

**PUBLIC OVERSIGHT HEARING  
ON THE FY 2014 AND FY 2015  
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 25, 2015, 10:00 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 2014 performance of the Office of the Chief Financial Officer and outline my plans for the agency in FY 2015 and beyond. Seated with me is Angell Jacobs, Deputy CFO and Chief of Staff. We are also joined by the entire executive team of the OCFO who will assist in answering any questions that the Committee may have.

As I mentioned the last time I sat before you, the OCFO developed a Strategic Plan. This document outlines the objectives and initiatives that will be the focus of our efforts over the next three to five years. This will also be the mechanism that we will use to measure our agency's progress and performance. Today, I will provide you an update on the Plan.



District of Columbia

# **OCFO Performance Oversight Hearing FY2014 and FY2015**

**February 25, 2015**



# Overview of the Office of the Chief Financial Officer

District of Columbia

## 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**

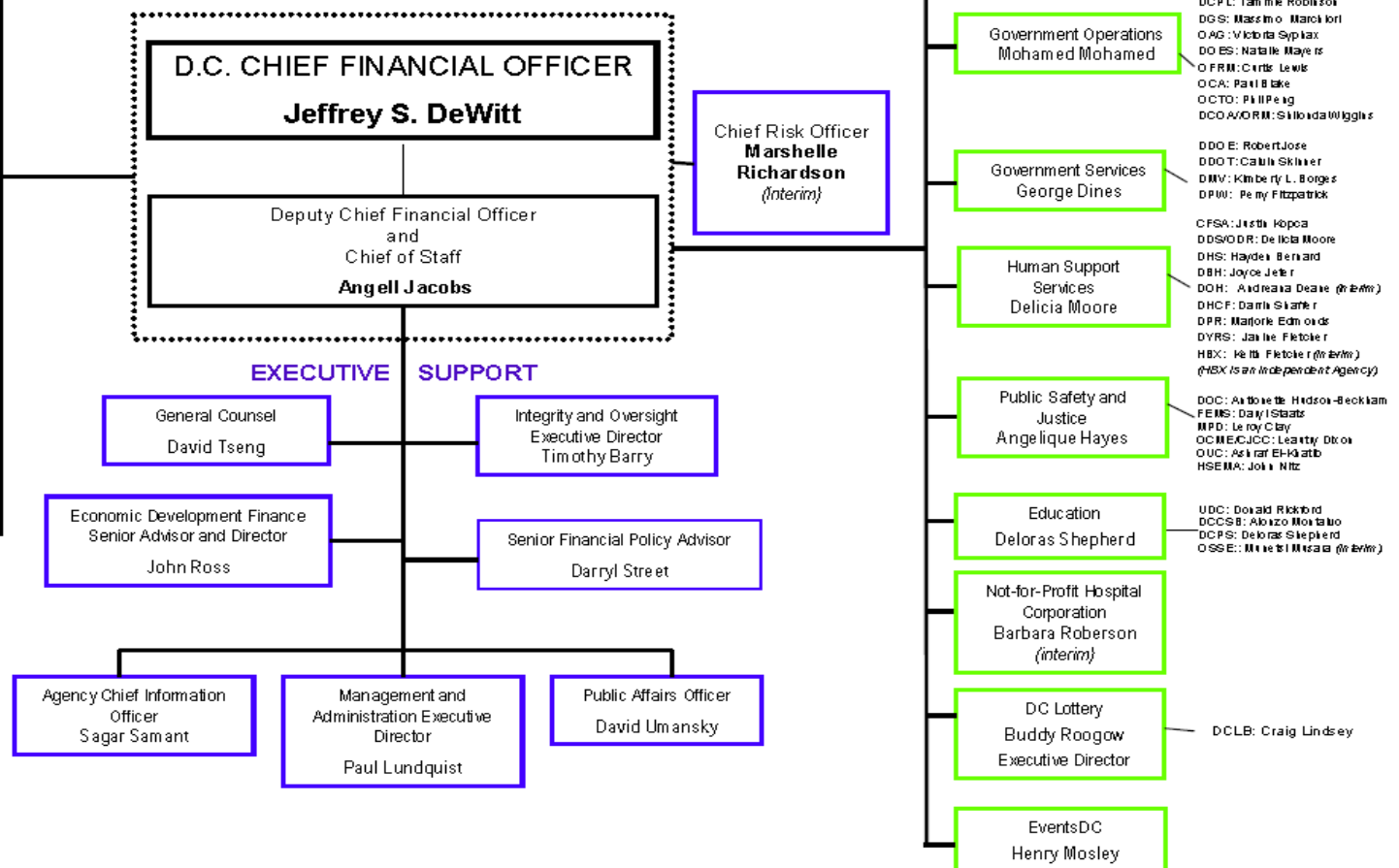
Office of Revenue Analysis (ORA)  
**Fitzroy Lee**

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

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## Office of the Chief Financial Officer

### Organizational Chart





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## OCFO Core Functions

The Independent Office of the Chief Financial Officer:

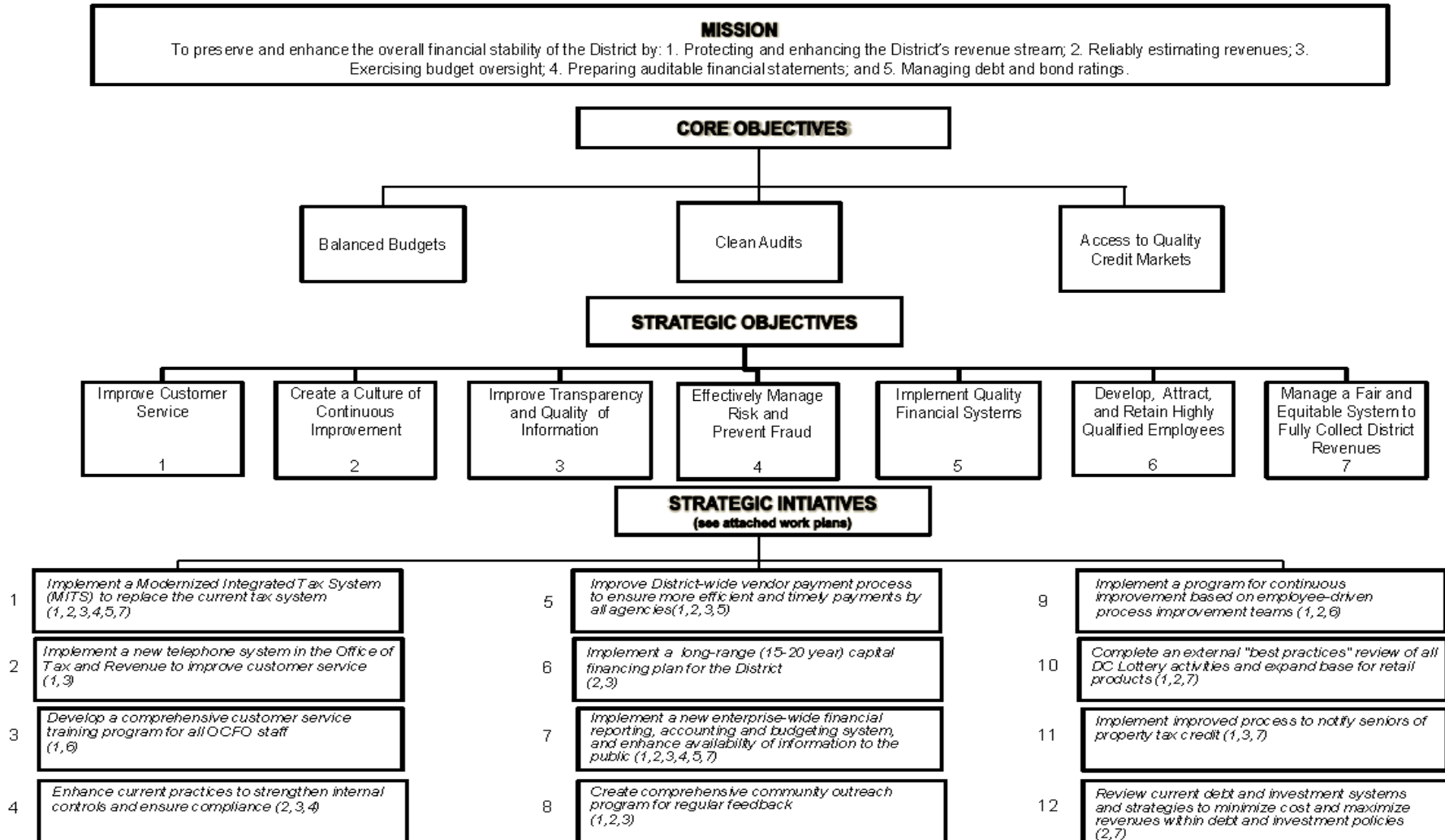
- Certifies budgets are balanced and financial statements are fairly represented
- Provides independent revenue estimates
- Monitors revenues and spending
- Evaluates fiscal impacts of all legislation
- Reviews all economic development projects
- Issues all debt, manages all investments, and oversees 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

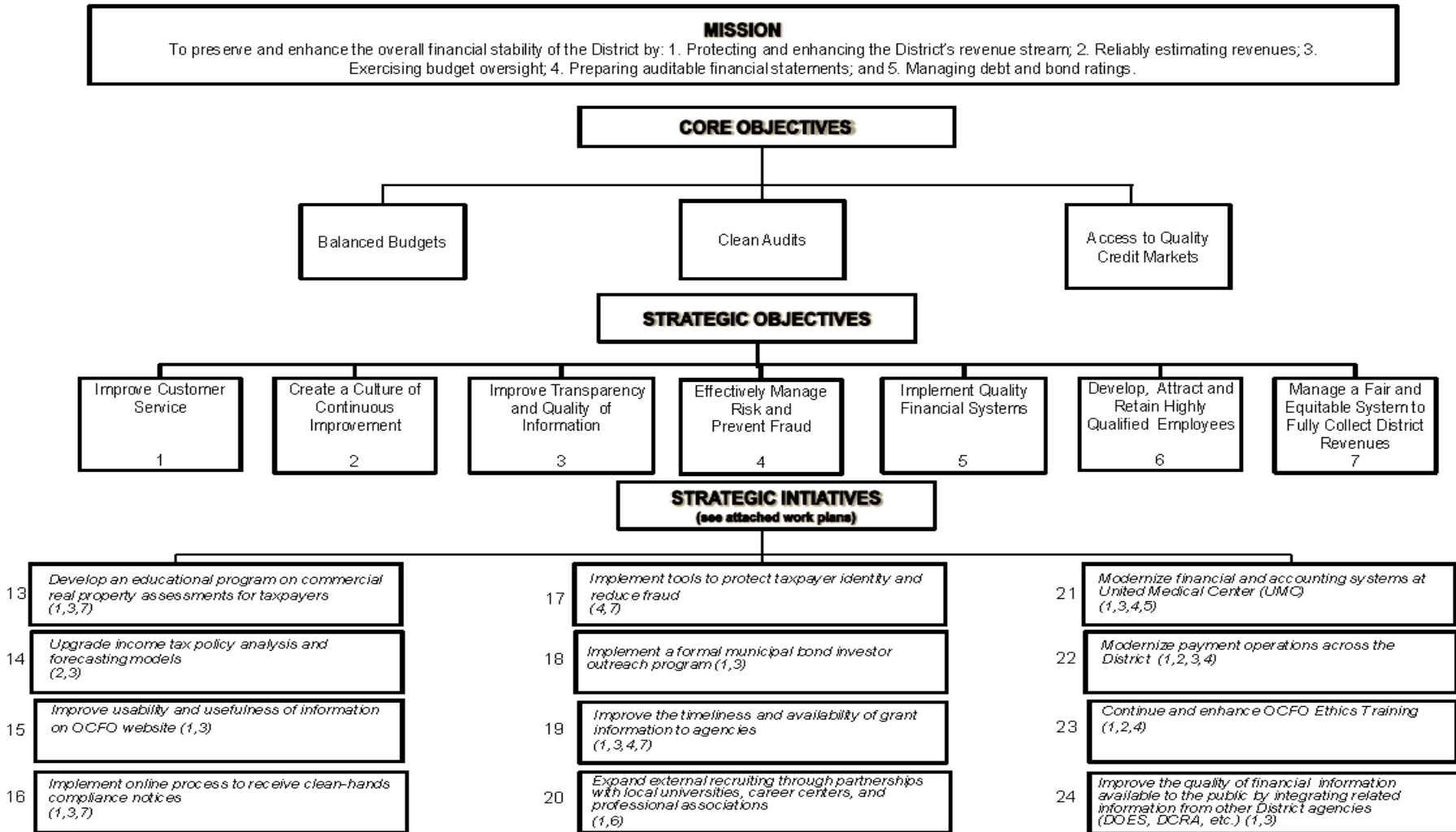




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## Office of the Chief Financial Officer Strategic Plan

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

- 18<sup>th</sup> consecutive CAFR on-time with a clean opinion
- GO bond upgrade by Standard & Poor's and Fitch rating agencies
- Hired Senior Financial Policy Advisor to develop long-range infrastructure and capital financing plan for the District
- Comprehensive review of all policies and procedures in progress
- Contract for comprehensive risk assessment and internal controls review planned for completion in summer 2015
- Developed inter-agency approach to address external audit findings



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## Strategic Plan Highlights (con't)

- Modernized Integrated Tax System (MITS)
  - Contract with Fast Enterprises executed
  - 30 OCFO and 31 contract staff dedicated for 4 years
  - Base system configuration completed
  - Master training and testing plans drafted
  - Phase I Rollout-October 2015 (Income Tax)
  - Future phases-October 2016 through October 2018
- New Telephone System
  - Phase I scheduled August 2015 to support MITS Phase I rollout
- Modified real property appraisal models to better reflect the impact of subsidized properties
- Implemented online Income & Expense (I&E) report filing
- Implemented online BID payments
- Upgraded income tax policy analysis and forecasting models
- Implemented improved process to notify seniors of property tax credit



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## Strategic Plan Highlights (con't)

- Conducted internal control review of DCLB warehouse processes
- Issued RFP for best practices review of DCLB
- Completed review of agency compliance with Quick Payment Act. Joint process improvement teams to be deployed summer 2015
- Completed ORACLE review of enterprise financial system implementation and expected return on investment
- Completed employee focus groups to assess customer service training needs and developed e-learning training modules



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## Strategic Plan Highlights (con't)

- Modernized financial and accounting systems at UMC
- Developed interim financial reporting tools for UDC
- Revised debt management practices (type of credit, cash flow management, structuring, and timing) to minimize debt service costs
- Created a new blog entitled “District, Measured” to share research on economic and demographic trends in the city (<http://districtmeasured.com>)



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## Major Initiatives Over the Next Year

- Continue MITS project implementation of income taxes
- Implement Phase I of telephone/customer relation system upgrade
- Develop 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 Phase I process improvement for timely vendor payments
- Complete procurement and begin implementation of online appraisal appeals system
- Hire Continuous Improvement Officer and begin agency-wide employee process improvement teams





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

- Complete review of internal controls, policies and procedures
- Complete best practices study of DCLB and issue procurements for related lottery services
- Acquire financial systems and technical expertise to increase efficiency of treasury investment operations
- Implement an online property tax assessment appeal system
- Partner with UDC to implement BANNER financial reporting module for the existing BANNER system