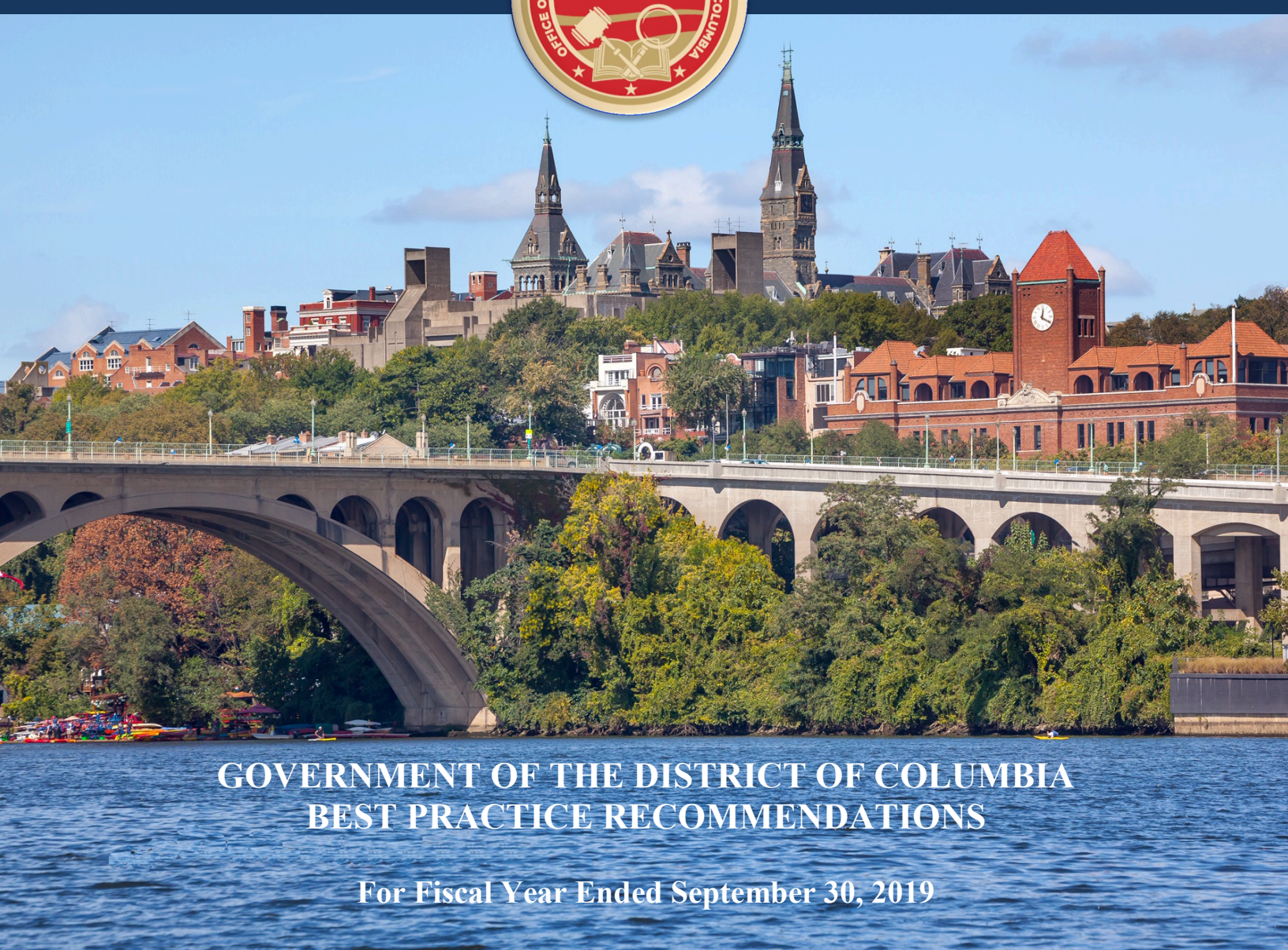


DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 20-1-19MA

February 2020



GOVERNMENT OF THE DISTRICT OF COLUMBIA BEST PRACTICE RECOMMENDATIONS

For Fiscal Year Ended September 30, 2019

Guiding Principles

*Workforce Engagement * Stakeholders Engagement * Process-oriented * Innovation
* Accountability * Professionalism * Objectivity and Independence * Communication * Collaboration
* Diversity * Measurement * Continuous Improvement*

Mission

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

Vision

Our vision is to be a world-class Office of the Inspector General that is customer-focused, and sets the standard for oversight excellence!

Core Values

Excellence * Integrity * Respect * Creativity * Ownership
* Transparency * Empowerment * Courage * Passion
* Leadership



GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Inspector General

Inspector General



February 12, 2020

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

Jeffrey S. DeWitt
Chief Financial Officer
Office of the Chief Financial Officer
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 203
Washington, D.C. 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Mayor Bowser, Chairman Mendelson, and Chief Financial Officer DeWitt:

Enclosed is the *District of Columbia Best Practice Recommendations for Fiscal Year 2019* report (OIG No. 20-1-19MA) SB & Company, LLC (SBC) issued January 22, 2020. SBC submitted this report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for FY 2019.

This report sets forth SBC's best practice recommendations intended to improve internal controls or result in other operating efficiencies in District government. The report also includes SBC's summary of prior year best practice recommendations and the corresponding implementation status.

If you have questions about this report, please contact me or Benjamin Huddle, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,


Daniel W. Lucas
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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GOVERNMENT OF THE DISTRICT OF COLUMBIA

Best Practice Recommendations

For the Year Ended September 30, 2019



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To the Mayor, City Council, Inspector General and
Chief Financial Officer of the Government of the District of Columbia

In planning and performing our audit of the financial statements of Government of the District of Columbia (the District) as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States., we considered the District's internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls.

In accordance with *Government Auditing Standards*, we have issued our report dated January 22, 2020, on our consideration of the District's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal controls over financial reporting and compliance.

Listed below are some best practice recommendations we want to provide to you based on our observations during the audit.

OFFICE OF LOTTERY AND GAMING

1. User Access

SBC noted in the review of BOS system (which is an application software that processes and reports sales transactions) permissions indicated that logical separation of roles has been defined in the system. Also, BOS access was based on job responsibilities. While we recognize that the DC Lottery has certain controls in place over user access, implementation of a periodic entitlement review process would ensure that only the required personnel have access permissions.

Recommendation

SBC recommends DC Lottery implement:

1. A periodic entitlement review of administrator and user accounts to evaluate if access roles are appropriate.



Management Response

Management does not agree with the finding.

Users (IT staff) or third-party users (gaming system vendor staff who are responsible for the administration of BOS) that require escalated permissions are granted by request via the Security Department. When those permissions have been granted (if granted), the Security team is in constant monitoring of that access, and each request is logged and tracked. Before that access is granted, the requestor must provide by email the purpose or need for the permissions and the necessary time required to complete the purpose. When that time has expired, if Security has not already done so, the permissions will be disabled unless a request for additional time has been requested. The security team is the only DC Lottery staff that has the ability and authority to grant accesses and permissions.

Employees are set up in BOS by security with certain accesses based upon their role with the Lottery. The set-up occurs during the onboarding of a new employee. When there are cases of employees moving from one role to another within the Lottery, their access is reviewed and amended by Security if necessary. In instances where employees are separated from employment, Security is notified by the appropriate party and BOS access is immediately terminated. The Security team is the only Lottery staff that has the ability and authority to grant accesses and permissions. The Lottery believes the current controls in place are sufficient, however, we also believe in continued improvement and will have the access roles of BOS users reviewed by the security team quarterly and documented.

OFFICE OF THE CHIEF TECHNOLOGY OFFICER

2. Vulnerability Scanning

The review of network security for OCTO identified the following concerns:

- Vulnerability scanning is not performed for the database servers supporting the PASS application.
- The firewall rules managing inbound traffic to the database servers supporting the PASS and PeopleSoft application have not been restricted to only the traffic needed to support the business operation.

Recommendation

SB & Company, LLC (SBC) recommends that processes be put in place to perform vulnerability scanning of the databases supporting the PASS application and that the firewall rules allowing inbound access to the PASS and PeopleSoft database servers.



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Management Response

The Office of the Chief Technology Officer (OCTO) acknowledges the findings, and in accordance with the recommendation is in process of developing:

1. Standard Operating Procedures (SOPs) and a vulnerability assessment schedule of databases supporting the DC Government Procurement System, known as PASS. (estimated completion date of November 30, 2019); and
2. Appropriate firewall rules to lock down access to the databases for the Procurement System and the Human Capital Management System (estimated completion date of February 2020).

Washington, DC
January 22, 2020

SB & Company, LLC



STATUS OF PRIOR YEAR BEST PRACTICE RECOMMENDATIONS

Listed below is the status of our previous best practice recommendations that had either been resolved or partially resolved as of September 30, 2019.

OFFICE OF LOTTERY AND CHARITABLE GAMES

1. Install Appropriate Fire Suppression System in Data Center

We noted that a water sprinkler is installed above the ceiling where the Office of Lottery and Charitable Games (DC Lottery) Data Center houses the ICS system and network devices. DC Lottery has not been able to replace the water sprinkler. Critical devices and information in the data center could be damaged by water.

Recommendation

We recommend that DC Lottery incorporate in their IT Strategic Planning installation a more appropriate fire suppression system in the Data Center.

Current Year Status

Implemented

GENERAL GOVERNMENT

2. Medicaid Eligibility Support

During our testing, we noticed written notices of eligibility were not sent to four (4) Modified Adjusted Gross Income (MAGI) beneficiaries covering the period of service. We were not provided with evidence of eligibility renewal for these cases even though the beneficiaries were covered by Medicaid during these periods.

We observed an instance where an eligibility renewal application was not processed by DHCF on a timely basis in the District of Columbia Access System (DCAS). Written notice of eligibility was not sent to the beneficiary. We observed one (1) MAGI beneficiary whose Medicaid benefits were listed as terminated in DCAS but were still active in Automated Client Eligibility Determination System (ACEDS) and Medicaid Management Information System (MMIS). Notification was sent to the beneficiary from DHCF informing them that their Medicaid health coverage would be terminated on February 28, 2018, if a renewal application was not received. The beneficiary submitted an application for renewal on March 12, 2018, which had not been acted on in the DCAS system as of the time of our audit procedures in November 2018. The beneficiary however continued receiving benefits during the period of service selected during the month of May 2018.



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We were not provided with the application for Medicaid eligibility or renewal form for two (2) MAGI beneficiaries. Also, notice of eligibility was not sent to the beneficiaries. However, we observed in the DCAS system that the beneficiaries had Medicaid coverage for the selected period of service.

Recommendation

SBC recommend the District ensure proper client files are maintained to support the client information included in the ACEDS, DCAS, and MMIS systems. Adequate review procedures of beneficiary files should be performed that include a review of the information within the various DHCF systems for each beneficiary to ensure no inconsistencies.

Current Year Status

Partially Implemented