** Implement an enterprise-focused debt and revenue collection solution for management and collection of taxes, fees, and debts owed to the District

**4** Enhance current practices to strengthen internal controls and ensure compliance with all accounting, auditing, and legal standards

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

**6** Continue to enhance the long-range (15-year) capital financial plan for the District and develop a long-range capital for WCSA (EventsDC)

**7** Implement a new enterprise-wide financial reporting, accounting and budgeting system

**8** Implement a culture of continuous improvement based on employee-driven process improvement teams



## 24 Strategic Initiatives (con't)

**9** Assess and implement DC Lottery “best practices” findings from 2016 study, where applicable, and expand base for retail products

**13** Upgrade policy analysis and forecasting tools for Real Property and Sales Tax income stream

**10** Develop and execute a plan with hospital board and DHCF to financially stabilize UMC

**14** Implement HR programs to improve training and succession planning within the OCFO

**11** Review investment systems and strategies to maximize revenues within investment policy guidelines

**15** Improve internal communications OCFO and District-wide by implementing dashboards, standardized reports , portals and newsletters across agencies

**12** Review and implement policies, systems, and processes to ensure compliance with increased local and federal debt regulations

**16** Review and upgrade financial reporting and accounting systems and processes for UDC





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## 24 Strategic Initiatives (con't)

17

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

18

**Review and update performance management system and recruitment strategies to align with culture of continuous improvement program**

19

**Continue to enhance OCFO Ethics Training**

20

**Improve the quality of financial information by integrating related information from other District agencies and using private sector data to enhance economic analysis**

21

**Modernize payment operations across the District**

22

**Provide technical financial planning support to WMATA and the region to develop a long-term funding solution**

23

**Implement an Enterprise Risk Management (ERM) Framework**



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# QUESTIONS?