

A  
AUDIT AND  
INSPECTION  
PLAN

FISCAL YEAR 2014



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



August 30, 2013

The Honorable Vincent C. Gray  
Mayor of the District of Columbia  
The John A. Wilson Building  
Mayor's Correspondence Unit, Suite 316  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
The John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 402  
Washington, D.C. 20004

**RE: Office of the Inspector General's Fiscal Year 2014 Audit and Inspection Plan**

Dear Mayor Gray and Chairman Mendelson:

This letter transmits the Office of the Inspector General's (OIG) *Fiscal Year 2014 Audit and Inspection Plan* (Plan). This Plan has been prepared pursuant to D.C. Code § 1-301.115a (a)(3)(I) (2001), which states, in part, that the Inspector General shall "[n]ot later than 30 days before the beginning of each fiscal year . . . and in consultation with the Mayor . . . [and] the Council. . . establish an annual plan for audits to be conducted under this paragraph. . . ." For your convenience, as we did last year, we have incorporated our strategy for inspections into the Plan.

The Plan contains audits and inspections that are discretionary, required by law, or identified pursuant to special requests from District leaders, managers, and other stakeholders. Specifically, our Plan provides for conducting reviews that are designed to assess the results of various budgeted programs, which includes the economy and efficiency of actions taken to attain those results. The Plan includes OIG initiatives for audit and inspection coverage that will focus on areas that present the highest risks to maintaining the District's fiscal integrity and renewed financial strength.

In formulating the Plan, we identified agencies and programs considered material in terms of service delivery and fiscal impact. Additionally, we considered risk factors, which include the following:

- material internal control weaknesses;
- potential fraud, other criminal acts, or improper practices;
- substantial violations of program directives or poor management practices that could seriously affect program accomplishment;
- major inefficiencies in the use of resources or management of operations; and
- significant program performance issues.

The OIG has and continues to play a role in assisting District management in addressing areas of risk. In assessing these risks, our audit plan has been designed to concentrate on seven strategic themes that will govern our operations, help us achieve our mandated mission, and further the Mayor's strategic initiatives. These themes are:

- I. Revenue Enhancement
- II. Spending and Efficient Use of Resources
- III. Delivery of Citizen Services
- IV. Support Services
- V. Audits Required by Law
- VI. District of Columbia Education Programs
- VII. Prior Performance Audits

In an effort to sharpen the focus of our audits and inspections, the OIG continuously assesses those programs and activities that pose the greatest risk to the District. Statutory mandates govern the conduct of many of our activities; however, the majority of our activities are discretionary, often addressing concerns and interests of elected officials, agency heads, and members of the District community. District officials and other stakeholders have emphasized their continuing commitment to avoid risks that could trigger the re-emergence of budget deficits and management inefficiencies.

Further, many of the audit and inspection areas included transcend a given fiscal year. In order to ensure the most effective and efficient use of our resources, where possible, audits and inspections are coordinated to complement one another and to avoid duplication of effort.

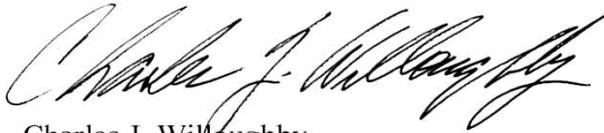
Our Plan is ambitious, shaped in part by concerns raised by District leadership. Accordingly, our Plan reflects ideas and suggestions from the Mayor's office, Councilmembers, District

agency officials, and others. The listing of a particular audit or inspection in this Plan does not necessarily mean that problems exist or guarantee that a review will be undertaken. The reality of having limited resources and the unknown priorities arising from exigencies throughout the year, particularly in these times, often determine which audits or inspections can ultimately be initiated in fiscal year 2014.

It is our hope that District managers will use the Plan relating to the identified risk areas within their respective agencies so that they may begin to address issues identified herein, or reported, and to take any appropriate action to improve operational efficiencies before our audit or inspection. Accordingly, this Plan can and should be viewed by management as a risk assessment of District programs and operations.

Copies of the enclosed Plan and our published audit and inspection reports are available at <http://oig.dc.gov>. If you have questions or desire additional information, please contact Ronald W. King, Assistant Inspector General for Audits; Alvin Wright, Jr., Assistant Inspector General for Inspections and Evaluations; or me at (202) 727-2540.

Sincerely,



Charles J. Willoughby  
Inspector General

CJW/lw

Enclosure

cc: See Distribution List

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Agency and Department Heads, District of Columbia Government (1 copy)



**FISCAL YEAR 2014  
AUDIT AND INSPECTION PLAN**

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<sup>1</sup> Planned indicates that the audit may start in FY 2014 subject to time and available resources.

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Fiscal Year 2014 Audit and Inspection Plan

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# **INTRODUCTION**



## INTRODUCTION

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2014 Audit and Inspection Plan (Plan) for the Government of the District of Columbia. Pursuant to D.C. Code § 1-301.115a(a)(3)(I) (2001), the OIG, in consultation with the Mayor and the District of Columbia Council (Council), is required to establish an audit plan 30 days prior to the commencement of the new fiscal year.

The Plan includes descriptions of mandated and discretionary audits and inspections to be conducted in the upcoming fiscal year based on risk assessments of vulnerable programs and issues; input from the District's executive and legislative leadership, agency officials, and other stakeholders; and the requirements of federal law. We have also included audits and inspections ongoing as of September 1, 2013.

In an effort to sharpen the focus of our audits and inspections, the OIG continuously assesses those programs and activities that pose the greatest risk to the District. Statutory mandates govern the conduct of many of our activities; however, the majority of our activities are discretionary, often addressing concerns and interests of elected officials, agency heads, and members of the District community. District officials and other stakeholders have emphasized their continuing commitment to avoid risks that could trigger the re-emergence of budget deficits and management inefficiencies.

The Plan includes OIG initiatives for audit and inspection coverage that will focus on areas that present the highest risks to maintaining the District's fiscal integrity and renewed financial strength. In assessing these risks, our audit plan has been designed to concentrate on seven strategic themes that will govern our operations, help us achieve our mandated mission, and further the Mayor's strategic initiatives. These themes are:

- I. Revenue Enhancement
- II. Spending and Efficient Use of Resources
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- IV. Support Services
- V. Audits Required by Law
- VI. District of Columbia Education Programs
- VII. Prior Performance Audits

Our Plan is ambitious, shaped in part by concerns raised by District leadership. Accordingly, our Plan reflects ideas and suggestions from the Mayor's office, Councilmembers, District agency officials, and others.

The listing of a particular audit or inspection in this Plan does not necessarily mean that problems exist or guarantee that a review will be undertaken. The reality of having limited resources and the unknown priorities arising from exigencies throughout the year, particularly in these times, often determine which audits or inspections can ultimately be initiated in any fiscal year. Additionally, this plan is designed to address audit areas that transcend a given fiscal year until identified risks facing the District are mitigated.

The following is a brief explanation of the audit and inspection process and a short summary of each audit and inspection, ongoing as of September 1, 2013, or planned for fiscal year (FY) 2014. They are categorized first by theme and then by issue area within a theme. Issue areas are not mutually exclusive of other themes; however, an audit or inspection is listed under the issue area where the majority of the reviews are intended to be focused.

# **THE AUDIT PROCESS**



## **THE AUDIT PROCESS**

An established sequence of events occurs for every audit conducted. These steps include the announcement of the audit (engagement letter), entrance conference, fieldwork, exit conference, a resolution process, and audit follow-up. Each step is discussed below.

### **Engagement Letter**

Prior to the start of an audit, we normally send the head of the agency a letter announcing the audit. The letter includes the title of the audit effort and a project number and describes the audit objectives, the scope of the review, and the planned starting date. The letter also explains that we plan to hold an entrance conference to brief the appropriate management officials about the audit. The engagement letter may also advise agencies of our working space requirements, any specific information needs, and other support requirements.

### **Entrance Conference**

At the beginning of each audit, we hold a formal entrance conference with the management officials whose operations are to be audited. It is at this initial meeting that the auditors explain the purpose of the audit, including the audit objectives, the scope of the audit effort, audit methodologies, and the audit reporting process. If management has requested the audit, it is an opportune time to discuss management's concerns and possibly adjust or add specific audit objectives to focus on management's specific areas of interest or potential problems. During the conference, we encourage management officials to bring to the attention of the audit team any concerns, ideas, or special circumstances concerning the matters to be audited.

### **Fieldwork**

Audit fieldwork begins with the survey phase. In the survey phase, we obtain information on a program, activity, or function and perform initial tests in line with our audit objectives to discern any vulnerable areas on which we need to focus our audit efforts. After we complete the survey work, we will determine whether there is sufficient basis for additional audit work. When such a determination is made, we perform the second phase of fieldwork, which is the audit execution phase. Normally, the bulk of the audit work is performed in the audit execution phase, when more extensive reviews of records and documentation are undertaken and detailed tests are performed to determine whether programs and systems are functioning as intended. In this phase, the auditors will begin to develop their findings and recommendations. Audit

fieldwork often requires the cooperation of agency personnel to answer questions; provide access to original records, documentation, and files; and prepare information requested by the auditors. Keeping in mind that agencies need to focus on their normal workload, our auditors make every attempt to limit requests for information to the level necessary to complete the audit.

### **Keeping Agency Officials Informed**

During the course of the audit, we keep management officials advised of any deficiencies and/or weaknesses we identify. Our auditors are instructed to keep agency officials informed of the audit's progress and to be alert to issues that need to be immediately brought to management's attention. Managers of an organization being audited can also expect the following types of formal communications:

***Audit Memoranda.*** As the audit progresses, we may provide the agency head with interim findings (such as a Management Alert Report) to alert the agency head of matters requiring immediate attention or action and to obtain informal comments regarding the accuracy and completeness of the audit findings.

This early communication serves three purposes:

1. It gives the agency the opportunity to voice concerns and provide additional information.
2. It reduces misunderstandings or inaccuracies.
3. It allows agencies to correct problems as they are identified.

***Audit Exit Conference.*** After all audit work is completed, we conduct an exit conference with agency officials. At the exit conference, we summarize the issues previously brought to management's attention, as well as the findings and recommendations we may have developed. This is an opportune time to discuss the corrective actions needed to address any deficiencies. We encourage management to take immediate corrective action, if possible. Substantiated corrective actions taken by management are included in our draft report.

***Draft Audit Report.*** After considering any comments and concerns raised at the exit conference, we prepare a draft report and send it to agency officials responsible for ensuring implementation of the corrective actions. Usually, we request the agency official to respond in writing to a draft report within 15 business days. The reply should include the actions taken and planned, target dates for any uncompleted actions, and the reasons for any disagreement with the findings or recommendations.

***Final Report.*** After carefully analyzing management's response to the draft report, we incorporate management's response into the body of the report and include the full text of the reply in an appendix to the report. We then send copies of the final report to the official responsible for taking corrective action. This usually is the head of the agency. Copies of the final report are also provided to the Mayor, City Administrator, D.C. Council, and other officials, as appropriate. OIG audit reports may also be provided to congressional committees, individual members of Congress, and the press. Audit reports are available to the public on the OIG website.

***Resolution Process.*** Prior to issuing the final report, the OIG will make every reasonable effort to resolve a disagreement with agency officials responsible for acting on report recommendations. If an agreement is not attainable, the final report will be issued and agency officials will be given another opportunity to comment on the final report. If comments to the final report indicate a continuing disagreement with the report's findings or recommendations, the issue will be resolved at the Inspector General level in conjunction with the Mayor.

***Audit Follow-up.*** District officials and managers are responsible for implementing the corrective actions they have agreed to undertake in response to the audit report. The OIG monitors progress in implementing audit recommendations. Periodically, the OIG conducts follow-up audits to verify that pledged actions have been taken and were effective in correcting reported deficiencies.



# **ADDITIONAL REPORTING MECHANISMS**



## **ADDITIONAL REPORTING MECHANISMS**

In addition to final reports issued upon the completion of an engagement, the OIG has instituted special reports to include:

- Management Alert Report (MAR)
- Management Implication Report (MIR)
- Fraud Alert Report (FAR)

A MAR is a report that is issued to the head of an agency for the purpose of identifying systemic problems that should and can be addressed during an audit, investigation, or inspection. This report can also be used as a quick reaction report when it is necessary to advise management that significant time-sensitive action is needed.

A MIR is a report that is issued during or at the completion of an audit, investigation, or inspection alerting all District agencies of a potential problem, which may or may not be occurring in their particular agency.

A FAR is a report identifying a fraudulent scheme or schemes discovered most commonly as a result of a criminal investigation. This report, which is usually issued by our investigative division, is issued to alert all District agencies to be “on the lookout” for similar schemes.



# **AUDIT THEME/AGENCY INDEX**



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<sup>2</sup> Agency codes identified correspond to the two-digit codes assigned by the Mayor’s Budget Office. “MA” represents audits for which fieldwork will be conducted at multiple agencies.

<sup>3</sup> “O” indicates the review is ongoing as of September 1, 2013, and “P” indicates the audit may start in FY 2014 subject to time and available resources.

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Theme/Issue Area/Review Title	A G E N C Y <sup>2</sup>	S T A T U S <sup>3</sup>	P A G E
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Theme/Issue Area/Review Title	A G E N C Y <sup>2</sup>	S T A T U S <sup>3</sup>	P A G E
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91. Re-Audit of the District of Columbia Public Schools' Residency Requirements	GA	P	93
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# **PLANNED AND ONGOING AUDITS**



## I. Revenue Enhancement

The District of Columbia government is unique and extremely complex. As one entity, the District government provides services typically delivered elsewhere by states, counties, cities, and special taxing districts. The challenge for the District is to navigate this jurisdictional complexity while facing decreasing revenues and increasing service needs. The gross budget in the FY 2014 Proposed Budget and Financial Plan totals \$12.1 billion, which is \$707.4 million, or 6.2 percent, more than the FY 2013 Approved Budget of \$11.4 billion.

Revenue is derived from both tax and non-tax sources. Non-tax sources consist of fees, fines, assessments, and reimbursements, while tax sources are levies on broad measures of citizens' abilities to pay (e.g., income, consumption, and wealth). For FY 2014, we will continue to focus on audits that assess whether the District is effective in levying and collecting tax-based revenue, acting on all grant-based revenue opportunities, executing effective Medicaid reimbursement programs in the agencies, and optimizing other revenue generating activities. These audits address whether the District is maximizing its revenue potential from all known revenue sources.

We categorized planned Revenue Enhancement reviews into issue areas that, while not mutually exclusive of other OIG themes, are primarily focused on the Revenue Enhancement theme. Accordingly, the issue areas are Medicaid, Grant Management, Tax Collections, and Other Revenue Issues.

### A. Medicaid

It is proposed that the District's Medicaid Program will spend over \$2.7 billion on healthcare for the District's most vulnerable citizens in FY 2014. The Medicaid Program continues to be of considerable concern to the District because it is one of the largest spending pressures relating to the District's entire operating budget. For FY 2014, the District's proposed budget is estimated to be \$12.1 billion with the Medicaid Program comprising an estimated 20 percent of the District's overall budget. Past Congressional committees, as well as the Mayor and the Council, have recognized that Medicaid is a serious problem for the District. For these reasons, the OIG has designated the Medicaid Program as a major risk area to the District. Accordingly, our plan for Medicaid coverage is citywide and comprehensive. Medicaid audit topics continue to include: Medicaid claims; eligibility of Medicaid beneficiaries and providers; provider rates; durable medical equipment/prosthetics, orthotics, and supplies; contracts; third party liability; and human care and human service agreements.

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**NO. 1**                      **Department of Human Services/  
Department of Health Care Finance**                      **STATUS: Ongoing**

**TITLE:**                      **MEDICAID/ALLIANCE ELIGIBILITY**

**OBJECTIVES:**              The audit objective is to determine whether Alliance and Medicaid participants met eligibility requirements.

**JUSTIFICATION:**      The Economic Security Administration (ESA) within the Department of Human Services (DHS) is responsible for eligibility determination and recertification for most of the District’s Medicaid and Alliance medical assistance recipients. The Automated Client Eligibility Determination System (ACEDS) contains eligibility information, determines whether the applicant is eligible based on the information entered, and generates recertification forms for program recipients that require recertification. DHS is in the process of developing a new system that will replace ACEDS called the DC Access System (DCAS).

The FY 2013 approved budget for ESA was approximately \$205 million. During FY 2012, approximately 231,000 people participated in either the District’s Medicaid or Alliance medical assistance program at a cost of \$2.2 billion. In FY 2013, the OIG issued a report entitled “Audit of the Eligibility Determination Process for Alliance and Medicaid Participants” (OIG No. 10-1-16HT), which documented deficiencies with regard to the adequacy of the support documentation DHS used to substantiate eligibility criteria, the lack of standard operating procedures detailing the type and quality of documents required to substantiate eligibility, and the untimely processing of eligibility recertification.

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**NO. 2**                      **Department of Health Care Finance**                      **STATUS: Ongoing**

**TITLE:**                      **MEDICAID ADMINISTRATIVE CONTRACTS**

**OBJECTIVES:**              The objectives of the audit are to determine whether: (1) solicitations for service are properly competed and proposals are fairly evaluated; (2) contracts are awarded in compliance with requirements of applicable laws and regulations; (3) contracts are administered in an efficient, effective, and economical manner; and (4) there are internal controls in place to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**      During the course of a prior audit, we discovered a lack of internal controls over administrative contracts. We identified Department of



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Mental Health (DMH) for mental health services, Child and Family Services Agency (CFSA) for case management and rehabilitative services to children in the custody of the District (foster care), and District of Columbia Public Schools (DCPS) for special education services.

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**NO. 4**                      **Department of Health Care Finance**                      **STATUS: Planned**

**TITLE:**                      **OUT-OF-STATE MEDICAID FACILITIES**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) DHCF properly oversees District residents that are admitted to out-of-state facilities; (2) capacity and specificity of in-state facilities are maximized, resulting in a need for out-of-state facilities; and (3) Medicaid costs can be reduced as result of maximizing the use of District facilities.

**JUSTIFICATION:**      The District spends approximately \$18.6 million annually for out-of-state Medicaid nursing facilities. When District residents are admitted to out-of-state facilities, the control over and well-being of residents is ceded to the state in which the care is provided. The care provided at these facilities is no longer under DHCF oversight and Medicaid payments are made to the state or jurisdiction in which the District resident resides.

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**NO. 5**                      **Department of Health Care Finance**                      **STATUS: Ongoing**

**TITLE:**                      **NURSING HOME PERFORMANCE AND  
ADMINISTRATIVE SALARIES**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) performance and compensation are fair and reasonable at nursing homes providing services for District residents; (2) performance standards and practices are in compliance with requirements of applicable laws, rules, regulations, policies, and procedures; and (3) internal controls are implemented and applied within nursing homes to prevent waste, fraud, and abuse.

**JUSTIFICATION:**      DHCF is the District of Columbia's state Medicaid agency whose mission is to improve health outcomes by providing access to comprehensive, cost-effective, and quality healthcare services for residents. DHCF had a proposed budget for FY 2008 in the amount of \$1.6 billion, of which an estimated \$180 million were earmarked for

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manage and monitor Medicaid-eligible claims denied by the Medical Assistance Administration (MAA) (DHCF's predecessor), which resulted in the use of as much as \$30.1 million in local funds. With respect to CFSA, reports from several news outlets revealed that CFSA lacks a system to rework and resubmit denied Medicaid claims.

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**NO. 9**                      **Child and Family Services Agency**                      **STATUS: Ongoing**

**TITLE:**                      **MANAGEMENT OF FINANCIAL OPERATIONS  
AT THE CHILD AND FAMILY SERVICES AGENCY**

**OBJECTIVES:**            The audit objectives are to determine whether CFSA: (1) adequately managed controls over business operations, including payments to vendors and providers, grant funds, and financial transactions; (2) effectively processed and managed Medicaid claims; and (3) implemented internal controls to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**        This audit was requested by Councilmember Tommy Wells to review CFSA's management of District funds awarded to sub-grantees. CFSA is the District of Columbia child welfare agency responsible for investigating reports of child abuse and neglect, protecting child victims and those at risk of abuse and neglect, and assisting their families. CFSA services include foster care, adoption, and supportive community-based services to enhance the safety, permanence, and well-being of abused, neglected, and at-risk children and their families. The agency's FY 2013 proposed budget is \$257 million and has 900 full-time equivalent (FTE) employees to meet the agency's mission, goals, and objectives.

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**NO. 10**                      **Departments of Health Care Finance**                      **STATUS: Planned**

**TITLE:**                      **MONITORING AND OVERSIGHT OF HOME HEALTH  
CARE PROVIDERS**

**OBJECTIVES:**            The audit objectives are to determine whether: (1) DHCF established internal controls to reduce the District's exposure to billing risk from home healthcare providers; (2) DHCF is monitoring home healthcare providers to ensure that organizational and individual licenses are current.

**JUSTIFICATION:** An article that appeared in *The Washington Examiner* in January 2013, entitled “Maryland Nabbing More Medicaid Fraudsters,” reported that hospitals and other healthcare providers can increase income by billing Medicaid for more expensive services than those provided or billing without providing any services.<sup>6</sup>

Also, the United States Attorney’s Office for the District of Columbia reported in an April 3, 2013, press release that a former CEO/owner of a home healthcare provider service pleaded guilty to falsification of records. The provider conspired with a doctor to authorize false care plans for 62 patients, and received approximately \$1.9 million from Medicare and Medicaid. As we continue our effort to ensure the integrity of all District medical assistance programs, this audit will test the controls that are in place to detect and prevent waste, fraud, and abuse.

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**NO. 11**                      **Department of Human Services**                      **STATUS: Planned**

**TITLE:**                      **MEDICAID RECOVERY CONTRACT**

**OBJECTIVES:**            The objectives of this audit are to determine whether DHCF: (1) engaged a Medicaid recovery audit contractor (RAC) to recover improper payments provided to Medicaid providers; and (2) established internal controls to ensure proper accountability and procedures to prevent waste, fraud or abuse.

**JUSTIFICATION:** The Centers for Medicare and Medicaid Services (CMS) estimated that Medicaid RACs would recover \$80 million in FY 2011, \$170 million in FY 2012, \$250 million in FY 2013, \$310 million in FY 2014, and \$300 million in FY 2015. The RACs would be compensated based on a percentage of recovered payments. A GAO report, “Medicare Recovery Audit Contracting” (GAO-10-143), cited that CMS lacked a process to evaluate RAC findings promptly on Medicare. It stated that vulnerabilities in improper payments were not evaluated for up to 2 years.

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<sup>6</sup> Andy Brownfield, *Maryland Nabbing More Medicaid Fraudsters*, WASH. EXAMINER, Jan. 25, 2013, available at <http://washingtonexaminer.com/maryland-nabbing-more-medicaid-fraudsters/article/2519766> (last visited Aug. 21, 2013).

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**NO. 12**                      **Department of Human Services**                      **STATUS: Planned**

**TITLE:**                      **DEPARTMENT OF HUMAN SERVICES  
ECONOMIC SERVICES ADMINISTRATION**

**OBJECTIVES:**            This audit will determine whether: (1) ESA’s current structure and internal controls ensure proper placement of eligible residents in the District-funded Alliance medical services program; (2) ESA is in compliance with laws, rules, and regulations; and (3) the District paid for services for ineligible District beneficiaries found in the Alliance program.

**JUSTIFICATION:**        The District continues to spend in excess of \$2.2 billion or about 25% of its proposed budget on healthcare services. Medicaid covers about 33% of its population or about 231,000 residents. This population includes approximately 20,543 individuals who rely on the DC Health Care Alliance, which covers uninsured residents living at or below 200 percent of the federal poverty level. According to the FY 2013 Budget and Financial Plan for FYs 2011 and 2012, Alliance provider payments were \$43 million and \$46.4 million, respectively. The Alliance program is funded by District tax dollars.

This audit is part of the continued effort of the OIG to review the District’s medical assistance programs, identified as high risk. An important aspect is the application process at the initial point of determining eligibility. The audit will assist in ensuring the integrity of beneficiary access to medical assistance programs while striving to prevent and identify waste, fraud, or abuse.

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**NO. 13**                      **Multi-Agency**                      **STATUS: Planned**

**TITLE:**                      **CONTROLLED SUBSTANCES FUNDED  
FROM MEDICAID AND ALLIANCE PROGRAMS**

**OBJECTIVES:**            The objectives of the audit are to: (1) determine whether there are indicators of fraud and abuse related to controlled substances funded by the Medicaid and Alliance programs; (2) determine whether monitoring of dispensary facilities is occurring; and (3) evaluate the effectiveness of the internal controls in place to prevent fraud and abuse related to controlled substances.

**JUSTIFICATION:**        The Medicaid program has been designated a “High Risk” program by the U.S. Government Accountability Office (GAO) due to its size, complexity, and a growing concern about inadequate fiscal oversight

to prevent inappropriate program spending. The District of Columbia's annual Medicaid and Alliance provider payments are approximately \$2.2 billion and Medicaid is the largest programmatic area of the city's government. The federal government requires states to provide a basic set of medical services to people eligible for Medicaid. Providing pharmaceutical services to Medicaid recipients is one of the optional medical services that the District of Columbia has elected to provide. Other states and governmental agencies have identified fraud, waste, and abuse related to controlled substances paid via Medicaid.

The GAO report "found tens of thousands of Medicaid beneficiaries and providers involved in potential fraudulent, wasteful, and abusive purchases of controlled substances through the Medicaid program in selected states during FYs 2006 and 2007."<sup>7</sup> The issues that were examined included the following: beneficiaries acquiring addictive medication from multiple medical practitioners (known as doctor shopping) to feed their habits, sell on the street, or both; medical practitioners and pharmacies barred from receiving federal funds nevertheless writing and filling Medicaid prescriptions; and prescriptions being paid for with Medicaid funds for dead beneficiaries and for prescriptions attributed to dead doctors by pharmacies. Potential similar instances of fraud may be occurring within the District's Medicaid and Alliance programs related to controlled substances.

## B. Grant Management

The District depends on federal grant funds to provide a wide range of services and programs for its citizens. As federal grants constitute a significant portion of District revenue, it is essential that the District properly account for grant funds and obtain timely reimbursement for District funds expended. The Chief Financial Officer of the District has the responsibility to ensure that policies governing the management of grant funds are effectively implemented.

Deficiencies related to federal grants include noncompliance with reporting requirements, poor cash management practices, insufficient monitoring, untimely billings/requests for reimbursement, and inadequate supporting documentation for related expenditures. These deficiencies have cost the District millions of dollars, in addition to lost use of funds and

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<sup>7</sup> GAO, MEDICAID: FRAUD AND ABUSE RELATED TO CONTROLLED SUBSTANCES IDENTIFIED IN SELECTED STATES (GAO-09-957) (Sept. 2009), available at <http://www.gao.gov/assets/300/294715.html> (last visited Aug. 23, 2013).

interest. Poor controls over these areas may result in unused grant funds, termination of fund availability, misuse of grant funds, and potential fines and/or penalties. Grant management has emerged as a persistent problem area as indicated by findings and recommendations of past OIG audits.

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**NO. 14**                      **Department of Health**                      **STATUS: Ongoing**

**TITLE:**                      **LAPSED GRANT FUNDING**

**OBJECTIVES:**            The audit objectives are to: (1) identify the dollar amount of lapsed grant funds administered by DOH; and (2) determine whether policies and procedures exist for optimizing the use of federal grants. We will review federal grant funds awarded to select DOH administrations during the period from October 1, 2004, to September 30, 2012, to accomplish our audit objectives.

**JUSTIFICATION:**        Federal grants are economic aid issued by the federal government to state governments for various projects. Each year, the District receives a large amount of federal grants. The FY 2013 District budget of \$11.4 billion consisted of \$2.60 billion in federal grants.

During FY 2012, DOH received funding for 52 grants in the amount of approximately \$122 million; of that amount, there were close to \$1.7 million that were categorized as lapsed grant funds. Lapsed grant funds are the amount of federal grant funds that are not disbursed or obligated at the end of the grant period.

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**NO. 15**                      **District of Columbia Public Library**                      **STATUS: Planned**

**TITLE:**                      **GRANTS AWARDED BY THE DISTRICT OF COLUMBIA PUBLIC LIBRARY**

**OBJECTIVES:**            The overall objectives of the audit are to determine whether the D.C. Public Library: (1) awarded grants in an efficient, effective, and economical manner; (2) complied with requirements of all applicable laws, rules, regulations, policies, and procedures; and (3) established internal controls to safeguard against waste, fraud, and abuse.

**JUSTIFICATION:**        A January 29, 2011, investigation by the Office of Inspector General at the National Archives and Record Administration (National Archives) revealed that the Historical Society of Washington D.C. (HSW) misused and mismanaged the federal grant fund from the National Archives. The investigation also revealed that HSW received a

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**JUSTIFICATION:** District of Columbia Mayor’s Order 2011-170 authorizes OPGS to serve as the District’s State Single Point of Contact (SPOC) – an intergovernmental grant application review function established by Executive Order 12372. One OPGS core function is to oversee the planning and execution of District agencies’ competitive grant funding requests to federal, foundation, and private sector grantors.

OPGS operationally serves as the District’s central clearinghouse of information and support related to new federal grants by: 1) training grant seekers to use searchable grant databases and other resource development sources; 2) disseminating federal and local Notices of Funding Availability via OPGS’ website; 3) researching federal and foundation funding opportunities for which District agencies, nonprofits, and faith-based organizations are eligible; 4) maintaining a public website with a wide variety of easy-to-use resource development information, in consultation with the District’s Office of the Chief Technology Officer (OCTO); and 5) serving as the District’s SPOC for all federal grant programs covered by Executive Order 12372. Allegations regarding the misuse of District of Columbia grant funds by various individuals have prompted our review.

**C. Tax Collections**

Tax collections generate the bulk of revenue to finance District operations paid from the General Fund. For FY 2014, District local source revenue is forecasted to be \$6.9 billion. Further, the GAO, as well as District officials, have drawn attention to the structural imbalance in the District’s revenue system, which limits the District’s ability to generate additional revenue. Thus, the efficiency of tax collection automated systems and the effectiveness of policies, procedures, and internal controls play a pivotal role in enabling the District to maximize collection of taxes due to the city.

**NO. 19**                                      **Office of the Chief Financial Officer**                                      **STATUS: Planned**

**TITLE:**                                      **TAX COLLECTION EFFORTS AT THE OFFICE OF TAX AND REVENUE**

**OBJECTIVES:**                                      The objectives of the audit are to: (1) evaluate the effectiveness of the Office of Tax and Revenue’s (OTR’s) internal control policies and procedures for collecting delinquent taxes, interests, and penalties; (2) ensure compliance with the D.C. Code regarding enforcement actions taken against delinquent business taxpayers; (3) assess the effectiveness of collection agencies under contract to collect



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**NO. 21**                      **Office of Chief Financial Officer**                      **STATUS: Planned**

**TITLE:**                      **TAX APPEAL PROCESS**

**OBJECTIVES:**            The audit objective are to: (1) determine whether negotiations and settlements of cases involving tax audits and tax collections are conducted in accordance with applicable policies and procedures; (2) evaluate the impact of those operations on tax revenues (3) determine whether OTR implemented internal controls over the tax appeal process prevent and detect fraud, waste, and abuse.

**JUSTIFICATION:**        The mission of OTR is to enhance voluntary compliance and improve taxpayer confidence by providing taxpayers with an opportunity to resolve disputes, without litigation, through a process that is fair and impartial to both the government and the taxpayer. A taxpayer has the option of appealing their tax dispute either with the Office of Administrative Hearings or the D.C. Superior Court.

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**NO. 22**                      **Office of Chief Financial Officer**                      **STATUS: Ongoing**

**TITLE:**                      **FRANCHISE TAX COLLECTION ON OUT-OF-STATE  
CONSTRUCTION CONTRACTORS**

**OBJECTIVES:**            The audit objectives are to determine whether: (1) out-of-state construction contractors timely file their franchise tax returns; and (2) OTR has proper controls in place to detect vendors' noncompliance with franchise tax filing requirements.

**JUSTIFICATION:**        During our Highway Trust Fund (HTF) audit, OTR officials brought to our attention the issue that some out-of-state construction contractors fail to file, or late file, franchise tax returns. We obtained all vendor activities (construction and non-construction) for FY 2011 for 2 randomly selected District agencies and determined that more than 60% of the vendors have addresses outside of the District and more than 60% (\$237 million for one agency and \$22 million for another) of vendor payments went to the vendors who are not from the District.

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**NO. 23**                      **Office of Chief Financial Officer**                      **STATUS: Ongoing**

**TITLE:**                      **COMMERCIAL MORTGAGE RECORDATION**

**OBJECTIVES:**            The objectives of the audit are to: (1) determine whether OTR collected recordation tax on the whole debt at the time of refinance for purchase money loans; (2) confirm the period of time for which this practice was in place; and (3) substantiate how much tax money has been collected on commercial refinances since enactment of the Tax Clarity Act of 2000 (D.C. Law 13-305).

**JUSTIFICATION:**        Councilmembers David A. Catania and Mary M. Cheh requested that the OIG examine the collection of commercial mortgage recordation taxes at OTR as the result of newspaper articles alleging that OTR failed to collect the 1.1% recordation tax on the total amount of refinanced purchase money deeds of trust or mortgages on commercial properties (purchase money loans) in accordance with the Tax Clarity Act of 2000. Instead, OTR collected the recordation tax only on new debt acquired at refinancing.

#### D. Other Revenue Issues

This issue area includes those audits within the Revenue Enhancement theme that do not yet have sufficient common elements to warrant a separate issue area.

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**NO. 24**                      **Department of Consumer and**                      **STATUS: Planned**  
**Regulatory Affairs (DCRA)/**  
**Office of the Chief Financial Officer (OCFO)**

**TITLE:**                      **COLLECTION OF BUILDING PERMIT, CERTIFICATE OF OCCUPANCY, AND BUSINESS LICENSE FEES**

**OBJECTIVES:**            The audit objectives are to: (1) evaluate the adequacy of building permit, certificate of occupancy, and business licensing fee collection by DCRA and OCFO; (2) assess whether DCRA complied with applicable laws, regulations, policies, and procedures over fee collections; and (3) determine whether DCRA implemented internal controls over the collection of fees to prevent and detect fraud, waste, and abuse.

**JUSTIFICATION:**        DCRA protects the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia by



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**JUSTIFICATION:** Inadequate controls over surplus property increase the likelihood that equipment can be converted for personal gain without detection. The review will identify opportunities for savings from fiscally and environmentally sound disposal practices and will ensure that the District disposes of surplus IT equipment in compliance with guidance to protect and secure sensitive information.

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**NO. 26**                      **D. C. Lottery and Charitable Games Control Board**                      **STATUS: Planned**

**TITLE:**                      **D.C. LOTTERY AND CHARITABLE GAMES CONTROL BOARD OPERATIONS**

**OBJECTIVES:**              Our audit objectives are to: (1) evaluate the effectiveness of the D.C. Lottery and Charitable Games Control Board's (Lottery Board's) internal controls over ticket sales, agent licensing activities, collection of sales revenue from agents, monitoring of the online game contractor, and security operations; and (2) determine whether the Lottery Board's operations are in compliance with applicable provisions of law and regulations.

**JUSTIFICATION:**              The Lottery Board is a revenue-generating agency of the District of Columbia. Each year, the D.C. Lottery transfers millions of dollars to the General Fund. This revenue is produced via the sale of online and instant games. Since the Lottery Board's inception in 1982, the total contribution to the General Fund has been over \$1 billion. The Lottery Board's annual transfer to the General Fund remains a vital component in aiding the city's economy, thereby benefiting all residents of the District of Columbia, as well as suburban commuters and tourists.

Previous audits revealed weaknesses and inefficiencies in the design and operation of the internal control structure of Lottery Board operations. Therefore, this audit will address the Lottery Board's operations in view of past internal control problems and the risks associated with lottery sales.

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**NO. 27**                      **Multi-Agency**                      **STATUS: Planned**

**TITLE:**                      **DISTRICT OF COLUMBIA BANK ACCOUNTS**

**OBJECTIVES:**              Our audit objectives are to determine: (1) what procedures OCFO uses to adequately control and properly account for all District

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## II. SPENDING AND EFFICIENT USE OF RESOURCES

District of Columbia procurement laws, rules, regulations, policies, and procedures affect every aspect of District operations. However, the District's history of procurement problems, which includes inadequate planning, excessive use of sole source contracts, and unauthorized personnel committing government resources, is well documented. The expenditure of District resources is negatively impacted by poorly defined contract requirements, noncompliance with procurement rules, and lack of competition. To maintain the confidence and trust of District stakeholders, the procurement process must: (1) incorporate generally accepted key principles that promote transparency, accountability, and competition; (2) incorporate a procurement system that reflects sound management and oversight practices; and (3) provide quality products and services at reasonable prices. In this regard, the OIG implements initiatives to audit procurement and contract administration on a continuous basis consistent with the mandates of the OIG statute.

### A. Procurement

The District of Columbia government is one of the largest purchasers of goods and services in the metropolitan area. Its procurement policies impact every aspect of District operations. Health and safety standards, education, wages, business growth, and fiscal and monetary soundness are all affected by procurement practices. These expenditures, however, have not always provided taxpayers with the most value for their tax dollars. OIG audits, external audits, and oversight hearings have revealed recurrent and pervasive areas of waste, mismanagement, cost overruns, inferior products, shoddy workmanship, and fraud. As a result, we have ongoing audits that address the efficiency of operations at various District agencies.

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<b>NO. 29</b>	<b>Office of the Chief Financial Officer</b>	<b>STATUS: Ongoing</b>
<b>TITLE:</b>	<b>CONTRACTING AND PROCUREMENT OPERATIONS AT THE OFFICE OF THE CHIEF FINANCIAL OFFICER</b>	
<b>OBJECTIVES:</b>	The audit objectives are to determine the efficiency and effectiveness of contracting and procurement operations at OCFO and to assess the effectiveness of internal controls and adherence to Title 27 of the DCMR with respect to the award and administration of OCFO contracts.	

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**JUSTIFICATION:** OCFO has independent procurement authority; however, OCFO adheres to Title 27 of the DCMR in awarding and administering contracts. For FY 2010, OCFO requested approximately \$40.3 million for contracted services and an estimated additional \$10 million for equipment and other services. Given its independent procurement authority, and the size and volume of OCFO contracts, this area warrants audit oversight.

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**NO. 30**                      **Office of Contracting and Procurement/**                      **STATUS: Planned**  
**Department of General Services**

**TITLE:**                      **CITY-WIDE SECURITY CONTRACT AWARD AND**  
**ADMINISTRATION**

**OBJECTIVES:**              Our audit objectives are to determine: (1) whether the contract award was made in compliance with applicable laws, rules, regulations, policies, and procedures; (2) the effectiveness of contract administration, and (3) the adequacy of internal controls to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**            On June 5, 2009, OCP, on behalf of the Department of General Services (DGS), Protective Services Police Division (PSPD) and the Metropolitan Police Department (MPD), issued solicitation DCPO-2009-B-0008 seeking contractors to provide security services to DGS and DCPS.

On August 5, 2009, OCP awarded a \$17.7 million, 1-year payment-based, fixed labor hour rate, requirements-type contract with 4 option years to U.S. Security Associates, Inc. for city-wide security guard services. As Contract Administrator, PSPD is responsible for general administration of the contract; advising the Contracting Officer regarding contractor compliance; day-to-day monitoring and supervision of the contractor's performance; and certifying monthly invoices for payment.

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**NO. 31**                      **Office of Contracting and Procurement**                      **STATUS: Planned**

**TITLE:**                      **THE DISTRICT'S EXCESS AND**  
**SURPLUS PROPERTY PROGRAM**

**OBJECTIVES:**              The audit objectives are to determine whether: (1) excess and surplus property are properly accounted for, controlled, and adequately safeguarded; (2) OCP complied with requirements of applicable laws,

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rules, regulations, policies, and procedures; and (3) OCP established and implemented internal controls to prevent fraud, waste, and abuse.

**JUSTIFICATION:** OCP was established in 1997 pursuant to the Procurement Reform Amendment Act of 1996 (D.C. Law 11-0259). OCP provides centralized procurement for the District government and contracts for supplies, services, and construction for District government agencies and departments. One of OCP's duties is to facilitate the reuse, sale, or disposal of D.C. government-owned excess and surplus personal property. OCP has delegated this task to the Surplus Property Division (SPD).

Under District policies, each District agency is required to designate an Accountable Property Officer (APO), who is responsible for the custody, use, care, and safekeeping of the agency's property, and for maintaining records of the agency's property. When a District government agency determines that an item of personal property is obsolete or excessive to the needs of the agency, the APO is required to dispose of the property; declaring such property as excess, the property is sent to the SPD warehouse. If another agency can make use of the property, SPD will transfer the property to that agency. If no use can be found, it is declared as a surplus asset and sold through online auction at [www.dcgovt.govdeals.com](http://www.dcgovt.govdeals.com).

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**NO. 32**                      **Office of Contracting and Procurement**                      **STATUS: Ongoing**

**TITLE:**                      **PURCHASE CARD PROGRAM**

**OBJECTIVES:**              The audit objectives are to determine whether District government agencies and departments participating in the District Purchase Card (P-Card) Program: (1) complied with applicable criteria; and (2) conducted the P-Card Program in a manner where internal controls were in place to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**              In 1999, the District launched the P-Card Program, which allows District agencies to procure small purchases valued at \$2,500 or less in a fast and efficient manner. Title 27 § 1800.1 allows for non-competitive small purchases. During FY 2012, the total number of P-Card Program transactions was approximately 31,475 with a total dollar amount of \$20.2 million. OCP is responsible for management and oversight of the P-Card Program

Although the P-Card Program promotes efficiency and effectiveness, it presents significant risk to the District because select personnel have





**NO. 35**                      **Office of Contracting and Procurement/  
Office of the Chief Technology Officer**                      **STATUS: Ongoing**

**TITLE:**                      **THE INFORMATION TECHNOLOGY STAFF  
AUGMENTATION (ITSA) CONTRACT**

**OBJECTIVES:**                      This is the second audit in a series of audits of the ITSA contract. The audit objectives are to determine whether the: (1) ITSA solicitation was properly competed, proposals were fairly evaluated, and the contract was properly awarded; (2) contract has yielded the projected publicized cost savings of \$5-10 million and annual resource savings of 12,000 to 18,000 hours; (3) contract has resulted in broader participation by the District’s Certified Business Enterprise (CBE) contractors; (4) contract set-aside target of 95 percent of total contract dollars to be awarded to CBE vendors was met; (5) prime contractor or any of its subsidiaries or affiliated enterprises participated fairly in the “open market” or non-set-aside portion of the contract; (6) prime contractor was awarded more than 5 percent of the total value of the contract, excluding the hourly service fee; and (7) OCTO program managers, contracting officer, and COTRs are effectively performing their responsibilities under the contract.

**JUSTIFICATION:**                      On August 19, 2008, the D.C. government signed a contract valued at \$75 million with Optimal Solutions and Technologies to be the prime contractor for the provision of IT staff augmentation services to the District. The intent of the contract is to replace D.C. Supply Schedule contracts for IT services and, in doing so, realize significant cost savings from supply schedule prices and reduced staff requirements from OCP.

For an hourly service fee, the prime contractor’s responsibilities include receiving all staff augmentation requisitions for IT services from OCTO, soliciting quotes/proposals from the participating vendors, screening proposals for compliance with requirements, and developing CBE vendor participation in the contract.

**NO. 36**                      **District of Columbia Retirement Board**                      **STATUS: Planned**

**TITLE:**                      **CONTRACTING AND PROCUREMENT  
OPERATIONS AT THE DISTRICT OF COLUMBIA  
RETIREMENT BOARD (DCRB)**

**OBJECTIVES:**                      The audit objectives are to determine: (1) the efficiency and effectiveness of contracting and procurement operations at DCRB;



spends in goods and services per year for District agencies and programs.

Effective acquisition management and project planning require a disciplined decision-making process for obtaining goods and services, as well as for managing and achieving performance goals and objectives with minimal risk and reasonable cost. An audit will assist the District in obtaining full performance from CBEs.

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**NO. 38**                      **Department of General Services**                      **STATUS: Planned**

**TITLE:**                      **MANAGEMENT OF DISTRICT REAL  
PROPERTY LEASES**

**OBJECTIVES:**              The audit objectives are to determine whether: (1) DGS has policies, procedures, and controls in place to address the acquisition and management of leases; (2) cost-benefit analyses were performed for long-term leasing (i.e., office buildings) to ascertain whether leasing rather than buying was a better option for certain properties; (3) contractual rental rates are supported by market indicators; (4) operational pass-through costs charged by lessors are adequately supported and valid; and (5) leases are properly monitored by DGS officials.

**JUSTIFICATION:**          DGS is the agency that oversees the District's leasing activities. According to the District Facilities Plan for FYs 2009-2013, the District leased 2.4 million square feet of office space versus 2 million square feet of office space that the District owns. For FY 2013, the proposed rental expenses for land and structure was \$130 million. The proposed budget for DGS for FY 2014 is \$397 million.

In the past, the GAO found some issues regarding the District's leasing practices. Additionally, a prior OIG audit of rental expenditures for fixed costs in FYs 2004 and 2005 recognized that the District had been overcharged for operational costs incurred by lessors.

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**NO. 39**                      **Department of General Services**                      **STATUS: Planned**

**TITLE:**                      **CONSTRUCTION CONTRACTS AT THE DEPARTMENT OF  
GENERAL SERVICES**

**OBJECTIVES:**              The audit objectives are to determine whether construction contracts were: (1) awarded in compliance with requirements of applicable laws, rules, regulations, policies, and procedures; (2) administered in an

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efficient, effective, and economical manner; and (3) conducted in a manner in which internal controls were in place to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:** The DGS provides cost-effective, centralized facility management services. In October of 2011, the agency assumed the functions and responsibilities of DRES, OPEFM, and Municipal Facilities. DGS' approved budget for FY 2013 is \$388 million.

Functions of DGS include: (1) managing the capital improvement and construction program for District government facilities; (2) acquiring real property, by purchase or lease, for use by the District government; (3) managing space in buildings and adjacent areas operated and leased by the District government; and (4) disposing of District real and personal property through sales, leases, or other authorized methods. An audit of construction contracts at DGS would provide assurance that District funds are spent effectively and efficiently in this area.

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**NO. 40**                      **Department of Transportation**                      **STATUS: Planned**

**TITLE:**                      **CONTRACT AWARDS, ADMINISTRATION,  
AND MANAGEMENT FOR THE STREETCAR PROGRAM**

**OBJECTIVES:**              The objectives are to determine whether the Department of Transportation (DDOT): (1) adequately planned and prepared to award contracts for the management and construction of the streetcar program; (2) effectively administered and managed the contracts to control or contain cost growth of the program; and (3) ensured that statements of work for construction and construction management clearly, concisely, and completely define or describe the work.

**JUSTIFICATION:**              On December 31, 2008, DDOT awarded a \$25 million construction contract for the initial line segment of the streetcar program, and on September 28, 2010, the agency awarded a \$10 million contract for streetcar program management.

This audit would focus on determining whether the District was prepared to start awarding contracts for the Streetcar program and examined program inefficiencies as well as roles of the construction managers before and after the award of the program management contract.

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**NO. 41**                      **DC Water**    **STATUS: Planned**

**TITLE:**                      **DC WATER CONTRACTING AND PROCUREMENT PRACTICES**

**OBJECTIVES:**            The audit objectives are to determine whether: (1) contracting and procurement practices are in compliance with applicable regulations; and (2) formal policies and procedures governing procurement activities have been adopted.

**JUSTIFICATION:**        For FY 2013, DC Water will spend approximately 20% of its operating budget to procure a variety of goods and services to support its mission and objectives. DC Water’s approved budget for contractual services for FYs 2012 and 2013 is \$79.0 million and \$82.4 million, respectively, and the total operating budgets are \$406,357 million and \$440,085 million, respectively. The manner by which DC Water procures goods and services could have a direct effect on water and sewage rates, which in turn affects all District residents.

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**NO. 42**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **CAPITAL PROJECTS**

**OBJECTIVES:**            The audit objectives are to determine whether: (1) capital projects are administered and managed properly; (2) capital funds are spent effectively and efficiently; and (3) internal controls exist to ensure the funds are safeguarded against fraud, waste, and abuse.

**JUSTIFICATION:**        The District of Columbia is brimming with new construction, including 14 major projects currently under construction. There are currently \$2.14 billion worth of District-affiliated projects under construction, creating over 3,350 temporary construction jobs and almost 6,000 permanent jobs. When these projects are complete, they will grow the District’s economy, create jobs, and bring in tens of millions of dollars in additional revenue to the District through sales taxes, property taxes as well as income taxes from new residents whom the city will attract.

The DGS Capital Construction Services Division implements and manages public building needs through the Capital Improvements Plan for most District government agencies. DGS, in conjunction with DCPS, is responsible for planning and implementing various initiatives ranging from school modernization, systemic/phased

modernizations, small capital improvements, and ongoing stabilization efforts.

The Department of Parks and Recreation (DPR), Office of Planning and Capital Projects oversees and manages all planning, design, and capital improvement efforts throughout DPR. The DDOT manages hundreds of projects across the city. Much of this work, spread across all eight wards, is federally funded and ensures the District's transportation network is properly maintained and improved on an ongoing basis. An audit of capital projects will reduce the risk of funds being improperly spent.

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**NO. 43**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **EXPERT AND CONSULTING SERVICES**

**OBJECTIVES:**              The audit objectives are to determine whether: (1) District agencies attempt to obtain open competition among available suppliers when awarding expert and consulting contracts, and that the District obtains fair and reasonable prices for contracted consultant services; (2) District agencies benefit from these consultant contracts through acceptance of useful deliverables; and (3) internal controls over consulting services contracts are adequate and effective.

**JUSTIFICATION:**              The District government contracts for expert and consulting services to provide specialized services. However, recent audits have shown that little, if any, effective competition was obtained in awarding these high-dollar value contracts; unusually high labor rates were paid for the services; and it did not appear that the District obtained "best value" when it awarded these contracts. A broader review of the process for obtaining competitive awards for expert and consulting contracts could improve procurement policies and procedures and tighten internal controls over the process for awarding such contracts.

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**NO. 44**                      **Office of Contracting and Procurement**                      **STATUS: Ongoing**

**TITLE:**                      **DISTRICT OF COLUMBIA SUPPLY SCHEDULE  
DISCOUNT REVENUE**

**OBJECTIVES:**            The audit objectives are to determine whether OCP: (1) collected revenue in accordance with Procurement Practices Reform Act of 2010 (PPRA) § 411; (2) submitted the revenue to the District of Columbia Supply Schedule, Purchase Card and Training Fund; and (3) established adequate internal controls to safeguard funds against fraud, waste, and abuse.

**JUSTIFICATION:**        Based on past audits, OCP did not adequately maintain reports on revenue generated by vendors participating in the District of Columbia Supply Schedule (DCSS). Also, OCP did not provide evidence of reconciliations performed for these reports to ensure completeness of revenue generated from the DCSS program. The District may have lost interest in monies not timely deposited.

**B. Social Service Spending**

Because social service programs are designed to meet some of District residents’ most basic and vital needs, we plan to review the extent to which expenditures were made to maximize program efficiency and effectiveness for citizens.

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**NO. 45**                      **District Department of the**                      **STATUS: Planned**  
**Environment**

**TITLE:**                      **ENERGY ASSISTANCE PROGRAM**

**OBJECTIVES:**            Our audit objectives will determine whether the District Department of the Environment (DDOE): (1) managed and used resources of the Energy Assistance and Weatherization Program (EAWP) in an effective and economical manner; (2) complied with requirements of applicable laws, rules, regulations, policies, and procedures; (3) established internal controls to prevent fraud, waste, and abuse, and to safeguard the assets of the EAWP program; and (4) ensured that all EAWP beneficiaries meet residency, income, and other eligibility criteria.

**JUSTIFICATION:**        The EAWP was established to assist low income District residents pay their heating and cooling bills. During FY 2012, DDOE distributed a

total of \$39 million in energy assistance to more than 21,000 households. DOE obtains the program's funds from the United States Department of Health and Human Services, the District of Columbia government, and the Sustainable Energy Trust Fund. An audit of the Sustainable Energy Trust Fund program would ensure monies are used for intended purposes.

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**NO. 46**                      **Department of Health**                      **STATUS: Ongoing**

**TITLE:**                      **ADDICTION PREVENTION AND RECOVERY  
ADMINISTRATION**

**OBJECTIVES:**              The audit objectives are to determine whether the Addiction Prevention and Recovery Administration (APRA): (1) properly awarded sub-grants; (2) adequately monitored grants to ensure federal funds were used for intended purposes; and (3) complied with grant agreements and other rules and regulations.

**JUSTIFICATION:**          The DOH's APRA provides regulatory standards for the delivery of prevention and treatment services to District residents who are addicted or at risk of becoming addicted to alcohol, tobacco, and other drugs. APRA is "responsible for the development and promulgation of rules, regulations and certification standards for prevention and treatment services related to the abuse of alcohol, tobacco and other drugs" in the District in accordance with 29 DCMR § 2300.1.

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**NO. 47**                      **Department of Housing and Community  
Development (DHCD)**                      **STATUS: Planned**

**TITLE:**                      **AFFORDABLE DWELLING UNITS (ADUs)**

**OBJECTIVES:**              The audit objectives are to determine: (1) the qualifications of prospective tenants of ADU rentals in the District of Columbia; (2) whether ADU rentals were properly awarded in accordance with requirements of applicable laws and regulations; and (3) whether internal controls are in place to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**          According to the ADU Policy Statement located on DCHD website, an ADU is "an umbrella term applied to the for-sale and for-rent homes that are locally restricted for occupancy by households whose income falls within a certain range and are generally offered at a below-market

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rate.”<sup>10</sup> DHCD currently monitors and enforces the requirements to provide or maintain ADUs in the District of Columbia by determining resale prices, certifying incomes of prospective buyers and renters, and taking other appropriate actions, as granted by the Mayor in June of 2009.

According to ADU policies and procedures, prospective tenants of ADUs must have their income certified in order to verify that they are within the designated income limits for the property’s ADU program. The entity responsible for certifying household income varies from project to project, and can be the developer, management company, DHCD, or an assignee of DHCD. Income certification includes providing relevant supporting documentation, as required by the income certification method. Though income verification policies can vary, it is not uncommon for tenants of rental ADUs to document their income for re-certification annually.

### C. Other Spending Programs

This Issue Area includes audits within the Spending and Efficient Use of Resources Theme that do not yet have sufficient common elements to warrant a separate issue area.

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**NO. 48**                      **University of the District of Columbia**                      **STATUS: Planned**

**TITLE:**                      **MANAGEMENT OPERATIONS AT THE UNIVERSITY OF THE DISTRICT OF COLUMBIA**

**OBJECTIVES:**              The audit objectives are to determine whether the University of the District of Columbia (UDC): (1) managed and used resources in an efficient, effective, and economical manner; (2) complied with requirements of applicable laws, regulations, policies, and procedures; (3) managed expenditures for executive and senior staff; and (4) implemented internal controls to prevent or detect material errors and irregularities.

**JUSTIFICATION:**              UDC is an urban, land-grant institution of higher education with an open admissions policy. It is a comprehensive public institution offering affordable post-secondary education to students at the certificate, associate, baccalaureate, and graduate levels. The goals of

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<sup>10</sup> <http://dhcd.dc.gov/service/affordable-dwelling-units> (last visited Aug. 21, 2013).

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these programs are to prepare students for immediate entry into the workforce, the next level of education, and specialized employment opportunities, and to promote life-long learning.

UDC's budget for FY 2014 is \$153.8 million, including a level of 984 FTE positions. The FY 2013 approved budget for UDC was \$169.2 million. UDC and its community college offer over 85 undergraduate and graduate academic degree programs. Currently, there are about 5,000 students enrolled in credit courses at the community college, flagship, and graduate school. Additionally, UDC's public service arm, the Division of Community Outreach and Extension Services (COES), offers a variety of practical, nonacademic educational programs and training to the citizens of the District of Columbia.

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**NO. 49**                      **Alcoholic Beverage Regulation Administration**                      **STATUS: Planned**

**TITLE:**                      **ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION**

**OBJECTIVES:**              Our audit objectives are to evaluate the effectiveness of Alcoholic Beverage Regulation Administration (ABRA) internal control over: (1) license and permit issuances; (2) suspensions and revocations administration; and (3) revenue collection. We will also assess whether ABRA is operating in compliance with applicable laws, rules, and regulations.

**JUSTIFICATION:**              ABRA is the regulatory agency responsible for issuing and renewing business licenses to establishments that sell and serve alcoholic beverages. ABRA also ensures that licensees are in compliance with Alcoholic Beverage Control (ABC) Board laws, rules, and regulations. ABRA proposes new laws regulating to the manufacture, distribution, and sale of alcoholic beverages in the District of Columbia.

The ABRA is an independent District of Columbia regulatory agency and operates under the authority of a seven-member ABC Board that sets policy parameters for the agency.

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**NO. 50**                      **Department of Corrections (DOC)**                      **STATUS: Planned**

**TITLE:**                      **DEPARTMENT OF CORRECTIONS**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) established procedures for handling inmates are followed and efforts made are consistent with DOC's mission of protecting the public by providing a safe, secure, orderly, and humane corrections system; and (2) contracts are monitored to ensure that contract terms are met, deliverables are received, and supporting documentation has been maintained.

**JUSTIFICATION:**          The DOC's operating budget for FY 2013 was \$139 million and, according to the Mayor's Proposed Budget for FY 2014, the DOC's budget will be \$142 million.

The DOC operates the Central Detention Facility (CDF) and houses inmates in the Correctional Treatment Facility (CTF) through a contract with the Corrections Corporation of America; both facilities are accredited by the American Correctional Association (ACA). The department has contracts with four private and independently operated halfway houses: Efforts for Ex-Convicts; Extended House, Inc.; Fairview; and Hope Village. These facilities are often used as alternatives to incarceration. Like other municipal jails, 75 to 85 percent of inmates in DOC's custody have one or more outstanding legal matters that require detention, and median lengths of stay for released inmates are 31 days or less. Ninety percent of DOC's inmates are male. DOC also houses female inmates and a small number of juveniles charged as adults at the CTF. Each facility offers inmates a number of programs and services that support successful community re-entry.

This audit will offer opportunities to: (1) improve public safety; (2) generate additional revenues; (3) reduce operating costs; and (4) ensure effective compliance with applicable laws and regulations.

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**NO. 51**                      **Metropolitan Police Department**                      **STATUS: Planned**

**TITLE:**                      **MAINTENANCE OF VEHICLES AT THE  
METROPOLITAN POLICE DEPARTMENT**

**OBJECTIVES:**              Our audit objectives are to determine whether MPD: (1) maintains District vehicles in a cost-effective manner; and (2) implemented adequate internal controls to guard against fraud, waste, and abuse.

**JUSTIFICATION:** The Chief of Police of MPD, via memorandum dated June 30, 2011, identified areas of concerns that the OIG should consider for audit. Specifically, MPD indicated that the OIG should conduct an “audit of vehicle maintenance records, to ensure that warranty items are not charged.”

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### III. DELIVERY OF CITIZEN SERVICES

We will continue to provide audit and inspection coverage of agencies responsible for delivery of essential citizen services. In FY 2014, we plan to provide audit and inspection coverage for many of the large District service organizations. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services to District residents.

#### Core Services

District leaders frequently have expressed concern about whether taxpayer dollars are used optimally to serve citizens' best interests in a number of areas. We share these concerns and have completed audits on housing issues, child support services (accounting for foster children), community development (DHCD), and mental health (St. Elizabeths Hospital). For FY 2014, we have planned audits of several service-based organizations, including DCRA; OCTO; DOH; the Department of Employment Services; DDOT; and the D.C. Taxicab Commission (DCTC).

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**NO. 52**                      **Homeland Security and Emergency Management Agency (HSEMA)**                      **STATUS: Planned**

**TITLE:**                      **HSEMA'S EMERGENCY PLANS AND STRATEGIES**

**OBJECTIVES:**              The audit will evaluate the effectiveness of HSEMA's operations in providing 24-hour emergency assistance to the public in order to save lives and protect property in the District of Columbia by: (1) mobilizing and deploying emergency services personnel and resources; (2) updating emergency operation plans and strategies; (3) training emergency personnel; (4) informing the public of impending emergencies and disasters; and (5) testing its own recovery plans.

**JUSTIFICATION:**              This audit will determine whether the agency is effectively accomplishing its mission by managing the District's emergency operations to prevent, respond to, and recover from both natural and human-made disasters. We will test procedures in place to document and test disaster recovery plans to ensure that: (1) District-wide emergency efforts would not be hindered if the agency is rendered inoperable by disaster; and (2) risk exposures to the confidentiality, integrity, and availability of the District's mission-critical and sensitive information are significantly minimized.

**NO. 53**                      **Department of the Environment (DDOE)**                      **STATUS: Planned**

**TITLE:**                      **ANACOSTIA RIVER PROTECTION FUNDS**

**OBJECTIVES:**              The audit objectives are to: (1) determine whether DDOE is in compliance with newly implemented laws, rules, and regulations; (2) compare performance standards and practices to other similar jurisdictions; (3) assess whether correct fees were collected, deposited, and recorded; and (4) determine whether DDOE implemented and applied internal controls to prevent waste, fraud, and abuse.

**JUSTIFICATION:**        The DDOE’s mission is to improve the quality of life for the residents and natural inhabitants of the nation’s capital by protecting and restoring the environment, conserving natural resources, mitigating pollution, and providing public education on ways to secure a sustainable future. The DDOE is the leading authority on environmental issues affecting the District of Columbia, and works with other government agencies, residents, businesses, and institutions to promote environmentally responsible behavior that will lead to a more sustainable urban environment.

The Natural Resources Administration (NRA) is responsible for conserving, protecting, and improving the water resources in the District. The Water Quality Division’s (WQD’s) core function is to restore and protect the surface and ground waters of the District through setting and enforcing water quality standards, monitoring and assessing the quality of the waters and aquatic resources; and developing and implementing policies to protect and restore water and aquatic resources.

DDOE implemented the Anacostia River Clean Up and Protection Act of 2009 (bag law) as a response to a trash study that took place in the Anacostia River. The study found that disposable plastic bags were one of the largest sources of litter in the Anacostia River. The D.C. bag law aims at reducing pollution and raising money to clean and protect the District waterways. The new law requires all District businesses selling food or alcohol charge \$0.05 for each disposable carryout bag. The business keeps 1 cent (or 2 cents if it offers a rebate when customers bring their own bag), and the remaining 3 or 4 cents goes to the new Anacostia River Protection Fund. On January 1, 2010, the District began implementing the new bag law.

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**NO. 54**                      **Department of Health**                      **STATUS: Planned**

**TITLE:**                      **DEPARTMENT OF HEALTH'S EMERGENCY  
PREPAREDNESS AND RESPONSE ADMINISTRATION  
(HEPRA)**

**OBJECTIVES:**              The audit objectives are to determine whether HEPRA: (1) properly awarded sub-grants and contracts; (2) adequately monitored grants to ensure federal funds were used for intended purposes; and (3) complied with grant agreements and other rules and regulations.

**JUSTIFICATION:**          The HEPRA provides regulatory oversight of emergency medical services; ensures that DOH and its partners are prepared to respond to citywide medical and public health emergencies, such as those resulting from terrorist attacks, large accidents, or natural events (e.g., weather-related emergencies); conducts disease surveillance and outbreak investigations; and provides analytical and diagnostic laboratory services for programs within DOH and various free and nonprofit clinics within the District.

Services offered by HEPRA help protect approximately 632,000 residents that are living in the District of Columbia and an estimated 15 million tourists that visit the District of Columbia annually. The HEPRA's approved budget for FY 2013 was \$6.6 million, and the proposed budget for 2014 is \$6 million. During FY 2012, HEPRA was awarded \$9.2 million in federal grants from DHS.

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**NO. 55**                      **D.C. Taxicab Commission**                      **STATUS: Planned**

**TITLE:**                      **D.C. TAXICAB COMMISSION**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) internal controls at the DCTC were adequate to ensure that licenses were issued in accordance with applicable District laws, rules, and regulations governing the operation of taxicabs; (2) correct fees were collected, deposited, and recorded; and (3) background checks for drivers and operations personnel were performed.

**JUSTIFICATION:**          DCTC's mission is to ensure that the public receives safe and reliable transportation by taxicab and other means of transportation, to include limousines, sightseeing vehicles, and private ambulances.

DCTC provides a wide assortment of information about taxicab and limousine services in the District of Columbia and surrounding areas.

DCTC fulfills its mission through regulation, oversight, and enforcement of the public vehicle-for-hire industry. DCTC conducts its operations through two advisory panels – a nine-member commission and the Office of Taxicabs. The proposed FY 2014 budget for DCTC was \$4.2 million. DCTC is budgeted at 22 full-time employees.

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**NO. 56**                      **DC Water**    **STATUS: Planned**

**TITLE:**                      **DC WATER RESIDENTIAL METERS**

**OBJECTIVES:**              The audit objectives are to determine whether: (1) District water consumption is metered, monitored, and billed in accordance with approved rates/tariffs; (2) water meters accurately record consumption; (3) non-revenue water or unaccounted for water is reasonable; (4) procedures and controls over customer service, leak detection programs, fees, collection, and complaint resolution are operating effectively and efficiently; and (5) internal control processes are in place to detect and prevent fraud, waste, and abuse.

**JUSTIFICATION:**              DC Water provides retail water and wastewater (sewer) service to approximately 632,000 residents, 16.6 million annual visitors, and 700,000 employees in the District of Columbia. DC Water's service area is approximately 725 square miles. For FY 2012, DC Water proposed a 10 percent water and sewer rate increase for District residential customers. Its proposed budget for FY 2014 is \$478 million, which represents a 4.6 percent (\$21 million) increase over its FY 2013 approved budget.

The effectiveness and efficiency of DC Water’s customer service and revenue processes, including metering, billing, and maintaining an active leak detection program to reduce non-revenue water loss, have a direct impact on water and sewage rates charged to District residents.

**NO. 57**                      **Department of Public Works**                      **STATUS: Planned**

**TITLE:**                      **FLEET MANAGEMENT ADMINISTRATION**

**OBJECTIVES:**              The audit objectives are to determine whether the Department of Public Works (DPW): (1) complied with Fleet Management Administration (FMA) policies and procedures in carrying out its responsibilities; and (2) implemented adequate internal controls to guard against fraud, waste, and abuse.

Specifically, we will determine whether FMA maintenance and repair billing rates are accurate, fair, reasonable, and sufficient to cover costs. Additionally, we will determine whether adequate controls exist over fuel inventory in all fuel sites managed by DPW.

**JUSTIFICATION:**          FMA supports all city services by procuring and maintaining more than 3,000 vehicles, excluding those used by MPD, FEMS, DOC, and DCPS. This division fuels all 6,000 District government vehicles, including school buses, fire and trash trucks, and street sweepers. The FY 2014 proposed budget for FMA was \$18.9 million.

## IV. SUPPORT SERVICES

### A. Information Systems

An information technology (IT) audit is an examination of the controls within an entity's IT infrastructure. The IT audit focuses on determining risks that are relevant to IT assets or IT areas, and assessing controls in order to reduce or mitigate these risks. The OIG classifies its IT reviews as follows:

- (1) IT Enterprise Management and Governance Review - Includes a review of the leadership and staff, strategy, plans, policies, procedures, and standards employed to manage the IT environment.
- (2) Data Facility/General Control Review - A review of the controls over the processing environment of an IT facility. Generally, the review includes the following: (a) management; (b) operational policies, procedures, and standards; (c) environmental controls; (d) physical/logical security administration; (e) change management; (f) contingency planning; and (g) systems development life cycle (SDLC) management.
- (3) Application Control Review - A review of relevant operational controls and inherent application controls that support the functions surrounding the collection, input, processing, and output of data supporting a business process.
- (4) Systems Development Life Cycle Review - A review conducted to determine whether management has followed a rational and structured project management process, with effective control mechanisms for system development projects.
- (5) Support Infrastructure Review – Includes a review of IT support and related infrastructures such as: (a) network administration; (b) system documentation; (c) backup and disaster recovery; (d) email systems; (e) telecommunication systems; and (f) related equipment or services.
- (6) Service Level Agreements and Contracts - Reviews undertaken to determine whether the level of service from internal and external service providers is defined and effectively managed.

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**NO. 58**                      **Child and Family Services Agency**                      **STATUS: Planned**

**TITLE:**                      **SYSTEMS REVIEW OF THE CHILD WELFARE SYSTEM**

**OBJECTIVES:**              Our audit objectives are to assess the application controls within the D.C. child welfare computerized management system, known as FACES, to determine whether these controls provide for: (1) accuracy; (2) authorization; (3) maintenance; (4) completeness; and (5) storage of data.

**JUSTIFICATION:**          The communication of and access to information among all pertinent parties involved with the child welfare system affect not only the children in the system, but also the families of these children and the service workers who must provide efficient and necessary services. The lack of reliable and accurate information used by child welfare workers puts the safety and security of District foster care children at risk.

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**NO. 59**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **DISTRICT DATA FACILITY REVIEWS**

**OBJECTIVES:**              The audit objective is to determine the adequacy of general controls at selected data centers. We will review the management structures and general controls, such as: (1) administrative organization and structure; (2) operational policies, procedures, and standards; (3) human capital management; (4) environmental controls; (5) physical/logical security administration; (6) problem management; (7) configuration management; (8) cost management; (9) disaster recovery planning; (10) SDLC management; and (11) business resumption planning.

**JUSTIFICATION:**          Data centers are the hub of many of the District's IT services and house many of the District's critical business and program applications. This review will provide the District with assurances that critical business applications, data, and services are adequately administered and protected.

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**NO. 60**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **SYSTEMS DEVELOPMENT LIFE CYCLE REVIEWS**

**OBJECTIVES:**              The audit objectives are to determine whether the District is utilizing a structured SDLC management process to develop and implement IT

services. The District needs to employ a SDLC methodology to ensure that a structured process is utilized and controls are in place and observed to increase the likelihood that the project will be delivered on time and within budget. We will select IT projects based on our review of the District's planned or existing development and implementation projects, and utilize a risk-based selection methodology.

**JUSTIFICATION:** OCTO is responsible for providing District agencies with IT expertise. However, OCTO's oversight and control have not always yielded optimal IT solutions. To further complicate the District's IT environment, some agencies have autonomy to acquire and implement IT solutions as well as operate their own IT departments without OCTO's oversight and control. Lapses and gaps in OCTO's authority, coupled with agency autonomy, increase the opportunity and risk that IT implementation activities will not be managed properly and oversight will not be conducted.

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**NO. 61**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **DISTRICT AGENCIES' EFFORTS TO PROTECT SENSITIVE INFORMATION**

**OBJECTIVES:**              This audit will determine whether the District government and selected District agencies have developed and implemented adequate controls to ensure personally identifiable information, protected health information, and other sensitive data are safeguarded in accordance with applicable privacy regulations and sound internal control procedures.

**JUSTIFICATION:**              Identity theft is one of the fastest growing crimes in the United States. District agencies maintain personally identifiable information for District residents and employees, and they are required to safeguard such sensitive information. This audit will help agencies to proactively assess sensitive information in order to: (1) determine whether it is necessary to obtain it; (2) conduct an inventory of where sensitive data are stored; (3) adopt or refine organizational policies that are actionable and enforceable; and (4) effectively train responsible employees in handling sensitive data. These outcomes minimize both legal and reputational risks associated with breaches of privacy rights.

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**NO. 62**                      **Department of Motor Vehicles (DMV)**                      **STATUS: Planned**

**TITLE:**                      **APPLICATION CONTROL REVIEW OF  
THE DMV ONLINE SERVICES SYSTEM**

**OBJECTIVES:**              This audit will determine whether adequate operational and application controls exist over the DMV online system and whether the system is performing as intended.

**JUSTIFICATION:**          DMV's online services allow motorists to perform several driver and vehicle transactions via the Internet. Using these online services, District residents can avoid a trip to DMV offices and more efficiently and conveniently conduct their DMV business. DMV provides for online services involving District driver's licenses; learner's permits; driving records; non-driver identification cards; senior driver and driver medical requirement information; and automobile dealer and agency information.

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**NO. 63**                      **DC Water**    **STATUS: Planned**

**TITLE:**                      **CONTROLS REVIEW OF DC WATER'S  
ELECTRONIC COMMERCE SYSTEM**

**OBJECTIVES:**              This audit will: (1) assess the architecture of the electronic commerce (e-commerce) system, its alignment with the enterprise's security policies, and with industry practices; (2) evaluate the IT function's preparedness in the event of an intrusion or failure of the e-commerce environments; and (3) identify security issues that may impact confidentiality, integrity, and availability of e-commerce financial transactions.

**JUSTIFICATION:**          DC Water is a multi-jurisdictional regional utility that provides drinking water and wastewater treatment to more than 500,000 residential, commercial, and governmental customers in the District of Columbia. Additionally, DC Water collects and treats wastewater for 1.6 million customers in MD and VA.

E-commerce refers to any type of business or commercial transaction that involves the transfer of information across the Internet. The failure to provide adequate e-commerce security could result in disclosure of privileged or sensitive information, inability to enforce a transaction on a participating party who later disputes its occurrence, and loss of customer confidence.



controls may take many forms of physical and logical mechanisms, with a common goal of alleviating unauthorized access. Access badges, passwords, personal identification numbers (PINs), and encryption techniques are basic mechanisms for limiting access to high-risk areas, sensitive information, and personal data.

The OCTO Information Security Program states, “All employees and contractors of the District of Columbia government are responsible for protecting information assets. Agency directors must ensure the appropriate personnel within their organizations classify the sensitivity of the information within their purview; identify, define, and grant access to information assets; and adequately protect the information within their assigned area of management control. Agency directors are also responsible for protecting access to information by non-employees with whom they are conducting business. Agency directors are expected to implement this policy in a manner consistent with sound business practice and any standards and procedures set forth.”<sup>11</sup>

## B. Human Capital

Employees are the District’s most important assets. This issue area encompasses personnel matters, benefits, hiring practices, and personnel and payroll systems.

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**NO. 66**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **CONTROLS OVER OVERTIME**

**OBJECTIVES:**              The overall audit objectives will be to determine whether overtime payments were legitimate and adequately supported at selected District agencies. We will also determine whether District agencies: (1) are properly distributing overtime hours among employees; (2) are authorizing overtime in accordance with applicable laws, policies, and procedures; (3) are establishing and maintaining written guidelines for approving overtime; (4) are ensuring documentation is maintained to justify and support approved overtime compensation; and (5) have

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<sup>11</sup> Policy No. OCTO0003 (Aug. 1, 2001) at 3, *available at* [http://octo.dc.gov/DC/OCTO/Agency+Support/Policies/Policies,+Guidelines+and+Procedures/Information+Security+Program\\_Policies/Policies,+Guidelines+and+Procedures/Information+Security+Program](http://octo.dc.gov/DC/OCTO/Agency+Support/Policies/Policies,+Guidelines+and+Procedures/Information+Security+Program_Policies/Policies,+Guidelines+and+Procedures/Information+Security+Program) (last visited Aug. 1, 2013).

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implemented sufficient internal controls to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:** The Government Services Cluster (GSC) of the OCFO consists of DPW, DDOT, DMV, and DDOE. Officials from DPW requested the OIG conduct an audit of overtime usage within the Fleet Management Administration (FMA) and Solid Waste Management Administration (SWMA) as a result of an internal audit report conducted by the OCFO. DPW officials have stated that they are committed to improving the method by which DPW administers and monitors overtime, and would welcome process improvements that could be provided from an additional review conducted by the OIG.

DPW and DDOT consistently run over budget in the overtime category. In FY 2012, DPW budgeted \$3.6 million for overtime with actual expenditures of \$5.1 million, which resulted in a \$1.5 million overrun. In FY 2012, DDOT budgeted \$498,000 for overtime with actual expenditures of \$620,000, which resulted in a \$122,000 overrun. A review of FY 2013 overtime amounts (as of July 31, 2013) reveals that DPW and DDOT are exceeding their budgeted overtime amounts by \$2.2 million and \$470,000, respectively.

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**NO. 67**                      **Multi-Agency**    **STATUS: Planned**

**TITLE:**                      **SECURITY OVER ELECTRONIC DEVICES**

**OBJECTIVES:**              The objectives of this audit are to determine whether agencies: (1) identify internal control and regulatory deficiencies that could affect the agencies; (2) protect the confidentiality and integrity of data accessed and updated on mobile and user-owned devices; and (3) provide management with an assessment of mobile computing security policies and procedures and their operating effectiveness.

**JUSTIFICATION:**              The increasing acceptance and use of mobile devices in the workplace may heighten the risk of threats and security breaches. According to an Information Systems Audit and Control Association white paper entitled “Securing Mobile Devices,”<sup>12</sup> mobile devices have numerous vulnerabilities that are susceptible to malicious attacks as well as non-malicious internal threats. Some of the risks involved with the use of

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<sup>12</sup> ISACA, SECURING MOBILE DEVICES (Aug. 2010) 5-6, *available at* <http://www.isaca.org/Knowledge-Center/Research/Documents/SecureMobileDevices-Wht-Paper-20July2010-Research.pdf> (last visited Aug. 23, 2013).



controls and rules governing employee activities and demonstrate the need to heighten ethics awareness and training.

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**NO. 69**                      **Department of Employment Services**                      **STATUS: Planned**  
**(DOES)**

**TITLE:**                      **WORKFORCE INVESTMENT PROGRAMS**

**OBJECTIVES:**                      The audit objectives are to determine whether: (1) DOES, in relation to the Workforce Investment Program, used federal, private, and District funds for their intended purposes; (2) DOES implemented internal controls to ensure proper accountability and control of funds; and (3) District residents benefited from the Workforce Investment Program in accordance with agency goals and program objectives.

**JUSTIFICATION:**                      The DOES proposed budget for FY 2014 is \$144 million, which consists of local, special purpose, federal, private, and District funds. The audit will seek to determine whether District residents are benefiting from the Workforce Investment Program.

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**NO. 70**                      **Department of Employment Services**                      **STATUS: Planned**

**TITLE:**                      **ENFORCEMENT OF THE FIRST SOURCE EMPLOYMENT AGREEMENT ACT**

**OBJECTIVES:**                      The overall audit objective is to determine whether DOES is adequately enforcing the First Source Employment Agreement Act.

**JUSTIFICATION:**                      The First Source Employment Agreement Act of 1984 (D.C. Law 5-93) gives priority to qualified D.C. residents for employment in jobs created by municipal financing. Due to failure in its implementation, the Council passed D.C. Law No. 19-84, the Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011. The law strengthens requirements and adds penalties for those who fail to meet them. However, implementation may prove to be a challenge.

According to a March 2012 article in *The Washington Post*, “New Hiring Rules Spark Outrage Among District Contractors,” the contracting industry and labor leaders continue to debate the new rules

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toward the contribution. An audit would ensure that Plan funds are properly managed.

## V. AUDITS REQUIRED BY LAW

Various laws require the OIG to perform specific annual audits, some of which must be performed only by contracts with certified public accounting (CPA) firms. Largest among the required audits is the Comprehensive Annual Financial Report (CAFR). The OIG contracts for and oversees performance of the CAFR, which is conducted by a private CPA firm licensed in the District. In addition, the District's annual appropriation legislation often includes language that requires the OIG to conduct other annual audits.

### A. Financial Integrity

The fiscal health of the city is directly linked to the integrity of its financial books and records. This issue area has come under greater scrutiny because of recent reporting lapses of various business institutions. In addition to providing oversight of the CAFR, we plan to conduct audits involving several funds, which are required by District and federal laws.

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**NO. 72**                      **Multi-Agency**    **STATUS: Ongoing**

**TITLE:**                      **COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FY 2013**

**OBJECTIVES:**                      The objective of this engagement is to secure services of an independent CPA firm to perform the annual audit of the District government's financial statements. Once a contractor is selected, the OIG provides oversight for the progress of the audit and addresses any issues that may arise or that may prevent the audit from timely completion. The OIG chairs the audit oversight committee, conducting regular meetings with committee members and interacting with OCFO and the CPA firm throughout the audit engagement.

In fulfilling its oversight role, the OIG is responsible for: (1) monitoring the reliability and integrity of OCFO's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance; (2) monitoring the independence and performance of the CPA firm; and (3) providing an open avenue of communication among the auditors, the Executive Office of the Mayor, the D.C. Council, OCFO, and other District management officials.

**JUSTIFICATION:**                      The CAFR must be submitted to the Mayor and the Council of the District of Columbia on or before February 1<sup>st</sup> of each year following the end of the fiscal year audited. Immediate and continued access to records and personnel by the audit firm is required to provide audit and





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## VI. DISTRICT OF COLUMBIA EDUCATION PROGRAMS

The cost of operating the District of Columbia public education system for FY 2014 will exceed \$2.1 billion. Included in this budget authority is about \$819 million for DCPS, \$80 million for non-public tuition programs managed by the Office of the State Superintendent of Education (OSSE) (in addition to its budget of \$433 million), and \$88 million for special education student transportation. Other programs of the education system are: Teachers' Retirement System; District of Columbia Charter Schools; University of the District of Columbia Subsidy Account; District of Columbia Public Library; District of Columbia Charter School Board; D.C. State Board of Education; and the Deputy Mayor for Education. These other programs' combined budget totals approximately \$1.2 billion. In evaluating a variety of school issues, our intention is not to merely arrive at technical solutions to complex problems, but to provide responsible officials and educators the tools to make sufficiently sound decisions and positive improvements.

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**NO. 76**                      **District of Columbia Public Schools**                      **STATUS: Planned**

**TITLE:**                      **DISTRICT OF COLUMBIA PUBLIC SCHOOL HIRING PRACTICES**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) DCPS has policies and procedures in place to address agency hiring practices; (2) controls are in place to ensure that applicants hired are qualified for their positions; and (3) DCPS complied with applicable laws, regulations, policies, and procedures when hiring personnel, as it relates to background checks, drug, and alcohol testing.

**JUSTIFICATION:**          DCPS has independent hiring authority and follows its own set of policies and guidelines for acquiring personnel. The agency should ensure that it hires personnel based on qualifications, in accordance with its hiring requirements. DCPS proposed operating budget for FY 2014 is \$819 million. The agency employs approximately 8,000 personnel and serves over 45,000 students.

D.C. Code § 1-620.32 requires DCPS employees who work in safety-sensitive positions to undergo mandatory drug and alcohol testing.

This audit will determine whether DCPS has adequate controls in place to ensure that qualified and properly vetted applicants are selected for positions, within DCPS and whether DCPS complied with applicable laws during the hiring process.



Secondary Education; Post-Secondary Education and Workforce Readiness; Early Childhood Education; and Special Education. Also, OSSE is responsible for managing and distributing federal funds to education providers, as well as providing oversight responsibility for federal education programs and grants administered in the District. OSSE's total federal resources received in FY 2013 were \$286 million.

OSSE also administers programs for the District of Columbia, Special Education Division of Transportation (FY 2013 budget \$91 million); Public Charter Schools (FY 2013 budget \$542 million); and Non-Public Tuition (FY 2013 \$109 million).

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**NO. 79**                      **District of Columbia Public Schools**                      **STATUS: Planned**

**TITLE:**                      **GRANT REVENUE**

**OBJECTIVES:**            The audit objectives are to determine whether the District has the infrastructure in place to actively identify grant opportunities for DCPS and abide by the requirements of existing grant agreements to avoid loss of grant funding.

**JUSTIFICATION:**        The DCPS Office of Federal Grants Programs (OFGP) secures and administers grant funding to support local education agencies (LEAs). The funding is utilized to enable the states and the LEAs to design, develop, and implement programs that will eliminate achievement gaps and improve student learning. According to OFGP officials, the OFGP regularly works with the Office of Partnerships and Grants Services (OPGS) to review grant opportunities identified by OPGS. The OFGP currently has three grant writers who develop grants for OSSE. For school year 2010-2011, DCPS received \$213 million in federal grant funds. The issue of DCPS grants management has been identified as a risk in past CAFR audits.

**NO. 80**                      **District of Columbia Public Schools**                      **STATUS: Planned**

**TITLE:**                      **OFFICE OF SPECIAL EDUCATION**

**OBJECTIVES:**              The audit objectives are to determine the extent of the DCPS Office of Special Education's (OSE's) monitoring, oversight, and corrective actions established for: (1) proper eligibility identification of special education students; (2) adequate internal controls over payments for special education services; (3) accurate and complete tracking of demographic, academic, financial, and other descriptive information on enrolled special education students; and (4) compliance with District and federal regulations governing the special education program.

**JUSTIFICATION:**          DCPS has the responsibility to provide an exceptional and quality education to 45,000 students. Further, there are about 13,067 students who qualify for services under the Individuals with Disabilities Education Act. DCPS's overall operating budget for FY 2013 was \$811 million. OSE operated at a total cost of \$160 million in FY 2013. OSE main components consist of the Strategy & Performance Team; Monitoring & Compliance Team; Programming Team; Related Services Team; Non-Public Team; and Critical Response Team for Special Education.

## VII. PRIOR PERFORMANCE AUDITS

There are over 70 agencies within the District of Columbia government that are subject to audit by the OIG. Since its inception, the OIG Audit Division has performed audits of District agencies, programs, functions, and activities where risks and deficiencies were identified, including waste, fraud, abuse, and general lack of internal controls with recommendations for correction or improvement. The OIG initiated a directorate to conduct follow-up audits of prior performance audits to ensure that recommendations are implemented and effective in mitigating the risks or weaknesses found in the initial audits. The goal of timely follow-up is to ensure that the District government and its residents realize the full benefits of the recommendations concerning cost savings; revenue enhancements; effective internal controls; improved processes; compliance with laws and regulations; and overall efficiency and effectiveness of District agencies, programs, funds, functions, and activities.

**NO. 81**                      **Fire and Emergency Medical Services**                      **STATUS: Planned**

**TITLE:**                      **FOLLOW-UP AUDIT OF THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES' ADMINISTRATION OF AMBULANCE BILLING CONTRACTS**

**OBJECTIVES:**              The objectives of this audit are to follow-up on actions taken by FEMS, OCFO, and OCP in response to OIG Audit No. 07-2-31FB, issued on March 23, 2009. The objectives also include determining whether FEMS and OCP are in compliance with procurement laws, regulations, and policies for awarding medical billing contracts.

**JUSTIFICATION:**              A prior audit of the Department of Fire and Emergency Medical Services' Administration of Ambulance Billing identified significant deficiencies. Recommendations to correct the systemic issues identified in the prior audit include: (1) integrating business-related activities into FEMS' mission to provide assurance that key business functions have adequate oversight and accountability; (2) recruiting and training staff to operate and maintain operational areas such as contract management, research and evaluation, and fiscal operations; (3) collaborating with OCP when contracting for services, to include a review of contract terms to ensure that the best interests of the District are met; (4) providing effective oversight for employees operating in COTR/CA positions by scheduling monthly meetings to provide management with the status of ongoing contracts; and (5) establishing policy to monitor industry best practices to ensure that the District is

providing emergency transport services that are reasonably priced. The FY 2014 proposed budget for FEMS is \$202.6 million.

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**NO. 82**                      **District of Columbia Housing Authority**                      **STATUS: Planned**  
**(DCHA)**

**TITLE:**                      **FOLLOW-UP AUDIT OF THE HOUSING CHOICE VOUCHER PROGRAM**

**OBJECTIVES:**              The objectives of the audit are to determine whether: (1) recommendations addressed in the prior audits of the housing program (Management of the District of Columbia Housing Authority, OIG 01-2-25PH (a, b, and c)) have been implemented; (2) participants in the program met qualifications, criteria, and guidelines for housing assistance; and (3) adequate controls exist to prevent fraud, waste, and abuse within the program.

**JUSTIFICATION:**          Housing Choice Voucher Program (HCVP) is federally funded by the U.S. Department of Housing and Urban Development (HUD) and is administered throughout the country, with nearly 1.5 million households participating. In the District, DCHA administers several voucher programs to help low- and moderate-income residents find affordable housing by providing vouchers to help participants pay rent in privately-owned properties across the city. Today 10,500 families in the city are HCVP federal participants — and thousands more are on the waiting list. More than 3,400 local landlords provide housing through the voucher program. In 2012, DCHA provided more than \$130 million in rent payments.

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**NO. 83**                      **Department of Health Care Finance**                      **STATUS: Ongoing**

**TITLE:**                      **RE-AUDIT OF THE DEPARTMENT OF HEALTH'S NON-EMERGENCY TRANSPORTATION PROVIDER COMPLIANCE WITH LICENSE AND CERTIFICATION REQUIREMENTS**

**OBJECTIVES:**              Our audit objective is to determine whether the recommendations identified in the prior Audit of Non-Emergency Transportation Provider Compliance With License and Certification Requirements (OIG No. 05-2-18HC (d)) issued February 22, 2008, have been implemented. The objectives of the prior audit were to determine whether DOH: (1) operated the program in an efficient, effective, and

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**NO. 86**                      **Office of Risk Management**                      **STATUS: Planned**

**TITLE:**                      **FOLLOW-UP AUDIT OF THE DISTRICT OF COLUMBIA  
EMPLOYEE DISABILITY COMPENSATION PROGRAM**

**OBJECTIVES:**              The objectives of this audit are to follow-up on District of Columbia Office of Risk Management (ORM) actions taken in response to the OIG Audit No. 06-1-07BG, and determine whether ORM is providing adequate oversight of the Third Party Administrator (TPA) to ensure effective and efficient management of employee disability compensation claims.

**JUSTIFICATION:**          ORM oversees the management and operation of the Public Sector Workers' Compensation Program with the help of TPA Sedgwick CMS. The OIG will conduct a follow-up audit of the District of Columbia Employee Disability Compensation Program because a prior audit of the agency identified significant deficiencies, including lack of oversight and potential for fraud, waste, and abuse. ORM's lack of oversight of the TPA increased program costs by as much as \$3.3 million annually because the TPA failed to review and monitor claims for continued eligibility; perform timely follow-up and appropriate case management actions; and conduct supervisory reviews on processed claims, as well as opportunities to return disability claimants to the workforce or remove them from the disability compensation program. In addition, the audit noted that both ORM and the TPA lacked procedures to account for claimants' health and/or life insurance benefits.

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**NO. 87**                      **University of the District of Columbia**                      **STATUS: Planned**

**TITLE:**                      **FOLLOW-UP AUDIT OF PROCUREMENT  
PRACTICES AT THE UNIVERSITY OF THE  
DISTRICT OF COLUMBIA**

**OBJECTIVES:**              The objectives of the audit are to determine whether: (1) UDC's procurement practices are in compliance with applicable laws, rules, regulations, policies, and procedures; (2) procurement contracts are awarded and administered in an efficient, effective, and economical manner; and (3) internal controls are in place to safeguard against fraud, waste, and abuse.

**JUSTIFICATION:**          UDC is the only fully-accredited public institution of higher education in the nation's capital. As an urban land-grant university, it supports a

broad mission of education, research, and community service and offers bachelors and masters degrees in the College of Arts and Science; School of Business and Public Administration; School of Engineering and Applied Sciences; and College of Agriculture, Sustainability and Environmental Studies. UDC is a component of the District of Columbia government, and is a legally separate entity for which officials of the District of Columbia are financially accountable. UDC's proposed operating budget for FY 2014 is \$66 million.

The mission of UDC's OCP is to procure quality, cost-effective goods and services for the university community through dedicated, ethical, and customer-oriented service and through implementing best practices in the procurement process.

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**NO. 88**                      **Metropolitan Police Department**                      **STATUS: Ongoing**

**TITLE:**                      **FOLLOW-UP AUDIT OF THE METROPOLITAN  
POLICE DEPARTMENT'S MANAGEMENT OF  
THE EVIDENCE CONTROL BRANCH**

**OBJECTIVES:**              The objectives of this audit are to: (1) review actions taken by MPD and the Office of Property Management (OPM) (currently, DRES) in response to OIG Audit No. 07-1-21(a), dated January 4, 2008, and OIG No. 07-1-21FA, dated May 19, 2008; (2) examine the current status of the Evidence Control Branch and the management of seized and confiscated property/evidence; (3) determine whether law enforcement personnel are following applicable laws, rules, regulations, and procedures related to evidence handling and disposal; and (4) review the adequacy of internal controls over the sale of seized and forfeited property, and proceeds generated from the sale of such property.

**JUSTIFICATION:**              Prior audits of MPD identified significant deficiencies in the Evidence Control Branch (ECB) facility and management of property/evidence. The ECB facility had an inadequate heating, ventilation, and air conditioning (HVAC) system, poor electrical system, leaky pipes and roof, severe overcrowding in storage areas, and poor physical security. In addition, the ECB facility did not meet all required health and safety code regulations. These facility-related conditions increase the risk of theft, misuse, and loss of evidence, which could compromise the District's ability to successfully prosecute criminal cases. Furthermore, these conditions constitute a hazardous working environment for ECB personnel and are attributable to MPD's and

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(DBH). DBH will integrate treatment and services for residents with both mental health and substance use disorders. DBH's proposed operating budget for FY 2014 is \$240 million.

Our past audit identified the following deficiencies: (1) denied Medicaid claims had not been reworked or resubmitted since FY 2001, due to a nonexistent process; (2) DMH's main information system application software for managing business objectives needs improvement or replacement because of weaknesses in reliability and integrity of information; (3) ratification of \$16.1 million in unauthorized DMH commitments in FY 2005 and FY 2007; (4) the MOU between DMH and MAA needs to be renegotiated because DMH assumes the responsibility of payer of first resort for provider Medicaid claims; and (5) DMH's mismanagement of Mental Health Rehabilitation Services (MHRS) dollars due to an excessive number of Human Care Agreements with providers.

# **THE INSPECTION AND EVALUATION PROCESS**



## **THE INSPECTION AND EVALUATION PROCESS**

The Inspections and Evaluations Division (I&E) is dedicated to providing decision makers with objective, thorough, and timely evaluations of District agencies and programs, and to making recommendations that will assist those agencies in achieving operational efficiency, effectiveness, and economy.

I&E has proven to be a valuable mechanism for identifying weaknesses in agency operations; underscoring the need for compliance with applicable laws, regulations, and policies; identifying accountability; recognizing excellence; and promoting improvement in the delivery of services to District residents. The division plans to complete inspections that focus on delivery of citizen services and the implementation of inspection recommendations to correct reported deficiencies.

### **The Federal Model**

I&E follows the inspection process adhered to by most federal OIGs and endorsed by the Council of the Inspectors General on Integrity and Efficiency. This process includes an official announcement letter to the agency head; an entrance conference where agency officials can alert the inspection team to areas that are of concern to management and where the parameters of the inspection are defined; surveys and focus groups, where appropriate; fieldwork that includes conducting interviews and work observations, developing findings and recommendations in a draft Report of Inspection (ROI), which is reviewed and commented on by agency management; issuing a final ROI; and conducting an exit conference. During the course of an inspection, management will be advised by means of Management Alert Reports of any significant findings that the inspection team believes require priority attention.

Inspections result in a ROI with findings and recommendations that focus on correcting noted operational deficiencies, monetary benefits, more efficient and effective program operations, and safer environments for city workers and residents. Inspections have little value, however, if the reported deficiencies remain uncorrected.

### **OIG Inspections and Reports**

While mechanically similar to the audit process, inspections typically have a broader scope, often evaluating all of the key operations of an agency in order to help managers improve diverse policies, programs, and procedures. An inspection combines some of the best features of several disciplines, including management analysis, traditional program evaluation, audits, survey research, program monitoring, and compliance reviews.

### **Follow-up, Compliance, and Re-Inspections**

I&E tracks agency compliance with recommendations resulting from an inspection. A Findings and Recommendations Compliance Form is issued for each finding and recommendation, along with the ROI, so agencies can record and report to the OIG actions taken on I&E recommendations. Agencies are asked to provide target dates for completion of required actions, document when recommendations have been complied with, describe the action taken, and ensure that the forms are validated by the signature of the responsible agency official. In some instances, re-inspections are conducted after an agency has had a significant period of time in which to carry out agreed-upon recommendations. This typically occurs a year or longer after the initial inspection. A re-inspection report is then issued that summarizes agency progress in complying with original recommendations and notes any new areas of concern in agency operations.

# **INSPECTIONS AND EVALUATIONS AGENCY INDEX**



Project Title	A G E N C Y	S T A T U S <sup>15</sup>	P A G E
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1. Inspection of Conditions in Metropolitan Police Department District Stations and Substations	FA	P	106
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3. Special Evaluation of the District’s Processing and Adjudication of Parking Tickets and Photo-Enforced Red Light and Speed Limit Violations	MA	O	107
4. Office on Aging – Inspection of Senior Wellness Centers	BY	O	108

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<sup>15</sup> “O” indicates the review is ongoing as of September 1, 2013. “P” indicates the review is planned to start in FY 2014 subject to time and available resources.



**PLANNED AND ONGOING  
INSPECTIONS AND  
SPECIAL EVALUATIONS**



## I. DELIVERY OF CITIZEN SERVICES

In FY 2014, we plan to continue inspections and evaluation coverage of key District service organizations. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services that are vital to District residents and other stakeholders.

### A. Core Services

The FY 2014 Inspection Plan includes OIG initiatives for inspection coverage that are consistent with our objective to review, evaluate, and help improve performance in all components of the District of Columbia government.

I&E plans to initiate an inspection of conditions in the Metropolitan Police Department's seven District Stations and three Substations.

I&E also expects to conduct a follow-up inspection in the Department of General Services' Protective Services Police Department.

The Division will complete an ongoing special evaluation of the entities involved with the issuance, processing, and adjudication of vehicle parking violations and photo-enforced red light violations and speed limit violations. These entities include the Metropolitan Police Department, Department of Transportation, Department of Public Works, and the Department of Motor Vehicles.

I&E will also continue its inspection of the District's senior wellness centers, which fall under the purview of the Office on Aging.

Should time and resources permit, other agencies/projects will be added to this plan.



(DRES). Effective October 1, 2011, DRES functions and responsibilities were assumed by a new agency, the Department of General Services (DGS).

The team found that: (1) some PSPD officers did not have all of the necessary protective equipment; and (2) security posts at numerous District-owned and -leased facilities did not have official written post orders, i.e., detailed instructions on how to execute tasks at a specific location. The team also concluded that some officers did not have the training needed to carry out their job duties; officers were not re-qualifying with their firearms as required by PSPD policy; and background investigations for prospective officers were not thoroughly documented or vetted.

**OBJECTIVES:** The objectives of this project are to: (1) assess DGS’s success in abating and correcting conditions cited in the 2010 report of special evaluation; and (2) document any newly-observed deficiencies in management, operational practices, or hazardous conditions at PSPD security posts.

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**NO. 3**                      **Multiple Agencies**                      **STATUS:**                      **Ongoing**

**TITLE:**                      **SPECIAL EVALUATION OF THE DISTRICT’S PROCESSING AND ADJUDICATION OF PARKING TICKETS AND PHOTO-ENFORCED RED LIGHT AND SPEED LIMIT**

**OVERVIEW:** Drivers in the District receive parking tickets and moving violations issued from various sources: officers with the MPD and other law enforcement agencies with jurisdiction in the District such as the U.S. Park Police and U.S. Capitol Police; Department of Public Works (DPW) parking enforcement officers; and automated traffic enforcement technologies, such as DPW’s SweeperCam program, which deploys license plate recognition technology on street sweeper vehicles; and the District’s much-publicized network of red light cameras and speed cameras. Parking and photo-enforced ticket fines are a substantial revenue source for the District. At the same time, the infrastructure (i.e., District employees, contractors, and the technologies they use) necessary to process and adjudicate these violations represents a considerable annual expense. Over the past several years, as the District has expanded its use of technology to detect and record parking and moving violations, the number of complaints received by the OIG regarding inaccurate or improperly adjudicated violations has increased as well.

**OBJECTIVES:** The objectives of this special evaluation are to: (1) assess the adequacy and clarity of the policies and procedures applied by the various entities involved in the issuance, processing, and adjudication of these violations and related fines; (2) analyze contractors' compliance with terms/stipulations that aim to maximize accuracy and minimize the issuance of erroneous tickets; and (3) present actionable recommendations for improving the accuracy and efficiency of ticketing and adjudication processes.

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**NO. 4**                      **Office on Aging**    **STATUS:**                      **Ongoing**

**TITLE:**                      **INSPECTION OF SENIOR WELLNESS CENTERS**

**OVERVIEW:** The District's Office on Aging (OoA) "develops and carries out a comprehensive and coordinated system of health, education, employment, and social services for the District's elderly population, who are 60 years of age and older."<sup>16</sup> In addition to administering and supporting numerous community-based organizations and home-based programs, the OoA operates senior wellness centers in multiple wards of the city. Programs offered at these centers emphasize physical activity, social and emotional well-being, and promote positive health habits through nutrition education as well as counseling and health screenings.

**OBJECTIVES:** The objectives of the inspection are to assess conditions and analyze operations at the centers, as well as OoA's oversight of the centers, and make recommendations aimed at improving: (1) the operations, physical conditions, and quality of services provided to seniors at these facilities; and (2) the efficacy of the monitoring and oversight conducted by OoA.

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<sup>16</sup> [Http://dcoa.dc.gov/page/about-us-dcoa](http://dcoa.dc.gov/page/about-us-dcoa) (last visited Aug. 21, 2013).

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