


Date: November 3, 2014
To: Council of the District of Columbia
From: Lawrence Perry 
Acting District of Columbia Auditor
Subject: Activity Report – October 2014

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

[Audit Reports:](#)

[Fiscal Year 2013 Annual Report on Advisory Neighborhood Commissions](#)

Released: October 21, 2014

Summary: In accordance with D.C. Code § 1-309.13 (d) (1), the District of Columbia Auditor hereby submits the fiscal year (FY) 2013 consolidated Annual Report on Advisory Neighborhood Commissions (ANCs). Information presented in this report is a compilation of financial activity that was obtained from quarterly financial reports submitted by ANCs for FY 2013 and information from the District of Columbia Office of the Chief Financial Officer.

[Audit of the Anacostia River Clean Up and Protection Fund](#)

Released: October 30, 2014

Summary: The objective of this audit was to determine whether the District Department of the Environment (DDOE) had the necessary revenue and expenditure internal controls in place to ensure program effectiveness and compliance with the Anacostia River Clean Up and Protection Act of 2009.

Overall, we determined that the Anacostia River Clean Up and Protection program (Program) lacked some key internal controls and compliance with the Act was not fully achieved regarding revenue and expenditure processes. Specifically, DDOE did not establish a sufficient system to monitor compliance with meeting the Fund's priorities in order and lacked Standard Operating Procedures (SOPs) for some revenue and expenditure processes. Additionally, DDOE did not have a Memorandum of Understanding (MOU) or signed agreement with the Department of Motor Vehicles (DMV) and at the time of our audit, the DMV was not transferring Anacostia River license plate renewal fees into the Fund. We further found that DDOE's MOU with the

Office of Tax and Revenue (OTR) did not have a key oversight component. Lastly, DDOE did not establish a strategic plan for the Program from which to measure performance.

While we identified ways in which DDOE's implementation of the Act could be strengthened, we also identified areas where implementation was strong, notably its enforcement actions. We further found that DDOE's grant bidding process was timely, independent and competitive.

Announcements:

On October 20, 2014 ODCA released our annual [work plan for fiscal year \(FY\) 2015](#). The purpose of the work plan is to identify agencies and programs that ODCA has scheduled for review in FY 2015. Our work plan facilitates an efficient allocation of audit resources on a risk-basis and provides a flexible mechanism for managing competing audit needs.

We recognize that risks and priorities can change over time; therefore, we expect to make modifications to our work plan throughout the fiscal year. Changes to and progress against the work plan will be reflected in monthly status reports submitted to the Council of the District of Columbia and posted to our website at dcauditor.org/monthly-status-reports.

Overall, the work plan details 48 audits and non-audit reviews that we expect to initiate and/or complete in FY 2015. Specifically, the work plan includes audits and non-audit reviews that originate from the following sources:

- 32 are legislatively mandated
- 4 were requested by Councilmembers
- 6 were identified during ODCA's annual risk assessment of agency divisions
- 5 were initiated at the discretion of the D.C. Auditor
- 1 was recommended by the U.S. Government Accountability Office in their Government Auditing Standards

On October 3, 2014, Laura Hopman, Assistant Deputy Auditor, appeared before the Committee on Human Services to discuss our assessment of the impact of the October 1, 2013 reduction in Temporary Assistance to Needy Families benefits on families and their children. The objectives of our assessment were to determine the number of families affected; total amount of reductions; number of children affected in specific age categories; number of service providers providing educational and employment training programs; and human impact of TANF benefits reductions. Read the entire testimony [here](#).

On October 22, 2014, Lawrence Perry, Acting D.C. Auditor, appeared before the Committee on Business, Consumer and Regulatory Affairs to discuss our recent report entitled "District of Columbia Agencies' and Contractors' Compliance with Subcontracting Requirements Needs Significant Improvement." In this report we detailed the results of our examination and assessment of District of Columbia government agencies' and contractors' compliance with subcontracting requirements of the Small, Local, and Disadvantaged Business Enterprise

Development and Assistance Act of 2005 (the Act), as written prior to the most recent amendments to the Act that took effect on October 1, 2014. Read the entire testimony [here](#).

On October 29, 2014, Lawrence Perry, Acting D.C. Auditor, appeared before the Committee on Government Operations to discuss the Department of General Services’ (DGS) direct expenditures and subcontracting expenditures with Certified Business Enterprises. We found that our verified Small Business Enterprise (SBE) expenditures for DGS differed from their self-reported SBE expenditures through the 3rd quarter of fiscal year 2014. We described the inaccuracies in DGS’ SBE expenditure totals and accounted for the difference. We also discussed our recent report in entitled “District of Columbia Agencies’ and Contractors’ Compliance with Subcontracting Requirements Needs Significant Improvement.” In this report we detailed that DGS and contractors were not complying with subcontracting requirements of the law, and DGS often executed contracts without valid CBE subcontracting plans in place. We further found that even when CBE subcontracting plans did exist, DGS did not adequately monitor compliance with the plans. Read the entire testimony [here](#).

Current Audits:

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
1	DDOE Anacostia River Fund Audit	Discretionary	District Department of the Environment (DDOE)	To determine whether the department managed the Anacostia River Cleanup and Protection Program in an effective and efficient manner and complied with rules, regulations, and laws.	Final Report Issued 10/30/2014
2	ANC Annual Report	D.C. Code § 1-309.13(d)(1)	Advisory Neighborhood Commissions (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	Final Report Issued 10/21/2014

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
3	D.C. Public Charter Schools Audit	Discretionary	D.C. Public Charter Schools	To determine whether the operations of the D.C. Public Charter Schools were efficient, effective, economical, and complied with rules, regulations and laws	Reporting
4	ANC 1A Audit	DC Code § 1-309.13(d)(1)	ANC 1A	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Reporting
5	ANC 5B Audit	DC Code § 1-309.13(d)(1)	ANC 5B	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Reporting
6	ANC 8E Audit	DC Code § 1-309.13(d)(1)	ANC 8E	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Reporting
7	ANC 5C Audit	DC Code § 1-309.13(d)(1)	ANC 5C	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Field Work

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8	ANC 6E Audit	DC Code § 1-309.13(d)(1)	ANC 6E	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Field Work
9	ANC 7F Audit	DC Code § 1-309.13(d)(1)	ANC 7F	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Field Work
10	ANC 8D Audit	DC Code § 1-309.13(d)(1)	ANC 8D	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations	Field Work
11	DCPS Capital Improvement Fund Audit	D.C. Code § 38-2973.05	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 2013	Field Work
12	BOE Election Preparedness Review	Councilmember McDuffie	Board of Elections	To determine BOE's preparedness for the November 4, 2014 general election	Ongoing

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
13	TANF Employment Program Vendor Review	Councilmember Graham	Department of Human Services (DHS)	To determine costs, levels of participation, and outcomes of TANF Employment Programs	Ongoing
14	BOE Voter Files Audit	Discretionary	Board of Elections	To determine whether the voter files were accurate and complied with relevant rules, regulations and laws	Survey
15	Saint Elizabeths Audit	Discretionary	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
16	Sick and Safe Leave Audit	D.C. Code § 32-131.15	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 to determine whether there was an economic impact on the private sector as a result of the Act	Field Work
17	Homeless Programs Audit	Councilmember Cheh	Homeless programs affiliated with Nonprofit Organizations	To review homeless programs affiliated with nonprofit organizations to determine redundancy, waste, inefficiency, and inadequate accountability	Survey

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18	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 2015 local source revenue estimate, and to determine if the issuance of the proposed general obligation bonds would cause the District to exceed its debt ceiling, as outlined in D.C. Code 1-206.03(b)(1)	Reporting
19	Public Private Developer Review	Councilmember Bonds	Public Private Developers	Review files and invoices of selected developers with CBE agreements. Currently conducting pre-audit data collection and audit will proceed only if preliminary research indicates a concern.	Pre-Audit Research Underway
20	PERAA Report #3	D.C. Code § 38-193	District of Columbia Public Schools (DCPS)	To present evaluation results for 2012 – 2013 with a five-year trend analysis for human resource operations and human capital strategies of DCPS, with an emphasis on teachers and principals . Parts 1 and 2 have already been published. Summative report will be published in FY 2015.	Ongoing
21	PERAA Report #5	D. C. Code § 38-193	District of Columbia Public Schools (DCPS)	To present evaluation results for 2009 – 2010 with a five-year trend analysis for certain business practices and strategies of DCPS	Ongoing

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22	PERAA Summative Report	D. C. Code § 38-193	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
23	Fraud Prevention Fund Review	D.C. Code § 22-3226.14(d)	Office of the Mayor/ Task Group to Combat Fraud	To determine whether the Prevention Fund was maintained as a non-lapsing fund, funds were not commingled with the General Fund, the Prevention Fund consisted of fines paid, and funds were used in a manner consistent with all rules, regulations and laws	Ongoing
24	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 2014	Ongoing
25	Events DC Audit	D.C. Code § 10-1203.05(a)	Washington Convention and Sports Authority (Events DC)	To determine whether Events DC is achieving goals	Not Started
26	MPD Patrol Services and School Security Bureau Audit	Risk Based Audit	Metropolitan Police Department (MPD)	To determine whether the MPD Patrol Services and School Security Bureau is achieving goals	Not Started

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27	Developer CBE Compliance Review	D.C. Code § 1-301.183	Public-Private Developers	To determine whether developers complied with the requirements of Certified Business Enterprise Agreements (CBEAs) for FY 2014 and to report on the progress of developers in reaching CBE goals established in CBEAs	Not Started
28	MPD First Amendment Audit	DC 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 concerning first amendment activities during FY 2014 and to determine whether MPD implemented recommendations in previous ODCA audit reports	Not Started
29	Agency SBE Compliance Review, Quarter 1 FY 2015	D.C. Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the FY 2015 SBE expenditures of District agencies through the 1st quarter of FY 2015 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Not Started
30	RPTAC Audit	D.C. Code § 47-825.01(1)(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	Not Started

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31	PAR Audit	D.C. Code § 1-614.14(c)	TBD during survey phase	To determine whether a selected D.C. agency met the performance measurement outcomes presented in the Performance Accountability Report for FY 2014	Not Started
32	FEMS Field Operations Audit	Risk Based Audit	Fire and Emergency Medical Services Department (FEMS)	To determine whether the FEMS Field Operations division is achieving goals	Not Started
33	UDC Audit	Risk Based Audit	University of the District of Columbia	To determine whether UDC is achieving its goals	Not Started
34	Agency SBE Compliance, FY 2014	D.C. Code § 2-218.53 and § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine whether District agencies met the required goal of procuring 50% of agency expendable budgets with SBEs in FY 2014 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Not Started
35	Sick and Safe Leave Audit	D.C. Code § 32-131.15	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 to determine whether there was an economic impact on the private sector as a result of the Act	Not Started

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
36	DCPS Capital Improvement Fund Audit	D.C. Code § 38-2973.05	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 2014	Not Started
37	OPC Audit	D.C. Code § 34- 912(a)(6)	Office of the People’s Counsel (OPC)	To verify revenue deposits to, and disbursements from, OPC Fund for FY 2013 through 2014; to determine whether expense vouchers were supported by adequate documentation and whether the expenses were reasonable and necessary; 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	Not Started

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
38	PSC Audit	D.C. Code § 34- 912(a)(6)	Public Service Commission (PSC)	To verify revenue deposits to, and disbursements from, PSC Fund for FY 2013 through 2014; to determine whether expense vouchers were supported by adequate documentation and whether the expenses were reasonable and necessary; 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	Not Started
39	DYRS Youth and Family Programs Audit	Risk Based Audit	Department of Youth Rehabilitation Services (DYRS)	To determine whether the DYRS Youth and Family Programs division is achieving goals	Not Started
40	Events DC Revenue Certification	D.C. Code § 10-1203.05(b)	Washington Convention and Sports Authority (Events DC)	To determine whether FY 2016 projected dedicated tax revenues, operation revenues, and excess reserve will be sufficient to meet the FY 2016 projected expenditures and reserve requirements of Events DC	Not Started
41	Agency SBE Compliance Review, Quarter 2 FY 2015	D.C. Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the SBE FY 2015 expenditures of District agencies through the 2nd quarter of FY 2015 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Not Started

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
42	Revenue Audit #1	Discretionary	Revenue source and relevant agency to be determined during survey phase	To determine whether revenues are being properly assessed and collected	Not Started
43	ANC Annual Report	D.C. Code § 1-309.13(d)(1)	Advisory Neighborhood Commissions (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 2014	Not Started
44	Revenue Audit #2	Discretionary	Revenue source and relevant agency to be determined during survey phase	To determine whether revenues are being properly assessed and collected	Not Started
45	Agency SBE Compliance Review, Quarter 3 FY 2015	DC Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the SBE FY 2015 expenditures of District agencies through the 3rd quarter of FY 2015 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Not Started
46	Recommendation Compliance Report	GAGAS	Previously Audited Agencies	To determine whether agreed upon recommendations issued from FY 2012 (??) to FY 2014 were implemented	Not Started
47	ODCA Annual Report	Discretionary	N/A	Provide an overview of the work accomplished by ODCA in FY 2015	Not Started

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
48	Certification of OCFO Revenue Estimate (If Requested)	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 2015 local source revenue estimate, and to determine if the issuance of the proposed general obligation bonds would cause the District to exceed its debt ceiling, as outlined in D.C. Code 1-206.03(b)(1).	Not Started