



2017-2021 STRATEGIC PLAN

Vision, Values, and a Culture of Continuous Improvement

“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 SMARTER.”



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



Jeffrey S. DeWitt, Chief Financial Officer

Table of Contents

Message from the Chief Financial Officer	2
OCFO At-A-Glance	4
OCFO Vision and Value Statements	5
Culture of Continuous Improvement	6
2017-2021 Strategic Plan	7
Successes of 2014 Strategic Plan	12
2017-2021 Strategic Initiative Summaries	14
Key Performance Indicators: Our Measure of Success	45

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER**



Message from the Chief Financial Officer

I am pleased to present the 2017-2021 Strategic Plan (Plan) for the Office of the Chief Financial Officer (OCFO). This plan outlines the priorities and direction of the OCFO over the next five years. As you will see in the pages that follow, we have been hard at work since 2014. The 2017 plan has been updated to reflect the many accomplishments from our 2014 Strategic Plan. Here, we also introduce new strategic initiatives, share the OCFO vision and value statements, and launch our new program for creating a culture of continuous improvement. We have also developed key performance indicators that will be used to measure our progress towards our goal of being a “best in class” financial organization.

The 2017-2021 Plan continues to focus on the 7 strategic objectives that strengthen the OCFO organization and enables us to better serve the residents and businesses of the District of Columbia. The strategic objectives are:

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. 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

The Plan includes 25 new or ongoing initiatives that support one or more of the 7 objectives. In general, the plan calls for implementing and maintaining quality financial systems, ensuring that best practices are in place for areas ranging from fraud prevention to lottery operations, improving the vendor payment process, developing a long-range capital asset financing plan, improving our online tools for better interactions with residents and businesses, and ensuring our internal programs, policies, and procedures support a workplace culture that attracts and retains the highest caliber of employees.

The strategic plan is a living document, and as such, will be updated as necessary, as District and OCFO priorities change. The core behind any quality strategic plan is a culture that encourages the organization to continually strive to improve. A key accomplishment of the 2014 plan was the initiation of a culture of continuous improvement. To promote and nourish this program, a new Continuous Improvement Officer position was created. This program will form the

foundation for success to accomplish what are 25 significant initiatives to improve how the District and the OCFO function. The specifics of each initiative are outlined in the Strategic Initiative Summaries section of this plan.

In closing, I would like to express my sincere appreciation to all the OCFO staff, not only for their work in the development of this document, but for their consistent performance in furthering our mission and their dedication to public service. I would also like to thank the District residents, as well as community and business leaders, who continually provide their perspectives on the financial management of the District. Finally, I would like to thank Mayor Bowser and the Council for their support and input, which were critical to the Plan's development.

On behalf of the OCFO, we look forward to continuing this important work.

Sincerely,

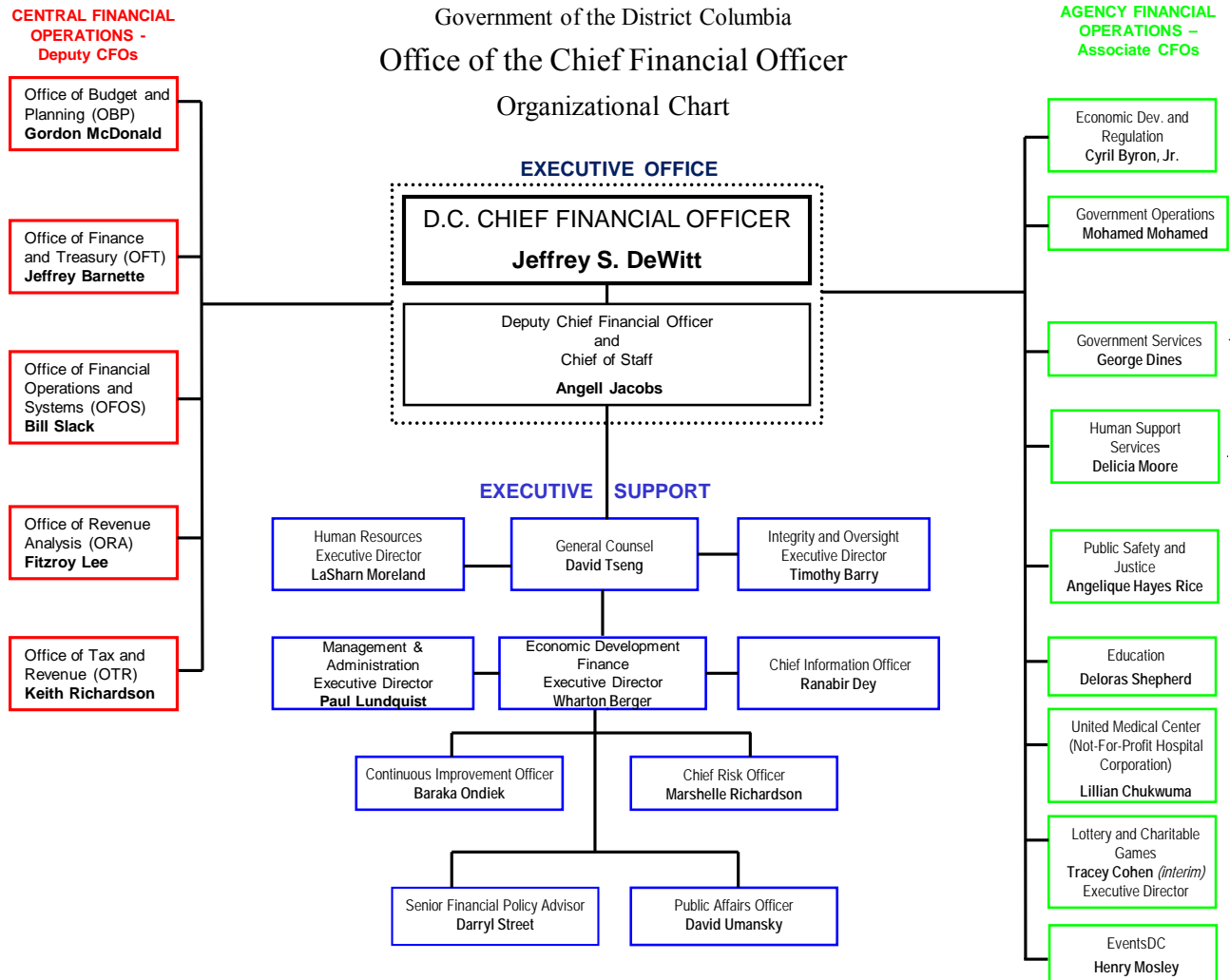
A handwritten signature in black ink that reads "Jeffrey S. DeWitt". The signature is written in a cursive, flowing style.

Jeffrey S. DeWitt

The OCFO At-A-Glance

The OCFO is the steward of the District’s finances. Since its creation in 1996, its core mission has been to maintain and enhance the fiscal health and viability of the District of Columbia by ensuring balanced budgets, unqualified or “clean” audit opinions, and access to quality credit markets with high and improving bond ratings.

The OCFO is organized into Central Financial Operations, Agency Financial Operations, and Executive Support functions.



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.”

The statement above is the very simple, yet bold vision that we have developed for our agency. Instilling a culture of continuous improvement--- where employees are empowered, accountable, and invested in their work--- is the means for realizing that vision. In support of our vision statement, we have also developed and agreed upon a set of shared values that define our expectations of how we do our work and how we conduct ourselves. These values are expressed in the following 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**



Culture of Continuous Improvement

Ensuring that a culture of continuous improvement takes root and thrives within the OCFO organization is one of our highest priorities. In this culture, employee empowerment and accountability are nurtured and promoted. An improvement-focused culture requires that we constantly review our organizational processes, procedures and systems to increase their overall efficiency, with the goal of continually increasing our effectiveness as an agency and the satisfaction levels of both our customers and employees.

While continuous improvement is every employee's responsibility, this effort requires a strong and visible champion. To carry out this role, we hired a Continuous Improvement Officer. This position reports directly to the Executive Office of the OCFO, and meets regularly with the CFO and Deputy CFO/Chief of Staff to discuss the progress of this initiative and to ensure that resource requirements are fully met.

In support of this effort, we also created a vehicle for employees to actively participate in continuously improving our agency by submitting ideas that will help to transform the agency. A web portal enables employees to "See It, Own It, Solve It, Do It"—that is, if an employee knows or becomes aware of a problem, they can own it by taking the initiative to outline and submit the problem and a proposed solution through the portal at <https://smarterocfo.dc.gov>. Once their suggested solution is reviewed and approved, they get to work with a team to implement it or do it. The program also includes a robust rewards and recognition program that celebrates employee excellence and innovation in the area of continuous improvement, so not only might the newly implemented solution improve the workload and work environment for their unit, but the employee(s) may be recognized for their efforts.

Finally, we have fully integrated our SMARTER values into our hiring, promotion, training (for employees, supervisors, and managers), succession planning, and performance management systems. All of the above are actions necessary to successfully implement and sustain a culture of continuous improvement.

2017-2021 Strategic Plan

The 2017-2021 Plan builds upon our successes and explores additional ways to position the OCFO on the path to “best in class” and long-term excellence. Over the next five years, the seven strategic objectives will be accomplished through 25 strategic initiatives that will achieve results. Key Performance Indicators (KPIs) and Key Management Indicators (KMIs) have been developed to ensure the OCFO is grounded in a culture of continuous improvement where progress is measured and results are regularly evaluated.

Strategic Objectives

Over the last decade, the OCFO has worked closely with the city’s elected leaders to achieve 20 consecutive balanced budgets with clean audit opinions, and vastly improved bond ratings that provide access to quality credit markets. These are core objectives of any highly functioning public finance office. Our consistent success in achieving these objectives provides the foundation for building a “best in class” finance organization that is transparent, provides quality information to stakeholders, and is agile and technologically advanced, so that residents and businesses can interact with us in faster, simpler, and smarter ways.

Finally, to achieve and maintain best in class status for the OCFO, a culture of continuous improvement and employee empowerment is required. This culture encourages employees at all levels of the agency to engage in finding ways to improve work processes and outcomes. This important objective provides the foundation and is the driving force to accomplishing all other objectives outlined in the plan.

Listed below are the **7 Strategic Objectives** and a brief description of each.

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. 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

1. Improve Customer Service

This strategic objective is intended to improve the quality, timeliness, and accuracy of services provided by the OCFO to the public, District agencies, and elected officials. This may include improvements in technology such as telephony and financial systems, ongoing customer service training, monitoring customer satisfaction, and improving employee morale as a means to enhance customer service.

2. Create a Culture of Continuous Improvement

This strategic objective seeks to create a culture and work environment that drives the effort to improve processes, be more efficient, and enhance the quality of work performed at all levels. This requires an employee-empowered culture of accountability that encourages suggestions and ideas from all employees that addresses problems in partnership with management. The popular management concept, the “Oz Principle” of “See It, Own It, Solve It, Do It,” and similar concepts are being used to foster a culture of continuous improvement.

3. Improve Transparency and Quality of Information

This strategic objective works to ensure that information provided by the OCFO is accurate, timely, accessible, and easily understood. Regular feedback from OCFO customers is required to ensure this objective is met. Although complete transparency is the objective, the OCFO takes care to protect confidential information, such as taxpayer information, or information that may put the District at risk of fraud or theft.

4. Manage Risk and Prevent Fraud

As stewards of public funds and public trust, the OCFO consistently implements and maintains controls to prevent and detect fraud. This includes regular risk assessments, audits of sensitive areas, regular testing of internal controls, hotlines to report impropriety, and ongoing employee training to actively prevent and detect fraud in the workplace.

5. Implement Quality Financial Systems

With many of the OCFO’s financial systems more than fifteen years old, significant efforts are required to meet increasing demands from the public for timely and quality information. This objective focuses on updating OCFO financial systems in the areas of tax (which has commenced and is ongoing), financial reporting, budget, and business intelligence. The intent is to implement quality systems that are upgraded regularly and reflect effective and efficient business processes.

6. Develop, Attract, and Retain High Quality Employees

Highly-qualified and well-trained employees are critical to meeting all the OCFO’s goals. This strategic objective focuses on recruiting a highly-qualified and diverse staff, ensuring that necessary training programs are in place for all areas of the OCFO, and that there are appropriate rewards and recognition events to retain top talent.

7. Manage a Fair and Equitable System to Fully Collect District Revenues

This strategic objective focuses on improving our ability to fairly and equitably collect District revenues. This includes the use of technology, ensuring fair and reasonable collection tools

are used, conducting audits and using other available tools that provide residents and businesses assurance that everyone is paying their fair share under current laws and regulations. Our goal is to ensure that only the proper amounts due are collected, and any amounts owed individual taxpayers and businesses are promptly refunded.

Strategic Initiatives

As a result of extensive discussions, both internal and with other relevant stakeholders, 25 strategic initiatives were developed that support one or more of the strategic objectives. Their details can be found in the Strategic Initiative Summaries section of this plan.

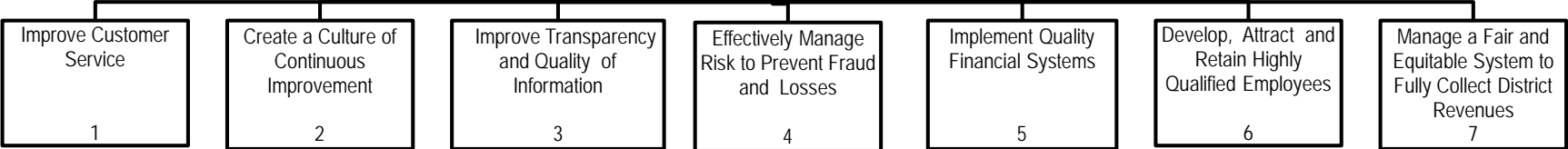
Office of the Chief Financial Officer Strategic Plan

MISSION
To preserve and enhance the overall financial stability of the District by: 1. Protecting and enhancing the District's revenue stream; 2. Reliably estimating revenues; 3. Exercising budget oversight; 4. Preparing auditable financial statements; 5. Managing debt and bond ratings

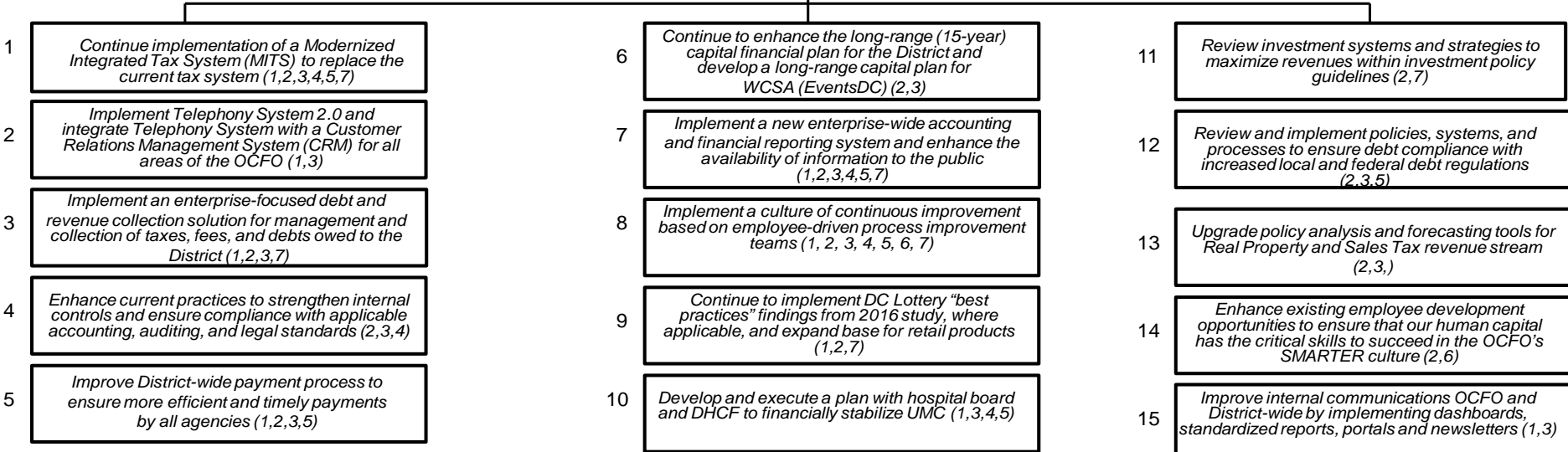
CORE OBJECTIVES



STRATEGIC OBJECTIVES



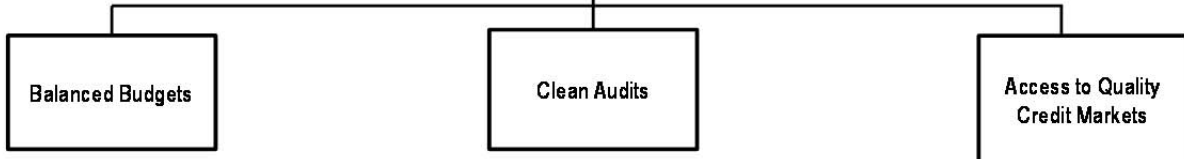
STRATEGIC INITIATIVES
(see attached work plans)



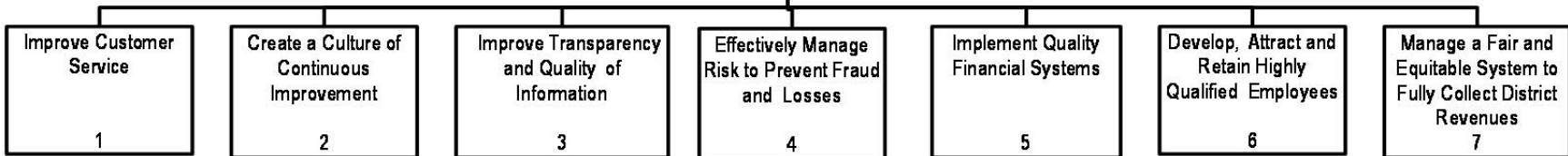
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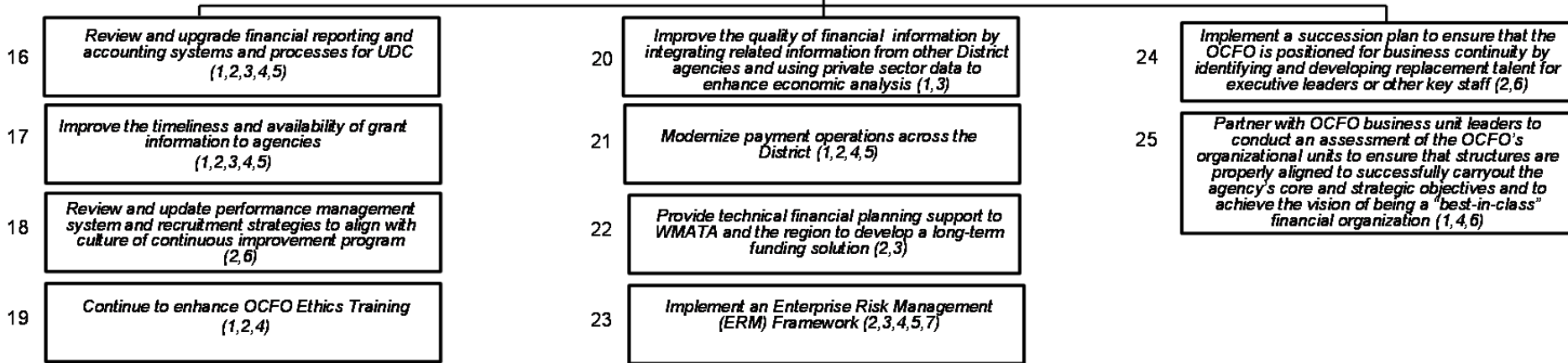
CORE OBJECTIVES




STRATEGIC OBJECTIVES




STRATEGIC INITIATIVES
(see attached work plans)





Successes of 2014 Strategic Plan



Office of the Chief Financial Officer Strategic Plan

Successes of 2014 Strategic Plan

Over the last three years, the Office of the Chief Financial Officer (OCFO) has made significant progress in its efforts to execute the Strategic Plan (Plan) and continuously improve the agency. Below are highlights of our accomplishments from the 2014 Plan.

- Developed a new OCFO value statement and a new continuous improvement program
- Implemented a new income and business tax filing system, which includes a taxpayer portal for enhanced customer service (MITS Phases I and II)
- Implemented tools to protect taxpayer identity and reduce fraud
- Implemented a new telephone system in the Office of Tax and Revenue to improve customer service
- Completed an external “best practices” review of all DC Lottery activities. Ranked 7th out of 44 in overall performance in the US lottery industry
- Received a clean audit with no “Yellow Book” (no material weaknesses or significant deficiencies) for the 2015 and 2016 Comprehensive Annual Financial Reports (CAFR); enhanced internal controls through development of comprehensive written policies and procedures; and engaged an outside consultant for a risk review
- Developed the first ever Long-Range Capital Financial Plan Report to determine funding gaps, including the replacement and maintenance needs of District assets
- Implemented a new agency-wide customer service training program that includes e-learning and instructor-led modules to promote better customer service
- Completed a comprehensive analysis of resources needed to implement a new financial system
- Created a comprehensive community outreach program for regular feedback
- Implemented an improved process to notify seniors of property tax credit opportunities
- Eliminated short-term borrowing for cash flow purposes (No Tax Revenue Anticipation Notes)
- Improved investor outreach through the District’s first-ever investor conference in collaboration with DC Water, the Washington Metropolitan Area Transit Authority (WMATA), and the Washington Metropolitan Airport Authority
- Expanded external recruiting through partnerships with local universities, job fairs, and career centers
- Moved 280,000 payments to pay cards reducing the need for paper checks
- Developed an educational workshop on commercial real property assessments for taxpayers
- Upgraded income tax policy analysis and forecasting models
- Improved the usability and usefulness of information on the OCFO website
- Implemented an online process to receive clean-hands compliance certificates
- Enhanced annual OCFO Ethics Training

**2017-2021
Strategic Initiative
Summaries**

Strategic Initiative #1

Title of Initiative: Continue implementation of a Modernized Integrated Tax System (MITS) to replace the current tax system.

Description of Strategic Initiative: This initiative will replace the District's 15-year-old tax administration system with a proven commercial-off-the-shelf integrated tax system for all tax types. The new system will use state-of-the-art technology to provide a flexible, high performance, scalable, configurable, and reliable tax processing solution. The new system will include a new internet application for public use to file returns, make payments, establish payment plans, and provide taxpayers access to information regarding their accounts. This modernization will enable the OCFO to improve productivity, reduce processing costs, enhance collection activities, enhance fraud detection activities, and assure fair and equitable application of rules and regulations. As the new systems come online, a communication and outreach program will be instituted to provide District taxpayers with the information they need to make full use of the new system and to provide feedback for future improvements. The new system and process changes required will be reviewed by the Office of the Chief Risk Officer (OCRO) to ensure all necessary internal controls are maintained.

Responsible Areas for Implementation: Office of Tax and Revenue (OTR), Office of Chief Information Officer (OCIO), Office of Financial Operations and Systems, (OFOS), Office of Finance and Treasury (OFT), Office of the Chief Risk Officer (OCRO), and Public Affairs

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; 5. Implement Quality Financial Systems; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: Ensure that the OCFO's tax administration system will remain current and reliable for the foreseeable future; Provide accurate real time processing capabilities; Provide enhanced analytics for use in fraud prevention, collections improvement, revenue analysis, and other discovery purposes; Reduce processing costs; Enable rapid response to changing tax laws; Enhance compliance programs; Improve system security and auditability; and Improve convenience and levels of service to taxpayers through use of a taxpayer portal.

Resources Required FTEs and Funding: Current approved budget is \$71,419,806 (\$71.4 million). There are 44 OCFO full time staff and 14 part time staff working on the project.

Estimated Timelines for Completion (start and end dates): The implementation timeline is 4 years with 4 phased rollouts. Project began September 2014. Phase 1 included individual income taxes and successfully rolled out on October 28, 2015. Phase 2 included franchise and withholding taxes and the new internet portal and successfully rolled out on October 31, 2016. Phase 3 will include sales and use taxes; Phase 3 rollout is anticipated for October 2017, and all remaining taxes and fees along with real property billing will be rolled out in Phase 4.

Strategic Initiative #2

Title of Initiative: Implement Telephony System 2.0 and integrate Telephony System with a Customer Relations Management System (CRM) for all areas of the OCFO.

Description of Strategic Initiative: Implement a modernized telephone system and a single Customer Relations Management (CRM) system for the Office of Tax and Revenue (OTR). The goal is to integrate the telephone system with other OCFO applications such as the tax administration system, email, voice mail, written correspondence, notices, etc. so all customer interactions are recorded and tracked in a single system. As the new systems come online, a communications and outreach program will be instituted to provide District taxpayers with the information they need to make full use of the new system and to provide feedback for future improvements.

Responsible Areas for Implementation: Office of Chief Information Officer (OCIO), Office of Tax and Revenue (OTR), Public Affairs, and Office of Finance and Treasury

Strategic Objectives Impacted: 1. Improve Customer Service and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: Improve levels of service to residents; Improve efficiency of operations across all customer-facing OCFO business units; and provide visibility into types and levels of customer service provided by the OCFO.

Resources Required (FTEs and Funding): This initiative will require 1 OCIO staff working full time on the project with 4 existing OTR staff members assisting with requirements and testing. The estimated total projected cost is \$2M for the phone and CRM system, not including staffing.

Estimated Timelines for Completion (start and end dates): Phase 1: Implement a modernized telephone system for the OTR prior to Phase 1 for the new integrated tax system (strategic initiative #1)

Subsequent Phases: Implement a centralized Customer Relations Management system that integrates all customer contacts into a single system.

Timeline – Phase 1 – Completed in Summer 2016; Phase 2 for Full Integration – by Fall 2018.

Strategic Initiative #3

Title of Initiative: Implement an enterprise-focused debt and revenue collection solution for management and collection of taxes, fees, and debts owed to the District.

Description of Strategic Initiative: As part of the customer service initiative to improve all aspects of the public's interaction with the District government, the Central Collection Unit (CCU) is in the process of evaluating a modernization project to improve its debt collection process. Once implemented, the goal will result in a comprehensive collection process for all non-exempt District agencies to include a system of record and collection processing to provide a more accurate customer service experience between CCU, District agencies, and the debtors.

Responsible Areas for Implementation: CCU, Office of the Chief Information Officer, and all District agencies with debts

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; and 7. Manage a Fair and Equitable System to Fully Collect District Revenue

Summary of Expected Impact on Strategic Objectives: Millions of dollars in outstanding debts owed to the District will be aggregated and accounted for in a centralized system for accurate and improved facilitation of citizen payments, quality and transparency of information, and delivery of firm but fair collection of debts owed to the District. This initiative will allow the expansion of the CCU's collection efforts beyond its current agencies and increase general fund and other type of revenues.

Resources Required (FTEs and Funding): Budget allocation has been provided for FY 2017 and projections submitted for FY 2018. However, with agency collection expansion there will be a need for up to 9 additional permanent collection representatives, lead collections representatives, accounting staff, and attorneys in FY 2018 based on the contract award for the CCU system and collections. In addition, space expansion is projected and necessary to house larger staff, a customer walk-in operation, and call center. Additionally, the CCU will need a presence at additional customer service locations to include Blue Plains, Traffic Adjudication, etc. This should be accomplished simultaneously with the implementation of the CCU's modernization.

Estimated Timelines for Completion (start and end dates): The start date will be based on the award of the CCU collection and system contract expected by late Spring 2017. The end date would be approximately a year from obtaining a signed vendor contract, which is estimated to be May 2017 with projected operations in place by May 2018.

Strategic Initiative #4

Title of Initiative: Enhance current practices to strengthen internal controls and ensure compliance with applicable accounting, auditing, and legal standards.

Description of Strategic Initiative: This initiative focuses on several areas and is designed to ensure strong internal controls are maintained, prevent or otherwise minimize the risk of audit findings, and ensure that the District's financial statements/reports, processes/practices and financial policies and procedures are of the highest quality. The general areas of focus include:

- Identification and remediation of audit findings (resulting from the audit of the Comprehensive Annual Financial Report (CAFR) and the Single Audit)
- Review of the status of findings previously reported by independent auditors (CAFR audit and Single Audit) and remediate to ensure that corrective actions have been effective in minimizing the risk of recurrence
- Proactive review of other audit reports issued during the year to assess the impact of any associated findings on the annual financial statements and to timely implement corrective measures (may include reports issued by the OIG, DC Auditor, the OCFO's OIO and external entities)
- Comprehensive review of all policies and procedures and conducting updates/revisions, as deemed necessary and appropriate
- Comprehensive risk assessment of all business units to identify fraud risks and develop additional and necessary controls

Responsible Areas for Implementation: Office of Financial Operations and Systems (OFOS), Office of Integrity and Oversight (OIO), Office of the Chief Risk Officer (OCRO), OCFO staff within the affected agencies and program staff. OCFO personnel will work collaboratively with program staff within the affected agencies as well as other representatives of the Executive Office of the Mayor and the Council of the District of Columbia.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; and 4. Effectively Manage Risk to Prevent Fraud and Losses

Summary of Expected Impact on Strategic Objectives: This initiative involves a comprehensive approach to proactively reducing the risks of fraud and other improprieties and timely resolving issues and internal control deficiencies reported by auditors. The work involved will focus on all areas of financial operations and other high-risk program areas that impact financial position/operating results, with emphasis on improving the administration of and accounting for federal grants, minimizing audit risks, and regularly reviewing business processes, policies, and procedures to continuously improve operational efficiency and effectiveness. Detailed work plans and oversight committees will ensure that audit findings (both potential and reported) are timely addressed; agency internal staff will be assisted by risk assessment consultants to review areas that are vulnerable to fraud; and internal staff will review, update, and/or prepare policies and procedures, as necessary to fully document current required accounting and reporting practices. Our main objective is to assure elected officials, agency personnel, and the public at large that all reasonable efforts are being taken by the OCFO to manage fraud risks and maintain strong, effective internal controls.

Strategic Initiative #4 (Cont.)

Resources Required (FTEs and Funding):

- Identification and remediation of any external audit findings
(Existing OCFO staff and dedicated agency staff to address findings)
- Follow-up review of the status of findings previously reported by independent auditors (CAFR audit and Single Audit)
(Existing OCFO staff and staff within agencies who are knowledgeable of reported findings and corrective actions implemented)
- Proactive review of other audit reports issued during the year
(Current OCFO staff; no additional resources needed)
- Comprehensive review of all policies and procedures and update/revision, as deemed necessary and appropriate
(Led by the OCRO with assistance by OFOS's Policies and Procedures Division and staff assigned from each area of the OCFO)
- Comprehensive risk assessment of all business units to identify fraud risks and develop additional and necessary controls
*(Led by a team of approximately 5 external contractors to conduct and complete Phase 2 of the comprehensive risk assessment).
(Estimated cost will be determined once the procurement process is completed. Existing OCRO staff will assist contractors as required).*

Estimated Timelines for Completion (start and end dates):

- Identification and remediation of any external audit findings
(Continuous)
- Follow-up review of the status of findings previously reported by independent auditors (CAFR audit and Single Audit)
(At least annually; February to August each year)
- Proactive review of other audit reports issued during the year
(Continuous)
- Comprehensive review of all policies and procedures
*(Started October 2014; Completed September 2016 (except for grants and budget procedures which were not included in the original scope).
Communication strategy and rollout of access to procedures is planned for October 2017; grants management procedures to be completed as part of the Grants Initiative, and budget procedures to be completed by September 2017).*
- Comprehensive risk assessment of all business units to identify fraud risks and develop additional and necessary controls
(Phase 1, Task 2 Report issued in March 2017; Phase 2: Development of Enterprise Risk Management (ERM) Program for Central Financial Operations completed by Spring 2018; Phase 3: (Performance of a Comprehensive Risk Assessment at the program level (seven cluster financial agencies) to commence 4th Quarter of 2018 and completed by 4th Quarter of 2019; Phase 4: Expand ERM to seven cluster financial agencies completed by 2020.

Strategic Initiative #5

Title of Initiative: Improve District-wide payment process to ensure more efficient and timely payments by all agencies.

Description of Strategic Initiative: This initiative will improve the payment process to all vendors and contractors doing business with the District. This initiative will implement processes to measure monthly compliance with the District of Columbia Quick Payment Act (QPA) of 1984, timely identify and resolve weaknesses in the procurement and accounts payable process, develop improvements and corrective action plans, and track results. The OCFO will:

- a) Update policies and procedures to include clearly defined timelines for each stakeholder in the payment process from initial acceptance of receiving goods and services to approval of invoices through payment release
- b) Re-educate/train all stakeholders in the complete procurement-to-payment cycle (program team, accounts payable, vendors): 1) review purchase order aging, invoice aging, and QPA reports, and provide bi-weekly status reports to program team; 2) conduct periodic (quarterly) workshops on invoice processing requirements to program managers and project managers
- c) Monitor QPA activity reports by individual agencies as part of agencies' performance metric data
- d) Measure accounts payable group performance and develop and implement staff productivity metric/performance standards for timely processing of invoices
- e) Leverage technology to enhance efficiency and measure progress through the implementation of e-invoicing, which will:
 - establish a linked OCFO/OCP vendor portal for both initial submission of and updating payment information
 - implement an electronic invoice submission (if cost-effective) or develop a vendor web-portal for invoice submission that allows invoice tracking by agencies to allow them to view and accept/reject invoices
 - provide the capability for vendors to check in on their submitted invoices and status of payments

Responsible Areas for Implementation: Office Financial Operations and Systems, Office of Finance and Treasury, Office of the Chief Information Officer, Office of the Chief Risk Officer, and all DC government agencies

Strategic Objectives Impacted 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency of Information; and 5. Implement Quality Financial Systems

Strategic Initiative #5 (Cont.)

Summary of Expected Impact on Strategic Objectives: This initiative will: 1. ensure timely and accurate payment of valid vendor invoices in compliance with the District's QPA; 2. eliminate audit findings; 3. streamline procurement and accounts payable processes; and 4. improve accounts payable group performance.

Resources Required (FTEs and Funding): Dedication of existing staff and agency personnel to process improvement teams and potential funding for a payment portal if not available in the new financial system. (strategic initiative #7)

E-Invoicing - OCFO has provided \$1.69M (\$1.4M E-Invoicing Project Cost for OCTO and \$250K project management cost for OCFO IT) to fund E-Invoicing Project. OCTO will provide 2 dedicated FTEs for the PILOT project with 1 OCFO FTE serving as Project Manager.

Estimated Timelines for Completion (start and end dates): Started process reviews in July 2014 and training by December 2014. Payment portal – TBD.

E-Invoicing – completed Project Charter and Requirements gathering on October 12, 2016 and September 7, 2016, respectively. During the First Phase of the E-Invoicing project, OCTO will be the pilot agency. The pilot will run from July 1, 2017 – December 31, 2017. January 1, 2018 – May 31, 2018, will be the pilot for selected Cluster agencies. Full implementation June 1, 2018 – September 30, 2018.

Strategic Initiative #6

Title of Initiative: Continue to enhance the long-range (15-year) capital financial plan for the District and develop a long-range capital plan for WCSA (EventsDC).

Description of Strategic Initiative: This initiative involves the continued refinement of the long-range (15-year) capital financing plan and the financial options to fund the District's infrastructure needs. The plan will identify costs to maintain current assets, as well as new capital facilities and assets. The plan will require a facilities maintenance plan for District assets and master plans for the Washington Metropolitan Area Transit Authority (WMATA), the District of Columbia Public Schools (DCPS), District Department of Transportation (DDOT) and other large capital infrastructure programs. The plan will be an aid in determining the optimal mix of financing tools including municipal bonds, pay-as-you-go capital, and public-private partnerships, to fund these needs and to identify any gaps in needs, by year, versus resources in order to develop strategic options for consideration by policy makers. This initiative also involves the development of a long-range financial plan for WCSA (EventsDC) to ensure that adequate reserves are available to maintain critical assets, such as the Convention Center, Nationals Park, Carnegie Library and other key assets, as well as to identify funds available for strategic initiatives, such as redevelopment of the RFK stadium campus.

Responsible Areas for Implementation: This effort will be led by the OCFO Executive Office and will involve the Office of Budget and Planning, Office of Finance and Treasury, and the Office of Revenue Analysis with support from various District agencies responsible for capital planning and infrastructure maintenance, as well as the Office of the City Administrator. The long-range capital plan for EventsDC will also require support from the CFO, General Manager and Board of EventsDC.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: This initiative will provide for better information on current capital assets and the associated projects as well as future capital and infrastructure needs, by asset type, for both the District and EventsDC. In addition, the plan will identify funding needs to maintain current infrastructure; the capacity of different funding options; and the impact of policies on the District's debt cap and pay-as-you-go levels as well as the need for alternative financial options such as public/private partnerships and infrastructure trusts.

Resources Required (FTEs and Funding): Dedication of 0.50 FTE from the OCFO Senior Financial Policy Advisor, staff support from Office of Budget and Planning and Office of Finance and Treasury, and consulting services and support from various District agencies. In addition, the initiative will require 1.0 FTE from the Office of the Chief Technology Officer (OCTO) to serve as project manager for the implementation of the software model, and other OCTO staff support for creating and maintaining the necessary data interfaces to the agency databases. For the portion of the initiative dealing with WCSA, it will also require 0.25 FTE from the CFO of EventsDC.

Strategic Initiative #6 (Cont.)

Estimated Timelines for Completion (start and end dates):

District: Phase 1: Proof of Concept using 3 primary asset types, (May 2015) **Complete**; Phase 2: Expansion to include all current and proposed CIP projects (December 2015) **Complete**; Import and model needs for 3 different asset types from 3 key agencies and import project-level CIP data for all District agencies and produce initial long-range capital financial plan report (October 2016) **Complete**; Phase 3: Import asset-level data of all other agencies– excluding I.T. (December 2017), import of data for I.T. Capital Needs (May 2018); Final detailed asset level plan implemented (June 2018).

WCSA: Work began on the long-range capital plan for EventsDC in Summer 2016 and is expected to be completed by Summer 2017.

Strategic Initiative #7

Title of Initiative: Implement a new enterprise-wide accounting and financial reporting system and enhance the availability of information to the public.

Description of Strategic Initiative: The purpose of this initiative is to replace the accounting and financial reporting systems currently used by the District with a fully integrated, state-of-the-art, enterprise-wide system. The new system will improve monitoring of and reporting on the financial activities that occur during the fiscal year; enhance the efficiency of daily accounting operations; and provide the District with the ability to easily accommodate new business requirements introduced by federal or District legislation. In addition, the new system will provide improved auditing and monitoring capabilities while complying with new accounting standards and financial reporting requirements introduced by the Governmental Accounting Standards Board (GASB). Implementation of the new system will result in improved management of the District's cash flow and investments and will allow more efficient integration with other systems such as the procurement system. Increased system capability will make financial data readily available to the public through the use of expanded and improved analytical tools.

Responsible Areas for Implementation: This initiative will be led by the OCFO Executive Office and will involve the Office of Financial Operations and Systems, the Office of Budget and Planning, the Office of Finance and Treasury, the Office of the Chief Information Officer, the Office of Management and Administration, with support from all District agencies.

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; 5. Implement Quality Financial Systems; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: The new system will: enhance internal controls; increase efficiency in accounting operations, resulting in the streamlining of the process used to prepare the Comprehensive Annual Financial Report (CAFR); automate and simplify the cash reconciliation process; and improve grants management and reporting. Implementation of the new accounting/financial management system will allow for more timely and accurate reporting of the District's finances and provide improved integration with other District systems for increased efficiencies. More useful and meaningful financial information will also be available to the public.

Resources Required (FTEs and Funding): Estimated dedicated staffing is approximately 40 FTEs, with implementation cost estimated to be approximately \$100 million for the completion of a full enterprise-wide system.

Estimated Timelines for Completion (start and end dates): Five years beginning where full funding has been approved and allocated, to be in the following phases: Phase 1, Discovery and Planning (Creation of Project Team, Identification of Issues and Solutions, Preparation of Project Plan; Phase 2, Design (System Configurations, Defining Roles, Documenting Procedures); Phase 3, Development (Preparing System for Go Live: customizations, developing user trainings, importing data, etc.); Phase 4, Testing; Phase 5, Deployment; and Phase 6, Ongoing Support. Full Implementation: October 2021.

Strategic Initiative #8

Title of Initiative: Implement a culture of continuous improvement based on employee-driven process improvement teams.

Description of Strategic Initiative: This is a program to develop a culture of continuous improvement where employees are empowered to improve their workplace, encouraged to bring ideas forward and embody the core values of the OCFO organization. Employees are empowered to not only identify a problem but become an integral part of developing solutions that support the vision of making the OCFO a “best in class” organization, i.e., “See It, Own It, Solve It, Do It”. The initiative encourages employees to continuously seek opportunities for improvement while providing them with the resources needed to affect change and meet and/or exceed the organization’s goals.

Responsible Areas for Implementation: This initiative will be led by the Continuous Improvement Officer and will involve the entire OCFO organization.

Strategic Objectives Impacted: All strategic objectives (1-7)

Summary of Expected Impact on Strategic Objectives: Once fully implemented, this program will create an environment where OCFO employees can share their ideas in order to improve the work place and ensure that they are heard. The OCFO will have more engaged employees who seek to help solve problems and take ownership of their recommendations. Consequently, morale will improve and both customer and employee satisfaction will be enhanced.

Resources Required (FTEs and Funding): Funding FY 2017: \$60K
Staffing Requirements: 3 FTEs (1 senior business analyst and 2 business analysts)

Estimated Timelines for Completion (start and end dates):

- Continuous Improvement Roll-Out Town Hall Sessions (November 22, 2016)
- Final Presentation Refunds/Return Initiative (December 5, 2016)
- Completion of MITS Organizational Change Management Effort for Roll-Out 3 (March 2018)
- Ongoing administration of employee suggestion portal (June 2017-September 2021)
- Participate with all functions of the OCFO in marketing, training and development of the SMARTER culture program (June 2017-September 2021)

Strategic Initiative #9

Title of Initiative: Continue to implement DC Lottery “best practices” findings from 2016 study, where applicable, and expand base for retail products.

Description of Strategic Initiative: Continue to contract with an external and independent business consultant with experience in lottery operations to assist in the implementation of applicable “best practices” recommendations from the 2016 study as well as continue to improve upon existing policies, procedures, practices and programs within the DC Lottery. Additionally, this initiative will continue efforts in identifying and pursuing opportunities to expand the retail product base.

Responsible Areas for Implementation: Executive Office of the OCFO, Executive Office of the Office of Lottery and Charitable Games, and the Office of Contracts

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; and 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: Ensure ‘best in class’ operations of the Office of Lottery and Charitable Game

Resources Required (FTEs and Funding): Consulting Services contract and access to all Office of Lottery and Charitable Games staff and resources.

Estimated Timelines for Completion (start and end dates): Completed analysis and selection of applicable “best practices” in December 31, 2016; Implement applicable “best practices” by September 30, 2017 including a retail expansion plan.

Strategic Initiative #10

Title of Initiative: Develop and execute a plan with hospital board and DHCF to financially stabilize UMC.

Description of Strategic Initiative: This initiative will help to move the hospital to long-term independent financial stability and place it in a position to obtain a business partner. The OCFO will:

- Complete year-end audits in December with no findings
- Accomplish a monthly close by business day 5 and financial statement Board package by business day 10
- Provide accurate financial information (budget, cash flow and other financial forecasts) to hospital operators to support its successful execution of the management action plan.
- Accomplish 48 days in Patient Accounts Receivable
- Maintain 45 days in cash
- Improve cash management to avoid cash flow crunch & eliminate the District non-capital subsidy through Revenue Cycle and cost reduction initiatives
- Monitor budget assumptions as included in the Management Action Plan
- Continuous expense monitoring
- Evaluate all Revenue Cycle processes (Hospital-wide) to increase cash collections & reduce incorrect billings
- Advise hospital administration on the re-negotiation of managed care contracts with financial analytics
- Complete a fixed asset inventory evaluation to ensure proper stewardship of capital assets
- Implement a Financial and Decision Support System
- Transfer full revenue cycle staffing and functions to the OCFO

Responsible Areas for Implementation: UMC CFO and financial staff will be responsible for implementation of this initiative.

Strategic Objectives Impacted: 1. Improve Customer Service; 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; and 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives: Financially stabilize UMC.

Strategic Initiative #10 (Cont.)

Resources Required (FTEs and Funding): To be determined, with anticipated return on investment exceeding upfront investment costs

Estimated Timelines for Completion (start and end dates): The targeted completion date is by end of FY2019.

Strategic Initiative #11

Title of Initiative: Review investment systems and strategies to maximize revenues within investment policy guidelines.

Description of Strategic Initiative: Phase 1 of this initiative involves review of current operations and systems, as compared to best practices, with respect to cash and investment management programs. Phase 2 of the initiative involves implementing new investment strategies that minimize overall risk and maximize the return profile of cash investments.

Responsible Areas for Implementation: Office of Finance and Treasury's Asset Management unit (specifically Cash and Investment Management), Senior Financial Policy Advisor to the CFO, and the Debt Management unit

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement and 7. Manage a Fair and Equitable System to Fully Collect District Revenues

Summary of Expected Impact on Strategic Objectives: Phase 1 of the initiative will identify areas of potential improvement in debt and investment management and determine what information technology may be needed to support the program. Phase 2 will implement new technology and new debt and investment strategies that will lead to better risk management, lower debt service costs, and increase investment returns. In an effort to execute on these initiatives we have contracted with a new custodial services provider that will provide much better service in terms of investment operations and reporting. We will transition to the new provider beginning February 1, 2017 with an estimated completion date of Summer 2017. We also issued and received responses via a marketing survey for Treasury software. With this information we are constructing a detailed request for proposal (RFP). We plan to issue the RFP by the end of fiscal year 2017. We have also hired an investment analyst that will focus on actively investing the Districts short term funds.

Resources Required (FTEs and Funding): 1 FTE required. Position filled and employee started January 23, 2017. Phase 2 costs for Treasury software has been granted submission in the capital budget for fiscal year 2017. The estimated cost for acquiring the software is \$700,000 and we have estimated a quarterly expenditure for maintenance and upgrades of \$15,000.

Estimated Timelines for Completion (start and end dates): We estimate completing the RFP process for Treasury software by the end of 2017 and completing implementation by fiscal year end 2018.

Strategic Initiative #12

Title of Initiative: Review and implement policies, systems, and processes to ensure debt compliance with increased local and federal debt regulations.

Description of Strategic Initiative: Create a SharePoint library to provide timely educational resources for municipal market regulations that affect the District as an issuer. This repository will provide a regulatory activity calendar, legislative action and updates and links to resources such as the IRS, SEC, MSRB and GFOA. Initial areas of focus should be the Municipal Advisor (MA) Rule, Municipalities Continuing Disclosure Cooperation (MCDC) Initiative, High-Quality Liquid Assets (HQLA), MSRB Rule G-17, MSRB Rule G-37 and Direct Subsidy & Tax Credit Bond Programs. This initiative also involves working with internal and external counsel to stay current with regulations.

Responsible Areas for Implementation: Office of Finance and Treasury Debt Management and Office of Management and Administration

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement; 3. Improve Transparency and Quality of Information; and 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives:

The federal government and other municipal market participants routinely introduce regulation that affects municipal markets. The SharePoint library will increase the awareness of the impact of regulation on financing new debt or refining debt existing and assist in implementing efficient funding strategies.

Resources Required (FTEs and Funding):

No new FTEs required. Support will be provided by the Office of the Chief Information Officer

Estimated Timelines for Completion (start and end dates): Start: February 2017; Ending targeted for end of the 2017 calendar year.

Strategic Initiative #13

Title of Initiative: Upgrade policy analysis and forecasting tools for Real Property and Sales Tax revenue stream.

Description of Strategic Initiative: As part of its commitment to continuously improve its analysis of the effects of fiscal policy on the District's economy and budget, the Office of Revenue Analysis (ORA) use statistical and economic models. In a previous initiative ORA upgraded and improved its microsimulation model for the individual income tax. This initiative procures microsimulation models for the real property and sales tax.

Responsible Areas for Implementation: Office of Revenue Analysis, with the support of the Office of Contracts to solicit and evaluate bids, and to award a contract for upgrading the sales and real property tax microsimulation models

Strategic Objectives Impacted: 2. Create a culture of Continuous Improvement and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: : By upgrading its sales and property tax simulation models, ORA will have greater ability to estimate more accurately and in more detail how tax revenues will be affected by changes in the economy or tax law. As a result, ORA will be able to provide policymakers with better information to guide their decisions.

Resources Required (FTEs and Funding): This initiative would require contractor support (ORA has already drafted a statement of work). Previous work of a similar scope to develop ORA's individual income tax simulation model has typically cost between \$75,000 and \$100,000.

Estimated Timelines for Completion (start and end dates): We anticipate a two year timeline for completion of this project, starting from January 2017.

Strategic Initiative #14

Title of Initiative: Enhance existing employee development opportunities to ensure that our human capital has the critical skills to succeed in the OCFO's SMARTER culture.

Description of Strategic Initiative: This initiative will ensure that the OCFO's training program continues to promote a high performance culture through the development of a strong leadership program, a mandatory managerial certification program, and a structured mentorship program.

Responsible Areas for Implementation: This effort will be led by the Human Resources Division.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement and 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: Increase technical and managerial skills of current staff; promote career advancement, create a productive workforce, improve job satisfaction and employee morale, increase employee retention, develop a more well-rounded staff, ensures transfer of knowledge and continuity of business operation.

Resources Required (FTEs and Funding): Funding required to acquire leadership training (Amount TBD); 1 additional FTE is required.

Estimated Timelines for Completion (start and end dates): Pilot mentorship program, September 2017; Mandatory managerial certification program, December 2017 to include such courses as *Overview of HR Policies and Procedures*, *Exploring OCFO Hiring Practices*, *Managing in a Union Environment*, *Effective Interviewing Techniques*, *Addressing Poor Performance*, and *Continuous Improvement Training for Managers*; and a leadership program, October 2018.

Strategic Initiative #15

Title of Initiative: Improve internal communications OCFO and District-wide by implementing dashboards, standardized reports, portals and newsletters.

Description of Strategic Initiative: Improving communications between the OCFO and the executive and legislative branches as well as others throughout the city is critical to maintaining the most open and transparent operations possible. The goal of this strategic initiative is to provide the most easily accessible, understandable and timely information for all aspects of the OCFO's functions and responsibilities.

Responsible Areas for Implementation: OCFO Public Affairs Officer, OTR Public Affairs Specialists, and representatives from all other OCFO business units

Strategic Objectives Impacted: 1. Improve Customer Service and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: This initiative will improve information and access within the various areas of the OCFO for enhanced coordination, as well as access to information by the public, news media, and government officials.

Resources Required (FTEs and Funding): The number of people required will fluctuate as the program moves forward. Some funding may be required to make changes in the website and for software for the key performance indicator dashboard and other monitoring tools.

Estimated Timelines for Completion (start and end dates): Spring 2017 to June 2018

Strategic Initiative #16

Title of Initiative: Review and upgrade financial reporting and accounting systems and processes for UDC.

Description of Strategic Initiative: This initiative will improve the reporting of financial activities during the fiscal year, minimize manual interventions, and assist with compliance of the District of Columbia Quick Payment Act (QPA) of 1984. Since FY2011, BANNER has been UDC's financial system of record and is a functional accounting system. In an effort to improve the operating efficiencies of the BANNER Finance system, the UDC Finance Office will focus on the following:

- a.) Implement eVisions Intellicheck (BANNER Document Management) to streamline the generation of vendor payments and student refund checks.
- b.) Add "Payee Positive Pay" to UDC bank accounts to minimize the risk of fraud on issued checks.
- c.) Enhance the use of the BANNER Purchasing Module to track and control purchase requisitions, purchase orders, and the acceptance of goods, through the three-way match process and Accounts Payable functions.
- d.) Enhance the security access in the BANNER Finance system by implementing the BANNER Finance Fund & Organization Security to ensure end-users can only view their respective areas of responsibility.
- e.) Implement the use of an onsite financial service kiosk at the UDC Community College for students to conduct financial business in real time and minimize students' commute to the main campus Cashier's Office.

Responsible Areas for Implementation: Office of Finance and Treasury (for Initiatives a and b), UDC Finance Office, and UDC Office of Information Technology

Strategic Objectives Impacted: 1. Improve customer service; 2. Create a culture of continuous improvement; 3. Improve transparency and quality of information; 4. Effectively manage risk to prevent fraud and losses; and 5. Implement quality financial systems

Summary of Expected Impact on Strategic Objectives: This initiative will: 1. Streamline the accounts payable payment process and promote timely payments to vendors; 2. Minimize fraud and risk; and 3. Improve customer service.

Resources Required (FTEs and Funding): Dedication of existing staff and agency personnel; potential funding of \$20,000 from the UDC Office of Information Technology budget for Initiative a.

Estimated Timelines for Completion (start and end dates): Process implementations began in October 2016; expected completion for Initiatives a, b, d, and e by September 2017 and expected completion for Initiative c by September 2018.

Strategic Initiative #17

Title of Initiative: Improve the timeliness and availability of grant information to agencies.

Description of Strategic Initiative: The District needs to ensure its management of grants keeps pace with the constantly changing federal grantor agency requirements compatible with its own internal needs. Therefore, the District needs to adopt a comprehensive approach that: a) strengthens internal controls and accountability pertaining to compliance requirements for federal grant programs in accordance with Office of Management and Budget (OMB) Circular (2 CFR 200) “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*” and terms and conditions of the grants; b) meets the highest stewardship and fiduciary standards of grant funds, and c) ensures commitment to continuous improvement throughout the grant management life cycle.

The OCFO plan will require:

1. Establishing a comprehensive framework for grant management policies, procedures and development of implementation guidance.
2. Reviewing internal grant management policies using the newly developed comprehensive framework.
3. Identifying opportunities for streamlining the grant business processes and achieving standardization.
4. Fostering a high-quality grant management workforce: a) by implementing comprehensive training program for the grant management workforce and b) developing guidance on the roles and responsibility of staff involved in grant management.
5. Leveraging technology to simplify and streamline grant management processes; and to enhance accountability and transparency by providing timely and accurate grant information.
6. Assess the existing applications against new and available applications to provide the most appropriate solution.

Responsible Areas for Implementation: All District agencies (program and finance teams)

Strategic Objectives Impacted: 1. Improved Customer Service; 2. Create a Culture of Continuous Improvement, 3. Improve Transparency and Quality of Information; 4. Effectively Manage Risk to Prevent Fraud and Losses; and 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives: Optimizing the District grant management and administration processes end-to-end helps to: a) effectively identify grant opportunities; maximize utilization of grant source of funding; avoid potential questioned costs and disallowed costs; b) ensure compliance with federal grant program laws and regulations, and eliminate the recurrence of audit findings and weaknesses; c) continuous process improvement through streamlining and standardizing grant business processes; d) enhancing customer services through the provision of reliable and accurate performance (both programmatic and financial) reports to the Council, Mayor, grantors and other stakeholders.

Resources Required (FTEs and Funding): The OCFO will work with the City Administrator to identify funding sources to procure the services of a vendor to establish the Project Management Office (PMO).

Estimated Timelines for Completion (start and end dates): Five Years (2017-2021): The proposed PMO will do the process streamlining

Strategic Initiative #18

Title of Initiative: Review and update performance management system and recruitment strategies to align with culture of continuous improvement program.

Description of Strategic Initiative: As part of this initiative, we will automate the performance management system, create a stronger performance evaluation tool that integrates our competencies and weighted scale to our SMARTER values; develop and provide training for managers on how to navigate the automatic performance management system; how to set appropriate and related goals; how to conduct effective feedback and review sessions, and how to identify staff developmental opportunities. We will also develop a bonus pay structure that recognizes and rewards high performing employees that embody the SMARTER culture.

Responsible Areas for Implementation: This effort will be led by the Human Resources Division.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement and 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: Increase employee morale and productivity, promote staff engagement, enhance employee performance, strengthen the overall consistency of the performance management program, reduce the time to complete reviews; streamline the performance management process and create a more efficient tracking of employee performance.

Resources Required (FTEs and Funding): 1 additional FTE is required.

Estimated Timelines for Completion (start and end dates): Revised Evaluation Tool: A performance evaluation form will be completed by April, 2017. Performance Management Automated Platform: Vendors will be identified by February 2017; RFP responses will be received by April 2017; Vendor selection will be made by May 2017; System implementation will be completed by August 2017; Official "Go Live" date will be October 1, 2017 (Start of FY 2018). Training: End user system training will be completed by October 30, 2017; All other training will occur throughout FY 2018. Bonus Structure: Draft structure completed by June 2017; Final bonus structure rollout and announcement September 2017.

Strategic Initiative #19

Title of Initiative: Continue to enhance OCFO Ethics Training.

Description of Strategic Initiative: The OCFO has a comprehensive ethics training program which ensures all OFCO employees and contractors are aware of their responsibilities as stewards of the District's finances. This initiative will regularly review and enhance the training program to ensure that all employees are aware of their ethical responsibilities as outlined in the OCFO Code of Conduct. The training will include ethics scenarios and discussion questions, training videos, and other materials which will illustrate the ethical obligations all employees share within the OCFO.

Responsible Areas for Implementation: Office of Integrity and Oversight

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a culture of Continuous Improvement; and 4. Effectively Manage Risk to Prevent Fraud and Losses

Summary of Expected Impact on Strategic Objectives: Periodic review of the OCFO ethics training program will provide opportunities to update and improve this important training module which keeps OCFO employees and contractors focused on possible ethical risks encountered within the workplace as well as the OCFO resources available to assist them in meeting their ethical responsibilities.

Resources Required (FTEs and Funding): OIO will dedicate staff to this initiative.

Estimated Timelines for Completion (start and end dates): Ongoing

Strategic Initiative #20

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

Description of Strategic Initiative: This initiative is intended to enhance the Office of Revenue Analysis' (ORA) capacity to perform more detailed and informative analyses of fiscal, tax, economic, and demographic data by drawing on data available from the Department of Consumer and Regulatory Affairs (DCRA) and the Department of Employment Services (DOES). Both DCRA and DOES have access to a wealth of business data, including industrial sector and business location, that are presently lacking in ORA's tax databases. By linking DCRA and DOES' data to ORA's tax data, we will be able to estimate more precisely the impact of policy and economic changes on different types of businesses and different neighborhoods.

Responsible Areas for Implementation: Office of Revenue Analysis, Office of the Chief Information Officer, Office of the General Counsel, working with staff of the various agencies such as DOES and DCRA with regard to data sharing and privacy issues

Strategic Objectives Impacted: 1. Improve Customer Service and 3. Improve Transparency and Quality of Information

Summary of Expected Impact on Strategic Objectives: : This initiative will enable ORA to provide better service to the Mayor and Council, and their staffs, through more detailed information and analysis of economic and policy changes. Policymakers often want to know how these changes will affect particular geographic areas (wards, TIF districts, commercial corridors) and industries (tourism, technology). This initiative will help ORA to meet this need. In addition, members of the public are also interested in this type of data and analysis.

Resources Required (FTEs and Funding): This initiative can be accomplished using existing staff and funding.

Estimated Timelines for Completion (start and end dates): Discussions with both agencies are already underway. Target date for completion would be early 2018 with additional effort as beneficial data sets are identified and technology implemented for data sharing and analysis.

Strategic Initiative #21

Title of Initiative: Modernize payment operations across the District.

Description of Strategic Initiative: This initiative involves the transition of a paper, check-based payment system to a system that utilizes modern delivery methods such as Direct Deposit, Automated Clearing House (ACH) payments, and Card programs (debit and gift). The move to these programs provides efficiencies and security for the District's payments and reduces risks and costs associated with paper checks. Major areas affected under this initiative include employee payroll, Medicaid, schools, vendor and citizen payments.

Responsible Areas for Implementation: This effort will be led by the Office of Finance and Treasury. It will also involve the Office of Financial Operations and Systems, Department of Human Services, Office of Contracts, University of the District of Columbia, Chief Risk Officer, Office of Pay and Retirement as well as District agencies that make vendor payments.

Strategic Objectives Impacted: 1. Improve Customer Service; 2. Create a Culture of Continuous Improvement; 4. Effectively Manage Risk to Prevent Fraud and Losses; and 5. Implement Quality Financial Systems

Summary of Expected Impact on Strategic Objectives: This initiative improves customer service through expedited delivery and improved payment security, lowers District banking and disbursement costs, creates a culture of continuous improvement, and effectively manages risks to prevent fraud and losses.

Resources Required (FTEs and Funding): No additional FTEs are required. Cooperation of District agencies will be necessary to implement the program. There is an approximate cost of \$500k for configuration of the existing e-invoicing module to capture vendor banking information at on-boarding and as vendors need to make changes. There will also be a need for 3 Office of the Chief Technology Officer resources and the Office the Chief Information Officer SOAR technical consultant to build the interface to SOAR. There are contracts in place to cover all other banking or card needs.

Estimated Timelines for Completion – January 2017 (start) to January 2018 (end)

Strategic Initiative #22

Title of Initiative: Provide technical financial planning support to WMATA and the region to develop a long-term funding solution.

Description of Strategic Initiative: This initiative will involve continuing to provide strategic financial support to WMATA regarding long-range capital and operating financial planning. The OCFO has already developed a model that illustrates the financial impact to WMATA, and the various jurisdictions in the compact, of various scenarios demonstrating the funding shortfall for both capital and operating expenditures based on various assumed CIP levels. This model will continuously be refined as more defined CIP figures and prioritization are forthcoming from WMATA. The OCFO will continue to assist WMATA, Metropolitan Washington Council of Governments (MWCOCG), Northern Virginia Technology Council (NVTC), State of Maryland and other jurisdictions of the compact, and other related parties with financial analysis on the long-term impact of WMATA's current financial situation, as well as developing potential funding solutions to meet the projected capital and operating shortfall.

Responsible Areas for Implementation: This effort will be led by the OCFO executive office and will involve personnel from the Office of Budget and Planning and the Office of Revenue Analysis.

Strategic Objectives Impacted: 2. Create a culture of continuous improvement and 3. Improve transparency and quality of information

Summary of Expected Impact on Strategic Objectives: This initiative will provide leadership to the region on potential funding solutions to better meet the capital and operating financing challenges of WMATA, the financial impact on the various jurisdictions within the compact of the various funding options, as well as the potential financial impact to the region of not adequately addressing the financing needs of WMATA.

Resources Required (FTEs and Funding): Dedication of 0.25 FTE from the OCFO Senior Financial Policy Advisor, staff support from the Office of Budget and Planning, and the Office of Revenue Analysis.

Estimated Timelines for Completion (start and end dates): Revised financial analysis provided to MWCOCG (Spring 2017), other analysis to be provided on an as-needed basis in the future, with ongoing support to implement a dedicated funding source or other identified funds by January 2019.

Strategic Initiative #23

Title of Initiative: Implement an Enterprise Risk Management (ERM) Framework.

Description of Strategic Initiative: The initiative supports the overall mission to enhance the fiscal and financial stability, accountability, and integrity of the OCFO. The Office of the Chief Risk Officer (OCRO) is responsible for evaluating risks to the organization and developing approaches to address them. The initiative will introduce a centralized framework to manage risks across the organization. In conjunction with this initiative, the OCRO will use the Committee of Sponsoring Organizations (COSO) ERM and Internal Control Frameworks to establish, develop and maintain a robust OCFO-wide risk management environment.

Responsible Areas for Implementation: Central financial operations (Deputy CFOs), Agency financial operations (ACFOs), and selected Executive support offices

Strategic Objectives Impacted: 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; and 7. Manage a Fair and Equitable System to Fully Collect District Revenue

Summary of Expected Impact on Strategic Objectives: ERM allows for a proactive approach to enhance risk identification and management, and communication of consistent strategy across the organization. As business units re-evaluate the approach to identified risks, there will be opportunities to leverage best practices (in risk mitigation) across the organization and ensure a consistent response to internal and external customer concerns. Process documentation and subsequent documentation will allow the organization to identify inefficiencies and streamline processes where appropriate. It will enhance the internal controls program throughout the organization. Additionally, ERM seeks to identify, analyze, and develop IT application security and manage business process risk controls across the organization.

OCFO's ERM program includes a fraud risk analysis as part of the overall risk assessment. Accordingly, OCFO stakeholders will be able to clearly identify the risks facing individual business units, how those risks impact the overall entity-level objectives, as well as inter-units risks. Additionally, through the ERM task force and Risk Management Council, business units will be able to regularly discuss risks facing OCFO, leverage approaches to risks, and better utilize resources.

Strategic Initiative #23 (Cont.)

Resources Required (FTEs and Funding): 2 Internal Controls Specialists, 1 Staff Assistant (all to be hired as full-time equivalent (FTE) employees). ERM will expand OCRO's view of the Organization and will require additional resources to help monitor the newly identified internal controls and risk activities across the additional business units not currently included in the Internal Controls Program (ICP). Currently, OCRO's monitoring of the OTR ICP requires one full-time Specialist. We expect to be able to leverage some efficiencies of the expertise OCRO has gained in managing the OTR ICP, but will still need additional resources post-implementation to effectively manage the growth of the program.

Estimated Timelines for Completion (start and end dates): FY 2017-2019 for initial implementation and ongoing as the ERM program includes continuous monitoring, reporting and risk identification for the organization. OCFO prioritized the implementation of ERM based on financial reporting objectives, revenue, and where the most inherent risk lies across the organization. Accordingly, the following phases were identified:

Phase 1 includes the Office of Finance and Treasury (OFT), the Office of Financial Operations and Systems (OFOS), the Office of Tax and Revenue-Real Property Tax Administration (OTR-RPTA), and the Office of the Chief Information Officer (OCIO). The proposed timing for the five-step process is April 2016-December 2018.

Phase 2 includes the Associate Chief Financial Officer clusters (EDRC, GOC, GSC, HSSC, PSJC, and Education) and the Office of Management and Administration (OMA) is included in Phase 2. The proposed timing for the five-step process is April 2017-December 2019.

Phase 3 includes The Office of Budget and Planning (OBP), The Office of Revenue and Analysis (ORA), United Medical Center (UMC), D.C. Lottery Board (DCLB), EventsDC, and Economic Development Finance (EDF). The proposed timing for the five-step process is October 2018-May 2021.

Strategic Initiative #24

Title of Initiative: Implement a succession plan to ensure that the OCFO is positioned for business continuity by identifying and developing replacement talent for executive leaders or other key staff.

Description of Strategic Initiative: This initiative will ensure that the framework of the succession plan is structured to determine current supply and future demands for talent; identify the agency's best internal candidates; analyze skill gaps; develop, mentor and coach potential successors; and build an external pipeline to recruit for identified needs.

Responsible Areas for Implementation: This effort will be led by the Human Resources Division.

Strategic Objectives Impacted: 2. Create a Culture of Continuous Improvement and 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: Retain, recognize and promote top performers; invest in employees' professional growth, increase employee morale and productivity, promote staff engagement, enhance employee performance and develop the OCFO's brand through targeted recruitment efforts.

Resources Required (FTEs and Funding): 1 additional FTE is required.

Estimated Timelines for Completion (start and end dates): By August 2017, hold assessment meetings with the executive leadership to determine potential successors and skill gaps; By November 2017, determine developmental opportunities to address identified skill gaps; By April 2018, identification and assignment of resources to address skill gaps; By July 2018, identification of recruitment sources and the approach to building an external recruitment pipeline.

Strategic Initiative #25

Title of Initiative: Partner with OCFO business unit leaders to conduct an assessment of the OCFO's organizational units to ensure that structures are properly aligned to successfully carryout the agency's core and strategic objectives and to achieve the vision of being a "best-in-class" financial organization.

Description of Strategic Initiative: Review and analyze existing and proposed organizational structures; partner with managers to ensure proper position alignment; and update position descriptions as necessary, and standardizing where possible.

Responsible Areas for Implementation: This effort will be led by the Human Resources Division.

Strategic Objectives Impacted: 1. Improve Customer Service; 4. Effectively Manage Risk and Prevent Fraud; and 6. Develop, Attract and Retain Highly Qualified Employees

Summary of Expected Impact on Strategic Objectives: Improve internal customer service; more efficient organization; shorten hiring times; broaden pool of qualified candidates; and clearly defined position descriptions.

Resources Required (FTEs and Funding): 2 additional FTEs.

Estimated Timelines for Completion (start and end dates): Hold organizational assessment meetings with unit leaders, April-May 2017; Organizational charts updated, September 2017, and position descriptions updated by December 2017. On an ongoing basis, organizational charts will be updated as changes occur within the business units and position descriptions will be reviewed and updated every three years.

Key Performance Indicators: Our Measure of Success

Key Performance Indicators: Our Measure of Success

Key performance indicators are a critical element in a culture of continuous improvement. Only by measuring outcomes can we be certain that our actions are having the intended effect. The following are key performance indicators (KPIs) for each administration within the OCFO.

AGENCY FINANCIAL OPERATIONS (CLUSTER AGENCIES)
<ol style="list-style-type: none">1. Zero significant deficiencies or material weaknesses for CAFR and Single Audit related to finance functions2. Annual survey of agency heads on the following:<ul style="list-style-type: none">• Quality of financial support• Quality and timeliness of management reports• Support in addressing agency issues• 100% of standard agency monthly financial reports delivered within 7 days of the month-end closing3. Payments<ul style="list-style-type: none">• 100% of invoices received must be sent to program within 4 calendar days of receipt• 100% of payments processed within 7 calendar days of receipt of complete/valid supporting documentation4. Budget<ul style="list-style-type: none">• Submit 100% of standard reports and analysis within 7 calendar days after month close• Submit 100% of grant modifications/establishments to OBP within 3 business days5. Cash drawdowns<ul style="list-style-type: none">• 95% of eligible cash drawdowns from grants made monthly6. 100% of cash transactions posted within 48 hours of the occurrence of the event
Office of Lottery and Charitable Games (OLCG)
<ol style="list-style-type: none">1. Net general fund transfer meets or exceeds budgeted target
United Medical Center (UMC)
<ol style="list-style-type: none">1. A/R days-net (50 days)2. Cash on hand (45 days)3. Cash collections as a percentage of net revenue (90%)4. Zero audit findings (No material weaknesses or significant deficiencies)
CENTRAL FINANCIAL OPERATIONS
Office of Budget and Planning (OBP)
<ol style="list-style-type: none">1. 100% of reprogrammings under \$500K within 5 business days and over \$500K within 10 business days2. 100% of grant budget authority reviewed and decided within 5 business days of receipt3. 100% of administrative requests for grant budget authority reviewed and acted upon within 3 business days of receipt4. 100% of required reports delivered to stakeholders and posted within 25 business days of relevant closing activity5. Customer Satisfaction Survey

Office of Finance and Treasury (OFT)

1. Achieve investment returns equal to 2-year treasury notes
2. Improve or maintain current bond ratings
3. Central Collection Unit (CCU)
 - Meet or exceed industry standard for collection of aged receivables transferred from an agency (typically 90 days or older)
4. Customer Service Survey for Unclaimed Property

Office of Financial Operations and Systems (OFOS)

1. 100% of cash accounts reconciled within 45 days after close (monthly)
2. No CAFR findings (material weaknesses or significant deficiencies)
3. Monthly/Quarterly financial closings completed within 10 business days of month- or quarter-end (to include full accrual closing quarterly)*
4. Process 100% of payroll checks timely (consistent with established deadlines) and accurately (consistent with information entered in the PeopleSoft system) with no discrepancies (overages/shortages)
5. Percentage of Customer Satisfaction (Customer Service Surveys)
 - Acknowledgement and/or response to requests for guidance (on technical accounting/financial reporting issues) within 48 hours
 - SOAR Help Desk response times
 - ✓ (Level 1: Inquiries requiring limited, if any, research) - Provide response same day but no later than 24 hours after receipt of inquiry
 - ✓ (Level 2: Inquiries requiring more research or consultation with others) – Provide response within 48 hours after receipt of initial inquiry
 - Reliability of information/guidance provided
 - ✓ Accounting Operations/Financial Reporting: Formal workshops on recurring accounting issues and new practices (based on new authoritative guidance) at least quarterly
 - ✓ Technical Guidance: Written notification to affected agencies of general ledger updates within 2 business days after their completion
 - ✓ Closing: Annual review and update of the interim and annual closing instructions to timely remove unnecessary information while adding new relevant guidance (at least 45 days before each close)
 - ✓ Intangible Knowledge: Accountants to obtain at least 16 hours of continuing professional education each fiscal year to stay abreast of new accounting standards and other emerging technical issues

*** Quarterly full accrual closing with implementation of new financial system**

Office of Revenue Analysis (ORA)

1. Percent difference (within 2%) of budgeted revenue to actual revenue
2. Less than 1% of fiscal impact statements (FIS) and other documents reissued

Office of Tax & Revenue (OTR)

1. 80% of individual income tax returns received electronically
2. 60% of documents recorded electronically at the Recorder of Deeds (ROD)
3. Ratio of the value of assessment changes to value of assessments appealed will be less than 3%
4. Individual income tax average refund cycle time (25 days due to increased fraud screening)
5. Customer service call center answer rate (85 % during peak season, 95% overall for the year)
6. e-Services call center answered rate (85% during peak season, 95% during non-peak season)

7. Percentage of corrected property tax bills issued will be less than 3% (measured within 30 days of billing date)
8. Overall Customer Satisfaction: 95% of all survey respondents rate overall customer satisfaction either very satisfied or satisfied (scale of 1-5 with 1 being very dissatisfied and 5 being very satisfied)

EXECUTIVE SUPPORT (CENTRAL MANAGERS)

Office of Human Resources (HR)

1. Request to fill positions within 10 business days of vacancy
2. Post positions with certified position descriptions within 5 business days of receipt
3. Submit qualified candidates to hiring manager at least 5 business days after first screening date
4. Interview all candidates within 30 working days of receiving list of qualified candidates
5. Conduct pre-screening and extend offer to selected candidate within 10 business days of agency notification

Office of General Counsel (OGC)

1. MOU reviews (100% within 7 days)
2. Ethics inquiries (100% responded within 30 days)

Office of Integrity and Oversight (OIO)

1. 100% of background investigations completed within 60 days
2. 100% of employee investigations completed within 120 days
3. Peer review rating (compliant or non-compliant)

Office of Management and Administration (OMA)

Office of Contracts/Financial Operations

1. 90% of small purchase requests processed within 30 days
2. 95% of invoices paid within 30 days of receipt
3. 90% of the contracts awarded within the specified timeframe. The timeframe is the number of days elapsed from Contracts receipt of all procurement action documentation to contract execution.

Program Responsiveness to Contract Requests

1. 90% of contract action requests result in a completed procurement request package within 30 calendar days of submission of the Procurement Action Submission Form (PASF)*.
2. 90% of Source Selection Evaluation Board (SSEB) kick-off meetings are scheduled within 30 days of proposals due date
3. 90% of SSEB final evaluation reports are completed within 45 days of the SSEB kick-off meeting

**Timeframe extended for delays due to funding or other issues outside of program area or Contracts office control.*

Office of Economic Development and Finance (EDF)

1. Complete tax abatement financial analyses within 30 days of receipt of required information
2. Complete TIF analysis within 90 days of receipt of a completed application

Office of the Chief Information Officer (OCIO)

1. Overall systems uptime – target 98%
2. Average speed to answer (IT Support phone) – Target less than 10 minutes
3. Average speed to resolve critical tickets – Target less than 4 hours
4. Customer satisfaction – Target 95%

Continuous Improvement Program

1. Biannual survey on program success (80% satisfaction rate)
2. 90% rate of awareness throughout the organization

Office of the Chief Risk Officer (OCRO)

1. 96% of employee awareness of risk and internal controls
2. 96% PASS Internal Control testing every quarter within the fiscal year. All failed controls will require a remediation plan that must be resolved within 30 days and retested during the next testing cycle.



**Government of the
District of Columbia**

Office of the Chief Financial Officer

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