


Date: September 30, 2015

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 July to September 2015. The report includes reports issued, announcements, and the status of current audit projects. These reports are published on a quarterly basis.

[Audit Reports:](#)

[Audits of Public School Construction Programs: A Literature Review](#)

Released: July 1, 2015

Summary: This literature review is part of a package of information designed to assist the D.C. Council in its oversight of the school modernization program. In 2006, the District of Columbia Mayor and Council made school modernization a priority, creating a Public School Capital Improvement Fund and injecting an additional \$1.3 billion in capital project funding to D.C. Public Schools over a ten-year period. In a national context, school capital projects of this magnitude are less common but projects on a smaller scale are continuously being undertaken. This supplemental report provides examples of audits and reviews of school capital projects performed in other school systems. Capital projects are complicated ventures and developing best practices is a work in progress. Studying the findings and recommendations here may serve to help the District avoid future cost overruns, undue delays, a poor oversight structure and conflicts of interest.

Based on our review of public school construction programs, it is clear that capital projects are complicated ventures that require careful planning, constant communication, and consistent oversight. Two overall observations from this literature review: (1) the District of Columbia is not alone in struggling with specific challenges in its school capital program and (2) the District, like other school systems, could benefit from a set of best practices developed by a national consortium of school facilities practitioners--something that is in motion today by the National Council on School Facilities.

[The District's School Modernization Program Has Failed to Comply with D.C. Code and Lacks Accountability, Transparency and Basic Financial Management](#)

Released: July 1, 2015

Summary: The audit was conducted pursuant to D.C. Code § 38-2973.05. D.C. law charges the Department of General Services (DGS) with oversight and management of the District's school modernization program. In addition to DGS administration, several other District offices and agencies

have varying roles in the design and execution of the program, including the Deputy Mayor for Education, the Mayor of the District of Columbia, the Council of the District of Columbia, and the District of Columbia Public Schools (DCPS). This decentralized structure may well have contributed to a number of the problems outlined in this report.

During ODCA's review of individual projects, we found several specific concerns regarding the manner in which DGS managed the program. Issues ranged from a lack of support for payments that DGS made to contractors, to a basic inability to produce required contracts and reports. The internal control environment has made little progress since ODCA's last audit of the program in 2011. In some cases, the control environment was so deficient that ODCA could not perform the assessments necessary for a basic program evaluation. With this audit and others to follow during the course of the coming year we hope to provide constructive feedback to assist the executive and legislative branches of the District government.

[Sufficiency Certification for the Washington Convention and Sports Authority \(Trading As Events DC\) Projected Revenues and Excess Reserve to Meet Projected Operating and Debt Service Expenditures and Reserve Requirements for Fiscal Year 2016](#)

Released: July 15, 2015

Summary: Based upon the Auditor's analysis of information provided by the Washington Convention and Sports Authority (WCSA) and the Office of the Chief Financial Officer, as of the date of this certification, July 15, 2015, WCSA's total projected revenues and excess reserve estimate for FY 2016 are sufficient to cover its projected expenditures. WCSA's FY 2016 estimated revenues and excess reserve are expected to exceed its projected expenditures and reserve requirements by \$88.3 million. This, we believe, constitutes a reasonable basis for the Auditor's sufficiency certification.

[District of Columbia Agencies' Compliance with Fiscal Year 2015 Small Business Enterprise Expenditure Goals through the 3rd Quarter of Fiscal Year 2015](#)

Released: August 27, 2015

Summary: The Office of the District of Columbia Auditor examined and assessed District of Columbia government agencies' compliance with fiscal year 2015 Small Business Enterprise (SBE) expenditure goals through the 3rd quarter of FY 2015 (October 1, 2014 through June 30, 2015). Based on our examination, we found that 82 agencies collectively spent \$123,669,417 with SBEs through the 3rd quarter of FY 2015 or 34 percent of the cumulative reported SBE goal of \$363,067,701.

Media Clips

[What we need to know about D.C. schools](#) - Published by The Washington Post, August 27, 2015

[Bowser names a retired Navy rear admiral as General Services director](#) - Published by The Washington Post, August 15, 2015

[At last, the District's public schools will get a new school-lunch vendor](#) - Published by The Washington Post, July 21, 2015

[Can D.C. afford to build the greenest schools in the world?](#) - Published by The Washington Post, July 16, 2015

[A redeveloped mixed-income neighborhood revives a closed DCPS school](#) - Published by Greater Greater Washington, July 15, 2015

[Questions remain about D.C. school modernization funds](#) - Published by Watchdog.org, July 9, 2015

Announcements

On September 29, 2015, I appeared before the District of Columbia Committee of the Whole for a Public Oversight Hearing on Contracting for the Homeless Services Continuum of Care. Read my testimony [here](#).

Completed and Current Audits

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
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.	Complete	Report Issued: October 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.	Complete	Report Issued: October 21, 2014
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.	Complete	Report Issued: March 17, 2015
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.	Complete	Report Issued: November 20, 2014

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
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.	Complete	Report Issued: November 6, 2014
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.	Complete	Report Issued: February 10, 2015
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.	Complete	Report Issued: April 9, 2015
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.	Complete	Report Issued: April 28, 2015
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.	Complete	Report Issued: May 18, 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
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.	Complete	Report Issued: June 16, 2015
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.	Complete	Report Issued: July 1, 2015
12	BOE Election Preparedness Review	Councilmember McDuffie	Board of Elections	To determine BOE's preparedness for the November 4, 2014 general election.	Complete	Report Issued: February 6, 2015
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.	Complete	Report Issued: November 4, 2014
14	BOE Voter Files Review	Discretionary	Board of Elections	To determine whether the voter files were accurate and complied with relevant rules, regulations and laws.	Ongoing	November 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
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.	Concluded with issuance of Management Letter	Letter Issued: January 28, 2015
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.	Complete	Report Issued: May 28, 2015
17	Homeless Programs Review	Councilmember Cheh	Homeless programs affiliated with Nonprofit Organizations	To answer Councilmember Cheh's specific questions with regard to homeless programs.	Complete	Report Issued: March 5, 2015
18	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.	Field Work	December 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
19	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).	Complete	Report Issued: November 25, 2014
20	Public Private Developer Review	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	November 2015
21	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.	Complete	Reports Issued: June 30, 2014 August 22, 2014 December 3, 2014
22	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.	Complete	Report Issued: November 5, 2014

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
23	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.	Complete	Prepublication June 3, 2015 Final Report September 2015
24	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.	Complete	Report Issued: January 9, 2015
25	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.	Complete	Report Issued: December 12, 2014
26	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.	Complete	Report Issued: February 20, 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
27	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.	Complete	Report Issued: March 30, 2015
28	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.	Complete	Report Issued: April 2, 2015
29	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.	Reporting	October 2015
30	MPD Patrol Services	Risk Based Audit	Metropolitan Police Department (MPD)	To determine whether the MPD Patrol Services is achieving goals.	Field Work	November 2015
31	RPTAC Audit	D.C. Code § 47-825.01(I)(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	October 2015

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32	FEMS Review	Risk Based Review	Fire and Emergency Medical Services Department (FEMS)	To review FEMS compliance with the Rosenbaum Task Force.	Complete	Report Issued: June 18, 2015
33	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 FY 2015 SBE 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.	Complete	Report Issued: May 21, 2015
34	DPR Aquatic Center Payment Review	Discretionary	Department of Parks and Recreation (DPR)	To determine whether DPR is collecting aquatic center payments appropriately.	Ongoing	November 2015
35	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).	Complete	Report Issued: June 29, 2015
36	Literature Review of School Modernization	Discretionary	N/A	Literature review on school modernization/construction evaluations in other jurisdictions.	Complete	Report Issued: July 1, 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
37	Review of the District's Use of Reserves	Discretionary	N/A	To evaluate the past use of reserves and make recommendations for the upcoming budget cycle.	Complete	Report Issued: April 29, 2015
38	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.	Complete	Report Issued: July 15, 2015
39	CSX Railroad Payment Review	Discretionary	CSX	To review a payment made by CSX to the District government.	Completed with issuance of letter to Council on June 2, 2015	Letter sent: June 2, 2015
40	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.	Field Work	November 2015
41	DCPS Capital Improvement Fund Review, FY 2014	D.C. Code § 38-2973.05	Department of General Services (DGS)	To evaluate the use of the DCPS Capital Improvement Fund with a focus on Duke Ellington School for the Arts.	Ongoing	November 2015
42	DCPS Capital Improvement Fund Review, H.D. Cooke	D.C. Code § 38-2973.05	Department of General Services (DGS)	To evaluate the use of the DCPS Capital Improvement Fund with a focus on H.D. Cooke School.	Ongoing	November 2015

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43	DCPS Capital Improvement Fund Review, FY 2015	D.C. Code § 38-2973.05	Department of General Services (DGS)	To evaluate the use of the DCPS Capital Improvement Fund with a focus on compliance with DGS policies and procedures.	Ongoing	December 2015
44	Agency SBE Compliance Review, Quarter 3 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 3rd quarter of FY 2015 and to determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Complete	Report Issued: August 27, 2015
45	Office of Administrative Hearings Evaluation	Discretionary	Office of Administrative Hearings (OAH)	Contract review by the Council for Court Excellence of OAH's performance in providing timely access to administrative justice.	Ongoing	June 2016
46	University of the District of Columbia	Risk Based Audit	University of the District of Columbia (UDC)	To determine whether UDC is achieving its goals.	Field Work	December 2015
47	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.	Ongoing	October 2015

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status	Expected Completion Date
48	MPD Use of Force Review	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	October 2015
49	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.	Planning	February 2016
50	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	January 2016