



District Special Events Processes Can Be Improved

September 17, 2014

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A Report by the Office of the District of Columbia Auditor
Lawrence Perry, Acting District of Columbia Auditor



September 17, 2014

Included herein is the District of Columbia Auditor's report entitled "District Special Events Processes Can Be Improved." The audit was conducted per the request of Ward 4 Councilmember Muriel Bowser. The objectives of this audit were to (1) determine and evaluate the Special Events process; (2) examine the criteria used to determine costs; (3) determine whether for special events held, all necessary approvals and licenses were obtained prior to event being held; and (4) determine whether appropriate costs were charged and collected from special events held.

We would like to thank the Homeland Security and Emergency Management Agency's (HSEMA) staff for their assistance and cooperation during this audit. We also would like to thank representatives from the District of Columbia Alcoholic Beverage Regulation Administration (ABRA), the District of Columbia Department of Consumer and Regulatory Affairs (DCRA), the District of Columbia Department of Transportation (DDOT), the District of Columbia Department of Health (DOH), the District of Columbia Department of Public Works (DPW), the District of Columbia Department of Fire and Emergency Medical Services (FEMS), and the Metropolitan Police Department (MPD) that participated in our audit. All of their valuable time and efforts spent on providing us information was greatly appreciated.

Sincerely,

Lawrence Perry
Acting District of Columbia Auditor



September 17, 2014

District Special Events Processes Can Be Improved

Why ODCA Did This Audit

The audit was conducted per the request of Ward 4 Councilmember Muriel Bowser.

What ODCA Recommends

1. We recommend that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance Mayor's Special Events Task Group Planning Guide.
2. We recommend that HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.

What ODCA Found

The Mayor's Special Events Task Group (the Task Group), established in 1979 by Mayor's Order and updated in 1987, is comprised of twenty-two (22) government agencies (D.C. and Federal) that provide essential municipal services in support of special events. These agencies provide these services to help ensure that events occurring on public space in the District of Columbia are conducted in a manner that protects public health and safety.

The Homeland Security and Emergency Management Agency (HSEMA) oversees the Task Group, whose primary responsibility is to manage the city's public safety efforts for events requiring interagency coordination. In order for a special event to take place in the District, event organizers must seek approval from the Task Group.

Overall, we found several instances in which controls over the special events process could be improved. We also noted several instances in which the fee paid was not consistent with the fee amount identified for that period.

Lastly, we found some agencies' internal processes and procedures were not documented or formalized. As a result, some agencies had untimely, uncollected, and incorrect payments, as well as missing documentation.

For more information regarding this report, please contact Anovia Daniels, Communications Analyst/ANC Outreach, at Anovia.Daniels@dc.gov or 202-727-3600.

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Background

Each year, the District of Columbia (D.C.) hosts numerous events attracting large volumes of tourists and local area residents to public spaces throughout the city. The D.C. Government provides essential municipal services in support of event organizers to ensure that such occasions are conducted well and in a safe and secure environment, with minimal impact on the surrounding communities.

The Mayor's Special Events Task Group (the Task Group) is responsible for the city's public safety planning efforts for events requiring interagency coordination. The Task Group, which is composed of membership from 22 D.C. government agencies, Federal government agencies, and private sector emergency service organizations, is responsible for providing interagency reviews and assessments of the operational, public safety, and logistical components of proposals for special events. The Homeland Security and Emergency Management Agency (HSEMA) oversees the Task Group.

The Task Group provides a "Special Events Planning Guide" (the guide) to special event organizers to assist them when planning and holding a special event in the District. The guide provides information on how to obtain approval for an event, the process of submitting an application, and requirements of specific District agencies. The guide also lists more than 20 fees for services provided by District agencies.

To hold an event in the District, event organizers must submit a letter of request to HSEMA with an overview of the special event. HSEMA then conducts a preliminary review of the event to assess minimal public safety/traffic management standards and date/location availability. Next, the organizer must present their event at one of the Task Group's bi-monthly meetings and address any inquiries or concerns from the participating agencies. These may include the effect on traffic of proposed street closures, sufficiency of space, towing, or trash removal. Upon completing the presentation, the Task Group gives a conditional approval or denial for the event.

If denied, the organizer is provided with the reasons for denial, is given an opportunity to make the necessary changes to its proposed event, and can present their event again to the Task Group (at a subsequent bi-monthly meeting) to obtain conditional approval.

If a conditional approval is granted, the organizer is given a special event checklist that provides the next steps required to secure agency

services or required permits or licenses. The organizer is responsible for coordinating with each individual agency, as identified on their checklist, to ensure that all necessary approvals, permits and services are obtained, including the payment of required fees. This may include fees for traffic control, special events licenses, cleanup and trash removal, food and/or alcohol inspectors, and towing services. The event organizer is also provided with an invoice from specific agencies providing services. Each agency has its own payment requirements and generally, the fees must be paid prior to the event or the services may not be provided.

Of the 22 agencies that make up the Task Group, these 7 agencies charge fees: the District of Columbia Alcoholic Beverage Regulation Administration (ABRA), the District of Columbia Department of Consumer and Regulatory Affairs (DCRA), the District of Columbia Department of Transportation (DDOT), the District of Columbia Department of Health (DOH), the District of Columbia Department of Public Works (DPW), the District of Columbia Department of Fire and Emergency Medical Services (FEMS), and the Metropolitan Police Department (MPD).

Objectives, Scope and Methodology

Objectives

The audit was conducted per the request of Ward 4 Councilmember Muriel Bowser. The objectives of this audit were to:

1. Determine and evaluate the special events process;
2. Determine whether for special events held, all necessary approvals and licenses were obtained prior to event being held; and
3. Determine whether appropriate costs were charged and collected from special events held.

Scope

The audit covered a review of special events coordinated by the Task Group for fiscal years (FY) 2008 through 2012. There were 526 events planned; 496 events held; and 30 events cancelled.

Methodology

To determine and evaluate the special events process, we began our work at the Homeland Security and Emergency Management Agency (HSEMA), the agency designated as the lead agency for coordinating the activities of the Task Group. We interviewed HSEMA officials, attended a bi-monthly Task Group meeting, and reviewed applicable documentation to gain an understanding of the role of the Task Group, as well as, the role for each of the agencies in the Task Group.

To determine whether all necessary approvals and licenses were obtained prior to the special event, we reviewed:

- Policies and procedures for reviewing and approving a special event to be held within the District of Columbia;
- Population of special events held in FY 2008 through 2012;
- Applications for special events, invoices and payment data for fees charged; and
- The schedule of fees that may be charged and the criteria used to determine the fee amount.

To determine whether appropriate costs were charged and collected for special events held, we narrowed our review to those District agencies that charged a fee for special event services provided. Seven agencies were identified: (1) the District of Columbia Alcoholic Beverage Regulation Administration (ABRA), (2) the District of Columbia Department of Consumer and Regulatory Affairs (DCRA), (3) the District of Columbia Department of Transportation (DDOT), (4) the District of Columbia Department of Health (DOH), (5) the District of Columbia Department of Public Works (DPW), (6) the District of Columbia Department of Fire and Emergency Medical Services (FEMS), and (7) the Metropolitan Police Department (MPD).

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Limitations on Audit Evidence

Generally Accepted Government Audit Standards, (2011 Revision) Section 7.15 requires government auditors to disclose limitations on audit evidence.

In conducting this audit, we requested that the seven agencies that collected fees provide documentation on how special event fees are determined. The objective in obtaining this information was to determine whether the agencies had conducted any analysis establishing the amount of fee(s) to be charged for cost-recovery. None of the seven agencies could cite specific criteria used in determining the fee amount charged.

Additionally, two of the seven agencies, the Department of Transportation (DDOT) and Fire and Emergency Medical Services (FEMS), provided none of the additional requested documentation; including internal policies and procedures for the special event process, copies of applications for special events and invoices and payment data for fees charged and collected for the period of our audit.

Audit Results

Overall, we found the Mayor's Special Events Task Group (the Task Group) operating efficiently and effectively. However, we did identify instances in which controls over the special events process could be improved within certain individual agencies serving on the Task Group. We further found no formal information sharing process between the agencies on the Task Group, subsequent to a held event, to discuss the positive and/or negative results of the event. This could include whether the event was held and no issues arose or that there were issues that occurred that should be addressed before the organizer can hold a special event again within the District.

1. We recommend that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance Mayor's Special Events Task Group Planning Guide.

The Task Group provides a "Special Events Planning Guide" (the guide) updated annually for special event organizers that lists the various fees that can be charged for services. The guide states that fees are to be paid 15 days before the event is held, but notes that each agency can also require a different payment period. As previously stated, although each agency has their own payment requirements, generally, the fees must be paid prior to the event taking place or the services may not be provided ultimately affecting whether the event may be held.

The organizer is also given a special events checklist that provides the next steps required to secure agency services or required permits or licenses. The event organizer is also provided with a determination of any required fees and an invoice(s).

According to the Homeland Security and Emergency Management Agency (HSEMA), the Task Group's role informally ends at the conditional approval stage. However, communication between the agencies often continues to ensure that all issues of public safety are addressed. In fact, approval signatures are required from the Metropolitan Police Department (MPD), the District of Columbia Department of Health (DOH) and the District of Columbia Department of Fire and Emergency Medical Services (FEMS) before a special event permit can be issued by the District of Columbia

Department of Consumer and Regulatory Affairs (DCRA). Once conditional approval is given by the Task Group, an event organizer will interact directly with each identified District agency to obtain the permits and services identified on the checklist/conditional approval. This will include the payment for any services invoiced and to be collected from the agencies.

In reviewing a sample of special events in which fees were paid, we found several instances in which the amount of fees paid were less than the fee amount identified for that period in the guide. The Office of the District of Columbia Auditor (ODCA) also found that agencies do not have control activities in place to ensure payments are received prior to the event-taking place. We found a number of event organizers did not pay for event services before the event was held. In one instance, the fees charged by the District of Columbia Department of Public Works (DPW) for a towing service for a large parade remained unpaid for nearly a year.

2. We recommend that HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.

The Government Accountability Office's (GAO) Standards for Internal Control notes that one of the standards is control activities; which is the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system. Some common categories of control activities include (1) accurate and timely recording of transactions and events, (2) segregation of duties, (3) appropriate documentation of transactions and internal control, (4) and reviews by management at the functional or activity level.

The District of Columbia's Office of the Chief Financial Officer's Policies and Procedures Manual, further details the record retention policies for accounting records for the District agencies. At a minimum, records pertaining to cash receipts should be maintained at least six years after the close of the fiscal year.

We found agencies' internal processes and procedures were not documented or formalized. As a result, agencies had untimely, uncollected, and incorrect payments, as well as, missing documentation. As noted in Figure 1, the following control weaknesses were noted for each of the seven agencies we tested.

Figure 1

Agencies' Control Weaknesses

Agency	Polices/Procedures	Segregation/Duties	Documentation
ABRA	x		
DCRA	x		
DDOT	x		x
DOH	x		x
DPW	x	x	x
FEMS	x		x
MPD			

The lack of controls for documentation retention prevented us from determining the total amount of fees that should have been charged and collected during the audit scope. We were also unable to fully determine if the correct fees were collected.

ODCA also found that a consistent event closeout process is lacking between the Task Group agencies. Although some Special Event Coordinators at agencies indicated they are in regular contact with HSEMA to address questions or concerns leading up to the event, there is no consistent formal review process that takes place with the Task Group after the event has concluded.

HSEMA staff indicated that a meeting is held if an issue occurs. An after-action report is prepared to note the issues and the outcomes. However, we believe that with this process, HSEMA is missing an opportunity to proactively discuss both the positive and/or negative results of an event before the next scheduled event.

Audit Results Summary

Our audit identified two recommendations that could strengthen the oversight of the special events process. To ensure compliance with legislative requirements and management authorizations, we recommend that the District agencies of the Task Group:

Recommendation	Finding
1. We recommend that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance Mayor's Special Events Task Group Planning Guide.	<ul style="list-style-type: none">We found several instances in which the amount of fees paid were less than the fee amount identified for that period in the guide. We also found that agencies do not have control activities in place to ensure payments are received prior to the event-taking place and a number of event organizers did not pay for event services before the event was held.
2. We recommend that HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.	<ul style="list-style-type: none">We found agencies' internal processes and procedures were not documented or formalized. As a result, agencies had untimely, uncollected, and incorrect payments, as well as missing documentation.

Conclusion

Overall, we found several instances in which the amount of fees paid were less than the fee amount identified for that period in the guide. Our audit also found that agencies do not have control activities in place to ensure payments are received prior to the event-taking place and a number of event organizers did not pay for event services before the event was held. Additionally, we found agencies' internal processes and procedures were not documented or formalized. As a result, agencies had untimely, uncollected, and incorrect payments, as well as, missing documentation.

We formulated recommendations to address these weaknesses and strengthen the program. We are pleased to note that the agencies identified in our report, generally agreed with the recommendations and presented in written responses, the steps they have begun to take to implement the recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence Perry", written in a cursive style.

Lawrence Perry,
Acting District of Columbia Auditor

Agency Comments

On August 15, 2014, we submitted a draft version of this report to the Homeland Security and Emergency Management Agency (HSEMA), the District of Columbia Alcoholic Beverage Regulation Administration (ABRA), the District of Columbia Department of Consumer and Regulatory Affairs (DCRA), the District of Columbia Department of Transportation (DDOT), the District of Columbia Department of Health (DOH), the District of Columbia Department of Public Works (DPW), the District of Columbia Department of Fire and Emergency Medical Services (FEMS), and the Metropolitan Police Department (MPD).

The Auditor received written comments from HSEMA on August 29, 2014; DPW on September 3, 2014; FEMS on September 4, 2014; ABRA and DDOT on September 5, 2014; and MPD on September 12, 2014. Generally, the agencies agreed with the recommendations and identified the steps that have begun to be implemented. The agencies' responses are included with this report.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Homeland Security and Emergency Management Agency

Vincent C. Gray
Mayor



Chris T. Geldart
Director

August 29, 2014

Mr. Lawrence Perry
Acting District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, NW, Suite 900
Washington, DC 20005

Dear Mr. Perry:

Thank you for providing the draft report entitled, "District Special Events Processes Can Be Improved" to the Homeland Security and Emergency Management Agency (HSEMA) for review and comment. We are pleased that the Office of the District of Columbia Auditor found the Mayor's Special Events Task Group (Task Group) operating efficiently and effectively overall and offer the following comments in response to each of the recommendations.

Recommendation #1:

We recommend that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance with the Mayor's Special Events Task Group Planning Guide.

Response:

HSEMA, although not one of the seven agencies that charges fees associated with the production of special events, has no objections to the recommendation. It is a benefit to the District for agencies to have a well-defined cost recovery policy, which will facilitate financial control and ensure an equitable special events fee structure.

The District has established a cost recovery policy through the implementation of special event user fees. HSEMA supports its continuation and enhancement in consideration of the following cost recovery best practices principles for engaging in successful, equitable cost recovery efforts, which include the need to implement cost recovery, employ activity-based costing, and conduct frequent process reviews.

- Apply cost recovery consistent with government policy objectives.
- Clearly identify cost recovery revenues.
- Base cost recovery on the provision of services and impose cost recovery under a fee-for-service arrangement.
- Charge only for those services used for that event, rather than imposing an average cost. This is the implementation of activity-based costing and ensures that the people who benefit are the ones who pay.
- Ensure event organizers are aware of what the fees are and provide them with sufficient information regarding payment.



- Review cost recovery activities annually. A review is necessary because funding sources may have changed, new funding opportunities may be available, the organization may have new objectives, administration methods may have changed, the cost of certain goods/services may have increased, or any number of other changes may have occurred that would require adjustment.

In an effort to ensure event organizers are aware of what the agencies' special event user fees are and provide them with sufficient information regarding payment timelines, HSEMA will continue to include the Schedule of Fees and associated timelines as provided by the agencies in the annual editions of the Special Events Planning Guide (SEPG). The timeline for the next edition of the SEPG is October 1, 2014, the beginning of FY 2015. Such transparency leads to greater ease of planning for event organizers and is consistent with the District's cost recovery policy for special events.

Recommendation #2:

We recommend that HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.

Response:

HSEMA has no objections to the recommendation. In its execution of internal controls over the special events process, HSEMA will continue to employ a variety of tools in the documentation and formalization of the agency's internal processes and procedures which are inclusive of workflow charts, tracking forms, decision forms, checklists, briefing reports, and after-action reports.

The Task Group's information sharing process subsequent to the production of events involves oral interagency communications between the agencies during the succeeding scheduled Task Group meetings, as well as, the use of after-action reports submitted by the agencies in instances where there were issues or concerns identified during the production of the events. The after-action report is used as an approach to identify issues and propose recommendations for improvement during the after-action review meeting with the event organizer which is scheduled prior to initiating planning efforts for the production of the event in the following year.

In an effort to implement a more consistent formalized event closeout process between the Task Group agencies and the event organizers, HSEMA will establish a formal tracking process of after-action reporting by agencies and broaden the use of after-action reporting by event organizers as methods of consistently documenting key successes, identifying what worked well, and determining areas of improvement for future planned productions of the events. The scheduling of after-action meetings will continue to be determined on a case-by-case basis, based on information provided in the after-action reports or as requested by an event organizer or Task Group member agency. HSEMA will initiate this process October 1, 2014, the beginning of FY 2015.

Please do not hesitate to contact us if we may be of further assistance.

Sincerely,



Chris T. Geldart
Director



GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF PUBLIC WORKS



Office of the Director

September 3, 2014

Office of the District of Columbia Auditor
Lawrence Perry
Acting District of Columbia Auditor
717 14th Street, N. W., Suite 900
Washington, D. C. 20005

Mr. Perry:

I am in receipt of the recommendations presented by the auditor as it relates to special event processing. I have made several changes to our processes in accordance to the following recommendations.

1. The Department of Public Works (DPW) has a system whereby we invoice organizers for their events and collect appropriate fees. The MSETG Planning Guide is just a guide and DPW informs organizers that payment is due ten (10) prior to their respective events. DPW has established an hourly rate for each service that provided and charges the Special Event organizations accordingly.
2. DPW will initiate new internal controls to have a separation in duties between the entity that generates the invoice and the entity that collects the fee. In addition, we are seeking the capability to accept credit cards which would relieve most of the late payments.

The Department of Public Works has taken results of this audit very seriously and will strive in the future to ensure all processes continue to improve and are aligned with your agency's recommendations.

Sincerely,


William O. Howland, Jr.
Director



Vincent C. Gray
Mayor

**Government of the District of Columbia
Fire and Emergency Medical Services Department
Washington, D.C. 20001**



Eugene A. Jones
Interim & EMS Chief

September 3, 2014



Lawrence Perry
Acting District of Columbia Auditor
717 - 14th Street, NW
Washington, DC 20005

Mr. Perry:

First and foremost, I would like to thank the Office of the District of Columbia Auditor (ODCA) for allowing District of Columbia, Fire and Emergency Services Department (DCFEMS) the opportunity to respond to the ODCA report entitled, "District Special Events Processes Can Be Improved." After reviewing the draft ODCA report, DCFEMS Homeland Security and Special Operations Division (HSSO) has prepared a response to the recommendations provided by ODCA.

Recommendation #1 (Page 6 of the ODCA report);

"We recommend that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance Mayor's Special Events Task Group Planning Guide."

DC FEMS Response to Recommendation #1

Upon review we have found that DCFEMS fully complies with the provisions set forth in the Mayor's Special Events Task Group Planning Guide. Additionally, DCFEMS complies with the District of Columbia, Municipal Regulation (DCMR) 12H Fire Code Supplement, and the Permit Fee Schedule. As you may be aware, DCMR 12H establishes the fee schedule for special events.

Recommendation #2 (Page 8 of the ODCA report);

“We recommend that HSEMA and the agency members of the Mayor’s Special Events Task Group execute proper internal controls over the special events process.”

DCFEMS Response to Recommendation #2

DCFEMS has established policies and procedures to ensure accurate internal controls over the special events process. Moreover, DCFEMS invoices fees to the special events sponsors in advance of the event’s start date and time. Invoices for special events are generated in DCFEMS Fire Prevention Division and the Homeland Security and Special Operations Division by the responsible program managers. As already stated, the structure fee schedule is based on the established rates by DCMR 12H. Additionally, all fees charged to special events are tracked via electronic spreadsheets, invoices and a shared drive system is used to house the relevant data and information. Access is available to the program manager for Special Events and the Agency Fiscal Officer. Whenever, payment of fees is not received, follow up contact or correspondence with event organizer is conducted by the Office of the Chief Financial Officer to resolve the payment issue and/or the information is forwarded to the Central Collection Unit for debt collection. Lastly, special events under federal reimbursements provisions such as National Special Security Events and other security details are based on the Federal Payment Schedule. DCFEMS Chief Fiscal Officer can provide further details on federal cost recovery if needed.

Future Recommendations

DCFEMS will continue enhance the way that fees are recorded in the District’s financial management system. Starting in October 2014, DCFEMS will be partner with the District of Columbia, Office of Chief Technology Officer (OCTO) to develop and improve online special events application and fee processing for the Special Operations Section. Currently, DCFEMS Fire Prevention Division has been utilizing a system designed by OCTO that has reduced the total number of personnel required to process special events fees and thus a streamlined automation process is in place to improve efficiency of payment and collections.

Respectfully submitted,



Eugene A. Jones
Interim Fire and EMS Chief

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Alcoholic Beverage Regulation Administration



September 5, 2014

Lawrence Perry
Acting District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, D.C. 20005

RE: Special Events Audit Response

Dear Acting District of Columbia Auditor Perry,

This letter is in response to your report entitled, "District Special Event Processes Can Be Improved". The Alcoholic Beverage Regulation Administration (ABRA) appreciates the opportunity to comment on this detailed report. ABRA's comments to the two recommendations are as follows:

1. The recommendation that District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance with the Mayor's Special Events Task Group Planning Guide.

ABRA recommends that the following alternative recommendation be adopted:

We recommend that District agencies establish and implement written policies and procedures to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance with the Mayor's Special Events Task Force Group Planning Guide.

The reason for this alternative recommendation is twofold. First, Figure 1 of the report entitled "Agencies Control Weaknesses," highlights the need for Agencies to implement written policies and procedures to ensure that fees are collected both timely and correctly.

Second, it can be argued that some agencies, including ABRA, did have a system in place, although not in writing, to ensure that payment was received in a timely manner and that fees were charged and collected from special event organizers prior to the event consistent with 24 DCMR § 720.

However, it is clear that District agencies, including ABRA, should have written policies and procedures in place to ensure that special event organizers are charged the correct fees and that payments are received in a timely manner, in accordance with the Mayor's Special Events Task Group Planning Guide.

Consistent with this alternative recommendation, ABRA will be drafting and implementing written policies and procedures by Monday, October 6, 2014 to ensure that special event organizers are charged the correct fees and that payment is received in a timely manner. ABRA has been in communication with the Department of Consumer and Regulatory Affairs (DCRA) regarding these new procedures. DCRA has agreed to initiate a process whereby payment invoices, which DCRA currently maintains, will be forwarded to ABRA for events which DCRA has accepted payment to cover the costs of services to be provided by ABRA investigators.

Under this new procedure, service will not be provided by ABRA until ABRA has received the payment invoice from DCRA. ABRA will also be requesting for accounting purposes quarterly OCFO payment reports for these events. ABRA will provide these written policies and procedures to the Office of the District of Columbia Auditor by Monday, October 6, 2014.

2. The recommendation that HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.

ABRA agrees with this recommendation. ABRA will be undertaking steps over the next sixty (60) days to improve its internal controls regarding those special events that fall under ABRA's jurisdiction. The steps to be taken by ABRA will include the creation of a Special Events Task Force File to maintain all documentation for any event under ABRA's jurisdiction. In addition, an internal written Standard Operating Procedure (SOP) for Special Events Task Force matters will be implemented to identify ABRA investigators working the event; the hours worked by ABRA investigators at the event; the fees charged for ABRA investigators working the event; an after action report regarding the event; and a quarterly reconciliation with the Office of the Chief Financial Officer to determine if the fees collected for ABRA investigator services have been properly credited to ABRA's financial accounts.

ABRA has also been in communication with The Homeland Security and Emergency Management Agency (HSEMA) on this issue. ABRA has agreed to provide HSEMA with an after-action report for each special event that falls under ABRA's jurisdiction regardless of whether an issue occurs. HSEMA has agreed to maintain on file these after-action reports that will describe both the positive and/or negative results of an event.

By Thursday, November 6, 2014, ABRA will provide the Office of the District of Columbia Auditor with ABRA's written Standard Operating Procedure for Special Events Task Force matters, which will include ABRA's internal controls regarding the Special Events process.

Please let me know should you need additional information from ABRA.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fred Moosally". The signature is written in a cursive, slightly stylized font.

Fred Moosally
Director, ABRA

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF TRANSPORTATION



d. Office of the Director

September 5, 2014

Lawrence Perry
Acting District of Columbia Auditor
717 14th Street NW, Ste. 900
Washington, DC 20005

Dear Mr. Perry:

I am writing in response to the recommendations included in the draft report “District Special Events Processes Can Be Improved” issued on August 15, 2014. Before addressing recommendations in that draft report that apply to the District Department of Transportation (DDOT), I would like to provide additional supplemental information:

A. Supplemental Information

1. Pg. 5 – Limitation in Audit Evidence: DDOT Internal Policies and Procedures:

Public Space Regulation

The special event applicant is responsible for submitting its scope of work as part of the public space permit application. A complete submission must be made into DDOT’s online permitting system within 15 working days of the event. The assigned DDOT technician verifies the accuracy of the information submitted and makes corrections as necessary. Fees are assessed when an application has been submitted, reviewed, and marked approved. This process occurs before an event is held. Public space fees can be found in section 225 of Title 24 of the DC Municipal Regulations. They are calculated from the amount of public space occupied and the material to be placed in public space.

Traffic Control Plan Review

The applicant is also responsible for producing a traffic control plan for DDOT review. The traffic control plan must be aligned with the Manual on Uniform Traffic Control Devices (MUTCD)¹. The traffic control plan must be submitted at least 20 days prior to an event.

¹ The **MUTCD** defines the standards used by road managers nationwide to install and maintain traffic control devices on all public streets, highways, bikeways, and private roads open to public traffic. The MUTCD is published by the Federal Highway Administration (FHWA) under Title 23 of the Code of Federal Regulations (CFR), Part 655, Subpart F. (<http://ddot.dc.gov/node/466292>)

DDOT staff review the plan and draft a report evaluating the traffic safety impacts, which is presented to the Mayor's Task Group and the applicant.

DDOT provides comment on the number of safety devices needed for an event. The applicant is responsible for "the acquisition, installation, and maintenance of traffic control devices."²

2. **Pg. 5 – Limitation in Audit Evidence: Copies of Applications for Special Events**

As noted in the draft report, the Homeland Security and Emergency Management Agency (HSEMA) receives all applications for special events and is responsible for circulating the applications to partner agencies prior to discussion. Currently, DDOT does not maintain a formal database of special events applications. However, moving forward DDOT will develop a special events tracking table to track all special event applications.

3. **Pg. 5 – Limitation in Audit Evidence: Payment Data**

DDOT is not responsible for monetary transactions. All fees are captured internally through the Office of the Chief Financial Officer (OCFO) and Office of Tax Revenue (OTR). All fees are paid online via PayPal with an account established through the OCFO. All other transactions are conducted at the Cashier's Office with OTR protocols.

However, DDOT's Transportation Online Permitting System (TOPS)³ is the central repository for public space permit issuance, document management, and financial recordation of permit records. Copies of all public space permit fee invoices and paid invoices are kept electronically in TOPS from calendar year 2012 through the present. Hard copies predating 2012 are archived in three DDOT archive facilities. TOPS was implemented for special events in calendar year 2010. DDOT can provide what documentation exists for all incomplete digital records dating back to 2010; however the Agency cannot readily provide any documentation between fiscal years 2008-2010, as they are located off-site.

B. Responses to the Recommendations in the draft report "District Special Events Processes Can Be Improved":

1. That District agencies establish a system to ensure that special event organizers are charged the correct fees and payments are received in a timely manner, in accordance with the Mayor's Special Events Task Group Planning Guide.

DDOT has an established system to ensure that correct fees and payments are received in a timely manner.

The applicant is given an estimate of fees based on the scope of work submitted at the time of application. The applicant is not given an invoice until the application has been reviewed and adjustments increasing and/or decreasing the scope of work, as applicable, have been made.

² District of Columbia Mayor's Special Events Task Group. Special Events Planning Guide. 2014 Edition. Pg. 11. <http://mpdc.dc.gov/sites/default/files/dc/sites/hsema/publication/attachments/2014%20MSETG%20Special%20Events%20Planning%20Guide.pdf>

³ <https://tops.ddot.dc.gov/DDOTPERMITSYSTEM/DDOTPERMITONLINE/Landing.aspx>

The fee is collected prior to the services and/or permits being received by the applicant. All payments must be received 14 days prior to an event taking place.

All fees received from the applicant are indexed and coded to the general fund where tracking and accounting is handled by the Office of the Chief Financial Officer (OCFO) and the Treasurer's Office of Tax and Revenue (OTR). If full payment is not received, then permits and/or services will not be issued and the event cannot occur in public space.

It should be noted that certain fees may be waived pursuant to section 225 of title 24 of the DCMR.

2. That HSEMA and the agency members of the Mayor's Special Events Task Group execute proper internal controls over the special events process.

The draft report cited on page 8 in *Figure 1: Agencies' Control Weaknesses* indicates that DDOT lacks policies, procedures, and documentation for special events.

Currently, DDOT does not have standard operating procedures (SOP) for public space permitting or traffic control plan review for special events. DDOT staff will work with associated staff members to draft an SOP in the first quarter of FY 2015, so the SOP can be distributed to event organizers in calendar year 2015. DDOT believes that creation of the SOP will address the draft report's concerns with the internal policies and procedures.

Public Space Permitting

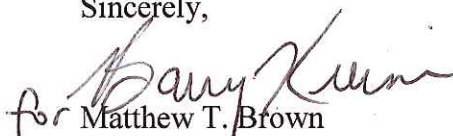
As it relates to public space permitting, DDOT has taken corrective action to improve the quality and depth of recordation of permit issuances, document management, and financial permitting/recording by implementing TOPS in 2010. As mentioned previously in Part A, an applicant is responsible for submitting a complete application into TOPS within 15 business days before the event. The fees are calculated from the amount of public space occupied and the amount of material to be placed in public space.

Traffic Control Plan Review

Although a written traffic control plan review process for special events does not exist within DDOT, the framework provided by the Task Group Guide and the MUTCD outlines DDOT's responsibilities with the Task Group and best practices for traffic safety. DDOT will address the draft report's documentation concerns in the SOP for the traffic control plan review.

I appreciate the opportunity to provide this information to you. Should you have additional questions, please do not hesitate to contact me at 202-673-6813.

Sincerely,



Matthew T. Brown

Acting Director

District Department of Transportation



GOVERNMENT OF THE DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT

SEP 12 2014

Lawrence Perry
Acting District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, D.C. 20005

Dear Mr. Perry:

This is in response to your letter and draft report concerning the Metropolitan Police Department's (MPD) compliance with the "District Special Events Processes Can Be Improved" audit, dated August 15, 2014. Thank you for providing us with an opportunity to provide comment, along with allowing an extension to the deadline period for our response.

The Department notes in the audit that none of the seven agencies that charge fees could cite specific criteria used to determine the fee amount charged. Although the fee schedule is set by the Department of Consumer and Regulatory Affairs (DCRA), MPD charges no additional administrative costs associated with special events. The D.C. Office of the Chief Financial Officer (OCFO), Public Safety and Justice Cluster invoices organizers for services based on the labor estimated that is prepared by the MPD Special Operations Division Planning Unit. Post event reconciliations occur when the scheduled event runs short or over the agreed plan. The event organizer is then provided with an amended invoice or a refund to cover the savings and or overages. MPD is taking steps to update the rate structure given the recent labor contract changes.

With regard to the recommendation that the D.C. Homeland Security and Emergency Management Agency (HSEMA) should have a formal after-action meeting, appropriate MPD members will be available to assist HSEMA, with this activity. Copies of MPD After Action Reports are forwarded to the HSEMA Task Group for review and the purpose of identifying areas for improvement.

The foregoing represents our Department's comments concerning the report. Again, we appreciate the invitation to comment and the partnership that we have with your office.

Sincerely,

Cathy L. Lanier
Chief of Police

Auditor's Response to Agency Comments

The Auditor appreciates the comments provided by the District of Columbia Alcoholic Beverage Regulation Administration (ABRA), the District of Columbia Department of Transportation (DDOT), the District of Columbia Department of Public Works (DPW), the District of Columbia Department of Fire and Emergency Medical Services (FEMS), and the Homeland Security and Emergency Management Agency (HSEMA), and the Metropolitan Police Department (MPD).

We are pleased to note that in their responses, the agencies identified the steps currently being undertaken to strengthen their controls over the special events process.