

Date: July 31, 2017

To: Council of the District of Columbia

From: Kathleen Patterson, District of Columbia Auditor



Subject: ODCA 2017 Third Quarter Activity Report

This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for April 2017 through June 2017. It includes [reports](#) issued, announcements, and the status of current FY 2016 audits and other projects. These reports are published on a quarterly basis.

Reports

[The Department of Public Works's Performance Measures Were Effective But Lacked Proper Controls](#)

Released: June 15, 2017

Summary: The Office of the District of Columbia Auditor's (ODCA) audit of the performance measures of the Department of Public Works (DPW) originated from the mandate (D.C. Code 1-614.14c) stating that ODCA shall conduct an audit of selected performance measures presented in the Performance Accountability Report (PAR) of certain agencies each fiscal year. The PAR provides information about the agency's progress in achieving its goals for the previous year. Our review found that DPW met the Office of the City Administrator (OCA) standards for effective performance measures, and although ODCA did note some areas for improvements, the majority of DPW's Key Performance Indicators (KPIs) were accurately reported in the DPW FY 2015 PAR. However, the OCA could not produce supporting documentation to corroborate that it monitored the development of DPW's KPIs. Two recommendations were issued: one to DPW related to KPI collection, processing, and measurement, and one to OCA on the need for procedures to retain documentation of activities related to the review and approval of KPIs.

[Auditor's Management Alert Letter to D.C.'s Office of the Chief Financial Officer \(OCFO\) with Recommendations for Preventing Incorrect Parking Payroll Deductions](#)

Released: June 22, 2017

Summary: ODCA is conducting an audit of the Department of General Services (DGS) Worksite Parking Program with the goal of determining how much additional revenue the District would receive if it increased the DGS program's monthly parking fee and/or expanded the Program to include additional locations. As part of this audit, we are assessing DGS's process for enrolling employees and cancelling enrollment in the program. Two areas of concern were identified requiring DGS's immediate attention regarding the role of the Office of Pay and Retirement Services (OPRS) within this process. First, ODCA found that the wrong deduction code had been entered for six employees of D.C. Public Schools (DCPS), and that the deduction amount varied for 11 DCPS employees, including two who paid the DGS program fee instead of the DCPS fee, and three employees who

were double-charged a 50-cent service fee. ODCA also found that OPRS biweekly parking reports were unreliable. Four recommendations were made to OPRS to: review parking payroll deduction codes and amounts for DCPS employees that were incorrect; update staff on correct parking deduction codes; ensure that a supervisor reviews parking data entries and verifies their accuracy; conduct periodic reviews to ensure DCPS employees are not coded as part of the DGS program. OPRS agreed with all recommendations and stated that new processes will be incorporated into written procedures.

District of Columbia Agencies' Compliance with Fiscal Year 2016 Small Business Enterprise Expenditure

Released: June 28, 2017

Summary: ODCA examined and assessed the D.C. government agencies' compliance with fiscal year (FY) 2016 Small Business Enterprise (SBE) expenditure goals (October 1, 2015 through September 30, 2016). The examination covered the period October 1, 2015, through September 30, 2016. We reviewed 88 agencies, offices or programs that the Department of Small and Local Business Development (DSLBD) determined were required to: 1) procure 50 percent of their expendable budget for goods and services from SBEs each fiscal year; and 2) submit quarterly SBE expenditure reports as well as an annual report to DSLBD and ODCA. We reviewed appropriated budgets, expendable budgets, and reported SBE goals for each agency. We also verified vendors in DSLBD's CBE Online System and reviewed DSLBD's Quick Base data tracking system. According to DSLBD's Quick Base database as of April 20, 2017, the 88 agencies we assessed had a total FY 2016 reported appropriated budget of \$11,271,883,359 and a total reported expendable budget for goods and services of \$1,212,714,494. Based on the expendable budget of \$1,212,714,494 the FY 2016 SBE expenditure goal for the 88 agencies was \$606,357,247. ODCA recommended that DSLBD: review all FY 2017 SBE expenditure goals to ensure that they are realistic; update its Quick Base application to allow for District agencies to submit a description of the activities that they engaged in to achieve their SBE expenditure goals; and report agencies that do not submit procurement plans to the City Administrator within 30 days of the start of the fiscal year.

Announcements

Testimony on youth employment

D.C. Auditor Kathy Patterson provided testimony before the D.C. Committee on Labor and Workforce Development at the public hearing on Strategies to Improve Employment Outcomes for District Youths on April 3, 2017. The Auditor discussed ODCA's work on the Marion S. Barry Summer Youth Employment Program (MBSYEP) over the past two years to assist the Committee's ongoing oversight of this important program and also to inform the Committee's deliberations on Bill 22-54, the "Marion S. Barry Summer Youth Employment Expansion Act of 2017" and Bill 22-111, the "Safe Way Home Act of 2017". See [D.C. Auditor Testimony, April 3, 2017](#).

Testimony on the FY 2018 budget

D.C. Auditor Kathy Patterson provided testimony before the Council of the District of Columbia Committee of the Whole at the public hearing on ODCA's budget requests for FY 2018 on April 25, 2017. ODCA's requests included funding for OCTO DC-Net Connection costs, ODCA staff's inclusion in The Retirement Savings Incentive Amendment Act of 2017, the option to have funds remaining in the ODCA budget to carry over into the new fiscal year, and amending the Budget Support Act of 2017 to allow bonuses for high performing ODCA employees. See [D.C. Auditor Testimony, April 25, 2017](#).

Completed and Current Projects

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
1	DCPS Food Service Contract Evaluation	Councilmember Cheh	D.C. Public Schools (DCPS)	Review of DCPS' contracts with food service management companies, the decision to outsource food services, and current and historic cost drivers and program operations.	Complete	10/07/16
2	ANC Security Fund Review	D.C. Code § 1-309.13	Advisory Neighborhood Commissions (ANC)	To present the Security Fund Annual Financial Report of the Advisory Neighborhood Commission for FY 2016	Complete	12/8/16
3	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 2017 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)	Complete	12/22/17
4	Agency SBE Compliance Evaluation, Quarter 2/3 FY 2016	DC Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the FY 2016 SBE expenditures of District agencies through the 3rd quarter of FY 2016 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements	Complete	12/22/16
5	Summer Youth Employment Site Visit Program Evaluation	Councilmember Silverman & D.C. Code § 32-241-(g)(5)	Department of Employment Services (DOES)	Evaluation of site visits of DC's Summer Youth Employment Program	Complete	12/21/16

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
6	Internal Control Review of Various Data Systems (PII Review)	Discretionary	DC Department of Human Resources (DCHR), Child and Family Services (CFSA), Department of Employment Services (DOES)	To review sufficiency and appropriateness of internal control for several District data systems	Complete	1/06/17
7	Snow Removal Review	Councilmember Cheh	Department of Public Works (DPW)	To review expenditures associated with snow removal for Winter Storm Jonas	Complete	1/11/16
8	Recommendation Compliance Report	GAGAS	Previously Audited Agencies	To determine whether recommendations issued from FY 2014 to present were implemented	Complete	1/13/17
9	Impact of Potential Changes to ACA/Medicaid	CM Evans	Department of Health Care Finance (DHCF)	To examine the potential effects to the District of changes to provisions in the Affordable Care Act and to the Medicaid program. This review will examine effects on the District's budget as well as effects on potential insurance coverage for District residents.	Complete	1/25/17
10	MPD Patrol Services Audit	Risk Based Audit	Metropolitan Police Department (MPD)	To determine whether MPD Patrol Services is achieving goals	Complete	2/3/17
11	Evaluation of Systems Development Processes in the District	Discretionary	DCRA, DMPED, OCTO, OCFO, DSLBD	To conduct a case study and evaluate the costs of the DC Business Center as example of IT development process	Complete	2/9/17
12	UDC Audit	Risk Based Audit	University of the District of Columbia	To determine whether UDC is achieving its goals with a focus on elements of the new strategic plan	Complete	3/10/17

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
13	Housing Production Trust Fund (HPTF) Audit	Councilmember Evans	Department of Housing and Community Development (DHCD)	To assess whether the Housing Production Trust Fund is meeting its objectives	Complete	3/16/17
14	MPD Use of Force Recommendation Compliance	Discretionary	Department of Housing and Community Development (DHCD)	To determine MPD's progress in implementing the 38 recommendations contained in ODCA's report "The Durability of Police Reform."	Complete	Letter issued 3/20/17
15	Summer Youth Employment Program Evaluation	Councilmember Silverman	Department of Employment Services (DOES)	Contract review of program data, processes, and internal controls of the District's Summer Youth Employment Program	Complete	3/21/17
16	Home Visiting Program and Services Review	Discretionary	Deputy Mayor for Children, Youth and Families	Contract with D.C. Action for Children for a status report on home visiting programs and services in the District of Columbia, including a baseline on who is served, by which services and programs, at what cost – local and federal -- and the extent to which there may be unmet needs in the District.	Complete	3/23/17
17	PAR Audit FY 2016	D.C. Code § 1-614.14(c)	Department of Public Works (DPW) and Office of the City Administrator (OCA)	To identify best and worst case examples of performance measurement for District agencies.	Complete	6/15/6/17

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
18	Agency SBE Compliance, FY 2016	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 2016 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Complete	6/28/17
19	2016 MPD First Amendment Evaluation	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 during FY 2014-2016 concerning first amendment activities during and to determine whether MPD implemented recommendations in previous ODCA audit reports.	Complete	7/3/17
20	Events DC Revenue Sufficiency Review	D.C. Code § 1-1203.05(b)	Washington Convention and Sports Authority (Events DC)	To determine whether FY 2018 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	Complete	7/14/17
21	Evaluation of Child Fatality Review Committee Reports	Discretionary	Office of the Chief Medical Examiner (OCME)	Capstone group from GWU will review Child Fatality Review Committee reports regarding: (1) trends and types; and (2) recommendations and status.	Complete	7/21/17
22	Housing Production Trust Fund (HPTF) Data Report	Councilmember Evans	Departement of Housing and Community Develoment (DHCD)	To complete the final objective of the HPTF audit by documenting HPTF revenue/expenditure and number of units produced	Ongoing	September

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
23	Audit of Vacant/Blighted Properties	Risk Based Audit	Department of Consumer and Regulatory Affairs (DCRA) and OCFO's Office of Tax and Revenue (OTR)	To determine whether DCRA and OTR are effectively managing vacant and blighted properties by reviewing: the number, location, and type of properties; trends in number of properties; community effects of properties; exemptions from punitive tax rates; enforcement tools; legal actions; and/or interagency coordination.	Reporting	August
24	Worksite Parking Program Audit	Discretionary	Department of General Services (DGS)	To review subsidized parking for District government employees. Includes parking in District-owned and leased properties. Will update a previous review of subsidized parking.	Field Work	September
25	DCPS Elementary School Staffing Study	Discretionary	District of Columbia Public Schools (DCPS)	To identify similarities and differences in staffing patterns among schools and examine schools' use of formula funding and their sources of funding.	Reporting	August
26	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 Fund	Field Work	August

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
27	DC Early Intervention Program Analysis	CM 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.	Survey	November
28	DBH and the DC Justice System	Discretionary	Department of Behavioral Health	Contract project of the Council for Court Excellent to determine efficacy of DBH policies and procedures governing the provision of services to individuals involved in the criminal justice system.	Ongoing	February 2018
29	First Source Compliance Review	Discretionary	Department of Employment Services (DOES)	To evaluate DOES's performance in enforcement of compliance of companies doing business with the District in meeting First Source requirements to hire D.C. residents.	Field Work	September
30	Evaluation of Overtime Payments for District Employees	Discretionary	DPW, DOC, and others TBD	To evaluate trends in overtime payments for District employees.	Field Work	October
31	AmeriNat Contract Review	Discretionary	Department of Housing and Community Development	To review AmeriNat contracts at DHCD.	Field Work	September

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
32	ANC Annual Report	D.C. Code § 1-309.13	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 2016.	Reporting	August
33	D.C. Jail Review	Discretionary	Program Evaluation	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	April 2018
34	Internal Control Assessment of the District Government	Discretionary	Program Evaluation	To develop a white paper that will focus on overall business processes and internal controls development in D.C. government.	Planning	December
35	DCRA Business Process Review	Councilmember Mendelson	Contract Evaluation	To review DCRA's business processes.	Planning	December
36	Audit of ANCs	DC Code § 1-309.13(d)(1)	Advisory Neighborhood Commissions (ANC)	<i>To determine whether the recommendations of ANCs were given "great weight" during FY 2016</i>	Planning	December

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
37	Revenue Evaluation	Discretionary	Revenue source and relevant agency to be determined during survey phase	To determine whether revenues are being properly assessed and collected. Possible areas: Hotel Occupancy Tax, Tax for online hotel booking sites	Not started	TBD
38	Audit of Lottery and Charitable Games Control Board	D.C. Code § 3-1319	Lottery and Charitable Games Control Board	To review Lottery and Charitable Games Control Board accounts and transactions with respect to the operation of lottery and daily numbers games.	Not started	TBD
39	Affordable Housing Dwelling Units Program Audit	Discretionary	Department of Housing and Community Development (DHCD)	To evaluate the performance of the AHDU in providing affordable housing to District residents.	Not started	TBD