


**Date:** April 24, 2017  
**To:** Council of the District of Columbia  
**From:** Kathleen Patterson, District of Columbia Auditor   
**Subject:** ODCA 2017 Second Quarter Activity Report

---

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

## Reports

### [The D.C. Government Must Improve Policies and Practices for the Protection of Personally Identifiable Information](#)

**Released:** January 6, 2017

**Summary:** Massive data breaches in the federal government and instances in which the OIG and ODCA cited District agencies for not properly safeguarding personally identifiable information (PII) prompted this review of the internal controls over the PII within the District government. Our objective was to determine whether necessary internal controls are in place at the Office of the Chief Technology Officer (OCTO) and three sample agencies — CFSA, DCHR, and DOES — to adequately protect PII collected and maintained by the selected agencies. The report found that D.C. lags behind the private sector in protection of PII because it lacks a central governmental IT authority, that D.C. does not have government-wide policies and procedures for documenting the PII it collects, and that the handling of cybersecurity training, end user storage security and the development of incident response plans is not consistent across all D.C. governmental agencies, leaving the PII of millions of individuals vulnerable to cyber attacks. Eleven recommendations were issued that could prevent massive data breaches in the District government and enable D.C. to properly safeguard the PII within its databases.

### [D.C. Spent \\$41 Million in Emergency Contingency Funds Responding to Winter Storm Jonas, and Could Have Saved Money through Negotiation and Improved Management of Retainer Contracts](#)

**Released:** January 11, 2017

**Summary:** D.C. Councilmember Mary Cheh (Ward 3) asked ODCA to investigate whether the actions taken by the Department of Public Works (DPW) regarding emergency contracts for snow

removal and other services during and following Winter Storm Jonas in January of 2016 were a “responsible and reasonable approach.” The report found that the District government spent nearly \$41 million above and beyond the final revised FY 2016 snow removal budget of \$6,124,142 using contingency cash reserve funds. And while the District received substantial services for those payments, ODCA’s review documented questionable policies and procedures that likely cost taxpayers more than was necessary. In addition, the report found that D.C. violated federal procurement law related to food and lodging purchases made by District agencies during the Winter Storm Jonas. The report’s six recommendations point out a number of ways the District could better manage its snow removal program in the future, including engaging in effective negotiations over the price of snow removal services, strictly enforcing reasonable price limitations and negotiation with potential contractors, and effectively engaging in retainer contracts in advance of the threat of major storms.

### Implementation of District of Columbia Auditor Recommendations

**Released:** January 13, 2017

**Summary:** This report outlines the status of recommendations made by this office over the last three years. Through October 31, 2016, ODCA tracked 161 recommendations contained in 26 reports issued from December 2013 through April 2016. For 2013 through 2015 this report includes recommendations made in “Yellow Book” audits, those following Generally Accepted Government Auditing Standards (GAGAS) and for 2016 we included all other recommendations in non-GAGAS audits and program evaluations. ODCA follows up every six months with agency management to determine the implementation status of those recommendations. Starting in fiscal year 2016, the first follow-up with the agency occurs three months after the report is issued. All recommendations reported as implemented usually require documentary evidence showing what actions were taken. Follow-up continues every six months until all recommendations have been confirmed as either implemented, no longer applicable, or the agency confirms that the recommendation will not be implemented and accepts risk. This report describes the status of the 161 recommendations issued from December 2013 through April 2016.

### Changes Proposed to the Affordable Care Act and Medicaid Could Cost the District \$1 Billion or More Each Year

**Released:** January 25, 2017

**Summary:** Shortly after the 2016 Presidential Election, D.C. Councilmember Jack Evans (Ward 2) asked ODCA to investigate the possible fiscal impact the proposed policies of then President-Elect Trump and the incoming Congress might have on the District with respect to the Affordable Care Act (ACA) and Medicaid, including how repeal of the ACA, its Medicaid expansion, or a block grant of the Medicaid program could affect the flow of federal funds to the District and its ability to administer Medicaid and other local health programs, such as the District’s health exchange, known as DC Health Link. The report’s findings are:

- The District would lose \$563 million in federal funding in Fiscal Year (FY) 2018 alone if Congress repealed the ACA’s Medicaid expansion. Even using conservative growth estimates, the District could lose more than \$1 billion annually by FY 2028.
- Separately, the District could lose \$1.9 billion annually by FY 2028 through the conversion of Medicaid into a per capita allotment, and \$2.1 billion through the conversion of Medicaid into a block grant.
- The repeal of the ACA would require the District to take further legislative and regulatory action to continue operating its health benefits exchange, DC Health Link.
- Repeal of the ACA or significant changes to Medicaid could leave tens of thousands of District residents without insurance unless the District stepped in to fill the gap.

### [Planning, Buying, and Implementing New Information Technology: A Case Study of the D.C. Business Center](#)

**Released:** February 9, 2017

**Summary:** Given the importance of efficient, secure IT systems to District government operations, ODCA identified the issue as a subject to review through a case study of the D.C. Business Center (DCBC). The objectives of this evaluation were to identify challenges D.C. agencies face when planning, acquiring, and implementing IT projects and to recommend steps to ensure future IT investments will deliver intended results. Among the report's findings are that the District government did not have an effective process for creating a comprehensive plan to fund and manage a multi-agency information technology investment; there was no one agency overseeing the DCBC to ensure it met completion milestones and performance measures; DCBC's goals did not include helping businesses register for and pay for unemployment taxes to DOE; D.C.'s Capital Improvements Program cited up to \$39 million for DCBC without documenting estimated costs, and the project description was not adjusted once the funding was cut to \$1 million; DCBC progress was hampered by leadership turnover and personnel changes; and the role of the Office of the Chief Technology Officer was not as robust as its statutory mandate. ODCA issued four recommendations that could help D.C. agencies plan, acquire, and implement IT projects and to ensure future IT investments will deliver the intended results, including that the Mayor should require a comprehensive planning process for IT projects.

### [UDC's Vision 2020 Plan: How Much Progress Has Been Made?](#)

**Released:** March 10, 2017

**Summary:** As a result of a risk-based analysis of District government operations, ODCA determined a need to audit UDC. Specific factors that led to the audit included the high visibility of UDC operations and the fact that its proposed FY15 budget lacked any details about how funds were to be spent that are normally found in District government agencies budget plans. ODCA chose two objectives for this audit: What progress UDC has made in achieving the first two objectives of Goal One of the 2014 Strategic Plan entitled "Vision 2020: A Roadmap for Renewal, Innovation, Success and Sustainability," and whether the Workforce Development and Lifelong Learning (WDLL) program as currently managed is meeting its goals. Our findings are mixed. The university has taken notable steps to realign its course offerings and has significantly increased the number of online courses that students may take. Nevertheless few of the new majors that were intended to be offered are being offered, owing to ongoing trouble in managing their financial aid program according to federal requirements. It appears that these problems have been cleared, however, and the university intends to begin adding new programs of study soon. In addition, we reviewed activities of the University's Workforce Development and Lifelong Learning (WDLL) program. ODCA found that that the WDLL program was able to provide job training to a number of District residents, and helped them to obtain good paying jobs in the hotel industry. But, performance was short of the goals set out in the agreement and areas for improvement remain. In speaking with upper management officials, we note that they recognize these areas for improvement and have already taken steps to improve them.

### [DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals](#)

**Released:** March 16, 2017

**Summary:** As requested by D.C. Councilmember Jack Evans, ODCA examined compliance with the laws and regulations associated with the Housing Production Trust Fund (HPTF). The Housing Production Trust Fund is D.C.'s highest profile and costliest initiative to increase affordable housing for low-income residents. Our audit, based on a small but diverse sample of HPTF projects, demonstrates the need for significant improvements in the management of the program by the Department of Housing and Community Development. While we found it encouraging that most property managers indicated that

they wished to comply with legal requirements and wanted more guidance from DHCD, the agency appeared to have a hands-off approach to projects once they had been selected for funding. The audit identified 39 recommendations in three main areas that DHCD should: ensure projects create affordable housing units; effectively manage HPTF loan repayments; and comply with requirements to manage the program. In addition, the audit includes recommendations to develop Standard Operating Procedures for the HPTF program. As has been the case with ODCA reviews of other government programs, we found that the agency had not developed procedures to implement policies required by law and/or regulation.

### **Internal Control Weaknesses Found in Marion S. Barry Summer Youth Employment Program**

**Released:** March 21, 2017

**Summary:** In 2015 the Council directed ODCA to conduct an evaluation of the summer youth jobs program to assess whether the program has met and is meeting program objectives. This review of management and internal controls of the Marion S. Barry Summer Youth Employment Program (MBSYEP) during 2015 and 2016 is the last of four ODCA reports intended to fulfill the Council's directive. ODCA found that the Department of Employment Services (DOES) must significantly strengthen internal controls for the six-week program that serves approximately 13,000 youths at 500 work or classroom sites. Although strong internal controls are particularly important for a large program such as MBSYEP, which represented an investment of more than \$17 million in youth development during fiscal year 2016, many of MBSYEP's policies, procedures, and systems were ad hoc or underdeveloped during the 2015 and 2016 programs. These shortcomings created a risk that waste and fraud would go undetected while impeding the program's goal of providing youths with the skills, attitudes, and experience needed to succeed in the workforce. This report includes 19 recommendations to improve the management and internal controls of MBSYEP, including that DOES should establish a policies and procedures manual that covers all aspects of MBSYEP, including staff training; comply with statutorily-mandated wage rates and registration periods; implement a new management information system with sufficient internal controls (including an audit trail) to prevent waste, fraud, and abuse; publish program handbooks for youths and their families on a timely basis; ensure that MBSYEP is charged only for expenses related to the six-week summer program; and contract for an independent evaluation of MBSYEP by June 1 and publish the results by December 30.

### **Status Report on Home Visiting in The District of Columbia**

**Released:** March 23, 2017

**Summary:** A year ago the national Commission to Eliminate Child Abuse and Neglect Fatalities issued its final report, including a series of recommendations for states to reduce child fatalities resulting from abuse and neglect. In-home visits by trained providers working with low-income and otherwise vulnerable parents with newborn and young children have been proven to positively impact school readiness and child health and welfare, which prompted ODCA to ask DC Action for Children to assess the extent to which the District is making use of this intervention. Among the review's most important findings, however, are that the District currently serves only a fraction of our at-risk families and local and federal funding is not assured. The District does not mandate the services, nor does it require that home visiting programs demonstrate positive outcomes, an approach that has been taken in other jurisdictions. This report presents the first-ever full picture of home visiting in the District through data and synthesis of interviews with key home visiting stakeholders. In FY15, D.C. was home to a variety of early childhood home visiting programs with the combined capacity to serve a total of 1,321 families. This represented a fraction of the total local need for home visiting. Home visiting programs in D.C. primarily served expectant parents and families with children up to age 5. The evidence-based program models implemented in the District in FY 2015 included Early Head Start Home-Based, Healthy Families America, Home Instruction for the Parents of Preschool Youngsters, and Parents as Teachers.

## Announcements

### 2016-2017 ODCA Performance Oversight Hearing

D.C. Auditor Kathy Patterson provided testimony on the performance of the Office of the D.C. Auditor before the Council of the District of Columbia Committee of the Whole, discussing ODCA's most recent peer review, performance planning process, Key Performance Indicators, and other initiatives the office has undertaken in the past year.

[D.C. Auditor Kathy Patterson's Testimony, March 15, 2017](#)

### Checked & Balanced Podcasts

The goal of ODCA's podcast series is to give District residents ready access to ODCA reports and the opportunity to learn more about the ODCA mission, staff, functions, and processes. Each podcast posting links to the corresponding full report on the ODCA website. ODCA's Fiscal Year 2017 podcasts include:

[The Impact on D.C. of a Possible Repeal of the Affordable Care Act](#), February 7, 2017

[ODCA Discusses Its Internal Review Processes \(IRR\)](#), December 7, 2016

[Auditor Discusses ODCA Work Plan](#), November 30, 2016

[Review of the Food Services Audit with D.C. Auditor Kathy Patterson](#), October 30, 2016

### Media Placements

[Report: DOES Must Strengthen Controls of Summer Youth Employment Program](#), NASACT Weekly News Update, March 27, 2017

[The Politics Hour](#), The Kojo Nnamdi Show, March 24, 2017

[Can D.C.'s university turn itself around?](#), The Washington Post, March 19, 2017

[D.C. mayor and advocates rally for affordable housing](#), The Washington Post, March 18, 2017

[D.C. Auditor Calls Taxpayer-Funded Affordable Housing Trust "Unreliable"](#), The DCist, March 17, 2017

[D.C. can't get the housing thing right](#), The Washington Times, March 16, 2017

[D.C. Auditor Critiques City's Affordable Housing Investments](#), Washington City Paper, March 16, 2017

[DC's affordable housing program has been mismanaged, according to city auditor's report](#), The Washington Post, March 16, 2017

[GOP health proposals could cost D.C. billions, report finds](#), The Washington Post, January 25, 2017

[Obamacare Repeal Would Cost D.C. Billions Of Dollars, Report Says](#), WAMU, January 25, 2017

[What D.C.-area businesses could expect from a potential ACA repeal](#), The Washington Business Journal, January 25, 2017

[Audit: District to lose \\$1 billion a year under repeal of Obamacare](#), The Washington Times, January 25, 2017

[GOP health proposals could cost D.C. billions, report finds](#), Yahoo News, January 25, 2017

[Is D.C. city hall big enough for both of them?](#) The Washington Post, January 17, 2017

[For 1 storm, D.C. spent \\$40 million on snow removal, some of the funds improperly, audit finds](#), The Washington Post, January 11, 2017

[DC Auditor: City computers vulnerable to hackers](#), WJLA-TV7, January 11, 2017

[District officials unnecessarily spent \\$41 million on Blizzard 2016, audit shows](#), WUSA9, January 11, 2017

[Audit reveals DC's \\$41M price tag for last year's snowstorm](#), WTOP Radio, January 11, 2017

[Auditors: The District unnecessarily spent over \\$40 million during 2016 snow storm](#), WDCW-TV, January 11, 2017

[D.C. Workers Billed Taxpayers to Dine at Restaurants During Winter Storm Jonas](#), The Washington Free Beacon, January 11, 2017

[D.C. government vastly overpaid for snow removal services last year, new audit says](#), The Washington Times, January 11, 2017

[Report: D.C. spent \\$41M on Winter Storm Jonas](#), Popville, January 11, 2017

[The D.C. Government Must Improve Policies and Practices for the Protection of Personally Identifiable Information](#), NASACT Weekly Update, State Auditors Section, January 9, 2017

[The Fight to Save McMillan Park Isn't Over](#), Huffington Post, January 6, 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 the decision to outsource food services	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 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	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 compliance of District agencies with SBE goals and expenditure reporting requirements	Complete	Report issued 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
6	Internal Control Review of Data Systems (PII Review)	Discretionary	DCHR, CFSA, DOES	To review sufficiency of internal controls for District data systems	Complete	1/06/17

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
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 from FY 2014 to date 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 in the Affordable Care Act and Medicaid	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 with issuance of correspondence	2/3/17
11	Evaluation of Systems Development Processes	Discretionary	DCRA, DMPED, OCTO, OCFO, DSLBD	To conduct a case study of the DC Business Center as an 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 the new strategic plan	Complete	3/10/17
13	Housing Production Trust Fund 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	Metropolitan Police Department	To determine MPD's progress in implementing the 38 recommendations "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 SYEP	Complete	3/21/17



Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
16	Home Visiting Program Status Report	Discretionary	Deputy Mayor for Children, Youth and Families	To produce a baseline on who is served, at what cost and whether there are unmet needs	Complete	3/23/17
17	DCPS Capital Improvement Fund Evaluation, FY 2017	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 2017.	Reporting	May
18	Housing Production Trust Fund (HPTF) Data Report	Councilmember Evans	DHCD	To document HPTF revenue/expenditure and number of units produced	Ongoing	May
19	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	Reporting	May
20	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.	Field Work	May
21	Worksite Parking Program Audit	Discretionary	Department of General Services (DGS)	To review subsidized parking for District government employees.	Survey	June
22	DCPS Elementary School Staffing Study	Discretionary	District of Columbia Public Schools (DCPS)	To analyze staffing patterns among schools and examine use of formula funding	Reporting	June
23	Evaluation of Child Fatality Review Committee Reports	Discretionary	Office of the Chief Medical Examiner (OCME)	Staff and Capstone group from GWU will review Child Fatality Review Committee reports on trends and impact	Ongoing	May

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
24	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 Consumer Fund.	Field work	June
25	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 to determine whether OSSE has appropriate budget and fiscal management practices to handle program expansion	Survey	October
26	DBH and the DC Justice System	Discretionary	Department of Behavioral Health	Contract performance evaluation to determine efficacy of DBH policies and procedures governing the provision of services to individuals involved in the criminal justice system.	Ongoing	October
27	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.	Reporting	May
28	First Source Compliance Review	Discretionary	Department of Employment Services (DOES)	To evaluate DOES's enforcement of compliance with First Source requirements to hire D.C. residents.	Field Work	June
29	Evaluation of Overtime Payments for District Employees	Discretionary	DPW, DOC, and DYRS	To evaluate trends and issues in overtime payments for District employees.	Survey	July

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
30	AmeriNat Contract Review	Discretionary	Department of Housing and Community Development	To review AmeriNat contracts at DHCD.	Ongoing	May
31	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 the compliance of District agencies with SBE goals and expenditure reporting requirements.	Ongoing	TBD
32	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 revenues, and excess reserve will be sufficient to meet the FY 2018 requirements	Planning	TBD
33	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	Ongoing	April
34	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>	Not started	December
35	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
36	DCPS Capital Improvement Fund Evaluation, FY 2018	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 Master Plan and Capital Improvement Plan and Budget for FY 2017.	Not started	TBD
37	PAR Audit FY 17	D.C. Code § 1-614.1(c)	TBD during survey phase	To audit selected Agency Performance Plans and Performance Reports	Not started	TBD

Item #	Name	Origination	Agency	Purpose	Audit Phase/ Status	Expected Date of Completion
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	DHCD	To evaluate the performance of the AHDU in providing affordable housing to District residents.	Not started	TBD
40	Agency SBE Compliance Review, Quarters 1 & 2 FY 2017	D.C. Code § 1-301.184	Department of Small and Local Business Development (DSLBD)	To determine the compliance of District agencies with SBE goals and expenditure reporting requirements.	Not started	TBD