



May 11, 2021

The Hon. Kenyan McDuffie, Chairman  
Committee on Business and Economic Development  
Council of the District of Columbia  
1350 Pennsylvania Avenue NW  
Washington D.C. 20004

Dear Councilmember McDuffie:

I write to follow up on our earlier discussion of the Committee on Business and Economic Development's oversight of the Office of the Chief Financial Officer (OCFO) and in particular the development and implementation of the District's new enterprise financial system, the District Integrated Financial System (DIFS).

I write to share questions you may want to submit to the OCFO in advance of the Fiscal Year 2022 proposed budget hearing rescheduled for June 17, 2021. Because of the significant costs of the new financial system (\$180 million in non-personal services funding plus roughly 50 FTEs for the next few years) and its overall importance to the District government you may also want to raise questions about the progress during the presentation of the Mayor's FY 2022 proposed budget on June 2, 2021.

Questions on the overall project including materials you may want to request:

- What has been spent to date on DIFS, broken down by contract: Deloitte Consulting LLP for planning and implementation (CFOPD-19-C-001), Deloitte Consulting LLP for change management (CFOPD-19-C-15), and Gartner, Inc. for independent verification and validation (IV&V) (CFOPD-20-C-011)? Are there other related contracts that are part of the project?
- What has been spent to date on personal services for the District team assigned to DIFS?
- Please provide a copy of the Initial IV&V Review Final Report as called for in C.6.1.d of the contract with Gartner.
- Please provide the last three monthly Status Reports provided by Gartner to the Executive Steering Committee including progress against schedule, risk mitigation, and assessments of project progress, pursuant to C.6.1.h.
- Please provide any other current assessment by the IV&V contractor that would be useful to the Committee in understanding the status of planning and implementation of DIFS.

- Please provide the last three monthly Status Reports from Deloitte Consulting pursuant to C.4.8 of the change management contract (CFOPD-19-C-015).
- Please provide the last three monthly Status Reports from Deloitte Consulting pursuant to C.3.4.3.12 of the planning and implementing contract (CFOPD-19-C-001).

Questions pertaining to the new budget structure under development as part of DIFS:

- How will the DIFS budget structure, planning, and implementation comply with the D.C. Code requirements for a performance-based budget? Please be prepared to discuss how the new budget structure will provide a measure of performance across each agency and program. Please be prepared to discuss how the new budget structure will assure maximum transparency to all stakeholders including the public as well as Councilmembers and Council staff.

Consistent with D.C. Code Section 47-308.01 Performance-based budget:

- What steps did the OCFO take to ensure that each agency has provided a strategic business plan to the Council by January of this year? What steps did the OCFO take to ensure that the FY22 financial plan and budget presented May 27 is consistent with agency strategic business plans?
- Please provide a list of activities across the government that are currently budgeted at \$5 million or more in FY21 and a list of the activities that are budgeted at \$5 million or more for FY22.
- Please provide the FY21 service-level budgets and current level of expenditure for each service within those activities.
- What 25 critical programs will be benchmarked in the FY22 budget and financial plan?

Consistent with D.C. Code Section 47-308.03

- Please describe the OCFO's role in development of the Executive's performance measures for subordinate agencies in effect for the current fiscal year and how you see the OCFO's role in developing such metrics in the new DIFS structure.

I would appreciate it if you would let me know if you pursue these issues and would also appreciate receiving copies of the materials the CFO provides in response. In addition, the Management Alert issued by my office on February 13, 2019, [District Government Not In Compliance With Statutory Performance Budget Requirement](#), may provide useful background on the development of the Code sections cited above.

I will plan to provide additional suggested questions in advance of the June 17, 2021, hearing once the FY22 proposed budget is released. Please let me know if I can answer any questions about these suggestions. Thank you for your leadership.

Sincerely yours,

A handwritten signature in blue ink that reads "Kathleen Patterson". The signature is fluid and cursive, with the first name "Kathleen" and the last name "Patterson" clearly legible.

Kathleen Patterson  
District of Columbia Auditor

cc: Members, Committee on Business and Economic Development  
Jennifer Budoff, Budget Director