

 **Office of the District of Columbia Auditor**

Date: April 30, 2014
To: Council of the District of Columbia
From: Yolanda Branche
District of Columbia Auditor
Subject: Activity Report – April 2014

LP for: JB

This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for April 2014. The report includes audits issued, the status of current audit projects, a summary of planned Fiscal Year 2014 audits and announcements.

Audit Reports:

Certification of Fiscal Year 2014 Total Local Source General Fund Revenues (Net of Dedicated Taxes) in Support of the District's Issuance of \$ 495,425,000 in General Obligation Bonds (Series 2013A)

Released: April 3, 2014

Summary: On November 19, 2013, pursuant to D.C. Official Code, Section 1-206.03 (b)(1), the Chief Financial Officer (CFO) of the District of Columbia, through the Office of the Chief Financial Officer's (OCFO) Office of Finance and Treasury (OFT), requested that the Auditor certify the CFO's revised fiscal year (FY) 2014 estimated total local source General Fund Revenue (net of Dedicated Taxes). The CFO requested the Auditor's certification in connection with the District's issuance of \$495,425,000 in General Obligation Bonds (Series 2013A). The proceeds from the bonds are to be used to: (1) finance capital project expenditures under the District's capital improvements plan; and (2) pay the costs and expenses of issuing and delivering the Series 2013A Bonds. The released report sets forth the results of the Auditor's analysis of the CFO's revised FY 2014 local source revenue (net of Dedicated Taxes) estimate of \$6,311,555,000.

Based on an analysis of information provided by the CFO of the District of Columbia, as of October 31, 2013; the assumptions supporting the fiscal year (FY) 2014 revenue estimate; and other relevant data, the Auditor concluded that the CFO's September 30, 2013, FY 2014 revised local source revenue (net of Dedicated Taxes) estimate of \$6,311,555,000 appeared to be reasonable and achievable. Therefore, on December 18, 2013, the Auditor certified the \$6,311,555,000 FY 2014 revised local source revenue (net of Dedicated Taxes) estimate submitted by the CFO.

Announcements:

In April 2014, ODCA initiated an assessment of compliance with subcontracting requirements for District government contracts. D.C. Official Code § 2-218.46 requires that 35 percent of the dollar volume of all District government contracts, above \$250,000, be subcontracted to Small Business Enterprises (SBEs) or to Certified Business Enterprises (CBEs) if there are insufficient SBEs available. As part of the CBE compliance monitoring function, ODCA requested that the Office of Contracting and Procurement provide ODCA with documentation on a sample of 14 contracts each in excess of \$5 million and that ended between January 1, 2014, and March 31, 2014. ODCA plans to begin reviewing the documentation during the week of April 28th and will issue a nonaudit report on our assessment in FY 2014.

Given the planned changes to the Basic Business Licensing Program of the Department of Consumer and Regulatory Affairs, as detailed in the Mayor's State of the District Address on March 11, 2014, ODCA decided to terminate the in-progress audit of the Program for lack of relevance and to better direct our resources. This has been updated in our Fiscal Year 2014 Audit Work Plan.

Current Audits:

	Audit Agency	Purpose	Status
1	Office of the People's Counsel (OPC)	To verify revenue deposits to, and disbursements from, OPC Fund for FYs 2009 through 2012; to determine whether expense vouchers were reviewed and appropriately approved before payment; and to determine the amount of refunds to public utilities that were processed against the Fund	Final Issued 12/06/13
2	D.C. Children and Youth Investment Trust Corporation (CYITC)	To determine whether CYITC complied with applicable rules, regulations and laws pertaining to the grant making process; established and implemented adequate internal controls; and properly used District funds	Final Issued 2/12/14
3	Department of General Services (DGS)	To determine whether revenue was properly collected and deposited to the Eastern Market bank account and recorded in System of Accounting and Reporting to determine whether disbursements made from the Eastern Market bank account were related to Eastern Market activities	Reporting

	Audit Agency	Purpose	Status
4	Metropolitan Police Department (MPD)	To ensure MPD complied with rules, regulations and laws pertaining to MPD investigations concerning first amendment activities during FY 2012 and to determine whether MPD implemented 13 recommendations of the Office of the D.C. Auditor (ODCA) contained in the ODCA audit report to MPD issued in September 2012	Final Issued 3/19/14
5	Department of General Services (DGS)	To determine whether DGS complied with D.C. Code § 2-218.46 pertaining to contracting services under the District of Columbia Public Schools Modernization Program	Fieldwork
6	Advisory Neighborhood Commissioners (ANC)	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Reporting/ Fieldwork
7	District Department of Transportation (DDOT)	To determine whether DDOT considered contractor capacity during the bid process; to review DDOT's process for ensuring contractual compliance prior to scheduled payments; and to analyze how DDOT ensures road projects are as durable as is required by the contract	Reporting
8	University of the District of Columbia (UDC)	To determine whether UDC Land-Grant Endowment Fund accounts were in compliance with relevant laws, rules and regulations; UDC endowment accounts and funds were managed in accordance with UDC policies and procedures; and expenditures from UDC endowment accounts and funds were in compliance with applicable rules and regulations	Reporting
9	Homeland Security Emergency Management (HSEMA)	To examine the criteria used to determine costs associated with special events; to determine whether the criteria are equitably applied; and to review costs charged for special events	Reporting
10	Department of Health Care Finance (DHCF)	To verify whether less than 90 percent of the Nursing Facility Quality of Care Fund was expended on "Quality of Care Initiatives." Additionally, review income and expenses of the Fund to determine compliance with rules, regulations and laws	Fieldwork
11	Department of Consumer and Regulatory Affairs (DCRA)	To examine the program's cost and effectiveness	Terminated

	Audit Agency	Purpose	Status
12	Department of General Services (DGS)	To evaluate the use of the DCPS Capital Improvement Fund to include a school and project specific audit of all expenditures for school facility capital improvements, maintenance, repairs, and operating costs and to determine whether the District met the process, quality, schedule, and cost objectives of the Facilities Master Plan and Capital Improvement Plan and Budget for FY 2010 through 2012	Fieldwork
13	Department of Motor Vehicles (DMV)	To determine whether DMV met the performance measurement outcomes presented in the Performance Accountability Report for FY 2012	Fieldwork
14	Public-Private Developers	To determine whether developers complied with the requirements of Certified Business Enterprise Agreements (CBEAs) for FY 2013 and to report on the progress of developers in reaching CBE goals established in CBEAs	Completed
15	Department of Small and Local Business Development (DSLBD)	To determine the FY 2014 SBE expenditures of District agencies through the 1st quarter of FY 2014 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Ongoing
16	Department of Small and Local Business Development (DSLBD)	To determine whether District agencies met the required goal of procuring 50 percent of agency expendable budgets with SBEs in FY 2013 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Ongoing
17	Department of Small and Local Business Development (DSLBD)	To determine the SBE FY 2014 expenditures of District agencies through the 2nd quarter of FY 2014 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Ongoing
18	Department of Small and Local Business Development (DSLBD)	To determine the SBE FY 2014 expenditures of District agencies through the 3rd quarter of FY 2014 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Not Started
19	Advisory Neighborhood Commission (ANC)	To present a consolidated annual report of the financial activity of all Advisory Neighborhood Commissions regarding the expenditure of District funds and quarterly financial reports that were submitted to the Office of the District of Columbia Auditor for FY 2013	Not Started

	Audit Agency	Purpose	Status
20	Advisory Neighborhood Commission (ANC)	To present the Security Fund Annual Financial Report of the Advisory Neighborhood Commission for FY 2013	Completed
21	District of Columbia Public Schools (DCPS)	To present a brief snapshot of key indicators for 2012 – 2013 school year with a five-year trend analysis for human resource operations and human capital strategies of DCPS, with an emphasis on teachers and principals	Ongoing
22	District of Columbia Public Schools (DCPS)	To present a brief snapshot of key indicators for 2008 – 2009 school year with a five-year trend analysis for certain business practices and strategies and student achievement of DCPS	Ongoing
23	District of Columbia Public Schools (DCPS)	To present a brief snapshot of key indicators for 2009 – 2010 school year with a five-year trend analysis for certain business practices and strategies of DCPS	Ongoing
24	District of Columbia Public Schools (DCPS)	To present a comprehensive report covering five years regarding implementation of PERAA and whether sufficient progress in DCPS education was achieved to warrant continuation of the provisions and requirements of PERAA or whether a new law, and a new system of education should be enacted	Ongoing
25	Department of Employment Services (DOES)/ Department of Human Resources (DCHR)	To determine whether employers met the posting requirements of the Act; agencies met the administrative requirements of the Act; and whether there was an economic impact on the private sector as a result of the Act	Survey
26	Department of General Services (DGS)	To evaluate the use of the Public School Capital Improvement Fund to include a school and project specific audit of all expenditures for school facility capital improvements, maintenance, repairs, and operating costs and assess whether the District met the process, quality, schedule, and cost objectives of the Facilities Master Plan and Capital Improvement Plan and Budget for FY 2013	Fieldwork
27	Washington Convention and Sports Authority (Events DC)	To determine whether FY 2015 projected dedicated tax revenues, operation revenues, and excess reserve will be sufficient to meet the FY 2015 projected expenditures and reserve requirements of Events DC	Planning

	Audit Agency	Purpose	Status
28	Washington Convention and Sports Authority (Events DC)	To determine whether the accounts and operations of Events DC complied with applicable laws, regulations, and policies and procedures	Not Started
29	Metropolitan Police Department (MPD)	To ensure MPD complied with rules, regulations and laws pertaining to MPD investigations concerning first amendment activities during FY 2013	Planning
30	Lottery and Charitable Games Control Board (Lottery)	To determine whether accounts and transactions of the Lottery complied with applicable laws, municipal regulations, policies and procedures	Survey
31	Homeless programs affiliated with Nonprofit Organizations	To review homeless programs affiliated with nonprofit organizations to determine redundancy, waste, inefficiency, and inadequate accountability	Planning
32	Metropolitan Police Department (MPD)	To determine whether operations were efficient, effective, economical, and complied with rules, regulation and laws	Not Started
33	Department of Behavioral Health (DBH)	To determine whether the operations of Saint Elizabeths were efficient, effective, economical, and complied with rules, regulations and laws	Survey
34	Public Charter School Board (PCSB)/ Public Charter Schools (PCS)	To determine whether accounts and operations were managed effectively and economically and complied with rules, regulations and laws	Fieldwork
35	District of Columbia Public Schools (DCPS)	To determine whether operations were efficient, effective, economical, and complied with rules, regulations and laws	Fieldwork
36	Department of Health (DOH)	To determine whether operations were efficient, effective, economical, and complied with rules, regulations and laws	Not Started
37	Board of Elections	To determine whether the voter files were accurate and complied with relevant rules, regulations and laws	Planning
38	Department of the Environment	To determine whether the department managed the Anacostia River Clean Up and Protection Program in an effective and efficient manner and complied with rules, regulations and laws	Reporting

	Audit Agency	Purpose	Status
39	Office of Unified Communications	To determine whether 311 Call Center was managed in an effective and efficient manner and complied with rules, regulations and law	Survey
40	Previously Audited Agencies	To determine whether agreed upon recommendations issued during FY 2012 and 2013 were implemented	Ongoing
41	Office of the Chief Financial Officer (OCFO)	District of Columbia Revenue Certification for FY 2014 Bond Issuance	Final Issued 4/3/14
42	Office of the Deputy Mayor for Planning and Economic Development (DMPED) and District of Columbia Housing Authority (DCHA)	To determine whether the New Communities Initiative operations are efficient, effective, economical, and comply with rules, regulations and laws	Planning
43	Department of Human Services	To determine the number of families affected by the second reduction in TANF benefits and to identify if the families have had changes in education performance, health and new interactions with social services	Ongoing