



**Date:** May 16, 2018  
**To:** Council of the District of Columbia  
**From:** Kathleen Patterson, District of Columbia Auditor   
**Subject:** ODCA Activity Report, First and Second Quarter, Fiscal Year 2018

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This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for October 2017 through March 2018. It includes [reports](#) issued, announcements, media placements, and the status of current FY 2018 audits and program evaluations included in the ODCA 2018 Workplan.

#### [Budgeting and Staffing at Eight DCPS Elementary Schools](#)

**Released:** October 30, 2017

**Summary:** ODCA conducted a discretionary review of budgeting and staffing in eight D.C. Public Schools (DCPS) elementary schools in order to: assess whether staffing complies with DCPS's Comprehensive Staffing Model (CSM) for elementary schools; examine the schools' use of funds provided through the Uniform Per Student Funding Formula, including supplemental funding for students at risk that was first implemented in school year (SY) 2014-2015; and compare and contrast budgeting and staffing among the schools. The 68-page report's findings include that: DCPS has used a supplemental funding stream for at-risk students established by the D.C. Council in 2014 to fund a variety of initiatives and positions; DCPS had implemented its staffing model with strong fidelity, providing schools with prescribed numbers of general education, early childhood, and ELL teachers, as well as instructional coaches, teacher aides, and other staff; schools that implemented an alternative model of administrative staffing known as School Strategy and Logistics reported positive result; a frequently-cited deficiency from 10 to 15 years ago—that many elementary schools lacked art teachers, music teachers, and librarians—was not evident in the eight schools that ODCA studied; budgets do not reflect the true resource needs of or uses by the schools because they are based on average position costs rather than actual position costs; and schools report limited numbers of key technology devices and resources that are outdated and unusable.

#### [Audit of the Public Vehicles For-Hire Consumer Service Fund](#)

**Released:** November 2, 2017

**Summary:** D.C. Code § 50-301.20(j) mandates the Office of the District of Columbia Auditor (ODCA) to conduct an audit of the Public Vehicles-for-Hire Consumer Service Fund ("Consumer Service Fund") at least once every three fiscal years. The Consumer Service Fund is a "revolving, segregated, non-lapsing fund" administered by the Department of For-Hire Vehicles (DFHV) and established by the District of Columbia Taxicab Commission Fund Amendment Act of 1988. This report determines the Consumer Service Fund balance for each of three fiscal years, FY 2014 through FY 2016, and looked at whether deposits and expenditures were properly recorded and complied with D.C. laws, and whether internal controls were sufficient to protect the Consumer Service Fund from waste, fraud, and abuse. Findings included that The Consumer Service Fund balance was approximately \$2.6 million for FY 2014, approximately \$2.0 million for FY 2015 and approximately \$2.4 million for FY 2016. Deposits and expenditures were made in compliance with D.C. law; DFHV did not spend the total

amount of funds required to be spent to increase the number of wheelchair accessible vehicles; and DFHV lacks standard operating procedures (SOPs) for several of its processes. Recommendations include that DFHV continue to provide grants for Wheelchair Accessible Vehicle (WAV) purchase, rentals, and training based upon demand for WAV services; develop an effective method to disseminate and communicate policies to all relevant staff; and install a physical control mechanism for retained receipts and scanned and validated checks and money orders.

#### [Advisory Neighborhood Commission Security Fund Annual Financial Report for Fiscal Year 2017](#)

**Released:** December 28, 2017

**Summary:** As required by law, the Office of the District of Columbia Auditor presents the annual Advisory Neighborhood Commission (ANC) Security Fund Annual Financial Report. To document the Fund's activity, at the end of each quarter and after receiving the quarterly bank statement, the Auditor reconciles and records all Fund activity and balances into the District of Columbia Financial System. In addition, a quarterly and annual reconciliation/closing report of the Fund's activity and balance is submitted to the District of Columbia's Chief Financial Officer. On October 1, 2016, the beginning balance of the Advisory Neighborhood Commission Security Fund was \$65,422.64. Deposits totaling \$1,922.51 and no disbursements during FY 2017 resulted in a Fund balance of \$67,345.15, as of September 30, 2017.

#### [Implementation of District of Columbia Auditor Recommendations](#)

**Released:** February 9, 2018

**Summary:** The purpose of this letter report is to make public the implementation status of the recommendations we have made to District of Columbia government agencies. As of January 31, 2018, 19 percent of the recommendations included in this report have been implemented, 73 percent were in progress, 4 percent were no longer applicable, and 4 percent will not be implemented, according to the responsible party. We have highlighted in the report the implementation status of recommendations made in two areas of high-risk activity for the D.C. government. The first risk area is school modernization. While significant improvements followed ODCA's recommendations related to the school modernization program, many other recommendations intended to address these shortcomings remain unimplemented. The second risk area is public-private development projects. D.C. regularly enters into agreements with developers and requires them to agree to provide certain desirable public goods, such as affordable housing or construction jobs for District residents. One of our 2016 audits focused on how the District government is monitoring these agreements. This report found that many improvements are still needed to ensure that private developers live up to their promises. Many of these recommendations also have not been implemented.

#### [Improving Mental Health Services and Outcomes for All: The D.C. Department of Behavioral Health and the Justice System](#)

**Released:** February 26, 2018

**Summary:** Prepared by the Council for Court Excellence (CCE) for the Office of the D.C. Auditor, this report provides a comprehensive review of the Department of Behavioral Health (DBH) and its work with justice-involved individuals and with the criminal justice system as a whole. This partnership brings together a wide range of representatives in the legal, business, and social services community of Washington, D.C., who give of their own time on a pro-bono basis to produce research and recommendations that assist policymakers in serving District residents. This report spotlights the critical needs for diversion programs in place of incarceration for those with behavioral health disorders and connecting individuals being released from incarceration to needed community behavioral health services. The report recommends statutory change in several areas, including elevating the status of the Division on Forensic Services within DBH and significantly increasing funding to help stabilize the workforce within the agency and within the community organizations with which DBH

contracts for services. In the final steps of completing this report, representatives of the Bowser Administration met on numerous occasions with CCE and ODCA representatives to discuss the report's findings and recommendations and work through areas of disagreement. As a result, this report is more accurate and has a stronger presentation of facts and challenges than would otherwise be the case.

### [Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing](#)

**Released:** March 20, 2018

**Summary:** This is the third ODCA report on the Department of Housing and Community Development's Housing Production Trust Fund (HPTF) in two years as requested by D.C. Council Finance and Revenue Committee Chairperson Jack Evans (Ward 2). The report found that while more than \$1 billion has been invested in the HPTF, the fund lacked the controls necessary to efficiently and effectively produce as many units as possible for D.C.'s lowest-income residents. [In an audit issued in March 2017](#), ODCA determined it could not evaluate how efficient the Department of Housing and Community Development (DHCD) has been in providing and creating affordable housing for District residents because its data was unreliable. Using almost 76,000 lines of transactional D.C. government financial data, ODCA created [an accurate and reliable database of HPTF projects](#) funded between 2001 and 2016, and recommended in the report that DHCD update its existing database using ODCA's reliable data. The report found that DHCD and the OCFO spent \$16.6 million from the HPTF on repayments to the U.S. Department of Housing and Urban Development (HUD) due to DHCD's ineffective management of federal grants, and recommended that the OCFO reassert its independence from the agencies it serves by instituting new safeguards. The report also found that the HPTF has not functioned as a revolving fund in that DHCD has collected far less than is owed and loan repayments have been and are projected to be a very small percentage of revenue. ODCA recommended that the OCFO make public the specific estimates for the proportion of long-term loans considered to be doubtful in terms of repayment in the CAFR.

## **Announcements**

### [ODCA 2019 budget hearing, March 27, 2018](#)

Auditor Patterson outlines ODCA's FY 2019 budget request at the D.C. Council Committee of the Whole Budget Hearing.

### [ODCA Council Performance Oversight Hearing, March 7, 2018](#)

Auditor Patterson discusses ODCA's FY 2017 accomplishments at D.C. Council Committee of the Whole Performance Oversight Hearing.

### [Summer Youth Employment Program, January 10, 2018](#)

ODCA's Jason Juffras testifies before the D.C. Council Committee on Labor and Workforce Development on the Marion S. Barry Summer Youth Employment Program Enhancement Amendment Act of 2017

## **Media Placements**

[Let's Talk Money! \(Or Is It Power?\)](#), educationdc, November 8, 2018

[Report faults District's treatment of mentally ill people in criminal justice system](#), Washington City Paper, February 26, 2018

[Audit: D.C. agency used funding to house poor residents for other needs](#), Washington Post, March 20, 2018

**FY 2018 Work Plan**

<b>Item #</b>	<b>Name</b>	<b>Origination</b>	<b>Agency</b>	<b>Purpose</b>	<b>Audit Phase/Status</b>	<b>Expected Date of Completion</b>
1	DCPS Elementary School Staffing Study	Discretionary	District of Columbia Public Schools (DCPS)	To examine staffing patterns in a sample of 8 elementary schools including their use of formula and at-risk funding	Complete	10/30/2018
2	Public Vehicles-for-Hire Consumer Fund Audit	D.C. Code § 50-301.20(j)	Department of For-Hire Vehicles (DFHV)	To audit the Public Vehicles-for-Hire Consumer Fund	Complete	11/2/2018
3	Review of Ward 8 Contracts	Councilmember T. White	Office of Contracting and Procurement (OCP) and Events DC	To determine if OCP and Events DC awarded contracts properly	Complete	November 2017 (Letter)
4	ANC Security Fund Review	D.C. Code § 1-309.14(f)	Advisory Neighborhood Commissions (ANC)	To present the Security Fund Annual Financial Report of the Advisory Neighborhood Commission for FY 2017	Complete	12/28/2018
5	Recommendation Compliance Report	GAGAS	Previously Audited Agencies	To report on the status of recommendations issued from FY 2015-2017	Complete	2/9/2018
6	DBH and the DC Justice System	Discretionary	Department of Behavioral Health	Contract performance evaluation by the Council for Court Excellence to determine efficacy of DBH policies and procedures governing the provision of services to individuals involved in the criminal justice system	Complete	2/26/2018
7	Housing Production Trust Fund (HPTF) Data Report	Councilmember Evans	Department of Housing and Community Development (DHCD)	To complete the final objective of the HPTF audit by documenting HPTF revenue/expenditures and number of units produced FY 2001–FY 2016	Complete	3/20/2018

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8	Certification of OCFO Revenue Estimate	D.C. Code § 1-206.03	Office of the Chief Financial Officer (OCFO)	To review, analyze and assess the reasonableness and attainability of the CFO's FY 2018 local source revenue estimate, and to determine if the issuance of the proposed General Obligation (GO) Bonds and GO Bond Anticipation Notes would cause the District to exceed its debt ceiling, as outlined in D.C. Code 1-206.03(b)(1)	Complete	4/6/2018
9	First Source Compliance Audit and White Paper	Discretionary	Department of Employment Services (DOES)	To evaluate DOES's enforcement of compliance of companies doing business with the District in meeting First Source requirements to hire D.C. residents	Complete	4/19/2018
10	Amber Overlook Project Review	Discretionary	Department of Housing and Community Development (DHCD)	To review the management of the Amber Overlook project at DHCD as part of HPTF review	Complete	4/27/2018
11	Worksite Parking Program Audit	Discretionary	Department of General Services (DGS)	To review subsidized parking for District government employees, including in District-owned and leased properties	Reporting	June
12	Education Roundtable	State Board of Education	DCPS, DCPCS, OSSE, etc.	Roundtable to discuss education issues	Ongoing	June
13	DC Early Intervention Program (IDEA Part C) Response to Questions	Councilmember Grosso	Office of the State Superintendent of Education (OSSE)	To analyze the District's use of federal IDEA Part C funds (early intervention services) to answer specific questions posed by CM Grosso	Reporting	June

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14	DC Early Intervention Program (IDEA Part C) Audit	Councilmember Grosso	Office of the State Superintendent of Education (OSSE)	To analyze the District's use of federal IDEA Part C funds (early intervention services) to determine whether OSSE has appropriate budget and fiscal management practices to handle expansions under the Enhanced Special Education Services Amendment Act of 2014	Reporting	June
15	Evaluation of Overtime Payments for District Employees	Discretionary	DPW, DOC, DYRS, and DFS	To evaluate trends in overtime payments for District employees	Reporting	May
16	D.C. Jail Review	Discretionary	Department of Corrections (DOC)	To evaluate conditions within the District's Central Detention Facility and Correctional Treatment Facility including the physical condition of the cells and common areas	Field Work	August
17	Internal Control Assessment of the District Government	Discretionary	District of Columbia Government	To develop a white paper that will focus on overall business processes and internal controls development in the District of Columbia government, and recommend a framework that provides guidance so employees have the benefit of clear policies and procedures, as well as internal controls that will assure the consistent application of policies and procedures	Reporting	June

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18	DCRA Process Review	Chairman Mendelson	Department of Consumer and Regulatory Affairs (DCRA)	To review DCRA's housing inspection process using a case study	Reporting	July
19	Audit of ANCs	D.C. Code § 1-309.13(d)(1)	Advisory Neighborhood Commissions (ANC)	To examine the "great weight" requirement in D.C. Code and determine how ANC views on DC government decisions are handled, and whether ANCs have an impact on decisions	Field Work	August
20	Domestic Violence Fatality Review Board Review/PAR Audit	D.C. Code § 1-614.14(c)	Office of Victim Services and Justice Grants (OVJSG) and Office of the Chief Medical Examiner (OCME)	To review the performance of the Domestic Violence Fatality Review Board	Field Work	August
21	DCPS Enrollment Evaluation	Councilmember Cheh	Office of the State Superintendent of Education (OSSE) and D.C. Public Schools (DCPS)	Contract audit to evaluate the District's methodology for estimating future student enrollment and determine whether DCPS is using best practices when determining student enrollment projections.	Ongoing	September
22	Survey of Parents of School-Aged Children	Discretionary	N/A	Contract survey of parents of school-aged children	Reporting	June

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23	Health Inspections Audit	Discretionary	Department of Health (DOH)	To determine whether DOH performed health inspections efficiently, effectively, and in compliance with laws and regulations	Survey	September
24	Evaluation of Special Purpose Revenue Funds and Their Use	Discretionary	Office of the Chief Financial Officer (OCFO)	To evaluate how Special Purpose Revenue Funds are utilized, if they are utilized consistent with statute, and whether their proliferation violates sound financial practice	Survey	September
25	Certification of OCFO Revenue Estimate #2	D.C. Code § 1-206.03	Office of the Chief Financial Officer (OCFO)	To review, analyze and assess the reasonableness and attainability of the CFO's FY 2018 local source revenue estimate, and to determine if the issuance of the proposed GO Bond Anticipation Notes would cause the District to exceed its debt ceiling, as outlined in D.C. Code 1-206.03(b)(1)	Ongoing	June
26	Legislative Review of the Clean and Affordable Energy Act of 2008	Councilmember Cheh	Department of Energy and the Environment (DOEE)	To (1) assess whether the provisions of the 2008 Act have been implemented and whether the overarching purpose of reducing the District's contribution to climate change have been met, and (2) to identify changes to the program's structure or implementation that could make it more effective	Ongoing	October

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27	Events DC Revenue Sufficiency Review	D.C. Code § 10-1203.05(b)	Washington Convention and Sports Authority (Events DC)	To determine whether FY 2019 projected dedicated tax revenues, operation revenues, and excess reserve will be sufficient to meet the FY 2018 projected expenditures and reserve requirements of Events DC	Planning	July
28	DCPS Capital Improvement Fund Evaluation, FY 2017	D.C. Code § 38-2973.05	Department of General Services (DGS)	To determine whether the District met the process, quality, schedule, and cost objectives of the Facilities Master Plan and Capital Improvement Plan and Budget	Planning	August
29	Principal Effectiveness Survey	State Board of Education Resolution	D.C. Public Schools	To review policies and practices that impact the effectiveness of principals and improve public understanding of the challenges faced by public school principals in creating effective learning environments and the supports provided by leadership of the public systems	Planning	August
30	Certification of OCFO Revenue Estimate #3	D.C. Code § 1-206.03	Office of the Chief Financial Officer (OCFO)	To review, analyze and assess the reasonableness and attainability of the CFO's FY 2018 local source revenue estimate, and to determine if the issuance of the proposed GO Bond would cause the District to exceed its debt ceiling, as outlined in D.C. Code 1-206.03(b)(1)	Not started	August

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31	MPD First Amendment Evaluation	D.C. Code § 5-333.12(d)(1) and (2)	Metropolitan Police Department (MPD)	To ensure MPD complied with rules, regulations and laws pertaining to MPD investigations during FY 2017 concerning first amendment activities during and to determine whether MPD implemented recommendations in previous ODCA audit reports	Not started	TBD
32	RPTAC Audit	D.C. Code § 47-825.01(l)(2)	Real Property Tax Appeal Commission	To determine whether the operations of the Real Property Tax Appeal Commission were efficient, effective, economical, and complied with relevant rules, regulations and laws during TY 2015-2017	Planning	TBD
33	Grant Award Audit	Discretionary	TBD	To determine whether District agencies are awarding grants effectively, and in compliance with laws and regulations	Not started	TBD
34	Revenue Evaluation	Discretionary	Revenue source and relevant agency to be determined	To determine whether revenues are being properly assessed and collected.	Not started	TBD
35	Audit of the Availability of Information Linking Invoices to Payments in SOAR	Discretionary	Office of the Chief Financial Officer (OCFO)	To determine whether sufficient information is available to agencies, payees, and oversight bodies to link invoices and payments in SOAR	Not started	TBD
36	Enterprise Risk Management Activities	Discretionary	ODCA and Department of Energy and	To establish ERM at ODCA and to pilot ERM at DOEE/DPR	Ongoing	TBD

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			Environment (DOEE)			
37	Review of Tax Enforcement Tools	Discretionary	Office of the Chief Financial Officer (OCFO) Office of Tax and Revenue (OTR)	To review best practices in tax administration and enforcement and to determine whether the Office of Tax and Revenue meets these standards	Postponed at CFO's Request	TBD