



## Office of the District of Columbia Auditor

**Date:** June 26, 2013  
**To:** Council of the District of Columbia  
**From:** Yolanda Branche  
District of Columbia Auditor  
**Subject:** Activity Report – June 2013

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This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for June 2013. The report includes audits issued, the status of current audit projects, a summary of planned Fiscal Year 2013 audits and announcements.

### Audit Reports

On June 19, 2013, ODCA issued a report titled, “**Audit of the Accrued Sick and Safe Leave Act (Act) of 2008**”. The Act requires employers to provide employees with paid sick days to care for themselves or family members. We conducted this audit to determine whether employers in the District of Columbia complied with the requirement to post a notice of the requirements of the Act. We also reviewed the administration of the Act by District agencies. Finally, we assessed the economic impact of the Act on the private sector. We found that the Department of Human Resources did not develop a payroll processing system to track paid sick leave for intermittent District government employees. As a result, District government intermittent employees did not receive paid sick leave. In addition, we found that 91% of the businesses that we inspected posted the requirements of the Act. We also found that, according to interview and questionnaire responses, the Act did not discourage owners from basing businesses in the District or encourage owners to move their businesses from the District. We recommended that the Council strengthen the Act to include a requirement that employers retain records documenting hours worked by employees, paid sick leave taken by employees and provide the Auditor access to such records. The audit report can be found at:

<http://dcauditor.org/sites/default/files/DCA092013.pdf>

The report titled, “**Audit of the District of Columbia Boxing and Wrestling Commission (Commission)**” was issued on June 25, 2013. One of the objectives of the audit was to determine whether sales tax revenue was properly calculated and paid to the District. We found that the Commission improperly calculated the sales tax. As a result, the Commission failed to collect \$14,336 in sales tax. The audit report can be found at:

<http://dcauditor.org/sites/default/files/DCA112013.pdf>

The report on the Fiscal Year 2012 the compliance of District of Columbia government agencies’ with **Small Business Enterprise (SBE) expenditure goals**, was issued on June 25, 2013. We found that the 80 agencies we assessed, as a whole, spent a total of \$132,761,963 with Small Business Enterprises in Fiscal Year 2012 or 20% towards the \$661,100,219 total Fiscal Year 2012 SBE expenditure goal for all of the 80 agencies. The audit report can be found at:

<http://dcauditor.org/sites/default/files/DCA122013.pdf>

### Current Audits

	<b>Audit</b>	<b>Audit Objectives</b>	<b>Status</b>
1	<b>H Street Corridor Contract</b>	Review of H Street Shuttle Bus Contract for compliance with rules, regulations, and laws.	Reporting
2	<b>Grant Management</b>	Audit of Children and Youth Investment Trust Corporation and selected grant recipients to determine adequacy of internal controls and compliance with rules, regulations and laws.	Ongoing
3	<b>Department of General Services</b>	Review of solicitation and award of contract for snow removal services.	Reporting
4	<b>Office of the Chief Financial Officer</b>	Review of the implementation by the Office of the Chief Financial Officer of recommendations made in the report of the Office of the D.C. Auditor titled Review of the District’s Cash Advance Fund.	<b>Issued</b> <b>May 23, 2013</b>
5	<b>Department of</b>	Review of compliance with Certified	Ongoing

	<b>General Services</b>	Business Enterprise rules and regulations.	
6	<b>Driver Education Program Fund</b>	Annual audit of Driver Education Program Fund.	Reporting
7	<b>Eastern Market</b>	Audit of the Eastern Market Enterprise Fund.	Reporting
8	<b>University of the District of Columbia</b>	Review of the Endowment Fund of the University of the District of Columbia for Fiscal Year 2010-Fiscal Year 2011.	Ongoing
9	<b>Department of Small and Local Business Development</b>	Review of the Certified Business Enterprise certification process.	Ongoing
10	<b>Department of General Services</b>	Audit of First Source Apprenticeship Program.	Ongoing
11	<b>Economic Impact of Sick Leave on the Private Sector</b>	Determine compliance with posting requirements based on a sample of District businesses.	<b>Issued June 19, 2013</b>
12	<b>Department of Transportation</b>	Review of road construction contracts.	Fieldwork
13	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 8E to include expenditure trend analysis.	Ongoing
14	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 5C.	Ongoing
15	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 5B.	Ongoing

16	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 8B.	Ongoing
17	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 8D.	Ongoing
18	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 1A.	Ongoing
19	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 2C/6E.	Ongoing
20	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 7F.	Ongoing
21	<b>District of Columbia Public Schools</b>	Review of the use of the capital funds by the District of Columbia Public Schools during the preceding fiscal year.	Fieldwork
22	<b>Department of Consumer and Regulatory Affairs</b>	Audit of the basic business licensing program (taxation, licensing, permits, assessments and fees) to include an examination of the program cost and effectiveness.	Ongoing
23	<b>Washington Convention Center</b>	Certification of sufficiency of projected revenue.	Reporting
24	<b>Fiscal Year 2013 Metropolitan Police Department</b>	Audit of Metropolitan Police Department's investigations and preliminary inquiries involving First Amendment activities.	Fieldwork

25	<b>District of Columbia Public Schools</b>	Review of process to verify residency to attend D.C. Public Schools.	Fieldwork
26	<b>Department of Health Care Finance</b>	Nursing Facility Quality of Care Fund.	Fieldwork
27	<b>Public Service Commission Fund Fiscal Year 2012</b>	Review of the Public Service Commission Fund Fiscal Year 2012 deposits and disbursements.	Entrance Conference held June 19, 2013
28	<b>Office of People's Counsel Agency Fund</b>	An audit of the financial activities of the Office of the People's Counsel Agency Fund.	Planning
29	<b>Certified Business FY 2012 Annual Report</b>	Certified Business Compliance Unit Fiscal Year 2012 Annual Report.	<b>Issued June 25, 2013</b>
30	<b>Department of Parks and Recreation</b>	Evaluate the effectiveness of internal controls.	Entrance Conference held June 18, 2013
31	<b>Boxing and Wrestling Commission</b>	Review of sales tax and licensing and permit activities.	<b>Report issued on June 25, 2013</b>
32	<b>Homeland Security and Emergency Management Agency</b>	Review of festival security fees.	Entrance Conference scheduled for June 26, 2013

<b>Planned Fiscal Year 2013 Audits – Not Started as of June 25, 2013</b>			
33	<b>Advisory Neighborhood Commission</b>	Audit of financial accounts of Advisory Neighborhood Commission 7D to include expenditure trend analysis.	Not Started
34	<b>Performance Measures:  Department of Motor Vehicles</b>	Review performance measurement outcomes presented in Department of Motor Vehicle.	Not Started
35	<b>Department of Mental Health</b>	Determine whether privatization contract for Mental Health Facilities achieved 5% savings and met performance standards.	Not Started
36	<b>Certified Business Compliance Unit FY 2013 2nd Quarter Report</b>	Determine whether District agencies and Government Corporations met Small Business Enterprise goals.	Not Started
37	<b>Department of Housing and Community Development</b>	Review of grant issued for program titled “Housing Opportunities for People Living with AIDS”.	Not Started
38	<b>Fraud Prevention Fund</b>	Fiscal Year 2013 audit of the Fraud Prevention Fund.	Not Started

39	<b>Certified Business Compliance Unit FY 2013 3rd Quarter Report</b>	Determine whether District agencies and Government Corporations met Small Business Enterprise goals.	Not Started
40	<b>Homeland Security and Emergency Management Agency</b>	Determine compliance recommendations presented in March 3, 2009 audit report titled "Implementation of Omnibus Homeland Security Act".	Not Started
41	<b>Advisory Neighborhood Commissions Annual Report</b>	Consolidated report on the financial activity of Advisory Neighborhood Commissions to include expenditure trend analysis.	Not Started

### Announcements

D.C. Code, Section 34-2202.09(h), provides that prior to the issuance of any new debt, DC Water is required to obtain an expert study and analysis to support its revenue certification and certify to the Auditor that **DC Water's revenues** are sufficient to pay operating costs, debt services on outstanding and proposed bonds, and other obligations. On June 24, 2013, ODCA found that DC Water's certification of revenues totaling \$447.48 million for Fiscal Year 2013 is a reasonable estimate. The report can be found at:

<http://dcauditor.org/sites/default/files/DCA102013.pdf>

In May and June of 2013, the Office of the District of Columbia Auditor attended the following **ANC public meetings: ANC 8C, ANC 8A, ANC 2B, ANC 8B, ANC 8E, ANC 4A and ANC 7F**. Attending ANC public meetings is part of ODCA's efforts to help ANCs effectively manage their finances. In addition, attending ANC meetings increases our understanding of the operations of the ANCs.

The **Peer Review Team of the Association of Local Government Auditors** reported that the internal quality control system of the Office of the District of Columbia Auditor, except for noted deficiencies, was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards during the period of October 1, 2011, to September 30, 2012. The Peer Review Team noted improvements ODCA made to the quality control system by updating the Policy and Procedures Manual with more detailed guidelines to help comply with Government Auditing Standards. The Peer Review Team also noted the efforts of ODCA to develop and conduct comprehensive internal quality assurance reviews.

cc: The Honorable Vincent C. Gray, Mayor, District of Columbia

Mr. Charles Willoughby, Inspector General, District of Columbia  
Dr. Natwar Gandhi, Chief Financial Officer, District of Columbia