

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

District of Columbia

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

**Management Letter Report
For the Year Ended
September 30, 2012**



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



March 21, 2013

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

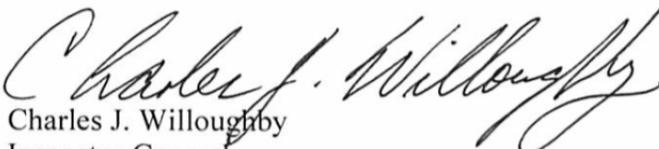
Dear Mayor Gray and Chairman Mendelson:

In connection with the audit of the District of Columbia's (the District) general purpose financial statements for fiscal year (FY) 2012, CliftonLarsonAllen LLP (CLA) submitted the enclosed final management letter report on the District of Columbia Teachers', Police Officers', and Firefighters' Retirement Funds (the Total Fund) OIG Report No. 13-1-13MA(a). This report sets forth CLA's comments and recommendations to improve internal control and other operating efficiencies.

While the Office of the Inspector General will continue to assess the District of Columbia Retirement Board's (Board) implementation of recommendations, it is the responsibility of the Board's management to ensure that it corrects the deficiencies noted. This Office will work with the Board's managers, 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,


Charles J. Willoughby
Inspector General

CJW/ws

Enclosure

cc: See Distribution List

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The Honorable Barbara Mikulski, Chairwoman, Senate Committee on Appropriations,
Attention: Ericka Rojas (via email)

Mayor Gray and Chairman Mendelson
D.C. Teachers', Police Officers' and Firefighters' Retirement Funds
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The Honorable Richard Shelby, Ranking Member, Senate Committee on Appropriations,
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CliftonLarsonAllen

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, 2012, and have issued our report dated January 16, 2013. 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 tracked 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.

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

Baltimore, Maryland
January 16, 2013