


Date: January 11, 2016

To: Council of the District of Columbia

From: Kathleen Patterson 
District of Columbia Auditor

Subject: Quarterly Activity Report

This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for October to December 2015. The report includes reports issued, announcements, and the status of current audit projects. These reports are published on a quarterly basis.

[Audit Reports:](#)

[Events DC Performance Evaluation](#)

Released: October 30, 2015

Summary: We conducted a risk assessment of operations at Events DC and found that management appears to have taken adequate steps to mitigate their risks. Consequently, we did not proceed with a full and complete audit of Events DC. Instead, we focused on a comparison of operations at the WEWCC with its competitor convention centers around the country.

We found that Events DC operations appeared to be well-organized and that the organization was achieving its mission – to attract events to the District of Columbia. More people are visiting the District every year and the number of events booked at the Walter E. Washington Convention Center (WEWCC) appears to also be on the increase. The recent opening of the Marriott Marquis hotel appears to be a success story so far. Events DC reports increased bookings over the next couple of years, which should mean that area businesses and workers will benefit from a healthier local economy. In looking at summary data prepared by the International Association of Venue Managers, we learned that other convention centers around the country appear to be able to operate without large annual losses, when measured by total rentable square foot. Unfortunately, it appears as if Events DC is not able to operate the WEWCC in the same manner. There may be room for Events DC to improve their performance in this area. We look forward to working with Events DC in the future to identify further areas for improvement in their stewardship of District tax dollars and assets.

[Advisory Neighborhood Commission Security Fund Annual Financial Report for Fiscal Year 2015](#)

Released: December 9, 2015

Summary: As required by law, the Office of the District of Columbia Auditor presents the Advisory Neighborhood Commission (ANC) Security Fund Annual Financial Report for Fiscal Year (FY) 2015. The Advisory Neighborhood Commission Security Fund (Fund) was established for the purpose of insuring Advisory Neighborhood Commissions against unauthorized expenditures or loss of funds. The Fund is

held in the custody of a Board of Trustees composed of the Secretary of the District of Columbia, the General Counsel to the Council of the District of Columbia, and the District of Columbia Auditor (Auditor).

On October 1, 2014, the beginning balance of the Fund was \$61,586.30. Deposits of \$1,381.215 and no disbursements during FY 2014 resulted in a Fund balance of \$62,967.51, as of September 30, 2015. The Fund is insured by Federal Depository Insurance up to \$250,000. To document the Fund's activity, at the end of each quarter and after receiving the quarterly bank statement, the Auditor reconciles and records all Fund activity and balances into the District of Columbia Financial System. Additionally, a quarterly and annual reconciliation/closing report of the Fund's activity and balance is submitted to the District of Columbia's Chief Financial Officer.

[Fiscal Year 2014 Annual Report on Advisory Neighborhood Commissions](#)

Released: December 10, 2015

Summary: Information presented in this report is a compilation of financial activity that was obtained from quarterly financial reports submitted by Advisory Neighborhood Commissions (ANCs) for fiscal year (FY) 2014 and information from the District of Columbia Office of the Chief Financial Officer.

Based on a review of FY 2014 quarterly financial reports and audits of several ANCs, most ANCs made a concerted effort to comply with ANC rules and regulations, Office of the Attorney General opinions, and ODCA's financial management guidelines. Our office will continue to monitor the compliance of each ANC with rules, regulations, and laws through a review of quarterly financial reports and audits. We remain committed to promoting and strengthening the financial accountability of each ANC.

Media Clips:

[Auditor calls on Events D.C. to increase convention center profitability](#) - Published by Washington Business Journal, October 20, 2015

[Was the District's convention center hotel worth it?](#) - Published by The Washington Post, October 23, 2015

[The process to choose the developer for McMillan was flawed, D.C. auditor says](#) - Published by The Washington Post, October 26, 2015

[Sherwood's Notebook: Marines \(and We\) Deserve Better!](#) -Published by WRC- NBC4, October 28, 2015

[Save McMillan Park! Group Wants to 'Exorcise' District 'Devils' from Planned Development](#)- Published by The Washington City Paper, October 30, 2015

[Auld Lang Sigh: What Will D.C. Politics Hold in 2016?](#) - Published by The Washington City Paper, December 30, 2015

[Shock and Audit: Kathy Patterson Puts Some Muscle Into the D.C. Auditor's Office](#) - Published by The Washington City Paper, January 7, 2016

Announcements:

At the invitation of D.C. Council Deputy Budget Director Angela Joyner, I was a luncheon speaker on December 10 before the [Women's Public Finance Network of the Government Finance Officers Association](#). I spoke about my experiences as a legislator serving on the D.C. Council during the District's financial crisis in the 1990s and of my proposal to create the Council's performance hearing process, citing the latter as a way the Council has continued to hold agencies accountable for their expenditures of public funds. I also discussed the role of public managers in responding to the "new normal" and new threats to public safety, including the importance of in-service training to promote public health and public safety.

On December 30, 2015, our office held a webinar to explain the ANC Quarterly Report Assistant (QRA) categories and address other topics such as beginning balances, uploading documentation, etc. This webinar is also available on our QRA homepage for Commissioners that weren't able to attend.

Completed and Current Projects:

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
1	DPR Aquatic Center Payment Evaluation	Discretionary	Department of Parks and Recreation (DPR)	To determine whether DPR is collecting aquatic center payments appropriately.	Ongoing	February 2016
2	RPTAC Audit	D.C. Code § 47-825.01(l)(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.	Reporting	February 2016
3	Public Private Developer Evaluation	Councilmember Bonds	Public Private Developers	Review the agreements made between various District agencies and developers for two specific development projects. Assess compliance with those agreements.	Ongoing	February 2016
4	Events DC Audit	D.C. Code § 10-1203.05(a)	Washington Convention and Sports Authority (Events DC)	To determine whether Events DC and Destination DC are achieving goals	Complete	Report Issued: October 30, 2016
5	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.	Reporting	February 2016
6	MPD Use of Force Evaluation	Discretionary	Metropolitan Police Department (MPD)	Contract review by The Bromwich Group to assess compliance with 2001 MOA with DOJ on police use of force.	Ongoing	January 2016
7	BOE Voter Files Evaluation	Discretionary	Board of Elections	To determine whether DCBOE's processes for maintaining the voter file are sufficient and appropriate.	Ongoing	March 2016

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
8	Homeless Programs Audit	Councilmember Cheh	Homeless programs affiliated with Nonprofit Organizations	To review the TCP management contract to determine redundancy, waste, inefficiency, and inadequate accountability.	Reporting	February 2016
9	MPD Patrol Services Audit	Risk Based Audit	Metropolitan Police Department (MPD)	To determine whether MPD Patrol Services is achieving goals.	Reporting	February 2016
10	Recommendation Compliance Report	GAGAS	Previously Audited Agencies	To determine whether recommendations issued from FY 2013 to present were implemented.	Complete	Report Issued: January 4, 2016
11	DCPS Capital Improvement Fund Evaluation, FY 2014 (H.D. Cooke)	D.C. Code § 38-2973.05	Department of General Services (DGS)	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 with a focus on H.D. Cooke.	Ongoing	March 2016
12	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.	Ongoing	March 2016
13	Customer Service Testing	Discretionary	311 Call Center, OCFO, DCRA, MPD, DCPS, DHS, and DPW	To test D.C. government agencies' ability to respond to resident inquiries in a timely, knowledgeable, and courteous fashion.	Ongoing	February 2016
14	DCPS Capital Improvement Fund Evaluation, FY 2015 (Ellington)	D.C. Code § 38-2973.05	Department of General Services (DGS)	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 2015 with a focus on the Duke Ellington School for the Arts.	Ongoing	March 2016

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15	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.	Field Work	April 2016
16	Sustainable Energy Trust Fund Audit	Discretionary	District Department of the Environment (DDOE) and the D.C. Sustainable Energy Utility (DCSEU)	Review fund revenues and ensure that funds are used as intended.	Field Work	March 2016
17	DCPS Capital Improvement Fund Evaluation, FY 2016 (Policies & Procedures)	D.C. Code § 38-2973.05	Department of General Services (DGS)	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 2016 with a focus on DGS policies and procedures.	Ongoing	May 2016
18	Office of Administrative Hearings Evaluation	Discretionary	Office of Administrative Hearings (OAH)	10-Year contract review of OAH's performance in providing timely access to administrative justice.	Ongoing	June 2016
19	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.	Ongoing	September 2016
20	Summer Youth Employment Program Review	Discretionary	Department of Employment Services (DOES) and sister agencies in other cities	To provide context for the review of the District's Summer Youth Employment Program with data on objectives, activities, and outcomes of summer jobs programs in other cities.	Ongoing	February 2016

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21	Housing Production Trust Fund (HPTF) Audit/Evaluation	Councilmember Evans	Department of Housing and Community Development (DHCD)	To assess whether the Housing Production Trust Fund is meeting its objectives.	Planning	August 2016
22	Revenue Audit #1	Discretionary	Revenue source and relevant agency to be determined during survey phase	To determine whether one or more specific revenue sources are being properly assessed and collected.	Not Started	May 2016
23	Audit of Vacant/Blighted Properties	Risk Based Audit	Department of Consumer and Regulatory Affairs (DCRA)	To determine whether DCRA is 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.	Not Started	September 2016
24	Evaluation of Tax Exempt Properties	Discretionary		To review tax exempt properties in the District and compare to the IRS tax exempt listing.	On Hold	July 2016
25	PAR Evaluation	D.C. Code § 1-614.14(c)	TBD during survey phase	To identify best and worst case examples of performance measurement for District agencies.	Not Started	April 2016
26	Fair Criminal Record Screening Act Audit	D.C. Code § 32-1345(c)	Office of Human Rights (OHR)	To determine progress on hiring of applicants with criminal backgrounds by employers and impact of law on employers.	Not Started	June 2016

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27	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 2016 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	TBD (When Requested)
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 and to determine whether MPD implemented recommendations in previous ODCA audit reports.	Not Started	July 2016
29	Evaluation of Overtime Payments for District Employees	Discretionary	TBD	To evaluate trends in overtime payments for District employees.	Not Started	September 2016
30	Evaluation of Systems Development Processes in the District	Discretionary	Office of the Chief Financial Officer (OCFO) and Office of the Chief Technology Officer (OCTO)	To evaluate the costs of one or more systems development processes that were abandoned by the District.	Not Started	November 2016
31	BOE HAVA Funding Evaluation	Discretionary	Board of Elections (BOE)	To determine whether HAVA funding was spent appropriately	Not Started	May 2016

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32	PERAA Recommendation Compliance Review	Discretionary	Deputy Mayor for Education (DME)	To review compliance with the recommendations contained in the PERAA reports	Not Started	May 2016
ANC REVIEWS AND REPORTS						
33	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.	Complete	Report Issued: December 10, 2015
34	Review of Quarterly ANC Reports, Allotment: Q1 FY16 Report: Q3 FY15	D.C. Code § 1-309.13	Advisory Neighborhood Commissions (ANC)	Review quarterly reports submitted by ANCs and, once verified, authorize the release of quarterly allotments.	Complete	Allotments Issued
35	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 2015.	Complete	Report Issued: December 9, 2015
36	Review of Quarterly ANC Reports, Allotment: Q2 FY16 Report: Q4 FY15	D.C. Code § 1-309.13	Advisory Neighborhood Commissions (ANC)	Review quarterly reports submitted by ANCs and, once verified, authorize the release of quarterly allotments.	Not Started	February 2016

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37	Audit of Selected ANC Expenditure Categories	DC Code § 1-309.13(d)(1)	Advisory Neighborhood Commissions (ANC)	To determine whether ANC Commissioners administered and operated ANC financial accounts in accordance with applicable District laws and regulations from FY 2009 - Q1 FY 2012.	Not Started	September 2016
38	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 2015.	Not Started	April 2016
39	Review of Quarterly ANC Reports, Allotment: Q3 FY16 Report: Q1 FY16	D.C. Code § 1-309.13	Advisory Neighborhood Commissions (ANC)	Review quarterly reports submitted by ANCs and, once verified, authorize the release of quarterly allotments.	Not Started	May 2016
40	Review of Quarterly ANC Reports, Allotment: Q4 FY16 Report: Q2 FY16	D.C. Code § 1-309.13	Advisory Neighborhood Commissions (ANC)	Review quarterly reports submitted by ANCs and, once verified, authorize the release of quarterly allotments.	Not Started	August 2016
CBE COMPLIANCE REPORTS						
41	Developer CBE Compliance Review	D.C. Code § 1-301.183	Public-Private Developers	To evaluate DSLBD's process for tracking the progress of developers in reaching CBE expenditure goals.	Ongoing	March 2016

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
42	Agency SBE Compliance Review, Quarter 1 FY 2016	D.C. Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the FY 2016 SBE expenditures of District agencies through the 1st quarter of FY 2016 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Not Started	February 2016
43	Agency SBE Compliance, FY 2015	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 2015 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Not Started	April 2016
44	Agency SBE Compliance Review, Quarter 2 FY 2016	D.C. Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the FY 2016 SBE expenditures of District agencies through the 2nd quarter of FY 2016 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Not Started	May 2016
45	Agency SBE Compliance Evaluation, Quarter 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.	Not Started	August 2016