


**Date:** December 4, 2014

**To:** Council of the District of Columbia

**From:** Lawrence Perry   
Deputy District of Columbia Auditor

**Subject:** Activity Report – November 2014

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

#### [Audit Reports:](#)

#### [Outcomes of the Temporary Assistance to Needy Families Employment Program](#)

**Released:** November 4, 2014

**Summary:** Pursuant to a request by Councilmember Graham, the District of Columbia Auditor conducted an examination of information provided by the Department of Human Services (DHS) to analyze the outcomes of the Temporary Assistance to Needy Families (TANF) Employment Program (TEP). From FY 2012-14, the District spent \$38 million on its TEP vendors. Our analysis, which only looked at TEP customers who had been on TANF for more than 60 months, showed that since 2012, DHS made 38,731 TEP assignments to either TEP vendors or non-TEP service providers.<sup>1</sup> As a result of those assignments, customers met education and training goals 742 times and were placed in 6,145 jobs.

#### [DC Public Education Reform Amendment Act \(PERAA\) Report No. 5](#)

**Released:** November 5, 2014

**Summary:** This report is the fifth in a series of five interim reports on the District of Columbia's Public Education Reform Amendment Act of 2007 (PERAA) prepared by the Education Consortium on Research and Evaluation (EdCORE) at the George Washington University (GW), under contract with the National Academy of Sciences (NAS). This fifth report focuses on stakeholder engagement and responsiveness, as outlined in PERAA under Business Practices for the years following its passage in 2007.

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<sup>1</sup> A single TANF customer may have received numerous assignments during this period.

### [Audit of ANC 5B for Fiscal Years 2009 through 2013 1<sup>st</sup> Quarter](#)

**Released:** November 6, 2014

**Summary:** In the course of our audit, we found that the former ANC 5B had not fully complied with the requirements of the ANC Act and the operational guidelines provided by this office. Notably, there were repeated failures to file their required quarterly financial reports on time. This resulted in the forfeiture of over \$35,000 in allotments that could have been put to use for the benefit of ANC 5B's residents. Of even greater concern was the ANC's failure to implement and adhere to key internal control guidelines provided by this office designed to maintain control over ANC funds. The former Chairperson was allowed to maintain complete control over the ANC's checkbook and bank statements, which allowed him to misappropriate over \$29,000 before his actions were discovered by our office. While we recognize that the individuals who occupied ANC 5B's leadership positions during the period of this audit have changed, it is critical that the current leadership take steps to ensure proper management of the taxpayer funds that are entrusted to it.

### [ANC 1A Did Not Fully Comply with All Legal Requirements](#)

**Released:** November 20, 2014

**Summary:** Overall, we found that ANC 1A generally complied with the requirements of the law; however, compliance in some areas can be improved. Specifically, we found that some expenditures were not properly supported and/or were for purposes not authorized by law. We further found that ANC 1A did not consistently file the required quarterly reports with the Office of the District of Columbia Auditor in a timely manner which led to delays in receiving their quarterly allotments.

We recognize that the ANC 1A officers have changed and some of those responsible for the findings mentioned in this report are no longer Commissioners and/or officers of ANC 1A. We encourage the current Commissioners and officers of ANC 1A to use this report as a learning tool so as not to repeat the deficiencies cited in this report.

### [Certification of Fiscal Year 2015 Total Local Source General Fund Revenue Estimate \(Net of Dedicated Taxes\) in Support of the District's Issuance of General Obligation Bonds \(Series 2014C and 2014D\)](#)

**Released:** November 25, 2014

**Summary:** Based on an analysis of information provided by the Chief Financial Officer (CFO) of the District of Columbia, as of October 22, 2014, the assumptions supporting the fiscal year (FY) 2015 revenue estimate; and other relevant data, the Auditor concluded that the September 29, 2014, FY 2015 local source revenue (net of Dedicated Taxes) estimate of \$6,660,934,000 appeared to be reasonable and achievable.

Therefore, on October 23, 2014, the Auditor certified the \$6,660,934,000 FY 2015 local source revenue (net of Dedicated Taxes) estimate submitted by the CFO.

**Announcements:**

On October 3, 2014, Lawrence Perry, Acting District of Columbia Auditor, appeared before the Committee on Human Services to present testimony on our November 4, 2014 report entitled, “Outcomes of the Temporary Assistance to Needy Families (“TANF”) Employment Program (“TEP”)” The objectives of this examination were to determine outcomes resulting from DHS’s 2012 restructured TEP. Read the entire testimony [here](#).

**Current Audits:**

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
1	<a href="#">DDOE Anacostia River Fund Audit</a>	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	<a href="#">ANC Annual Report</a>	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
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

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4	<a href="#">ANC 1A Audit</a>	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	Final Report Issued 11/20/2014
5	<a href="#">ANC 5B Audit</a>	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	Final Report Issued 11/6/2014
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	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
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

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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
13	<a href="#">TANF Employment Program Vendor Review</a>	Councilmember Graham	Department of Human Services (DHS)	To determine costs, levels of participation, and outcomes of TANF Employment Programs	Final Report Issued 11/4/2014
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

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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
18	<a href="#">Certification of OCFO Revenue Estimate</a>	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)	Final Report Issued 11/25/2014

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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	<a href="#">PERAA Report #3</a>	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.	Final Report Issued 8/22/2014
21	<a href="#">PERAA Report #5</a>	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	Final Report Issued 11/5/2014
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

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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	Planning
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	Planning
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



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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
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

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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
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

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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
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

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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
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

Item #	Audit Name	Origination	Audit Agency	Audit Purpose	Audit Phase/Status
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
48	Certification of OCFO Revenue Estimate <b>(If Requested)</b>	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