




Office of the District of Columbia Auditor

Date: July 1, 2014

To: Council of the District of Columbia

From: Lawrence Perry 
Acting District of Columbia Auditor

Subject: Activity Report – June 2014

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

[Audit Reports:](#)

[District of Columbia Agencies' Compliance with Fiscal Year 2014 Small Business Enterprise Expenditure Goals through the 2nd Quarter of Fiscal Year 2014](#)

Released: June 18, 2014

Summary: ODCA examined and assessed District of Columbia government agencies' compliance with fiscal year (FY) 2014 Small Business Enterprise (SBE) expenditure goals through the 2nd quarter of FY 2014 (October 1, 2013 through March 31, 2014). We found that 82 agencies collectively spent \$50,024,785 with SBEs through the 2nd quarter of FY 2014 or six percent of the cumulative reported SBE goal of \$775,418,031.

Announcements:

ODCA has completed the first phase of a comprehensive risk assessment, in which we assign a score to potential audit areas based upon specific risk factors related to an auditee's operations, internal controls, and liability to the District. The risk assessment will provide ODCA management with a selection of audit areas for FY 2015 which pose a high risk of waste, fraud, or abuse. Areas identified as high risk will be included in the office's FY 2015 Audit Plan, with an eye toward providing improved value to the District Council, District agency management, and to District residents. To date, we have assigned scores to all agency divisions with a budget of \$5 million or more using the following seven risk factors:

- Projected FY 2015 budget
- Projected number of FTEs
- Asset Liquidity
- Complexity of Operations/Transactions
- Public Interest/Exposure

- Time Since Last Audit
- Concerns of Fraud/Known Fraud Cases

ODCA expects to complete the risk assessment by August 15, 2014.

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 01/14/2014
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 02/12/2014
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	Draft Issued 06/19/2014
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 03/19/2014
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

	Audit Agency	Purpose	Status
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	Reporting
11	Department of Consumer and Regulatory Affairs (DCRA)	To examine the program's cost and effectiveness	Terminated
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	Final Issued 01/09/2014

	Audit Agency	Purpose	Status
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	Final Issued 05/14/2014
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	Final Issued 06/18/2014
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
20	Advisory Neighborhood Commission (ANC)	To present the Security Fund Annual Financial Report of the Advisory Neighborhood Commission for FY 2013	Final Issued 12/20/2013
21	District of Columbia Public Schools (DCPS)	To present a comprehensive quantitative analyses of human resources operations and human capital strategies, five-year trend analysis that will be due no later than June 30, 2014.	Ongoing
22	District of Columbia Public Schools (DCPS)	To present a five-year trend analysis of student achievement that addresses academic growth, proficiency, and non-academic values. In addition, multi-year analyses would be conducted of several other student outcomes, depending on available data that will be completed by September 5, 2014.	Ongoing

	Audit Agency	Purpose	Status
23	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
24	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
25	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	Fieldwork
26	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
27	Metropolitan Police Department (MPD)	To ensure MPD complied with rules, regulations and laws pertaining to MPD investigations concerning first amendment activities during FY 2013	Survey
28	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	Fieldwork
29	Homeless programs affiliated with Nonprofit Organizations	To review homeless programs affiliated with nonprofit organizations to determine redundancy, waste, inefficiency, and inadequate accountability	Survey
30	Metropolitan Police Department (MPD)	To determine whether operations were efficient, effective, economical, and complied with rules, regulation and laws	Not Started
31	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
32	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

	Audit Agency	Purpose	Status
33	District of Columbia Public Schools (DCPS)	To determine whether operations were efficient, effective, economical, and complied with rules, regulations and laws	Fieldwork
34	Department of Health (DOH)	To determine whether operations were efficient, effective, economical, and complied with rules, regulations and laws	Not Started
35	Board of Elections	To determine whether the voter files were accurate and complied with relevant rules, regulations and laws	Survey
36	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
37	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
38	Previously Audited Agencies	To determine whether agreed upon recommendations issued during FY 2012 and 2013 were implemented	Ongoing
39	Office of the Chief Financial Officer (OCFO)	District of Columbia Revenue Certification for FY 2014 Bond Issuance	Final Issued 04/03/2014
40	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	Survey
41	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
42	Office of the Chief Financial Officer (OCFO)	District of Columbia Revenue Certification for FY 2014 Bond Issuance (2 nd Issuance)	Reporting