

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



OIG

July 17, 2020

The Honorable Muriel Bowser
Mayor of the District of Columbia
Mayor's Correspondence Unit
The John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 316
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 504
Washington, D.C. 20004

Dear Mayor Bowser and Chairman Mendelson:

This letter informs you that the Office of the Inspector General (OIG) has completed the *Audit of OIG Prior Year Recommendations* (OIG Project No. 20-1-01MA). The OIG is statutorily required to keep you “fully and currently informed about ...the necessity for and progress of corrective actions” related to problems and deficiencies in District program and operations.

Also, *Government Auditing Standards* require us to periodically conduct audit recommendation follow-up. Our office has been performing follow-up audit work annually since fiscal year (FY) 2017. Every year, we survey District agencies' efforts to determine the implementation status of recommendations and track corrective actions. Our office maintains this information in the audit recommendation tracking system. The system allows each audit staff member to update the recommendation's “status” after validating the provided information.

Our audit objectives are to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG reports; and (3) whether agencies realized monetary benefits (if applicable). We conducted this audit in accordance with generally accepted government auditing standards. See Appendix A for our scope and methodology.

As of the end of FY 2019, District agencies had implemented 16 of 68 recommendations included in 10 OIG audit reports. The OIG considers these recommendations “closed.” Remediation of the remaining 52 recommendations is incomplete, and we still consider them “open.”

Table 1 displays the number of audit recommendations issued to District agencies, as of September 30, 2019. The table also depicts the percentage of closed recommendations by agency, and the total number of open recommendations the OIG will follow-up on in next year’s review.

Table 1. Status of OIG Prior Year Audit Recommendations						
Report	Responsible Agencies	Total	Closed	Open	Percentage Implemented	Follow-up In FY 2021
1	Department of Public Works	3	1	2	33%	2
2	Department of General Services	6	0	6	0%	6
3	Office of the Chief Technology Officer	9	0	9	0%	9
4	Washington Metropolitan Transit Authority	8	7	1	88%	1
5	District of Columbia Public Schools and Office of the State Superintendent of Education	4	4	0	100%	0
6	Fire and Emergency Medical Services and Office of Contracting and Procurement	7	0	7	0%	7
7	Office of the City Administrator	7	0	7	0%	7
8	District Department of Transportation	10	0	10	0%	10
9	DC Water	9	4	5	44	5
10	Office of the Chief Technology Officer	5	0	5	0%	5
Total		68	16	52	24%	52

Source: OIG analysis

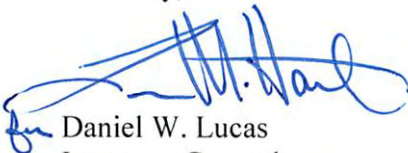
Department of General Services (DGS), the Office of the Chief Technology Officer (OCTO), District Department of Transportation (DDOT), Fire and Emergency Medical Services (FEMS), and the Office of the City Administrator (OCA) did not make progress in completing the implementation of previously issued recommended activities, resulting in zero percentage implemented for 44 of the 52 open recommendations. We encourage these five District agencies to begin implementing these recommendations. We also encourage DC Water, Department of Public Works (DPW), and Washington Metropolitan Transit Authority (WMTA), to continue their implementation efforts to remediate the remaining eight open recommendations fully.

Audit recommendations promote ways to improve economy, efficiency, effectiveness, and accountability within District program and operations as well as compliance with laws, rules, and regulations. When fully implemented, our recommendations provide District management with assurances that they run their operations efficiently and effectively, report reliable information about their operations, and comply with applicable laws and regulations.

Failure to strengthen internal controls may cause conditions conducive to fraud, waste, and abuse; and may impact the District's annual financial statement audit. Non-compliance with laws and regulations may subject agencies or the District to legal penalties and may cause reduced performance standards.

We appreciate the cooperation and courtesies extended to our staff during this review. If you have any questions concerning this report, please contact me or Fekede Gindaba, Acting Assistant Inspector General for Audits, at (202) 727-9770.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Lucas", is written over a horizontal line.

Daniel W. Lucas
Inspector General

DWL/tda

cc: See Distribution List

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Mr. Jeff Marootian, Director, District Department of Transportation (via email)
Mr. David Gadis, CEO and General Manager DC Water (via email)

Appendix A – Objectives, Scope, and Methodology

Our objectives were to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG audits; and (3) whether agencies realized monetary benefits (if applicable).

This review consists of audit reports issued between August 2018 and September 2019. We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We also included five audits from our prior year follow-up audit because the agencies did not implement all their recommendations. Accordingly, our scope was limited to the 68 recommendations that were open in the following audits' final reports:

- 3 recommendations issued to [*Department of Public Works: Oversight of District Fleet Vehicles*](#), OIG Project No. 14-1-25KT, March 2017;
- 6 recommendations issued to [*Department of General Services: Management of the District's Real Property Assets and Leasing Processes Needs Significant Improvement, Which Could Lead to Substantial Cost Savings*](#), OIG Project No. 16-1-12AM, August 2017;
- 9 recommendations issued to [*Office of the Chief Technology Officer: Actions Needed to Strengthen the District's External Cybersecurity Preparedness*](#), OIG Project No. 16-1-16TO, September 2017;
- 8 recommendations issued to [*Washington Metropolitan Transit Authority: Examination of the Capital Funding Agreement \(CFA\) between the Washington Metropolitan Area Transit Authority \(WMATA\) and the District of Columbia*](#), OIG Project No. 17-1-17KE, February 2018;
- 4 recommendations issued to [*District of Columbia Public Schools and the Office of the State Superintendent of Education: The District Lacked Control Activities over Student Residency Verification and the Collection of Non-Resident Tuition*](#), OIG Project No. 17-1-216GA, April 2018.
- 7 recommendations issued to [*Fire and Emergency Medical Services and Office of Contracting and Procurement: District Response Time to Basic Life Support Calls Have Improved, but Contract Award and Administration Deficiencies Need to be Addressed*](#), OIG Project No. 17-1-15FB, July 2018;
- 7 recommendations issued to the [*Office of the City Administrator: District of Columbia Agencies' Fund Reprogramming Practices: Opportunities Exist to Improve the District's Process to Track Fund Reprogramming Activities*](#), OIG Project No. 17-1-20MA, November 2018;

- 10 recommendations issued to the [District Department of Transportation: District Department of Transportation Contract Solicitation and Management Practices for Transportation Projects can be Improved](#), OIG Project No. 18-1-02KA, April 2019;
- 9 recommendations issued to [DC Water: DC Water's Procedures For Monitoring Lead In Drinking Water Could be Improved](#), OIG Project No. 18-1-04LA, April 2019; and
- 5 recommendations issued to the [Office of the Chief Technology Officer: OCTO's Oversight of Information Technology Acquisitions Needs Improvement to Ensure the District Realizes Intended Benefits](#), OIG Project No. 18-1-19TO, April 2019.

To assess whether District agencies implemented previously issued audit recommendations, the OIG audit team distributed a questionnaire to auditees to obtain the status of the prior year OIG recommendation and the outcome of any associated implemented activity. We interviewed agency officials responsible for implementing the OIG prior-year recommendations.

To effectively evaluate recommendation implementation progress and the intent of implemented activities, we tested and analyzed agencies' policies and procedures, internal controls, and financial records and transactions.

Appendix B – Detailed Discussion of Open Recommendations

DEPARTMENT OF PUBLIC WORKS

Audit of Oversight of Fleet Vehicles Usage and Inventory is Not Adequate

Recommendation #3

Document specific procedures in the FMA Manual for vehicle disposal, including a mechanism to ensure appropriate reclassification of disposed vehicles.

DPW Response:

DPW is currently updating its policies and procedures, which will eventually be accessible to staff in an online portal, which will replace the FMA manual. All policies and procedures must be reviewed by agency coordinators and a legal sufficiency performed before implementation in the online portal. DPW's target completion date is December 31, 2020.

Recommendation #4

Establish procedures for divisions to coordinate to retain and update all required vehicle master file documents.

DPW Response:

DPW is in the process of formulating a quality checklist for each file and party to complete for securing the master file documents.

DEPARTMENT OF GENERAL SERVICES

[Management of the District’s Real Property Assets and Leasing Processes Needs Significant Improvement, Which Could Lead to Substantial Cost Savings](#)

Table 2. DGS’s Response to OIG Prior Year Audit Recommendations		
No.	Recommendations	Agency Response
2	Prepare and submit annual reports of changes in real property assets to the Council.	Implemented
4	Develop policies that include procedures to competitively bid contracted lease services; and requirements to provide relevant training to portfolio management staff.	Implemented
7	Coordinate between the Portfolio Management Division and the Finance Department to reconcile rent collected against the tenant listing and follow-up in a timely manner with tenants who miss rent payments.	Implemented
8	Consider separating the lease administration and auditing services from future tenant representation contracts and award a separate contract with a fixed annual fee for these services.	Implemented
12	Report potential Anti-Deficiency Act violations to the Board of Review for Anti-Deficiency Violations.	Implemented
13	Consult with the Office of Contracting and Procurement to determine if the leasing contracts executed without a valid PO between August 2015 and February 2016 require ratification.	Implemented

OFFICE OF THE CHIEF TECHNOLOGY OFFICER

[Office of the Chief Technology Officer: Actions Needed to Strengthen the District’s External Cybersecurity Preparedness](#)

(Confidential, exempt from public disclosure)

OCTO has not implemented the nine recommendations issued in the final report, dated September 2017. We have made several attempts to resolve and close OCTO’s recommendations.

WASHINGTON METROPOLITAN TRANSIT AUTHORITY

[Washington Metropolitan Transit Authority: Examination of the Capital Funding Agreement \(CFA\) between the Washington Metropolitan Area Transit Authority \(WMATA\) and the District of Columbia](#)

Recommendation #1

Reduce the District of Columbia’s allocated contribution in the next fiscal year by \$8.1 million.

WMATA Response:

WMATA management is awaiting further direction from the Board to decide whether an independent audit firm should review the audit findings and determine a settlement between the funding partners. No further management action at this time.

OFFICE OF THE CITY ADMINISTRATOR

District of Columbia Agencies' Fund Reprogramming Practices: Opportunities Exist to Improve the District's Process to Track Fund Reprogramming Activities

Table 3. OCA Response to OIG Prior Year Audit Recommendations		
No.	Recommendations	Agency Response
1	Establish and standardize mechanism for agencies to track and maintain operational and program information needed to support fund reprogramming requests.	No update
2	Conduct periodic reviews of reprogramming transactions to ensure statements included in the reprogramming requests are accurate.	No update
3	Require agencies to explain why the reprogramming is unforeseen and why the reprogramming was not included in the budget planning process.	No update
4	Establish a communication protocol to inform agencies of plans to cut funds previously appropriated to the agencies.	No update
5	Establish a grant fund reprogramming policy to clarify requirements for reprogramming grants.	No update
6	Establish a timeline for the parties involved in the approval process.	No update
7	Implement management controls to ensure the District funds reserves before putting funds into Paygo accounts and the Housing Production Trust Fund.	No update

DISTRICT DEPARTMENT OF TRANSPORTATION

District Department of Transportation Contract Solicitation and Management Practices for Transportation Projects can be Improved

Table 4. DDOT's Response to OIG Prior Year Recommendations		
No.	Recommendations	Agency Response
1	Compare current practices against AASHTO and Federal Highway guidance on increasing and evaluating competition and develop a plan to increase competition.	In-Progress
2	Implement procedures to detect potential anticompetitive practices.	In-Progress
3	Determine in writing why increasing the original contract ceiling value without competition and/or issuing a task order beyond the original contract term is in the best interest of the District.	Implemented
4	Establish a communication protocol to inform agencies of plans to cut funds previously appropriated to the agencies.	Implemented
5	Maintain and analyze historical data pertaining to solicitations and contract awards to develop procurement plans that include strategies to improve competition.	In-Progress
6	Develop and implement policies and procedures for conducting a line-by-line comparison of costs described in a bid to the Independent Government Estimates in evaluating unbalanced bids.	In-Progress
7	Implement procedures to assess the liability of the designer when processing change orders and maintain documentation as required by 27 DCMR § 2630.	In-Progress
8	Approve and issue purchase orders prior to authorizing work or receiving invoices for payment or document the fund availability for exceptions.	In-Progress
9	Review purchase orders that are inactive for more than 1 year for potential closure and release of funds for better use.	In-Progress
10	Implement a closeout procedure for federally-funded projects and monitor performance of the closeout (i.e., District and federal) process.	In-Progress

DC WATER

DC Water's Procedures for Monitoring Lead in Drinking Water Could Be Improved

Table 5. DC WATER's Response to OIG Prior Year Recommendations		
No.	Recommendations	Agency Response
1	Develop a plan to identify the unknown pipe materials within the water distribution system.	In-Progress
2	Correct the service line information discrepancies in service line materials to ensure transparency, consistency, accuracy, and completeness of the best available information for customers and stakeholders.	In-Progress
3	Develop a plan to increase water testing participation in areas not regularly part of the LCR sample testing.	In-Progress
4	Use DC Water staff to collect samples or guide customers who collect LCR water samples.	In-Progress
7	Develop a process or procedure to follow-up on outstanding customer requests for lead service line replacement, including the 255 customers currently on the list.	In-Progress

OFFICE OF THE CHIEF TECHNOLOGY OFFICER

OCTO's Oversight of Information Technology Acquisitions Needs Improvement to Ensure the District Realizes Intended Benefits

Table 6. OCTO's Response to OIG Prior Year Recommendations		
No.	Recommendations	Agency Response
1	Assign resources to draft regulations under D.C. Code § 1-1403(1).	In-Progress
2	Develop and implement policies and procedures upon drafting regulations under D.C. Code § 1-1403(3).	In-Progress
3	Recommend that the Information Technology Investment Review Board allow OCTO to review and approve project budgets before including them in the Capital Improvements Plan.	Implemented
4	Develop a list of all agencies, including agencies under the Mayor's authority, whose Information Technology acquisition must first go through OCTO's review and approval process.	Implemented
5	Update the PASS system business logic to include all applicable agencies.	Implemented