

DOCUMENT RESUME

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[Conceptual Design for a Financial Management System for the Government of the District of Columbia]. B-118638. March 10, 1978. 2 pp.

Report to the Congress; by Elmer B. Staats, Comptroller General.

Issue Area: Accounting and Financial Reporting (2800).

Contact: Financial and General Management Studies Div.

Budget Function: Miscellaneous: Financial Management and Information Systems (1002).

Organization Concerned: District of Columbia; American Management Systems, Inc.

Congressional Relevance: House Committee on District of Columbia; Senate Committee on the District of Columbia; Congress.

Authority: P.L. 94-399.

A conceptual design for a financial management system for the government of the District of Columbia has been approved. While the review of the design raised a number of concerns about the system which, if not satisfactorily resolved, could affect the system's ability to provide the kind of financial information needed, approval is given with the understanding that these concerns will be given further consideration in subsequent stages of development. The contract for development of the conceptual design was awarded to American Management Systems, Inc. of Arlington, Virginia. There is no generally accepted definition of a conceptual design for a financial system, and the contents of such designs vary considerably. (BRS)

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

March 10, 1978

To the President of the Senate and the
Speaker of the House of Representatives

We have approved the conceptual design for a financial management system for the government of the District of Columbia. Our review of the design raised a number of concerns about it which, if not satisfactorily resolved, could affect the system's ability to provide the District government with the kind of financial information it needs for effective management. However, the conceptual design is a preliminary document and, as such, can be modified or enhanced to deal with our concerns as the design work progresses. Our approval of the design is given on the basis of an understanding with the Commission's Executive Director that our concerns will be given further consideration in subsequent stages of the work.

Public Law 94-399, approved September 4, 1976, requires the Comptroller General to approve, modify, or disapprove plans and designs for the improvement of the financial management systems of the District government prepared by contractors performing under contracts awarded by the Temporary Commission on Financial Oversight of the District of Columbia.

The law requires the Comptroller General to submit each plan and design to the Congress within 60 days after he receives it, and after consultation with the Commission. The law further provides that plans and designs approved by the Comptroller General will become a part of the District government's financial planning, reporting, accounting, control, and operating procedures.

On October 17, 1977, the Commission awarded a contract to American Management Systems, Inc., Arlington, Virginia, for " * * * a study to develop a concept for a financial management system for the government of the District of Columbia." The contract required the contractor to prepare a report containing (1) the broad outline of alternative systems or approaches for overcoming problems in the District government's existing financial management systems together with analyses of the implications of each such alternative and (2) the conceptual design of the most practicable and preferred system. We received the contractor's report on January 10, 1978.

There is no generally accepted definition of a conceptual design for a financial management system and therefore the contents of such designs vary considerably. In establishing the criteria by which to evaluate the documentation submitted for our review, we considered the objective of the contract, the bases for the contractor's conclusions and recommendations, and the major requirements prescribed by the National Council on Governmental Accounting, American Institute of Certified Public Accountants, GAO, and applicable laws.

As required by the Act, we consulted the Commission about these matters. We met with the Executive Director of the Commission on several occasions, sent a letter to the Commission members on March 3, 1978, and met with the Commissioners' alternates on March 8, 1978.

The conceptual design is a voluminous document and therefore is not transmitted with this report. However, copies are available, if needed.

We are sending copies of this letter to the members of the Commission and their alternates, the Executive Director of the Commission, and District government officials.


Comptroller General
of the United States