

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL



August 31, 2020

FISCAL YEAR 2021 AUDIT AND INSPECTION PLAN

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



Fiscal Year 2021 Audit and Inspection Plan



A Message from the Inspector General

I am pleased to present the District of Columbia Office of the Inspector General's (OIG) *Fiscal Year 2021 Audit and Inspection Plan* (Plan). This Plan, developed annually, operationalizes the OIG's oversight requirements for District programs and operations.



In preparing this Plan, the OIG leveraged our annual comprehensive risk assessment process to review District operations and programs. This risk assessment considers many variables such as feedback and identified priorities from District leaders, statutory requirements, prior OIG work and open recommendations, previously identified management challenges; and our internal risk identification and assessment process. Using this process, the OIG issued 8 reports with 92 recommendations in the last year. These reports identified more than \$69.3 million in potential monetary benefits to the District.

While the OIG's Plan considers risks identified and evaluated at a specific point in time, it is subject to change given emergent events. There is no better example of this flexibility than the OIG's response to the COVID-19 Public Emergency. In responding to the Public Emergency, the OIG team quickly evaluated ongoing and planned engagements to determine which projects should: (1) continue in a remote environment; (2) be suspended until normal operations resume; and (3) be initiated in the subsequent fiscal year. The OIG team did an extraordinary job to re-consider risks faced by the District during this Public Emergency, all while successfully constituting operations in a remote environment.

This year's Plan continues to build on risks the OIG identified related to the ongoing Public Emergency, as well as risks inherent to an organization as large and complex as the District. This year's Plan includes a mix of projects that consider high-risk and high-impact issues, vulnerable programs and operations, and the District's ongoing response to the COVID-19 Public Emergency. Through the work generated from this Plan, the OIG will continue to provide recommendations to the District to help safeguard its finite resources and to prevent and detect corruption, fraud, waste, abuse, and mismanagement in government operations.

I look forward to another productive year as the District's independent fact-finder. For additional information about this Plan, please call our Office at (202) 727-2540 or visit <http://oig.dc.gov>.

A handwritten signature in blue ink, appearing to read "D W Lucas".

Daniel W. Lucas
Inspector General

TABLE OF CONTENTS

	Page
BACKGROUND	1
REQUIREMENTS	1
OIG COMPREHENSIVE RISK ASSESSMENT PROCESS	1
EMERGING REQUIREMENTS	1
CORE MISSION AREAS	2
Audit Unit.....	2
Inspections and Evaluations Unit.....	2
PLANNED AUDITS	3
AUDITS REQUIRED BY LAW	3
Audit of the District of Columbia Highway Trust Fund and 5-Year Forecast	3
Audit of Special Education Attorney Certifications	4
Audit of the Attorney General Consumer Restitution Fund	4
Audit of the West End Library and Fire Station Maintenance Fund	4
Audit of the District of Columbia Procurement System.....	4
Independent Fiscal and Management Audit of the D.C. Housing Authority.....	5
Audit of the District of Columbia’s Commercial Real Estate Assessment Process	5
AUDITS IDENTIFIED THROUGH THE OIG’S COMPREHENSIVE RISK ASSESSMENT PROCESS	7
Audit of District Procurement During the COVID-19 Public Health Emergency.....	7
Audit of the District of Columbia Public Schools Distance Learning Program	7
Audit of the Department of Employment Services Unemployment Insurance System Claims Processing and System Modernization	7
Audit of the Office of Police Complaints Oversight of Police Misconduct	8
Office of Tax and Revenue Tax System Modernization	9
Audit of the District’s Tort Liability and Subrogation	9
Follow-up Audit of OIG Recommendations.....	10

TABLE OF CONTENTS

PLANNED INSPECTIONS AND EVALUATIONS	11
INSPECTIONS AND EVALUATIONS IDENTIFIED THROUGH THE OIG’S COMPREHENSIVE RISK ASSESSMENT PROCESS.....	11
Evaluation of the District of Columbia Opioid Crisis Response Program	11
Evaluation of the Family Rehousing and Stabilization Program (FRSP)/Rapid Rehousing Program (RRP).....	11
Inspection of the District’s Home and Community-Based Services Program.....	12
Follow-up Evaluation of OIG Recommendations	12
Evaluation of Selected Contracts	12
Evaluation of Internal Controls for District Entitlement Programs	13
FY 2020 ONGOING ENGAGEMENTS.....	14
ONGOING AUDIT PROJECTS.....	14
Audit of District of Columbia Tax Abatements.....	14
Audit of the District of Columbia’s Affordable Housing Programs.....	14
Audit of the District of Columbia’s Employee Benefits Programs	15
Audit of the Use of Force in the DC Jail	15
ONGOING INSPECTION AND EVALUATION PROJECTS	16
Evaluation of Compliance with the Healthy Schools Act Health Education Requirements.....	16
Evaluation of the Department of Behavioral Health’s Contracting Procedures	16
Inspection of the District of Columbia’s Child Care Subsidy Voucher Program	17
Evaluation of Local Education Agency and Community-Based Organizations Pre-Kindergarten Enrollment Process	17
Appendices.....	18
Appendix A. The Audit Process	18
Appendix B. The Inspection/Evaluation Process.....	18
Appendix C. OIG Products.....	20

BACKGROUND

REQUIREMENTS

The Fiscal Year (FY) 2021 Audit and Inspection Plan (Plan) is prepared in accordance with D.C. Code § 1-301.115a(a)(3)(I), which requires the Office of Inspector General (OIG) to publish an annual plan for audits, in consultation with the Mayor and the Council of the District of Columbia, not later than 30 days before the beginning of each fiscal year.

OIG COMPREHENSIVE RISK ASSESSMENT PROCESS

In planning our work for FY 2021, the OIG continued to utilize its Comprehensive Risk Assessment Process to identify and prioritize risk to District programs and operations. The OIG's internal Risk Identification Committee (Committee) took a holistic view of the District – its agencies, programs, and strategic priorities – as detailed in the District's FY 2021 Budget and Financial Plan, to identify potential risks for corruption, fraud, waste, abuse, and mismanagement. The Committee also reviewed the actions the District has taken to address the COVID-19 Public Health Emergency to identify any risks associated with the District's response. The OIG also solicited feedback from affected stakeholders using surveys and reviewed the priorities of other District oversight entities to ensure the best use of OIG resources.

The Committee applied a matrix to evaluate and review potential engagements based on the following factors:

- prior review or action by the OIG and other District oversight entities;
- vulnerability to corruption, fraud, waste, abuse, and mismanagement;
- potential for monetary benefits or funds put to better use within the District;
- District and non-government stakeholder interest; and
- impact to District operations.

The OIG's comprehensive and integrated approach to risk assessments for planning purposes enables the agency to have greater flexibility in identifying, assessing, and prioritizing engagements within this Plan, including unforeseen contingencies beyond activities outlined in the Plan. The projects included in this Plan reflect the OIG's focus on improving the economy and efficiency of the District of Columbia government.

EMERGING REQUIREMENTS

Understanding that oversight needs will evolve during FY 2021, the OIG anticipates that projects in this Plan could be delayed, suspended, or canceled based on emergent requests from the Executive Office of the Mayor, the Council of the District of Columbia (Council), District agency leaders, or deemed appropriate by the Inspector General.

CORE MISSION AREAS

Audit Unit

The Audit Unit (AU) focuses its resources on programs and initiatives that pose serious challenges and risks for the District. The OIG designs audits to mitigate those risks and assess the results of budgeted programs to ensure audits achieve expected results. In addition to conducting performance audits, AU also monitors, assesses, and reports on the status of an agency's implementation of recommended (and agreed to) corrective actions from prior audits to determine whether actions taken addressed the noted deficiencies. Much of the benefit from audit work is not in the findings reported, or the recommendations made, but in their effective resolution.

Inspections and Evaluations Unit

The Inspections and Evaluations Unit (I&E) focuses its resources on conducting inspections and evaluations in order to publish reports that call for corrective measures to improve operations, address deficiencies, and ensure compliance with District and federal laws, regulations, and policies. Inspections provide senior District government managers with an independent source of facts and analysis about agency performance, program efficiency, the effectiveness of quality assurance procedures, and the potential for mismanagement, fraud, waste, and abuse.

PLANNED AUDITS

AUDITS REQUIRED BY LAW

Fiscal Year 2021 Comprehensive Annual Financial Report Audit(CAFR)

D.C. Code § 1-301.115a(a)(3)(H)(Supp. 2018) requires the OIG to contract with an independent auditor to conduct a comprehensive audit of the District’s financial statement. The OIG chairs the CAFR Audit Oversight Committee (CAFR Committee). The CAFR Committee conducts regular meetings with Committee members and coordinates with the Office of the Chief Financial Officer (OCFO) and the Certified Public Accounting Firm (Independent Auditor) throughout the audit. The CAFR must be submitted to the Mayor and the Council by February 1st of each year following the end of the fiscal year audited.

In addition to the District’s General Fund, these District agencies and entities (component units) must be included in the audit:

- D.C. Lottery and Charitable Games Control Board (financial statements);
- Department of Employment Services (Unemployment Compensation Fund – financial statements);
- Washington Convention Center Authority/dba Events D.C. (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; and,
- Not-For-Profit Hospital Corporation.

The objectives of this engagement are to: (1) oversee the progress of the audit executed by the contracted Independent Auditor; and (2) address any issues that may arise or may prevent timely completion of this engagement.

Audit of the District of Columbia Highway Trust Fund and 5-Year Forecast

D.C. Code § 9-109.02(e) (Lexis – Statutes current through Aug. 3, 2020) requires the OIG to submit a report on the results of its audit of the financial statements of the District of Columbia Highway Trust Fund (Fund). The report is due to Congress, the Mayor, the Council, and OCFO by February 1st of each year for the preceding fiscal year. The Fund’s 5-year Forecast audit has a statutory due date of May 31st.

The objectives of this engagement are to: (1) express an opinion on the financial statements of the District of Columbia Highway Trust Fund (Fund) for the preceding fiscal year; and (2) examine the forecast statements of the Fund’s expected conditions and operations for the next 5 years.

Audit of Special Education Attorney Certifications

The objective of this engagement is to determine the accuracy of certifications made to the Office of the Chief Financial Officer by attorneys in special education cases brought under the Individuals with Disabilities Education Act (IDEA) in the District. The OIG's mandate is found in D.C. Code § 1-301.115a(a)(3)(J)(Supp. 2018).

Audit of the Attorney General Consumer Restitution Fund

According to the Office of the Attorney General (OAG), the Consumer Restitution Fund was established “for the collection and distribution of restitution awards made to private parties as a result of OAG’s consumer protection enforcement actions. This fund will help protect consumers who have been wronged by a company, but are unable to recover funds because the company’s assets are exhausted.”¹ The OIG’s mandate is found in D.C. Code § 1-301.86c(h) (Lexis – Statutes current through Aug. 3, 2020).

The objective of this engagement is to examine the income and expenditures of the OAG’s Consumer Restitution Fund.

Audit of the West End Library and Fire Station Maintenance Fund

The West End Library and Fire Station Maintenance Fund (Fund) finances “supplemental maintenance service; common-area maintenance service; insurance; and, capital improvements for the West End Library and West End Fire Station.” D.C. Code § 1-325.181(a). The Department of General Services (DGS), in close consultation with the District of Columbia Public Library, is responsible for management of the Fund. The OIG’s mandate is found in D.C. Code § 1-325.181(e) (Lexis – Statutes current through Aug. 3, 2020).

The objectives of this engagement are to: (1) examine the assets, liabilities, fund balance, revenue, and expenditures of the Fund; (2) conduct a detailed accounting of expenditures; and (3) identify expenditures not permitted under law.

Audit of the District of Columbia Procurement System

On July 11, 2017, the OIG issued its report entitled *Government of the District of Columbia Fiscal Year 2017 Procurement Practices Risk Assessment*. The scope of the assessment included the procurement authorities to which District government agencies are subject, including the Procurement Practices Reform Act of 2010 (PPRA) (D.C. Law No. 18-371), the Chief Procurement Officer’s (CPO) authority as identified in Section 201(a) of the PPRA, and those District agencies exempt from both the PPRA and the CPO’s authority.

For FYs 2017-2020, the OIG used the findings of the *Fiscal Year 2017 Procurement Practices Risk Assessment* to target specific engagements at vulnerabilities identified in the

¹ Press Release, Office of the Attorney General, Attorney General Racine Thanks Council for FY 2018 Budget Expanding Support for Public Safety, Workers, Environment (Jun. 14, 2017), <https://oag.dc.gov/release/attorney-general-racine-thanks-council-fy-2018>.

previous report. In FY 2021, the OIG will conduct a follow-up of the FY 2017 Report to determine if previously identified risks have been mitigated, and identify new risk areas that have emerged within the District's Procurement System.

The objectives of this engagement are to identify: (1) District procurement practices subject to the risk of corruption, fraud, waste, abuse, and mismanagement; (2) high-risk incongruences in the procurement rules and regulations; and (3) high-risk structural issues related to the District's procurement system.

Independent Fiscal and Management Audit of the D.C. Housing Authority

Pursuant to D.C. Code § 1-301.115a(e-1)(Supp. 2018), the OIG may conduct an annual inspection and independent fiscal and management audit of the D.C. Housing Authority (DCHA).

DCHA serves as the landlord for nearly 20,000 residents of the more than 8,000 federally-owned public housing units in the District. During DCHA's FY 2020 Budget Hearing, the Executive Director testified that the true need to rehabilitate and stabilize the District's public housing is \$2.2 billion. In its response, the Council Committee on Housing and Revitalization stated that it is "hesitant to commit such a substantial stream of annual funding . . . without enhanced planning and oversight."²

The objectives of this engagement are to: (1) assess DCHA's internal control environment; and (2) identify areas at risk of loss through errors, theft, or noncompliance with federal and District law and regulations.

Audit of the District of Columbia's Commercial Real Estate Assessment Process

Pursuant to D.C. Code § 47-821(e) (Lexis current through Aug. 3, 2020), the OIG shall arrange an independent audit of the OTR to examine 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 the 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. The OIG must arrange for this audit at least once every 3 years.

The OIG last conducted this engagement in 2017, from which two reports were released: (1) *Evaluation of the District of Columbia Government's Management and Valuation of Commercial Real Property*, and *Internal Controls Over the District's Commercial Real Property Assessment Process*.

The objectives of this engagement are to evaluate the: (1) commercial real property assessment process; (2) organizational structure, workload statistics, performance measures, compensation

² Committee on Housing and Neighborhood Revitalization, *Report and Recommendations of the Committee on Housing and Neighborhood Revitalization on the Fiscal Year 2020 Budget for Agencies Under its Purview* (May 1, 2019).

requirements, staffing levels, training, qualifications, and staff development functions of the Commercial Real Property Assessment staff; 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.

This project was identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan* and was subsequently postponed to FY 2021 due to the COVID-19 Public Emergency. The OIG plans to outsource this project to an independent auditor.

AUDITS IDENTIFIED THROUGH THE OIG'S COMPREHENSIVE RISK ASSESSMENT PROCESS

Audit of District Procurement during the COVID-19 Public Health Emergency

During the COVID-19 Public Health Emergency, the District procured goods and services to meet the needs of District agencies and medical providers for items such as personal protective equipment, medical equipment, leased space, and other goods and services. The District used emergency procurements that bypassed traditional contracting processes and procedures to respond to the pandemic in a timely manner. The District consolidated COVID-19 related procurement operations out of the Emergency Operations Center (EOC) using the WebEOC and Quickbase platforms.

The OIG selected this engagement because emergency procurements that bypass normal processes and procedures are at greater risk of corruption, fraud, waste, abuse, or mismanagement; the large dollar value associated with COVID-19 related emergency procurements; and the importance of those purchases to public safety.

The objectives of this engagement are to determine whether: (1) the District received the goods and services in accordance with agreed-to terms and conditions; (2) supplies and services were procured at fair market value; and, (3) procurements had proper approvals and were adequately managed.

Audit of the District of Columbia Public Schools Distance Learning Program

In response to the public health emergency and the District's efforts to mitigate the spread of COVID-19, the District of Columbia Public Schools (DCPS) closed schools. On March 24, 2020, DCPS launched distance learning for students, which required students to learn through a combination of online lessons, printed materials, and virtual check-ins with teachers.

The OIG identified this engagement due to the potential fraud risks inherent in a new program created and administered during an emergency, and the potential ramifications to students if the program does not meet its goals.

The objectives of this engagement are to determine the availability and equity of the Distance Learning Program in meeting the educational needs of students in the District.

Audit of the Department of Employment Services Unemployment Insurance System Claims Processing and System Modernization

The COVID-19 Public Health Emergency and related business closures led to a dramatic rise in Unemployment Insurance (UI) claims in the District of Columbia. As of July 23, 2020, the U.S. Department of Labor identified that over 72,000 people were receiving Unemployment Insurance in the District of Columbia, with an average of over 3,000 new initial claims filed each week in July. More than 13,000 individuals are receiving Unemployment Insurance funding under the Pandemic Unemployment Assistance program created as part of the Coronavirus Aid, Relief, and

Economic Security (CARES) Act.³ News reporting and complaints made to the OIG Hotline have consistently identified issues in the program, including delays in processing UI benefit applications, technology issues, poor customer service, and a lack of responsiveness to applicant complaints.

Additionally, the Department of Employment Services (DOES), which operates the UI system in the District, made statements to the Council and the federal government that it would update its UI system web portal to be more modern and user-friendly by 2018. In subsequent Council hearings, DOES pushed back the expected completion to 2019, and ultimately to 2022. DOES has contracted with a company for the past six years, at the cost of over \$29 million, to maintain and modernize the current UI system web portal without completing the project.

The OIG identified this engagement due to interest from the Council, complaints made to the OIG Hotline, and fraud risk associated with UI systems during this COVID-19 Public Health Emergency. On June 17, 2020, the OIG informed the Department of Employment Services of the risk of large scale identity theft being used to apply to entitlement programs nationwide fraudulently. Subsequently, authorities have identified over 13 states having their UI system targeted with these types of fraud schemes.⁴

The objectives of this engagement are to assess: (1) DOES' responsiveness in processing UI claims; and (2) the accessibility, availability, and reliability of the UI system.

Audit of the Office of Police Complaints Oversight of Police Misconduct

The Office of Police Complaints (OPC) is an independent agency that was created by statute in 1999 and opened to the public on January 8, 2001. According to its website:

OPC's mission is to increase community trust in the District of Columbia police forces by providing a fair, thorough, and independent system of civilian oversight of law enforcement. OPC is staffed by civilians and has the authority to receive complaints involving six types of police officer misconduct: harassment, inappropriate language or conduct, retaliation, unnecessary or excessive force, discrimination, and failure to identify. The agency's functions are to conduct fair and thorough investigations of citizen complaints, provide a reliable system of civilian oversight of law enforcement policies, procedures, and training, and promote positive community-police interactions.⁵

Reports of the excessive use of force by police have drawn public attention and widespread calls for justice around the country, including in the District of Columbia. The OIG selected this

³ News Release, U.S. Dep't of Labor, COVID-19 Impact, Unemployment Insurance Weekly Claims, 7 (Jul. 30, 2020), <https://www.dol.gov/ui/data.pdf>.

⁴⁴ Erin Cox, *Using Stolen Identities, Fraudsters Filed 47,500 Fake Unemployment Claims in Maryland*, WASH. POST (Jul. 15, 2020), https://www.washingtonpost.com/local/md-politics/maryland-unemployment-scam/2020/07/15/8e7a72ea-c6b4-11ea-a99f-3bbdff1af38_story.html.

⁵ *About Office of Police Complaints*, D.C. Office of Police Complaints, <https://policecomplaints.dc.gov/page/about-office-police-complaints> (last visited Aug. 6, 2020).

engagement due to public interest in ensuring complaints against police are managed appropriately.

The objectives of this engagement are to assess OPC's: (1) goals and objectives to improve positive community-police interactions; and (2) responsiveness in processing complaints regarding police misconduct.

Office of Tax and Revenue Tax System Modernization

The Office of the Chief Financial Officer (OCFO) and the Office of Tax and Revenue (OTR) is responsible for exercising independent control and oversight over the District's financial systems, including the Modernized Integrated Tax System (MITS). The purpose of the MITS project is to improve the District's tax systems by adding new functionality in the areas of compliance; collections; case management; and individual, business, and property tax collection, processing and accounting to bring them in line with industry best practice. The project is being implemented in stages starting with the case management module, real property system, and, eventually, the core tax management system. Based on our review of the 2010 6-year capital budget, the proposed funding for the MITS project was \$10 million with a projected design start of January 1, 2009, and a construction completion date of July 30, 2012. Over the next 10 years, the estimated funding of the MITS project increased to \$81.5 million, as well as extensions made to the completion date. As of the FY 2020 6-year capital budget, the District had spent approximately \$72.1 million on the MITS project.

This risk area was identified during the OIG's city-wide *Audit of the District of Columbia Agencies' Fund Reprogramming Practices*, issued in November 2018, in which we determined that PayGo funding was reprogrammed to fund the project.

The objectives of this engagement are to assess OCFO's: (1) management of the MITS budget, schedule, and requirements; and (2) the goals and objectives of the MITS project to improve the District's tax systems.

Audit of the District's Tort Liability and Subrogation

A tort is a wrongful act, injury, or damage, not involving a breach of contract, for which a civil lawsuit may be brought. District of Columbia tort claims are claims for damage to or loss of property, or claims for personal injury or death to non-District personnel caused by the negligent or wrongful act or omission of a District employee acting within the scope of his or her employment. Subrogation is a tort claim initiated by the District against a third party whose acts of negligence have resulted in damage to District government property.

In 2018, the Office of Risk Management implemented a new District-wide incident reporting system, called ERisk, designed to, among other things, address issues with repeat-accident offenders and to track the District's tort liability.

The OIG identified this engagement due to public safety concerns regarding District vehicles operated by individuals with multiple accidents and the potential to reduce funds the District paid as part of tort claims.

The objectives of this audit are to assess the effectiveness of: (1) controls over tort claims paid by the District of Columbia; and (2) subrogation claims initiated by the District of Columbia.

Follow-up Audit of OIG Recommendations

Responsibility for taking action on OIG recommendations rests with the agency to which the audit recommendations were directed. The OIG does not have the resources to review all past recommendations; therefore, the OIG will select a judgmental sample of recommendations for a follow-up audit.

Selecting recommendations for follow-up may be prompted by these conditions:

- Serious incidents involving abuse, illegal activity, or statutory violations.
- Issues having significant stakeholder, public, or media interest.
- Impact on public safety, health, or security.
- Systemic weaknesses that might cause recurring problems.

The objectives of this engagement are to determine whether: (1) audited entities implemented recommendations made by the OIG; (2) corrective actions addressed the conditions identified in prior OIG reports; and (3) monetary benefits were realized (if applicable).

PLANNED INSPECTIONS AND EVALUATIONS

INSPECTIONS AND EVALUATIONS IDENTIFIED THROUGH THE OIG'S COMPREHENSIVE RISK ASSESSMENT PROCESS

Evaluation of the District of Columbia Opioid Crisis Response Program

The Department of Behavioral Health (DBH) provides prevention, intervention, and treatment services and supports for children, youth, and adults with mental and/or substance use disorders, including emergency psychiatric care and community-based outpatient and residential services.

During 2017 and 2018, DBH received \$4 million in grant funding from the federal government for the District's Opioid Targeted Strategy Project. In January 2019, the *Washington Post* reported that DBH officials had failed to implement numerous initiatives outlined in the grant funding.

In December 2018, and updated in March 2019, Mayor Bowser announced LIVE. LONG. D.C., the District's new Strategic Plan to Reduce Opioid Use, Misuse, and Related Deaths. The plan outlines seven strategic goals to address the opioid crisis and includes over \$22 million in funding. Goal 4 in the Strategic Plan, titled *Support the awareness and availability of, and access to, harm reduction services in Washington, D.C.*, identifies over \$6.5 million in funding for the District's goal of distributing a minimum of 66,000 Naloxone kits and providing training to Metropolitan Police Department (MPD) officers and other first responders in order to prevent potential deaths from opioid overdoses.

The OIG identified this engagement because of the public safety issue associated with the opioid epidemic, the significant increase in funding to address the issue, and the District's previous audit findings regarding its ability to manage opioid program funds and resources.

The objectives of this engagement are to assess whether the District of Columbia is: (1) effectively managing the opioid program funds and resources; (2) conducting training and distributing Naloxone kits at identified levels; and (3) meeting the goals of the LIVE. LONG. D.C. Plan.

Evaluation of the Family Rehousing and Stabilization Program (FRSP)/Rapid Rehousing Program (RRP)

The purpose of the Rapid Rehousing Program is to provide housing to families and individuals experiencing homelessness so they can focus on other aspects to keep them from returning to a shelter, such as job resources or school. The participant is responsible for paying 40 to 60 percent of their income in rent, and the government covers the remaining amount. Additionally, participants are eligible to participate in the program for up to 12 months. In 2019, the RRP served 2,200 families and 458 individuals. In 2020, it is serving 2,298 families and 383 individuals. The FY 2019 budget for families was \$52 million and \$4.3 million for individuals. Various news articles have reported that RRP fails to provide stability to participants and sets them up to fail.

The objectives of this engagement are to evaluate whether: (1) the Department of Human Services (DHS) is adequately managing the FRSP and RRP programs; and (2) determine if RRP is meeting the goal of providing stability so participants can transition to their own housing after leaving the program.

Inspection of the District’s Home and Community-Based Services Program

The Home and Community-Based Services (HCBS) Program is a waiver program designed to cover needed home and community-based services as an alternative to receiving care in an institution such as a nursing home. In the past, Medicaid funds were only available for services provided in institutions. As community service systems grew, Congress determined that people could benefit from home and community-based services as an alternative to institutional care and created the waiver program so that people have a choice on where they receive services. The Department of Health Care Finance (DHCF) has agreements with qualified vendors to provide the services. The program has a capacity of approximately 5,000 people, is provided on a first-come, first-serve basis, and currently has a waiting list. DHCF made payments totaling over \$95 million in Fiscal Year 2018 for the program.

The objectives of this engagement are to evaluate whether: (1) DHCF is adequately managing the Home and Community-Based Services Program; and (2) the program is meeting its intended goal of providing care to participants.

Follow-up Evaluation of OIG Recommendations

Responsibility for taking action on OIG recommendations rests with the agency to which the recommendations were directed. The OIG does not have the resources to review all past recommendations; therefore, the OIG will select a judgmental sample of recommendations for a follow-up evaluation.

Selecting recommendations for follow-up may be prompted by these conditions:

- Serious incidents involving abuse, illegal activity, or statutory violations.
- Issues having significant stakeholder, public, or media interest.
- Impact on public safety, health, or security.
- Systemic weaknesses that might cause recurring problems.

The objectives of this engagement are to determine whether: (1) inspected and evaluated entities implemented recommendations made by the OIG; (2) corrective actions addressed the conditions identified in prior OIG reports; and (3) monetary benefits were realized (if applicable).

Evaluation of Selected Contracts

Throughout FY 2021, the OIG will monitor contract awards and use a methodology developed internally to quantify risk in order to identify specific contracts to evaluate.

The OIG will review contract documentation and deliverables, conduct interviews with District government employees responsible for contract award and administration, and conduct onsite observations. The assessment of selected contracts will deliver two primary benefits: (1) identify control weaknesses and provide recommendations to improve control deficiencies; and (2) provide information to decision-makers regarding ongoing and future contract performance.

The objectives of this type of evaluation are to: (1) review executed District government contracts for vulnerabilities to corruption, fraud, mismanagement, waste, and abuse; and (2) assess whether parties to the contract have effectively operationalized key contract terms and conditions to ensure that the District is receiving maximum benefits and expected goods and services.

Evaluation of Internal Controls for District Entitlement Programs

The District of Columbia manages multiple large entitlement programs, such as Unemployment Insurance, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, and others. Due to the scope of these programs and the number of applicants, they are susceptible to fraud, waste, and abuse. Throughout FY 2021, the OIG will review entitlement programs to ensure adequate internal controls are in place so these programs operate as intended.

The objectives of this engagement are to: (1) evaluate if sufficient internal controls are in place to mitigate fraud, waste, and abuse; and (2) assess the overall management of these programs.

FY 2020 ONGOING ENGAGEMENTS

ONGOING AUDIT PROJECTS

Audit of District of Columbia Tax Abatements

A tax abatement is a financial incentive that eliminates or significantly reduces the amount of taxes an owner pays on a piece of property. Tax abatements are usually offered in exchange for binding conditions, such as hiring a set number of local residents whomust be employed, developing affordable housing, or participating in non-profit activities.

D.C. Code § 47–4701 (Lexis – current through Aug. 3, 2020) requires the analysis of proposed tax abatements by the Office of the Chief Financial Officer (OCFO) to contain the terms, value, and purpose of each abatement; and, a summary of proposed community benefits, financial analysis, and an advisory opinion.

The objectives of this audit are to assess: (1) the OCFO’s methodology for conducting a cost-benefit analysis of proposed tax abatements; and (2) the accuracy of this analysis in practice when applied to active projects.

This project was identified in the OIG’s *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, this engagement is ongoing.

Audit of the District of Columbia’s Affordable Housing Programs

The Housing Production Trust Fund (HPTF) is one of the main mechanisms used to produce and preserve affordable housing in the District of Columbia. Established in 1988, the HPTF is a permanent revolving special revenue fund administered by the Department of Housing and Community Development. HPTF’s approved budget for FY 2020 was \$115,600,000. The proposed FY 2021 operating budget calls for \$109,000,000.

According to D.C. Code § 42–2802(b-1), at least 50% of HPTF spending shall provide housing for “extremely low-income” households, defined as below 30% of the median family income (MFI). At least another 40% of HPTF shall provide housing for “very low-income” households, which has been defined as incomes between 30% and 50% MFI. The balance of funds can serve households with incomes up to 80% MFI. According to the Department of Housing and Urban Development, the MFI for the Washington, D.C. region for FY 2020 is \$126,000 for a family of four.

The objective of this engagement is to evaluate how efficiently the HPTF is providing and creating affordable housing for eligible District residents

This project was identified in the OIG’s *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, this engagement is ongoing.

Audit of the District of Columbia's Employee Benefits Programs

The District's FY 2020 budget supported 37,626 full-time equivalent employees (FTE). In addition to their regular salary, FTEs earn fringe benefits, which include life and health insurance, savings and retirement plans, and work and life benefits such as paid family leave. In order to receive the correct benefits, District human resource staff must ensure they follow proper procedures, collect adequate documentation from the employee, and correctly enter the resulting benefit requests into the District's PeopleSoft application. Incorrect coding of a District employee may result in the employee not earning their entitled benefits, or possibly being overpaid for benefits to which they are not entitled.

The objectives of this engagement are to: (1) evaluate the District employee benefits controls; and (2) determine compliance with federal and District employee benefit policies and procedures.

This project was identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, this engagement has been announced to the agency.

Audit of the Use of Force in the DC Jail

The District Department of Corrections (DOC) authorizes staff to use force only as a last alternative after all other reasonable efforts to resolve a situation have failed. When authorized, staff must use only that amount of force necessary to gain control of the inmate, to protect and ensure the safety of inmates, staff, and others, to prevent serious property damage, and to ensure institutional security and good order.

DOC staff are required to document all incidents involving the use of force, chemical agents, or non-lethal weapons. Staff also must document, in writing, the use of restraints on an inmate who becomes violent or displays signs of imminent violence. Assessing this data to ensure that force is applied consistently and fairly will help ensure that District inmates and DOC staff are protected, and mitigate legal risk to the District government.

The objectives of this audit are to: (1) determine how force is applied in the DC Jail; and (2) identify any trends or noncompliance with requirements that expose the District to legal risk.

This project was identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, this engagement has been announced to the agency.

ONGOING INSPECTION AND EVALUATION PROJECTS

Evaluation of Compliance with the Healthy Schools Act Health Education Requirements

D.C. Code §§ 38-824.02(b)(2) and (d) (Lexis current through Aug. 3, 2020) states that public schools shall provide health education to students in grades kindergarten through 8th for an average of at least 75 minutes per week and that these classes shall meet curricular standards adopted by the State Board of Education. These health standards contain various goals for Human Immunodeficiency Virus (HIV) education, including ensuring students can analyze the short-term and long-term consequences of adolescent sexual activity – e.g., the costs and methods for sexually transmitted disease testing and treatment, and unplanned pregnancy.

In February 2019, a senior official from D.C. Appleseed, a non-profit, non-partisan research and advocacy organization, testified before the Council of the District of Columbia’s Committee on Health during a Performance Oversight Hearing of the Department of Health, citing a 2018 report that found “new [HIV] infections among District residents 13-29 years old not only rose between 2016 and 2017 but constituted 41% of all new infections. This rate is approximately double the national average (21%) for new infections among that age group In order to reverse the increase in youth infections, enforcement of the Healthy Schools Act (HSA) is critical The striking rate of new infections among youth and interviews with stakeholders suggest that sexual health education is still not being uniformly implemented in accordance with the HSA.”⁶

The objective of this inspection is to assess the extent to which the Office of the State Superintendent of Education (OSSE) and the District of Columbia Public Schools (DCPS) have implemented key provisions of the Healthy Schools Act of 2010.

This project was identified in the OIG’s *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, a draft report has been prepared.

Evaluation of the Department of Behavioral Health’s Contracting Procedures

The mission of the Department of Behavioral Health (DBH) is to support prevention, treatment, resiliency, and recovery for District residents with mental health and substance use disorders through the delivery of high-quality, integrated services. For FY 2020, DBH’s approved budget was \$323 million. A preponderance of DBH’s budget (52 percent or \$168 million) is in non-personnel services, which includes contracts and grant awards.

The objectives of this evaluation are to: (1) review executed DBH contracts for vulnerabilities to corruption, fraud, mismanagement, waste, and abuse; and (2) assess whether parties to the contract have effectively operationalized key contract terms and conditions to ensure that the District is receiving maximum benefits and expected goods and services.

⁶ Committee on Health, *Testimony on the FY2018-2019 Performance of the District Department of Health*, (February 8, 2019)

This project was identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, a draft report has been prepared.

Inspection of the District of Columbia's Child Care Subsidy Voucher Program

The District of Columbia's Child Care Subsidy Voucher Program assists eligible families with child care costs by paying part or all of the families' costs directly to their child care provider. The program serves eligible children aged 6 weeks through 12 years; children with disabilities may qualify for benefits up to the age of 19. Under the terms of a Provider Agreement with OSSE, once a month, a qualified child care provider receives payment for services provided in the form of a check processed by the Office of the Chief Financial Officer, and when applicable, co-payments from parents/guardians.

The objectives of this inspection are to: (1) assess changes made to the Office of the State Superintendent of Education's (OSSE) Child Care Subsidy eligibility determination process; and (2) evaluate the effectiveness of internal controls designed to prevent subsidy payments to ineligible or unlicensed child care providers.

This project was identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, a draft report has been prepared.

Evaluation of Local Education Agency and Community-Based Organizations Pre-Kindergarten Enrollment Process

The District of Columbia provides free pre-Kindergarten education services at District of Columbia Public Schools (DCPS), Public Charter Schools (DCPCS), and Community-Based Organizations for children aged 3 and 4 who are residents of the District. Neighboring jurisdictions in Maryland and Virginia do not provide free pre-Kindergarten education services. The free nature of the services, combined with the high cost of childcare and news reporting of potential residency fraud being committed at other DCPS and DCPCS, raises the risk of residency fraud in pre-Kindergarten.

The objectives of this evaluation are to: (1) assess the enrollment process for pre-Kindergarten at local education agencies and community-based organizations; and (2) determine if controls are in place to mitigate residency fraud in the program.

This is an emergent project not identified in the OIG's *Fiscal Year 2020 Audit and Inspection Plan*. As of the date of this plan, this engagement is ongoing.

APPENDIX A. THE AUDIT PROCESS

Engagement Letter

An engagement letter from the Inspector General provides the agency director with the audit title, scope, objectives, audit start date, and entrance conference request. The letter may include workspace requirements or request the agency provide information before the audit starts.

Entrance Conference

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

Fieldwork

Fieldwork begins with a survey, which determines vulnerable areas and the focus of the audit. Depending on survey results, auditors review records and documents, and perform substantive tests to determine whether programs and systems are functioning as intended. During the fieldwork phase, agency officials must respond to questions and provide access to original records, documents, and files. Auditors try to minimize disruptions to agency operations.

Exit Conference

The exit conference permits auditors to summarize for agency officials any audit findings and recommendations. Auditors discuss corrective actions with agency officials to help address reported deficiencies early.

Draft and Final Report

The OIG will provide a draft report, which allows the agency to indicate actions taken and planned, target dates for any incomplete actions, and any disagreement with findings or recommendations. The OIG incorporates elements of the agency's response into the body of the report and includes the full text of the reply in an appendix to the report. The OIG may also provide audit reports to congressional committees, individual members of Congress, and the media. Audit reports are available to the public on the OIG website.

Audit Follow-up

Periodically, the OIG conducts follow-up audits to verify that the audited agency has taken pledged actions and corrected deficiencies effectively. District officials and managers are responsible for implementing the corrective actions they have agreed to undertake in response to the audit reports. The OIG monitors progress in implementing audit recommendations.

APPENDIX B. THE INSPECTION/EVALUATION PROCESS

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 Inspections and Evaluations (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. The I&E team must 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 with Management Alert Reports of any significant findings that the I&E team believes require priority attention.

Draft and Final Report

A draft report that presents findings and recommendations is sent to the inspected agency for comment. I&E incorporates into the body of the published report an agency's written submission, verbatim, and any OIG responses. Final I&E reports are available to the public on the OIG website.

I&E Follow-up

Periodically, the OIG will follow up with agencies to determine the implementation status of recommendations. The I&E team asks agencies to provide target dates for completion of required actions, to document when recommendations have been complied with, and to describe the action taken.

APPENDIX C. OIG PRODUCTS

Audits: An OIG audit is a proactive review, which conforms to the Government Accountability Office's Government Auditing Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit reports are publicly available on our website.

Inspections: An OIG inspection is a planned, in-depth process aimed at reviewing, studying, and analyzing the programs and activities of a department or agency to identify weaknesses and recommend improvements to operations and personnel management. OIG inspections adhere to Quality Standards for Inspections and Evaluations promulgated by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Inspections are neither an audit nor an administrative or criminal investigation. Inspection reports are publicly available on our website.

Evaluations: An OIG evaluation is a review of an agency operation, condition, or event of concern or interest to the Inspector General, the Council of the District of Columbia, or the Executive Office of the Mayor. OIG evaluations adhere to Quality Standards for Inspections and Evaluations promulgated by CIGIE. Evaluations are not an audit, inspection, or an administrative or criminal investigation. Evaluation reports are publicly available on our website.

Management Alert Report (MAR): An OIG MAR is issued to inform a specific agency's management of a matter that surfaced during our work (audit, inspection/evaluation, or investigation), that requires immediate attention.

Management Implication Reports (MIR): An OIG MIR is issued to inform multiple District agencies of a matter that surfaced during our work. MIRs are publicly available on our website.

Significant Activity Report (SAR): An OIG SAR is issued to notify the Executive Office of the Mayor and/or Council of the District of Columbia of any significant activity, information, or event related to an administrative or criminal investigation. An example of a SAR would be a press release from the U.S. Attorney's Office that concerns an OIG investigation involving District employees and/or assets. SARs incorporate action taken by the Executive and are publicly available on our website.