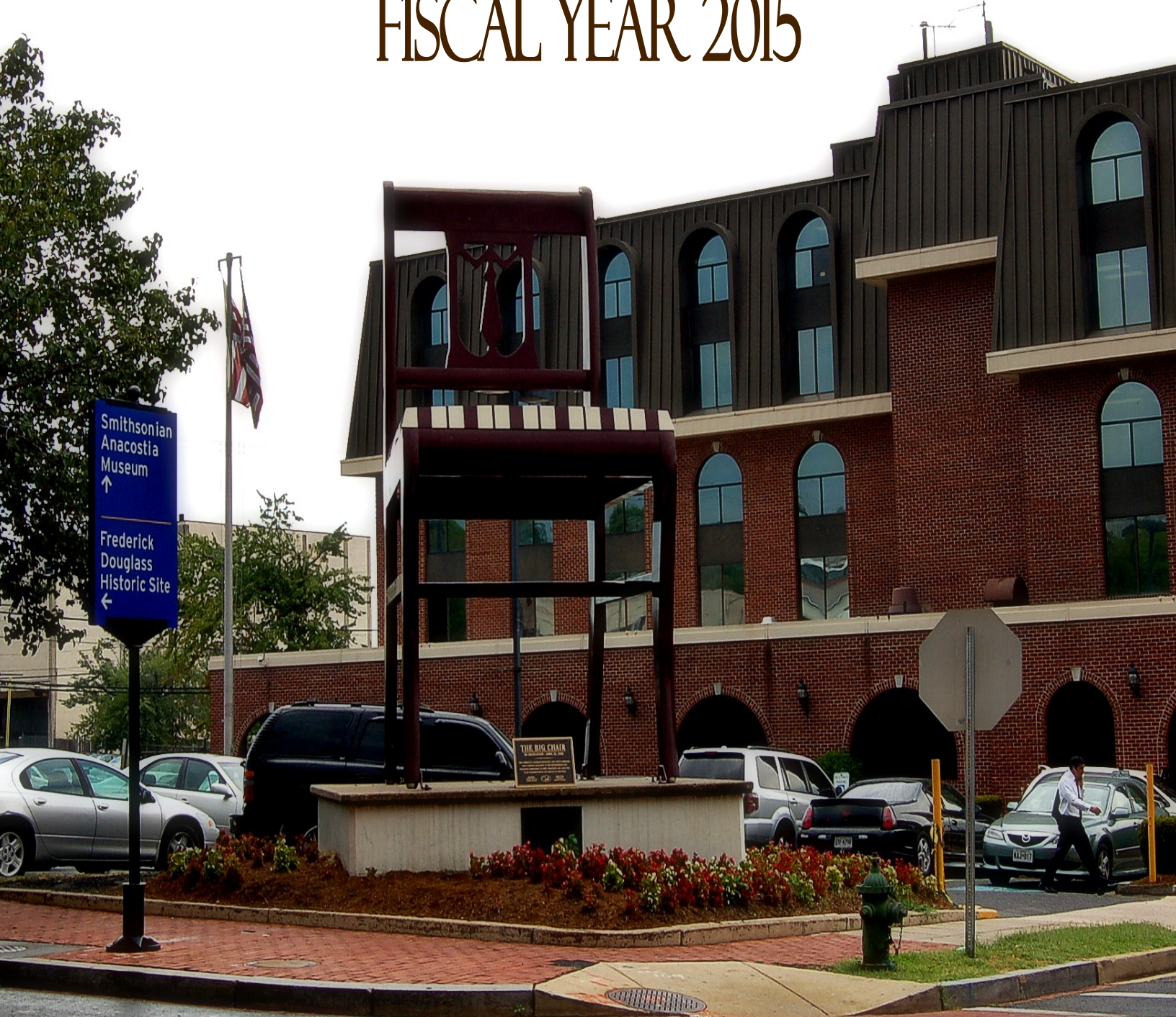


AUDIT AND INSPECTION PLAN

FISCAL YEAR 2015



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 18, 2014

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 2015 Audit and Inspection Plan

Dear Mayor Gray and Chairman Mendelson:

By this letter, the Office of the Inspector General (OIG) transmits its *Fiscal Year 2015 Audit and Inspection Plan* (Plan), pursuant to D.C. Code § 1-301.115a(a)(3)(I) (2001). The statute 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” The Plan also includes inspections and special evaluations the OIG plans to conduct in the upcoming fiscal year.

While some audits, such as the Comprehensive Annual Financial Report and the Highway Trust Fund, are required by law, most audits, inspections, and special evaluations are discretionary and based on current events, issues, and conditions affecting District government operations and services to District citizens. The OIG also conducts a number of audits and special evaluations requested by the Mayor, Councilmembers, agency officials, and other stakeholders.

The Plan shows the 16 audits and 7 inspections that the OIG will start in fiscal year 2015, barring unforeseen circumstances. In addition, it notes a number of ongoing audits and inspections that transcend fiscal years, due primarily to project complexity and available resources. We make every effort during our planning to coordinate project activities internally within the OIG to avoid duplication of effort and to minimize interference with the operations of District agencies selected for audits or inspections.

Copies of the enclosed Plan and our published audits, inspections, and special evaluation 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,



Blanche L. Bruce
Interim Inspector General

BLB/lw

Enclosure

cc: See Distribution List

DISTRIBUTION:

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The Honorable Harold Rogers, Chairman, House Committee on Appropriations,
Attention: Amy Cushing (via email)
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriations,
Attention: Angela Ohm (via email)
The Honorable Ander Crenshaw, Chairman, House Subcommittee on Financial Services and
General Government, Attention: Amy Cushing (via email)
The Honorable José E. Serrano, Ranking Member, House Subcommittee on Financial Services
and General Government, Attention: Angela Ohm (via email)
The Honorable Barbara Mikulski, Chairwoman, Senate Committee on Appropriations,
Attention: Kali Matalon (via email)
The Honorable Richard Shelby, Ranking Member, Senate Committee on Appropriations,
Attention: Dana Wade (via email)

Fiscal Year 2015 Audit and Inspection Plan

August 18, 2014

Page 4 of 4

The Honorable Tom Udall, Chairman, Senate Subcommittee on Financial Services and General Government, Attention: Marianne Upton (via email)

The Honorable Mike Johanns, Ranking Member, Senate Subcommittee on Financial Services and General Government, Attention: Dale Cabaniss (via email)

Agency and Department Heads, District of Columbia Government (via email)

**FISCAL YEAR 2015
AUDIT AND INSPECTION PLAN**

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INTRODUCTION

INTRODUCTION

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2015 Audit and Inspection Plan (Plan) for the Government of the District of Columbia.¹ The Plan includes statutorily required and discretionary audits and inspections that will start in the upcoming fiscal year (FY), along with audits and inspections that are ongoing as of September 1, 2014.

Statutory mandates govern many of our audits. However, our discretionary activities often address concerns and interests of elected officials, agency heads, and members of the District community, as well as current events, issues, and conditions affecting District government operations and services to District citizens.

The Plan includes OIG initiatives for audit and inspection coverage that will help further the District's goals of fiscal integrity and financial strength. Our Plan addresses four areas that we believe are central to achieving these goals:

- I. Audits Required by Law
- II. Revenue Enhancement and Efficient Use of Resources
- III. Delivery of Citizen Services
- IV. Human Capital and Information Technology

¹ 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.

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AUDIT AREAS

I. 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 the 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.

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.

II. REVENUE ENHANCEMENT AND EFFICIENT USE OF RESOURCES

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 2015, 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.

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, and fraud. As a result, we have ongoing audits that address the efficiency of procurement operations at various District agencies.

Additionally, 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.

III. DELIVERY OF CITIZEN SERVICES

We will continue to provide audit and inspection coverage of agencies responsible for delivery of essential citizen services. District leaders frequently have expressed concern about whether taxpayer dollars are used optimally to serve citizens' best interests in a number of areas. In FY 2015, we plan to provide audit and inspection coverage for some of the District's service organizations and agencies. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services to District residents.

IV. HUMAN CAPITAL AND INFORMATION TECHNOLOGY

Employees are the District's most important asset. Audits that fall under this area include personnel matters, benefits, hiring practices, and personnel and payroll systems.

In addition, District agencies have become increasingly reliant on information technology (IT) to increase operational efficiency. IT audits focus on determining risks that are relevant to IT assets or IT areas, and assessing controls in order to reduce or mitigate these risks. IT reviews can be classified within the following areas:

- (1) IT Enterprise Management and Governance Review;
- (2) Data Facility/General Control Review;
- (3) Application Control Review;
- (4) Systems Development Life Cycle Review;
- (5) Support Infrastructure Review; and
- (6) Service Level Agreements and Contracts

FISCAL YEAR 2015 AUDIT STARTS

I. Audits Required by Law

NO. 1 **Multi-Agency** **STATUS: Start FY 2015**

TITLE: **COMPREHENSIVE ANNUAL FINANCIAL REPORT
(CAFR) FOR FY 2015**

OBJECTIVES: The objective of this engagement is to the 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 the Office of the Chief Financial Officer (OCFO) and the CPA firm throughout the audit engagement.

JUSTIFICATION: The CAFR must be submitted to the Mayor and the Council of the District of Columbia (Council) on or before February 1st of each year following the end of the FY audited. Immediate and continued access to records and personnel by the audit firm is required to provide audit and other professional assistance and to avoid disruption of the District’s financial operations. In addition to the District’s General Fund, the following District agencies or entities (component units) are required to be included in the CAFR audit:

- D.C. Lottery and Charitable Games Control Board (Financial Statements);
- Department of Employment Services (Unemployment Compensation Fund – Financial Statements);
- Washington Convention Center Authority (Financial Statements);
- University of the District of Columbia (Financial Statements);
- Home Purchase Assistance Program (Financial Statements);
- D.C. Post-Employment Benefit Trust Fund (Financial Statements and Actuarial Study);
- Health Benefit Exchange Authority;
- E911/311 Fund;
- D.C. Public Schools; and
- Not-For-Profit Hospital Corporation.

NO. 2 **Department of Transportation** **STATUS: Start FY 2015**

TITLE: **DISTRICT OF COLUMBIA HIGHWAY TRUST
FUND AND 5-YEAR FORECAST**

OBJECTIVES: The objectives of this audit are to express an opinion on the financial statements of the District of Columbia Highway Trust Fund (Fund) for the fiscal year and to perform an examination of the forecasted statements of the Fund’s expected conditions and operations for the next 5 years.

JUSTIFICATION: D.C. Code § 9-109.02(e) (2013) requires the OIG to submit a report on the results of its audit of the financial statements of the Fund. The report is due to Congress, the Mayor, the Council, and OCFO on February 1st of each year for the preceding fiscal year. The Highway Trust Fund Forecast has a statutory due date of March 15th.

NO. 3 **Office of the Chief Financial Officer** **STATUS: Start FY 2015**

TITLE: **EVALUATION OF THE COMMERCIAL REAL
PROPERTY ASSESSMENT PROCESS**

OBJECTIVES: The objectives of this engagement are to evaluate the: (1) commercial real property assessment process; (2) organizational structure, workload statistics, performance measures, compensation requirements, staffing levels, training, qualifications, and staff development functions; and (3) hiring practices, including whether OCFO’s human resources rules and regulations hinder or enhance the ability of the Office of Tax and Revenue (OTR) to attract, develop, and retain a well-qualified workforce.

JUSTIFICATION: Pursuant to D.C. Code § 47-821(e) (Supp. 2014), the OIG shall arrange for an independent audit for the purpose of examining the District's management and valuation of commercial real property assessments.

The independent audit will include recommendations for improving the commercial real property assessment functions within OTR. The OIG must submit a complete copy of the audit findings, along with all recommendations made by the firm that performed the independent audit, to the Council, the Mayor, and the Chief Financial Officer at least once every 3 years.

II. Revenue Enhancement and Efficient Use of Resources

NO. 4 **Department of Consumer and Regulatory Affairs** **STATUS: Start FY 2015**

TITLE: **PROFESSIONAL ENGINEERS' FUND**

OBJECTIVES: The overall audit objectives are to determine whether: (1) the Professional Engineers' Fund was maintained in accordance with the D.C. Code; and (2) engineer fees were properly accounted for and expended during the FY.

JUSTIFICATION: The District of Columbia Professional Engineers' Registration Act of 1950 (D.C. Code § 47-2886 (Supp. 2014)) established the Professional Engineers' fund (PEF) to account for the collection of application, registration, and related fees associated with professional engineers and engineers-in-training. The PEF is an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, fund equity or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. This separate revenue fund is allocable toward those expenditures determined to be necessary and proper by the Board of Professional Engineers.

NO. 5 **Department of Health Care Finance** **STATUS: Start FY 2015**

TITLE: **HEALTHCARE ALLIANCE PROGRAM**

OBJECTIVES: Our audit objectives are to determine whether the D.C. HealthCare Alliance program is: (1) implemented in compliance with requirements of applicable laws, rules, regulations, and policies and procedures; (2) managed and administered in an efficient, effective, and economical manner; and (3) conducted in a manner where internal controls were in place to safeguard against fraud, waste, and abuse.

JUSTIFICATION: The Economic Security Administration (ESA), formerly known as the Income Maintenance Administration (IMA), determines eligibility for all Medicaid and medical assistance programs consistent with the eligibility requirements at 42 Code of Federal Regulations (CFR) Part 435. In FY 2013, the OIG issued a report (10-1-16HT) on the District's eligibility determination process, which found deficiencies

regarding supporting documentation, formal procedures, and timely processing of recertifications.

NO. 6 **Office of Contracting and Procurement** **STATUS: Start FY 2015**

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) the Office of Contracting and Procurement (OCP) complied with requirements of applicable laws, 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.

NO. 7 **Department of Public Works** **STATUS: Start FY 2015**

TITLE: **RE-AUDIT OF THE DEPARTMENT OF PUBLIC WORKS INVENTORY, USAGE, AND MAINTENANCE OF DISTRICT VEHICLES**

OBJECTIVES: The audit objective is to determine whether the recommendations identified in the prior audit of the District of Columbia Department of Public Works Inventory, Usage, and Maintenance of District Vehicles (OIG No. 04-1-21KT) issued March 20, 2006, have been implemented. In addition, we will determine whether the Department of Public Works (DPW) implemented adequate internal controls to safeguard against fraud, waste, and abuse.

JUSTIFICATION: DPW’s Fleet Management Administration (FMA) supports all city services by procuring and maintaining more than 3,000 vehicles, excluding those used by the Metropolitan Police Department (MPD), Fire and Emergency Medical Services (FEMS) Department,

Department of Corrections (DOC), and D.C. Public Schools (DCPS). This division fuels all 6,000 District government vehicles, including school buses, fire and trash trucks, and street sweepers. FMA's objective is managing fleet business processes to ensure mission critical equipment will be available for core services for all agencies. The FY 2015 proposed budget for the FMA is \$20.9 million.

NO. 8 **Department of Health Care Finance** **STATUS: Start FY 2015**

TITLE: **MANAGED CARE ORGANIZATIONS' PERFORMANCE**

OBJECTIVES: Our audit objectives are to determine whether Managed Care Organizations (MCOs): (1) reported accurate performance measures; (2) followed required District specifications for calculating performance measures; and (3) operated in compliance with State and federal standards for quality program operations.

JUSTIFICATION: The Department of Health Care Finance (DHCF) is responsible for managing the District's Medicaid program. In addition, DHCF administers the District's Healthcare Alliance program for residents who are not eligible for Medicaid. As of September 20, 2013, approximately 164,000 residents enrolled in Medicaid or Alliance received healthcare services through DHCF's Medicaid managed care program.

NO. 9 **Multi-Agency** **STATUS: Start FY 2015**

TITLE: **USE OF QUALIFIED CERTIFIED BUSINESS ENTERPRISES**

OBJECTIVES: The audit objectives are to determine whether: (1) Certified Business Enterprises (CBEs) have current applications and certifications to conduct business in the District of Columbia; (2) CBE contract performance is in compliance with applicable laws, rules, and regulations; and (3) goods and/or services received by the District were cost-effective, efficient, and professionally delivered.

JUSTIFICATION: There are approximately 1,200 CBEs in the database maintained by Department of Small and Local Business Development. Contracting opportunities for the CBEs range from several thousand dollars to multi-million dollar contracts. Services requested can include Information Technology, Marketing, Media and Public Information

Services, Construction, Promotional and Specialty Products, Industrial Services, Training Services, and Audit and Financial Services. The dollar value awarded to CBEs may be as much as \$100 million, which is just short of 10 percent of the annual \$1.1 billion that OCP spends in goods and services per year for District agencies and programs. An audit will assist the District in obtaining full performance from CBEs.

NO. 10 **Fire and Emergency Medical Services Department** **STATUS: Start FY 2015**

TITLE: **VEHICLE PURCHASES AND MAINTENANCE**

OBJECTIVES: The primary objective of the audit is to determine whether the FEMS fleet is properly maintained and serviced to ensure readiness to provide fire and emergency services to District citizens and visitors. The secondary objective is to review and evaluate whether a fleet life-cycle analysis is performed to identify, forecast, and budget vehicle replacement requirements.

JUSTIFICATION: FEMS' mission is to preserve life and promote health and safety through excellent pre-hospital treatment and transportation, fire prevention, fire suppression, rescue activities, and homeland security awareness. Fire and ambulance vehicles are primary assets the department uses to carry out its mission and must be available and ready to assist FEMS personnel.

NO. 11 **District of Columbia Public Schools** **STATUS: Start FY 2015**

TITLE: **PROCUREMENT PRACTICES AT D.C. PUBLIC SCHOOLS (DCPS)**

OBJECTIVES: Our audit objectives are to evaluate the effectiveness and efficiency of DCPS' procurement process and to assess the adequacy of internal controls in place for acquiring goods and services needed to support education programs. This audit will be conducted in a series of phased reviews of specific segments of the DCPS procurement program, focusing on such issues as contracting procedures; adequacy of competition, deliverables, and payment processes; and contract administration.

JUSTIFICATION: Previous OIG audits have indicated poor contracting practices, costly errors, and waste within the District government. With limited resources already impacting the ability to acquire needed supplies and

services, an efficient and effective procurement program will maximize and better utilize limited procurement dollars for educational needs.

NO. 12 **Multi-Agency** **STATUS: Start FY 2015**

TITLE: **SUMMARY OF DISTRICT-AGENCY COMPLIANCE WITH
OIG AUDIT RECOMMENDATIONS**

OBJECTIVES: The purpose of this annual report is to provide the Council of the District of Columbia with a summary of the OIG Audit Division’s work in monitoring District government agencies’ compliance with recommendations presented in OIG audit reports, Management Alert Reports (MARs), and Management Implication Reports (MIRs).

JUSTIFICATION: The OIG Audit Division monitors agencies’ compliance with published audit recommendations to ensure a continuous effort to mitigate deficient conditions and help improve service delivery to District residents and others who have a vested interest in efficient and effective government operations. The Comptroller General’s Government Auditing Standards direct auditors to follow up on agency management’s actions on findings and recommendations from prior audits to ensure that corrective actions have been implemented.

III. Delivery of Citizen Services

NO. 13 **D.C. Taxicab Commission** **STATUS: Start FY 2015**

TITLE: **OPERATIONS AT THE D.C. TAXICAB COMMISSION**

OBJECTIVES: Our audit objectives are to determine whether: (1) internal controls at the D.C. Taxicab Commission (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.

NO. 14 **Department of Human Services** **STATUS: Start FY 2015**

TITLE: **PERMANENT SUPPORTIVE HOUSING PROGRAM AT THE DEPARTMENT OF HUMAN SERVICES**

OBJECTIVES: The audit objectives are to determine whether the Department of Human Services (DHS): (1) managed and used resources in an efficient, effective, and economical manner; (2) contracted with private organizations to provide case management services and adequately monitored the services provided; (3) complied with requirements of applicable laws, rules, regulations, policies, and procedures; and (4) established adequate internal controls to safeguard against fraud, waste, and abuse. Also, we will determine whether Permanent Supportive Housing Program recipients met eligibility requirements.

JUSTIFICATION: According to the 2013 Point in Time Census and Survey conducted by the Community Partnership for the Prevention of Homelessness, there are over 6,500 homeless persons in the District of Columbia.² DHS provides emergency and ongoing housing support and services to help individuals and families who are homeless or at risk of being homeless transition into or maintain permanent affordable housing.

IV. Human Capital and Information Technology

NO. 15 **Office of the Chief Technology Officer** **STATUS: Start FY 2015**

TITLE: **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) System Development Life Cycle management; and (11) business resumption planning.

² METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, HOMELESSNESS IN METROPOLITAN WASHINGTON 41 (May 8, 2013), *available at* <http://www.mwcog.org/uploads/publications/documents/qF5cX1w20130508134424.pdf> (last visited Aug. 5, 2014).

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.

NO. 16 **Office of Risk Management** **STATUS: Start FY 2015**

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 identified significant deficiencies, including lack of oversight and potential for fraud, waste, and abuse.

ONGOING AUDITS

I. Audits Required by Law

NO. 17 **Multi-Agency** **STATUS: Ongoing**

TITLE: **COMPREHENSIVE ANNUAL FINANCIAL REPORT
(CAFR) FOR FY 2014**

OBJECTIVES: The objective of this engagement is to secure the 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.

JUSTIFICATION: The CAFR must be submitted to the Mayor and the Council of the District of Columbia on or before February 1st of each year following the end of the FY audited. Immediate and continued access to records and personnel by the audit firm is required to provide audit and other professional assistance and to avoid disruption of the District's financial operations. In addition to the District's General Fund, the following District agencies or entities (component units) are required to be included in the CAFR audit:

- D.C. Lottery and Charitable Games Control Board (Financial Statements);
- Department of Employment Services (Unemployment Compensation Fund – Financial Statements);
- Washington Convention Center Authority (Financial Statements);
- University of the District of Columbia (Financial Statements);
- Home Purchase Assistance Program (Financial Statements);
- D.C. Post-Employment Benefit Trust Fund (Financial Statements and Actuarial Study);
- Health Benefit Exchange Authority;
- E911/311 Fund;
- D.C. Public Schools; and
- Not-For-Profit Hospital Corporation.

II. Revenue Enhancement and Efficient Use of Resources

NO. 18 **Department of Health Care Finance** **STATUS: Ongoing**

TITLE: **PERSONAL CARE AIDE SERVICES**

OBJECTIVES: The audit objectives are to determine whether the personal care aide program is: (1) implemented in compliance with requirements of applicable laws, rules, regulations, and policies and procedures; (2) managed and administered in an efficient, effective, and economical manner; and (3) conducted in a manner where internal controls are in place to safeguard against fraud, waste, and abuse.

JUSTIFICATION: The District of Columbia provides personal care services to eligible residents through the: (1) Elderly and Persons with Physical Disabilities (EPD) waiver program, (2) Individuals with Intellectual and Developmental Disabilities (DDS) waiver program; and (3) state plan program. According to DHCF, during FY 2013, 9 out of every 10 dollars spent on personal care was through the state plan program. Also, DHCF stated that the number of Medicaid recipients using personal care benefits in the state plan program continues to rapidly increase by 28% annual growth rate during same period.

For FY 2013, the total PCA services spending, as reported by DHCF, was \$291,115,106 compared to the \$179,297,871 spending for FY 2010. Over the past 3-year period, the total spending on PCA services has increased by \$111,817,235 (62%). 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.

NO. 19 **Department of Health Care Finance** **STATUS: Ongoing**

TITLE: **EXISTENCE OF DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES (DME/POS) PROVIDERS**

OBJECTIVES: The objective is to determine whether listed DME/POS providers are legitimate entities providing DME/POS services.

JUSTIFICATION: The District's FY 2008 Medicaid Annual Report indicates that the budget for the DME/POS program is about \$13.4 million and represents the third highest vendor payment program in Medicaid.

Examples of DME include canes, crutches, hearing devices, and internal formula (nutrients furnished through tube feeding). Prosthetics are devices that replace all or part of any internal body organ and orthotics support or align movable parts of the body, prevent or correct deformities, or improve functioning. Many DME/POS suppliers are reputable businesses, but this area has been prone to fraud and abuse across the United States.

NO. 20 **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 the Department of Health (DOH); and (2) determine whether policies and procedures exist for optimizing the use of federal grants. We are reviewing 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: Each year, the District receives a large number of federal grants. The FY 2013 District budget of \$11.4 billion consisted of \$2.60 billion in federal grants. Lapsed grant funds are those that have not been disbursed or obligated at the end of the grant period. During FY 2012, DOH received funding for 52 grants, totaling approximately \$122 million; of that amount, close to \$1.7 million were categorized as lapsed grant funds.

NO. 21 **Office of the 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 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 nonconstruction) for FY 2011 for two randomly selected District agencies and determined that more than

60% of the vendors had addresses outside 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.

NO. 22 **Department of Consumer and Regulatory Affairs/Office of the Chief Financial Officer** **STATUS: Ongoing**

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 the Department of Consumer and Regulatory Affairs (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 for residents, businesses, and visitors in the District by issuing licenses and permits; conducting inspections; enforcing building, housing, and safety codes; regulating land use and development; and providing consumer education and advocacy services. Building permits, certificates of occupancy, and building license fees are important revenue sources for the District and provide a basis for ensuring that building safety codes are adhered to and enforced. DCRA is one of the District's top revenue-generating agencies (e.g., for FY 2013, DCRA projected revenue of \$16.5 million).

NO. 23 **Department of General Services** **STATUS: Ongoing**

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 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 indefinite delivery/indefinite quantity, fixed labor hour rate, 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.

NO. 24 **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. Every performance audit includes a review of P-Card transactions.

JUSTIFICATION: Title 27 DCMR § 1800.3 allows for noncompetitive small purchases. OCP is responsible for management and oversight of the P-Card Program. The P-Card Program allows District agencies to procure small purchases valued at no more than \$5,000 per transaction and not to exceed \$20,000 per card per month.

The P-Card Program was developed to promote efficiency and effectiveness; however, it presents significant risk to the District because select personnel have the ability to procure goods and services through a streamlined process, thereby increasing the risk of unauthorized or excessive purchases.

NO. 25 **Department of General Services** **STATUS: Ongoing**

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 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 Department of Real Estate Services, Office of Public Education Facilities, and Municipal Facilities. DGS' approved budget for FY 2014 was \$397 million. An audit of construction contracts at DGS would provide assurance that District funds are spent effectively and efficiently in this area.

NO. 26 **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 (DCSS), 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 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 because of monies not timely deposited.

III. Delivery of Citizen Services

NO. 27 **Department of Mental Health (now the Department of Behavioral Health)** **STATUS: Ongoing**

TITLE: **RE-AUDIT OF THE DEPARTMENT OF MENTAL HEALTH'S PROGRAM MANAGEMENT AND ADMINISTRATION OF PROVIDER REIMBURSEMENTS**

OBJECTIVES: The overall objective of this audit is to determine whether the Department of Mental Health (DMH), now known as the Department of Behavioral Health (DBH), and the Anti-Deficiency Review Board have implemented agreed-to recommendations that were intended to correct reported deficiencies noted in OIG Audit No. 06-2-13RM, dated December 11, 2007.

JUSTIFICATION: The DMH is responsible for developing, supporting, and overseeing comprehensive quality mental health services to adults, children, youth, and their families. Effective October 1, 2013, DMH and the Addiction Prevention Recovery Administration within DOH were combined to create DBH. DBH integrates treatment and services for residents with both mental health and substance use disorders. DBH's proposed operating budget for FY 2014 is \$240 million.

Deficiencies in the past audit included: (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 needed improvement or replacement because of weaknesses in reliability and integrity of information; and (3) ratification of \$16.1 million in unauthorized DMH commitments in FY 2005 and FY 2007.

NO. 28 **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 the Child and Family Services Agency (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: CFSA is the District’s 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’s 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.

NO. 29 **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 subgrants; (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.

NO. 30 **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 DGS 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 (ECB) 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: Although MPD opened its new Evidence Warehouse in March 2011, an audit of the ECB is needed to ensure proper controls are in place to manage and secure evidence within the new facility. Prior audits of MPD identified significant deficiencies in the ECB facility and management of property/evidence. These conditions increase the risk of theft, misuse, and loss of evidence, which could compromise the District's ability to successfully prosecute criminal cases.

IV. Human Capital and Information Technology

NO. 31 **Child and Family Services Agency** **STATUS: Ongoing**

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.

INSPECTIONS AND EVALUATIONS AGENCY INDEX

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**FISCAL YEAR 2015 INSPECTIONS
AND EVALUATIONS STARTS AND
ONGOING PROJECTS**

I. DELIVERY OF CITIZEN SERVICES

As in years past, the Inspections and Evaluations Division's (I&E's) FY 2015 projects will share a common goal: to evaluate key District organizations to improve the efficiency and effectiveness of municipal services that are vital to District residents and other stakeholders.

A. Core Services

Two of I&E's planned projects focus on service delivery to members of vulnerable populations: child support beneficiaries and military veterans. Several other projects pertain to individuals served by the Department of Corrections. In addition, I&E will initiate an inspection of conditions in MPD's seven District Stations and three Substations.

With regard to ongoing projects, I&E 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 MPD, the Department of Transportation (DDOT), DPW, and the Department of Motor Vehicles. I&E will also complete its follow-up to a 2010 Report of Special Evaluation on the Protective Services Police Department, which has since been renamed the Protective Services Division and falls under the authority of DGS.

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

INSPECTIONS AND EVALUATIONS STARTS

NO. 1 **Office of the Attorney General STATUS: Start FY 2015**

TITLE: **INSPECTION OF THE OFFICE OF THE ATTORNEY GENERAL’S (OAG’s) CHILD SUPPORT SERVICES DIVISION**

OVERVIEW: OAG’s Child Support Services Division (CSSD) aids District residents by establishing support orders, enforcing them, and collecting and disbursing payments to custodial parents and their children. With a FY 2014 budget of approximately \$31 million and 215 full-time equivalents, CSSD employs – among other professionals – investigators, trial attorneys, support enforcement specialists, and case management coordinators. In FY 2013, CSSD established nearly 2,000 child support orders.

OBJECTIVES: The primary objective of this inspection will be to assess the efficiency of CSSD’s operations and the quality and timeliness of client services.

NO. 2 **Department of Corrections STATUS: Start FY 2015**

TITLE: **INSPECTION OF OPERATIONS AND CONDITIONS AT THE HOPE VILLAGE RESIDENTIAL REENTRY CENTER**

OVERVIEW: The District government’s Corrections Information Council (CIC) is responsible for inspecting and monitoring conditions at facilities operated by DOC and DOC-contracted facilities such as Hope Village. Located at 2844 Langston Place, S.E., Hope Village is a residential reentry center (RRC) and can house 360 people. An RRC, or “halfway house,” is a facility where residents returning to the community after a period of incarceration receive help finding housing and employment; referrals to medical and mental health care and substance abuse treatment; and reintegration, mentoring, and therapy services. Hope Village residents range in age from 18 to 75, and the average stay is 90 days.

OBJECTIVES: The objectives of the OIG’s inspection will be to independently assess conditions and analyze operations at Hope Village, and document progress made toward implementing the recommendations in the CIC’s May 2013 report of inspection.

NO. 3 **Department of Corrections** **STATUS: Start FY 2015**

TITLE: **EVALUATION OF INMATE RELEASE PROCEDURES
AT THE CENTRAL DETENTION FACILITY**

OVERVIEW: A May 2012 report from the Council’s Committee on the Judiciary states: “Since 2003, the Council has been struggling with the Department of Corrections (DOC) to eliminate the late night release of inmates from the D.C. Jail. Such releases potentially harm inmates because access to necessary services such as housing, counseling, and transportation is limited or non-existent.”

Effective December 11, 2012, the Council passed the DOC Inmate Processing and Release Amendment Act of 2012 (D.C. Law 19-195) to “expedite the processing of incarcerated individuals from the Central Detention Facility [(CDF)], to ensure the inmates’ safe release and the safety of the surrounding community, to require adequate public records be maintained of all releases from the [CDF], and to create sanctions for the failure to release inmates within the reasonable time requirements outlined in [the Act.]” The law provides that this record may be audited upon request by the OIG or the District of Columbia Auditor.

OBJECTIVES: The objectives of the evaluation will be to assess DOC’s compliance with provisions in the Inmate Processing and Release Amendment Act.

NO. 4 **Office of Veterans Affairs** **STATUS: Start FY 2015**

TITLE: **INSPECTION OF THE OFFICE OF VETERANS
AFFAIRS**

OVERVIEW: Statistics presented on the District of Columbia’s Office of Veterans Affairs (OVA) website indicate that as of December 2012, approximately 4,600 D.C. military veterans had previously deployed as part of Operation Enduring Freedom, Iraqi Freedom, or New Dawn; as of that same date, approximately 200 District residents were still deployed.

OVA's mission is to assist, recognize, and advocate on behalf of District of Columbia veterans and their families by helping veterans, their dependents, and survivors in applying for federal benefits entitlements and acquiring necessary service records; providing assistance with transitioning from military to civilian life; and connecting District veterans with services to help address housing, employment, and physical and mental health issues.

OBJECTIVES: The objectives of this evaluation will be to quantify and evaluate OVA's service delivery, and make recommendations as necessary to improve the quality and timeliness of information and services provided to OVA clients.

NO. 5 **Office on Returning Citizen Affairs** STATUS: Start FY 2015

TITLE: **INSPECTION OF THE OFFICE ON RETURNING CITIZEN AFFAIRS**

OVERVIEW: Launched in February 2011 as the Office of Ex-Offender Affairs and renamed later that year, the Office on Returning Citizen Affairs (ORCA) serves "individuals who would otherwise be left to navigate their way back into society on their own. The Council for Court Excellence estimates that approximately 8,000 people a year return to the District after serving a sentence in prison or jail Upon their release, these individuals face obstacles that make reentry exceedingly difficult. Individuals with criminal records face legal discrimination in housing, employment, and education."³

In its May 2014 report regarding the FY 2015 budget for the Department of Corrections,⁴ the Council's Committee on the Judiciary and Public Safety expressed "serious concerns that ORCA is not meeting the needs of the District's many returning citizens."⁵

OBJECTIVES: The objectives of this evaluation will be to: (1) assess ORCA's organization, management, level of expertise, and the quality

³ D.C. COUNCIL COMM. ON THE JUDICIARY AND PUBLIC SAFETY, REPORT AND RECOMMENDATIONS ON THE FISCAL YEAR 2015 BUDGET FOR AGENCIES UNDER ITS PURVIEW 47-8 (May 14, 2014).

⁴ Prior to FY 2015, ORCA was part of DOC's Office of Community Affairs.

⁵ *Id.* at 48.

and timeliness of services delivered to ORCA clients; and (2) make recommendations, informed in part by a review of similar entities in other jurisdictions, for improving ORCA's operations and communications with District stakeholders.

NO. 6 Metropolitan Police Department STATUS: Start FY 2015

TITLE: INSPECTION OF CONDITIONS IN METROPOLITAN POLICE DEPARTMENT DISTRICT STATIONS AND SUBSTATIONS

OVERVIEW: MPD, the District's primary law enforcement agency, employs over 4,000 sworn and civilian members and is organized into seven Police Districts, each of which uses a District Station as its primary base of operations. Three of MPD's Districts—the First, Fourth, and Sixth Districts—in addition to their primary Station, operate one Substation each.

OBJECTIVES: The primary objective of this project will be to assess the overall physical conditions of the Station and Substation buildings and key systems, with a particular focus on those systems and equipment that, if deficient, would directly impact MPD personnel's ability to perform their duties safely, efficiently, and professionally.

NO. 7 Department of Public Works STATUS: Start FY 2015

TITLE: SPECIAL EVALUATION OF THE ACCURACY AND CONDITION OF ON-STREET PARKING SIGNAGE THROUGHOUT THE DISTRICT

OVERVIEW: In response to a request for input into the Inspector General's Fiscal Year 2015 Audit and Inspection Plan, the Director of DPW requested a review of inaccurate, on-street parking signage that he believes has led to citizen confusion, inconsistent application of District parking regulations, and errors in parking citations that give the appearance of overly aggressive enforcement.

OBJECTIVES:

The objectives of this project are to: (1) review, *inter alia*, the regulatory bases for signage operations; (2) assess processes for determining requirements and locations; (3) assess the sign writing process and accuracy of signage text; (4) evaluate signage placement and maintenance activities; and (5) attempt to determine the extent of any nexus between signage deficiencies and erroneous parking citations. Complete coverage of the key issues may require issuance of multiple reports.

ONGOING INSPECTIONS AND EVALUATIONS

NO. 8 **Multi-Agency** **STATUS: Ongoing**

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

OVERVIEW: Drivers in the District receive parking tickets and moving violations from various sources: officers with MPD; DPW parking enforcement officers; DDOT traffic control officers; and the District’s much-publicized network of red light, speed, and pedestrian safety enforcement cameras. Ticket fines are a substantial revenue source for the District. At the same time, the infrastructure (i.e., District employees, contractors, and the technologies) necessary to process and adjudicate these violations represents a considerable annual expense.

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, adjudication, and appeal of these violations and related fines and penalties; (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 efficiency of the adjudication and appeals processes.

NO. 9 **Department of General Services** **STATUS: Ongoing**

TITLE: ***FOLLOW-UP TO OIG REPORT OF SPECIAL EVALUATION: DEPARTMENT OF REAL ESTATE SERVICES – PROTECTIVE SERVICES POLICE DEPARTMENT***

OVERVIEW: In May 2010, I&E published a report of special evaluation (10-I-0036AM) regarding the Protective Services Police Department (PSPD), the District entity charged with providing security and law enforcement services in District-owned and -leased properties. At the time, PSPD was overseen by the Department of Real Estate Services (DRES). Effective October 1, 2011, DRES functions and responsibilities were assumed by a new agency, DGS.

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 or operational practices or hazardous conditions at PSPD security posts.

THE AUDIT PROCESS

THE AUDIT PROCESS:

Engagement Letter:

An engagement letter from the Inspector General provides the agency director with the audit title, scope, objectives, an audit start date, and an entrance conference request. The letter may include work space requirements or informational requests (for example, organization charts) before the audit commences.

Entrance Conference:

An entrance conference allows auditors to meet with management officials to discuss the items in the engagement letter. Management officials are encouraged to discuss with auditors areas of interests, concerns, or problems that should be noted during the audit.

Fieldwork:

Fieldwork begins with a survey, which determines the vulnerable areas and the focus of the audit. Depending upon the survey results, the auditors begin reviewing records and documents, and perform substantive tests to determine whether programs and systems are functioning as intended. During the fieldwork process, agency personnel will need to respond to questions, as well as provide access to original records, documents, and files. Auditors make every attempt to minimize disruptions to agency operations.

Exit Conference:

The exit conference permits auditors to summarize for management officials any audit findings and recommendations. At this time, auditors raise corrective actions to management officials with the goal to address deficiencies.

Resolution Process:

The resolution process occurs between the time the agency receives the draft audit report and before issuing the final report. The draft audit report allows the agency to indicate actions taken and planned, target dates for any uncompleted actions, and any disagreements with the findings or recommendations. The OIG makes every reasonable effort to resolve disagreements with agency officials. The OIG incorporates the agency's response into the body of the report and includes the full text of the reply in an appendix to the report. 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. 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.

Audit Follow-up:

Periodically, the OIG conducts follow-up audits to verify that pledged actions have been taken and were effective in correcting reported deficiencies. 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.

THE INSPECTION AND EVALUATION PROCESS

THE INSPECTION AND EVALUATION PROCESS

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.

Engagement Letter:

Approximately 1 month before the project's planned start, the Inspector General sends an engagement letter to the agency director to explain the project's objectives and scope, and request specific information and documents that will inform the project team's background research.

Entrance Conference:

The I&E manager and analysts assigned to the project meet with agency officials to discuss items in the engagement letter. The I&E team solicits their input regarding the project's objectives and scope, and other areas of interest or concern that should be assessed.

Fieldwork:

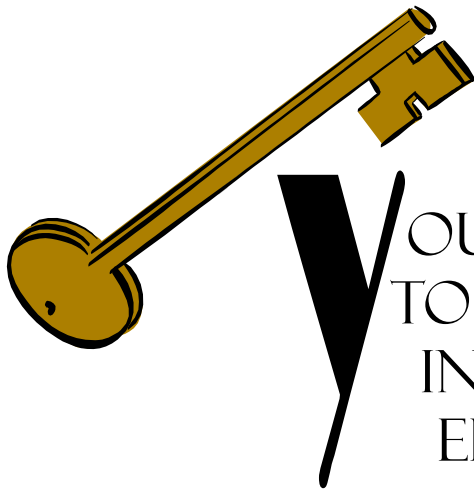
The I&E team interviews employees, observes their work, reviews paper and electronic files and documentation, and requests information from agency managers and others. Inspectors recognize the need to be inconspicuous and respectful of employees' workday practices to minimize disruptions to agency operations. During the team's fieldwork, senior officials at an inspected agency will be advised by means of Management Alert Reports of any significant findings that the inspection team believes require priority attention.

Draft and Final Report:

A draft report that presents specific findings and recommendations is sent to the inspected agency for comment. I&E incorporates into the body of the published report all written comments, verbatim, submitted by an agency as well as any OIG responses.

Compliance:

A *Findings and Recommendations Compliance Form* is issued for each finding and recommendation, along with the final Report of Inspection, 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.



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