

**TESTIMONY
OF
YOLANDA BRANCHE
DISTRICT OF COLUMBIA AUDITOR**

**PERFORMANCE OVERSIGHT HEARING
OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR**

**COMMITTEE OF THE WHOLE
COUNCIL OF THE DISTRICT OF COLUMBIA**

March 14, 2013

CHAIRMAN MENDELSON AND MEMBERS OF THE COMMITTEE OF THE WHOLE: I am Yolanda Branche, District of Columbia Auditor. Thank you for the opportunity to appear before you to present testimony on the performance of the Office of the District of Columbia Auditor.

MISSION OF THE OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

The mission of the Office of the District of Columbia Auditor is to assist the Council in performing its responsibilities by auditing the accounts and programs of the District, to ensure that effective programmatic and budgetary decisions are made. By providing objective assessments of whether the resources of the District of Columbia are managed responsibly and effectively, the Office of the D.C. Auditor helps District agencies maintain accountability and improve operations. Through

our audit work, we seek to ensure that District government programs and activities function economically, efficiently and in compliance with applicable laws, regulations, and rules. Underlying this mandate is our responsibility to be alert to instances of fraud, waste, abuse, and mismanagement of District resources.

FISCAL YEAR 2012 PERFORMANCE RESULTS

In Fiscal Year 2012, the Auditor's Office completed and issued 24 audit reports in which we certified revenues and identified mismanagement, questionable costs, and potential revenue generating opportunities. Our audits resulted in findings that will improve the operations of District agencies. For example:

- In Fiscal Year 2012, the Office of the District of Columbia Auditor conducted an audit to determine whether the Metropolitan Police Department properly implemented and complied with the provisions of the Police Investigations Concerning First Amendment Activities Act. Among our findings we determined that MPD did not properly authorize 16 of 20 First Amendment investigations. We also found that MPD did not obtain written approval and authorization for the use of Undercover Officers in 17 First Amendment investigations.

- After 23 D.C. public schools were closed and consolidated in 2008, the Council received a report from the Office of Public Education Facilities Modernization (OPEFM) that concluded the capital costs to facilitate the school closures and consolidations were \$9.7 million. In our 2012 audit, we found \$8 million of additional costs that were not included in OPEFM's report, bringing the total cost of the school closures and consolidations to \$17.7 million. The results of this audit are particularly relevant as DCPS considers additional school closures in Fiscal Year 2013.
- We conducted an audit of the District of Columbia Department of Human Services' Permanent Supportive Housing Program to determine the cost. The Permanent Supportive Housing Program was developed to provide permanent housing and supportive services to chronically homeless individuals. We found that the Department of Human Services paid \$6.1 million to the Community Partnership without reviewing any supporting documentation. The lack of documentation exposed the District to potential fraud, waste and abuse.
- As of the 3rd quarter of Fiscal Year 2012, we found that 80 District agencies spent a total of \$74.8 million with Small Business Enterprises. \$74.8 million is 8% of the \$937 million total Fiscal Year 2012 Small Business Enterprise goal for the 80 agencies.

FISCAL YEAR 2013 INITIATIVES

The Office of the D.C. Auditor is mandated to conduct a total of 27 audits. While many of the mandated audits were relevant to the Council when the legislation was enacted, some audits are no longer as relevant as they once were. We look forward to working with the Council to identify mandated audits that are no longer used to inform the deliberations of the Council or are essential to the Council's review of the programs and operations of the District.

Other initiatives that the Office of the D.C. Auditor initiated in Fiscal Year 2012 include:

- Meetings with Gene Dodaro, Comptroller General of the United States, and his staff to discuss measures to improve the operations of the Office of the D.C. Auditor. As a result, GAO presented two seminars at the Office of the D.C. Auditor. The title of the first seminar was "Assessing the Reliability of Computer Assisted Data." The title of the second seminar was "Designing Evaluations."
- Based on our work with GAO, the Office of the D.C. Auditor revised the process for drafting and editing audit reports to replicate GAO's approach which includes a Communications Analyst. Now, like GAO, the Office of the D.C. Auditor report drafting process includes a

Communications Analyst. The role of the Communications Analyst is to ensure that our audit reports are concise, objective and clear.

- The Office of the D.C. Auditor held an Advisory Neighborhood Commissions Financial Management Orientation for Chairpersons and Treasurers on February 9, 2013, to train new and returning officers on their ANC financial obligations. We also presented an overview of the financial tools and guidelines that are provided by our office. At the training, we discussed changes our office is making to better assist ANCs with their financial needs. The Office of the D.C. Auditor will continue to improve the delivery of services to ANCs. Towards that end, we now have a format that permits ANCs to transmit their quarterly reports electronically. We are also continuing to improve our communication with ANCs by attending more ANC meetings to better understand ANC operations. Additionally, we are revising the ANC section of our website to ensure that the section is easy to navigate and that ANC financial tools are readily available. Additionally, we will be posting the video of the February financial training on our website.

In Fiscal Year 2013, the Office of the D.C. Auditor will continue to work to ensure that our audit reports focus on efficiency and accountability and present recommendations that improve programs and result in cost savings.

I would like to thank the staff of the Office of the D.C. Auditor for their hard work and commitment to improving the operations of the government of the District of Columbia.

Mr. Chairman, this concludes my testimony. I will respond to any questions.