

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**District of Columbia**

**TEACHERS' AND POLICE OFFICERS AND  
FIREFIGHTERS' RETIREMENT FUNDS**

**Management Letter Report  
For the Year Ended  
September 30, 2013**



**BLANCHE L. BRUCE  
INTERIM INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



July 11, 2014

The Honorable Vincent C. Gray  
Mayor  
District of Columbia  
Mayor's Correspondence Unit, Suite 316  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building, Suite 504  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

Dear Mayor Gray and Chairman Mendelson:

In connection with the audit of the District of Columbia's (the District) general purpose financial statements for fiscal year (FY) 2013, CliftonLarsonAllen LLP (CLA) submitted the enclosed final management letter report on the District of Columbia Teachers', and Police Officers and Firefighters' Retirement Funds (the Total Fund), OIG Report No. 14-1-19MA(a). This report sets forth CLA's comments and recommendations to improve internal control and other operating efficiencies. In this report, CLA addressed one matter to management's attention: Tracking of Purchased Service Years.

While the Office of the Inspector General will continue to assess implementation of recommendations, it is the responsibility of management to ensure that it corrects the deficiencies noted. This Office will work with management, as appropriate, to help them monitor the implementation of recommendations.

If you have questions or need additional information, please contact Ronald W. King, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in blue ink that reads "Blanche L. Bruce".

Blanche L. Bruce  
Interim Inspector General

BLB/ws

Enclosure

cc: See Distribution List

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Attention: Angela Ohm (via email)  
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The Honorable José E. Serrano, Ranking Member, House Subcommittee on Financial Services and General Government, Attention: Angela Ohm (via email)

Mayor Gray and Chairman Mendelson  
D.C. Teachers', Police Officers and Firefighters' Retirement Funds  
Management Letter Report for FY 2013  
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The Honorable Barbara Mikulski, Chairwoman, Senate Committee on Appropriations  
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Attention: Dana Wade (via email)  
The Honorable Tom Udall, Chairman, Senate Subcommittee on Financial Services and General  
Government, Attention: Marianne Upton (via email)  
The Honorable Mike Johanns, Ranking Member, Senate Subcommittee on Financial Services  
and General Government, Attention: Dale Cabaniss (via email)  
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Board of Trustees  
District of Columbia Teachers' Retirement Fund and the  
District of Columbia Police Officers and Firefighters' Retirement Fund

We have completed our audit of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund financial statements as of and for the year ended September 30, 2013, and have issued our report dated January 6, 2014. In connection with our audit engagement, we noted the following matters which we would like to bring to your attention.

**Tracking of Purchased Service Years**

Currently when members purchase service, it is not added to the accumulated years of service in the information system. Documentation necessary to calculate the total years of service is traced in several locations and requires manual intervention to ensure the benefit is calculated correctly. This increases the likelihood that purchased years of service will not be accounted for in the final benefit calculation. We recommend that management work with the appropriate District agencies to implement procedures to track all service years, whether earned or purchased, electronically in the human resource information system to mitigate possible errors in accumulating the total service and to reduce the administrative burden in determining the final benefit calculation. These additional controls will be necessary until the implementation of the pension information system.

**Management's Response:**

The pension information system that management is implementing will track all service years, whether earned or purchased. Discussions are underway with District of Columbia agencies on how best to electronically access member service information, both historically and on-going.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various entity personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

Management's written response to the other matter identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This letter is intended solely for the information and use of the Board of Trustees, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 6, 2014



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