



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

FISCAL YEAR 2012 AUDIT AND INSPECTION PLAN

**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



August 31, 2011

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

RE: Office of the Inspector General's Fiscal Year 2012 Audit and Inspection Plan

Dear Mayor Gray and Chairman Brown:

This letter transmits the Office of the Inspector General's (OIG) *Fiscal Year 2012 Audit and Inspection Plan* (Plan). This Plan has been prepared pursuant to D.C. Code § 1-301.115a (a)(3)(I) (Supp. 2011), which states, in part, that the Inspector General shall "[n]ot later than 30 days before the beginning of each fiscal year . . . and in consultation with the Mayor... [and] the Council. . . establish an annual plan for audits to be conducted under this paragraph. . . ." For your convenience, as we did last year, we have incorporated our strategy for inspections into the Plan.

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

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

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

The OIG has and continues to play a role in assisting District management in addressing areas of risk. As such, we have developed the following strategic themes that will govern our operations and help us achieve our mandated mission. These themes are:

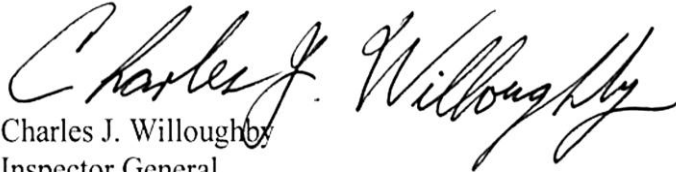
- I. Revenue Enhancement
- II. Spending and Efficient Use of Resources
- III. Delivery of Citizen Services
- IV. Support Services
- V. Audits Required by Law
- VI. District of Columbia Education Programs
- VII. Prior Performance Audits

The reality of having limited resources and the unknown priorities arising from exigencies throughout the year often determine how many audits or inspections we can ultimately initiate and complete in any fiscal year. This is particularly true in today's economic climate. Further, many of the audit and inspection areas included transcend a given fiscal year. In order to ensure the most effective and efficient use of our resources, where possible, audits and inspections are coordinated to complement one another and to avoid duplication of effort.

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

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

Sincerely,

A handwritten signature in black ink, reading "Charles J. Willoughby". The signature is fluid and cursive, with the first name "Charles" and last name "Willoughby" clearly legible. The middle initial "J." is smaller and less distinct.

Charles J. Willoughby
Inspector General

Enclosure

CJW/lw

cc: See Distribution List

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**FISCAL YEAR 2012
AUDIT AND INSPECTION PLAN**

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INTRODUCTION

INTRODUCTION

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2012 Audit and Inspection Plan (Plan) for the Government of the District of Columbia. Pursuant to D.C. Code § 1-301.115a (a)(3)(I) (Supp. 2011), the OIG, in consultation with the Mayor and the District of Columbia Council (Council), is required to establish an audit plan 30 days prior to the commencement of the new fiscal year.

The Plan includes descriptions of mandated and discretionary audits and inspections to be conducted in the upcoming fiscal year based on risk assessments of vulnerable programs and issues; input from the District's executive and legislative leadership, agency officials, and other stakeholders; and the requirements of federal law. We have also included audits and inspections ongoing as of September 1, 2011.

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

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

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

We have undertaken an ambitious Plan, shaped in part by concerns raised by District leadership. Accordingly, our Plan reflects ideas and suggestions from the Mayor's office, Councilmembers, District agency officials, and others. Additionally, this fiscal year the OIG added an audit theme to provide independent assurance that agreed upon corrective actions have been implemented in response to significant recommendations made in past performance audits.

The follow-up initiative will ensure that the District is getting the full benefit of OIG audits with regard to fraud; waste and abuse prevention, cost savings; revenue enhancement; effective internal controls; improved processes; compliance with laws and regulations; and overall efficiency and effectiveness of District agencies, programs, funds, functions, and activities. The audit follow-up process enables the OIG to monitor, assess, and report on the status of agency implementation of agreed upon corrective actions recommended by prior audits.

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

The following is a brief explanation of the audit and inspection process and a short summary of each audit and inspection, ongoing as of September 1, 2011, or planned for fiscal year (FY) 2012. They are categorized first by theme and then by issue area within a theme. Issue areas are not mutually exclusive of other themes; however, an audit or inspection is listed under the issue area where the majority of the reviews are intended to be focused.

THE AUDIT PROCESS

THE AUDIT PROCESS

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

Engagement Letter

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

Entrance Conference

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

Fieldwork

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

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

Keeping Agency Officials Informed

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

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

This early communication serves three purposes:

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

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

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

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

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

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

ADDITIONAL REPORTING MECHANISMS

ADDITIONAL REPORTING MECHANISMS

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

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

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

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

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

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¹ Agency codes identified correspond to the two-digit codes assigned by the Mayor's Budget Office. "MA" represents audits for which fieldwork will be conducted at multiple agencies.

² "O" indicates the review is ongoing as of September 1, 2010, and "P" indicates the review is planned to start in FY 2011.

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PLANNED AND ONGOING AUDITS

Revenue Enhancement

The District of Columbia government is unique and extremely complex. As one entity, the District government provides services typically delivered elsewhere by states, counties, cities, and special taxing districts. The challenge for the District is to navigate this jurisdictional complexity while facing decreasing revenues and increasing service needs. The gross budget in the FY 2012 Proposed Budget and Financial Plan totals \$10.8 billion, which is \$322 million, or 3.1 percent, more than the FY 2011 Approved Budget of \$10.5 billion.

Revenue is derived from both tax and non-tax sources. Non-tax sources consist of fees, fines, assessments, and reimbursements, while tax sources are levies on broad measures of citizens' abilities to pay (e.g., income, consumption, and wealth). As the nation's capital, the District's taxable property base is reduced by about 42 percent for expressly exempted real property (i.e., federal buildings, foreign embassies, national monuments, and museums). This severely limits the District's ability to generate additional revenue, making it increasingly difficult to meet planned spending levels. For FY 2012, we will continue to focus on audits that assess whether the District is effective in levying and collecting tax-based revenue, acting on all grant-based revenue opportunities, executing effective Medicaid reimbursement programs in the agencies, and optimizing other revenue generating activities. These audits address whether the District is maximizing its revenue potential from all known revenue sources.

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

A. Medicaid

The District's Medicaid Program will spend over \$2 billion on healthcare in FY 2012. The Medicaid Program has been of continuing concern to the District for some time and has been identified in recent Management Reports related to the Comprehensive Annual Financial Report as a significant deficiency affecting the District's financial management infrastructure. Past Congressional committees, as well as the Mayor and the Council, have recognized that Medicaid is a serious problem for the District that has threatened the solvency of some District agencies. For these reasons, the OIG has designated the Medicaid Program as a major issue area until the risk to the District is more manageable. Additionally, D.C. Law 17-0109 established the Department of Health Care Finance (DHCF), effective February 27, 2008, to finance healthcare services associated with the Medicaid and Alliance Programs. Accordingly, our plan for Medicaid coverage is citywide and comprehensive.

Medicaid audit topics include: payment of claims; eligibility of recipients; provider rates; durable medical equipment/prosthetics, orthotics, and supplies; contracts; third party liability; and human care agreements.

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

TITLE: **MEDICAID CLAIMS AT DEPARTMENT OF HEALTH CARE FINANCE**

OBJECTIVES: The objective of the audit is to determine whether Medicaid claims processed for payment were accurate, legitimate, and supported by appropriate documentation.

JUSTIFICATION: The single state agency responsible for the District Medicaid Program is the Department of Health Care Finance (DHCF), a cabinet-level agency created in FY 2008 to replace the Department of Health, Medical Assistance Administration (MAA). Enrollment in the District Medicaid Program was about 150,000 in FY 2008. Affiliated Computer Services, Inc. (ACS) owns and operates the Medicaid Management Information System (MMIS), which processed 5.7 million claims representing payments of \$889 million in FY 2007. Federal authorities conservatively estimate that 3 percent of Medicaid dollars are paid to providers who are defrauding the government. This percentage does not account for claims that are paid erroneously. The first segment of this audit focuses on Medicaid claims submitted by healthcare providers under the purview of the DHCF.

Other potential audit segments focus on Medicaid claims either denied for payment by Public Provider Agencies such as the D.C. Public Schools (DCPS), Child and Family Services Agency (CFSA), and Department of Mental Health (DMH), or approved for payment and then denied when submitted to the District's fiscal agent via the MMIS. When claims are denied, the District general fund is used because providers must be paid for furnished services. Of 822,498 Public Provider Agency claims processed in FY 2007, 804,476 (or 98 percent) were denied by MMIS. Most often, claims are denied because duplicate claims exist or supporting documentation is not adequate or non-existent. The disallowances at DCPS and CFSA that resulted in millions of dollars being returned to the federal government, which were reported by the FY 2008 Comprehensive Annual Financial Report (CAFR), were expected to continue for claims submitted during FY 2009. According to a June 29, 2009, article in *The Washington Examiner*, the District temporarily discontinued Medicaid billing within CFSA because the agency lost

\$82 million from 2003-2008 (average of \$13.7 million per year) and budget documents indicate that the agency will lose another \$95 million in 2009-2011 (average of \$47.5 million per year).

NO. 2 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **HUMAN CARE AGREEMENTS**

OBJECTIVES: Our audit objective is to determine whether the Department on Disability Services properly awarded and monitored human care agreements with providers of services under the home and community-based services waiver for people with developmental disabilities.

JUSTIFICATION: The Procurement Practices Human Care Agreement Amendment Act of 2000 (D.C. Law 13-155) authorizes the District's Chief Procurement Officer, or his/her designee, to award human care agreements for the procurement of direct social, health, human, and education services for District residents. Section 1905.6(b) of Title 27 of the District of Columbia Municipal Regulations requires contracting officers for each responsible agency to certify the financial and professional responsibility of each potential contractor based on the resumé and professional qualifications of the business or organization's staff, as well as relevant professional and/or business licenses and affiliations.

We believe that licensing and certification issues result in disallowance of claim payments for Medicaid services, which the District then becomes responsible for repaying the federal government. This audit may be expanded to address the award of human care agreements by other agencies such as the Office of Contracting and Procurement (OCP) for home health agency services, DMH for mental health services, CFSA for case management and rehabilitative services to children in the custody of the District (foster care), and DCPS for special education services.

NO. 3 **Department of Human Services/
Department of Health Care Finance** **STATUS: Ongoing**

TITLE: **MEDICAID/ALLIANCE ELIGIBILITY**

OBJECTIVES: The audit objectives are to determine whether: (1) District Medicaid recipients met eligibility requirements; (2) Department of Human

Services (DHS) Income Maintenance Administration (IMA) complied with the D.C. Healthcare Alliance (Alliance) Performance Improvement Plan and approved only applicants who met Alliance eligibility requirements; and (3) DHCF adheres to guidance established by the federal government and District's Medicaid Integrity Program.

JUSTIFICATION: The DHS IMA determines the eligibility of applicants and recertifies the eligibility of recipients for Medicaid using the Automated Client Eligibility Determination System (ACEDS). The FY 2009 budget for IMA was approximately \$239 million. During FY 2009, approximately 190,000 people were deemed eligible for Medicaid at a cost of about \$2 billion. Each year, IMA officials had difficulty providing Medicaid case files to the CAFR auditors. Another independent audit of Medicaid eligibility performed by Bert Smith & Co. in 2007 found similar problems with establishing eligibility with District-funded medical assistance under the Alliance program. The Bert Smith & Co. report also indicated that IMA needed to improve enrollment and recertification policies and procedures, timely transfer of eligible recipients from the Alliance program into other programs, residency verification, and systems and procedures used to determine eligibility.

Our audit is conducted as part of our oversight role relative to the American Recovery and Reinvestment Act of 2009 because DHCF plans to use a portion of the stimulus funds to handle the expected increase in Medicaid recipients due to the economic downturn.

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

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

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

JUSTIFICATION: DHCF is the District of Columbia's state Medicaid agency whose mission is to improve health outcomes by providing access to comprehensive, cost-effective, and quality healthcare services for

residents. DHCF had a proposed budget for FY 2008 in the amount of \$1.6 billion, of which an estimated \$180 million were earmarked for nursing home facilities. About 11.25 percent of the proposed budget will be paid to nursing home facilities, which represents the third highest Medicaid services payment. DHCF spent \$1.7 billion during FY 2009 and had an approved budget of \$2 billion for FY 2011.

Nursing home facility revenues cover facility expenses, as well as operations staff and management salaries. Findings from an ongoing audit indicated that 3 percent–16 percent of \$180 million is paid towards executive compensation. There is a \$1 million to \$1.3 million ratio when benchmarked against other states. (The \$1 million figure represents the total excess amount compared to executive compensation limits established by other states and the \$1.3 million figure represents the total excess amount compared to industry standards for executive compensation paid to D.C. Health Care Organizations.) According to the Medicaid State Plan, the District has neither a salary cap nor standards on how nursing facilities compensate their executives.

NO. 5 **Department of Health Care Finance** **STATUS: Start FY 2012**

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 are devices that 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. CNN News reported on October 22, 2009, and Department of Health and Human Service audits have exposed, that suppliers do not need professional education or licenses and that perpetrating fraud can be as simple as

opening a post office box, submitting claim forms using actual or stolen Medicaid beneficiary numbers, and/or shipping supplies to a false address. Although the DHCF started requiring separate applications for DME/POS providers in 2008, responsible officials indicated that they did not conduct site visits to confirm addresses during the provider enrollment process.

NO. 6 **Department of Health Care Finance/** **STATUS: Ongoing**
Office of Contracting and Procurement

TITLE: **MEDICAID ADMINISTRATIVE SERVICES CONTRACTS**

OBJECTIVES: Our objective is to determine whether Medicaid non-direct services contracts were properly awarded and monitored.

JUSTIFICATION: The OIG Medicaid Research Project team identified that Medicaid non-direct services contracts valued at about \$300.1 million were in place during FY 2008. These contracts cover such diverse areas as quality assurance, managed care, information technology, actuarial services, non-emergency transportation broker services, and consulting services. The legislation making DHCF an independent cabinet-level agency, effective October 1, 2008, gave the agency temporary independent procurement authority. The agency hired a contracting officer, but continues to work with OCP to award Medicaid non-direct services contracts. DHCF program officials are responsible for monitoring Medicaid non-direct services contracts. The first audit segment will focus on the District's contract with the vendor responsible for evaluating the quality of care and services supplied by Medicaid providers.

NO. 7 **Department of Health Care Finance** **STATUS: Start FY 2012**

TITLE: **MEDICAID DENTAL SPENDING**

OBJECTIVES: Our audit objective is to determine if the DHCF has controls in place to monitor dental services provided under the D.C. Medicaid program to ensure that reimbursements are not paid for unnecessary, inflated and possibly fraudulent claims.

JUSTIFICATION: The State Auditor of Massachusetts has found alarming dental service claim increases. A sample of dental providers has found approximately \$6 million in overcharges and unnecessary costs from excessive x-rays

over a 4-year period. In the last 4 years, payments to dental providers have doubled from \$116 million to more than \$300 million. The State Auditor also fears a culture that maximizes benefits to the dental providers. These additional costs can lead to reduced services for citizens in need and waste of taxpayer funds. Areas of concern noted in a Massachusetts audit were: (1) numerous x-rays taken routinely and not for specific purposes; (2) overpayments due to a lack of control of overspending on orthodontic and other specialized dental services; and (3) double-billing for the same procedures. Additionally, a New York state audit reported in August 2010 that Medicaid overspent \$40 million for excessive teeth cleanings and oral exams over 5-years and overcharges are about 10 percent of total Medicaid spending for those services.

The District may be subject to the same culture of maximizing benefits to dental providers if controls to monitor these claims are not in place. There are 12 Medicaid Public Health Care centers in the District. There may be countless other individual entities providing Medicaid services as well.

NO. 8	Department of Health Care Finance	STATUS: Start FY 2012
TITLE:	MEDICAID STATE PLAN	
OBJECTIVES:	Our audit objectives are to determine whether: (1) DHCF 's current structure and internal controls provide assurance of organizational and program integrity; (2) DHCF is in compliance with laws, rules, and regulations; and (3) DHCF is receiving cost effective services and that these services are professionally delivered.	
JUSTIFICATION:	The District spends approximately \$2 billion or about 20 percent of its current proposed budget on health care services. Medicaid covers over 25 percent of its population or about 140,000 residents. An additional 20,000 – 30,000 individuals rely upon the DC Health Care Alliance, which covers uninsured residents living at or below 200 percent of the federal poverty level. The Alliance program is funded by District tax dollars.	

NO. 9 **Department of Health Care Finance** **STATUS: Start FY 2012**

TITLE: **REPROCESSING AND RESUBMITTING DENIED MEDICAID CLAIMS**

OBJECTIVES: The audit objective is to determine whether agencies have established processes to rework and resubmit denied Medicaid Claims.

JUSTIFICATION: Certain agencies have not established processes to rework and resubmit denied Medicaid claims. Among them are the DMH, CFSA, District of Columbia Public Schools, the Department of Health, and the Department on Disability Services. Additionally, according to a report previously issued by the OIG (OIG No. 06-2-13RM), DMH did not have processes, procedures, and personnel to manage and monitor Medicaid-eligible claims denied by MAA which resulted in the use of as much as \$30.1 million in local funds. With respect to CFSA, reports from several news outlets revealed that CFSA lacks a system to rework and resubmit denied Medicaid claims.

B. Grant Management

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

Deficiencies related to federal grants include non-compliance with reporting requirements, poor cash management practices, insufficient monitoring, untimely billings/requests for reimbursement, and inadequate supporting documentation for related expenditures. These deficiencies have cost the District millions of dollars, in addition to the use of funds and lost interest. Poor controls over these areas may result in unused grant funds, termination of fund availability, misuse of grant funds, and potential fines and/or penalties. Grant management has emerged as a persistent problem area as indicated by findings and recommendations of past OIG audits.

NO. 10 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **LAPSED GRANT FUNDING**

OBJECTIVES: The audit objectives are to: (1) identify the dollar amount of lapsed grants awarded to District agencies; and (2) determine whether

policies and procedures exist for optimizing the usage of federal grants.

JUSTIFICATION: Federal grants are economic aid issued by the federal government to state governments for various projects. Each year, the District receives a large amount of federal grants. The FY 2011 District budget of \$10.5 billion consisted of \$4.30 billion in federal grants.

An audit report issued in June 2005 by the federal Health and Human Services (HHS) OIG on the previous 4 years of grants awarded to the District's DOH by the Centers for Disease Control and Prevention (CDC) found that 48 percent of the funds were un-obligated as of the end of the grant year. HHS OIG's second audit found 46.5 percent of the funds were un-obligated for grants awarded by Health Resources and Services Administrations (HRSA) as of the end of the grant year.

NO. 11 **District of Columbia Public Library** **STATUS: Start FY 2012**

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

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

JUSTIFICATION: A January 29, 2011, investigation by the Office of Inspector General at the National Archives and Record Administration (National Archives) revealed that the Historical Society of Washington D.C. (HSW) misused and mismanaged the federal grant fund from the National Archives. The investigation also revealed that HSW has received a \$1 million grant from the D.C. Public Library; this audit will address the management and use of these District of Columbia grant funds.

C. Tax Collections

Tax collections generate the bulk of revenue to finance District operations paid from the General Fund. For FY 2012, District local source revenue is forecasted to be \$5.4 billion. Further, the Government Accountability Office, as well as District officials, have drawn attention to the structural imbalance in the District's revenue system, which limits the District's ability to generate additional revenue. Thus, the efficiency of tax collection automated systems and the effectiveness of policies, procedures, and internal controls play a pivotal role in enabling the District to maximize collection of taxes due to the city.

NO. 12 **Office of the Chief Financial Officer** **STATUS: Start FY 2012**

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

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

JUSTIFICATION: OTR's Integrated Tax System (ITS) assigns delinquent tax cases randomly to tax revenue officers. ITS assigns annually 2,000-3,000 cases to each tax revenue officer. Based on discussions with officials at OTR's Collection Division, the average number of cases that a tax revenue officer can manage is 200 - 400 a year and the rest of the cases are given to collection agencies. In addition, ITS does not include: (1) a case management module to classify delinquent tax cases based on dollar amount, tax type, or tax year; and (2) a tax period delinquency investigation module to generate a letter or notice if a taxpayer does not file the required tax return on time.

NO. 13 **Office of the Chief Financial Officer** **STATUS: Start FY 2012**

TITLE: **COLLECTION OF BUSINESS FRANCHISE TAXES**

OBJECTIVES: The objective is to determine whether OTR has procedures and systems in place to properly identify entities earning D.C. source

income for the purpose of assessing franchise taxes, and whether a system has been established to accurately track and account for franchise tax collections.

JUSTIFICATION: The District's franchise tax is imposed on all corporations and unincorporated businesses having earnings in the District of Columbia, regardless of their resident status. Therefore, franchise taxes are levied on entities and sole proprietors for the privilege of doing business in the District of Columbia. The D.C. franchise tax is applicable only to the District's source income.

Many projects in the District of Columbia are executed partly or entirely by sub-contractors, some of which are unincorporated businesses. Also, during the housing boom, many investors bought real estate in the District for the purpose of collecting rent from tenants. The audit will determine whether OTR is investing appropriate resources to identify such businesses for franchise tax purposes.

NO. 14	Office of the Chief Financial Officer	Status: Start FY 2012
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TITLE:	DELINQUENT TAX COLLECTIONS/OFFERS IN COMPROMISE
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OBJECTIVES:	The audit objectives are to determine whether OTR processes delinquent tax accounts in accordance with District laws and regulations; has effective and efficient policies and procedures in place to collect delinquent taxes; and administers tax abatement policies, such as "offers in compromise," in accordance with laws and regulations.
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JUSTIFICATION:	OTR is responsible for collecting taxes due the District of Columbia government. Individual, corporate, and unincorporated income taxes are among the largest source of revenue for the District government. Individual income tax is the largest of the three. For FY 2012, anticipated income taxes are estimated at nearly \$1.7 billion.
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The D.C. Code grants OTR the right to file liens, place levies on taxpayer property, and seize and sell taxpayer property to collect taxes owed to the District government.

NO. 15 **Office of Tax and Revenue** **STATUS: Start FY 2012**

TITLE: **TAX APPEAL PROCESS**

OBJECTIVES: The audit objective are to: (1) determine whether negotiations and settlements of cases involving tax audits and tax collections are conducted in accordance with applicable policies and procedures; and (2) evaluate the impact of those operations on tax revenues.

JUSTIFICATION: The mission of the Office of Tax Appeals is to enhance voluntary compliance and improve taxpayer confidence in the District of Columbia by providing taxpayers an opportunity to resolve disputes, without litigation, through a process that is fair and impartial to both the government and the taxpayer. The Office of Tax Appeals issues a decision either ordering the Audit or Collection Division to grant the relief sought by the taxpayer or affirming the examination or collection determination.

D. Other Revenue Issues

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

NO. 16 **Multi-Agency** **STATUS: Ongoing**

TITLE: **CONDOMINIUM CONVERSION FEES**

OBJECTIVES: The audit objectives are to determine: (1) if all developers obtain the proper permits to convert buildings with rental units to condominiums; and (2) if the District collects a fee of five percent of the declared sales price of each condominium unit in accordance with D.C. Code § 42-3402.04(a-1) (Supp. 2009). Further, we will evaluate the mechanisms management has implemented to assess and collect fees, and whether authorized reductions of condominium conversion fees are in compliance with the law.

JUSTIFICATION: All developers are required by District law to pay the District five percent of the declared sales price of each condominium unit that is converted from a rental unit. The collected monies are transferred to the Housing Trust Fund.

NO. 17 **Department of Consumer and Regulatory Affairs/Office of the Chief Financial Officer** **STATUS: Start FY 2012**

TITLE: **BUILDING PERMIT AND CERTIFICATE OF OCCUPANCY FEES**

OBJECTIVES: Our audit objectives are to: (1) perform an audit of building permit and certificate of occupancy fees collected by DCRA/Office of the Chief Financial Officer (OCFO); (2) review the design and operation of internal controls over the collection of permit and occupancy fees, surveyor fees, and zoning violation fees; and (3) review and report on compliance with laws and regulations.

JUSTIFICATION: Included in DCRA's mission is the responsibility for issuing licenses and permits; conducting inspections; enforcing building, housing, and safety codes; and regulating land use and development. Building permits and certificates of occupancy are important revenue sources for the District and provide a basis for assuring that housing and building safety codes are met and enforced. Revenues for permits for FY 2011 were approximately \$15,935,000, and for certificates of occupancy were \$392,000. There is concern that because DCRA and OCFO do not reconcile revenue collected for housing and construction permits, certificates of occupancy, and surveyor and zoning violations with the actual number of permits and certificates issued, revenue may be less than anticipated and health and safety risks may increase.

NO. 18 **Department of Motor Vehicles (DMV) STATUS: Start FY 2012**
Department of Public Works (DPW)

TITLE: **PARKING/TRAFFIC ENFORCEMENT AND ADJUDICATION**

OBJECTIVES: The audit objectives are to determine: (1) the effectiveness of policies and procedures for dismissing tickets; (2) whether the District's parking dismissal statistics are comparable to other similar jurisdictions; and (3) whether parking enforcement is issuing tickets to drivers who should not have received citations.

JUSTIFICATION: *The Washington Times* published an article entitled "Ticketed in D.C. It's Fine Only Half the Time; City Tosses Many Citations," dated May 28, 2009, at page A01. The article reported that "[t]icket adjudicators in the District are dismissing about half the parking and traffic citations issued to those who contest them...." A D.C.

councilmember and the Mayor have expressed concerns over this issue.

DPW's meter enforcement is to promote turnover at the meters so motorists can conduct their business. By enforcing residential parking regulations, DPW increases residents' access to parking spaces near their homes. DPW parking officers write parking tickets for various infractions such as: expired meters and vehicle registrations; missing tags; residential permit parking and rush hour violations; double parking; failure to register a vehicle in the District; and blocking snow emergency routes, loading zones, driveways, crosswalks, hospital entrances, and bus stops. DMV develops, administers, provides adjudication services for, and enforces the District vehicular laws with an emphasis on driver education and customer service. The Metropolitan Police Department (MPD) also regulates parking and vehicular traffic by issuing parking and moving violation citations.

NO. 19	Multi-Agency	STATUS: Start FY 2012
TITLE:	DISPOSAL OF SURPLUS INFORMATION TECHNOLOGY EQUIPMENT	
OBJECTIVES:	<p>The audit objectives are to determine whether the District's management and oversight of the disposal of information technology (IT) equipment adequately address potential security, environmental, and financial risks, such as ensuring that:</p> <ul style="list-style-type: none"> (1) information residing on surplus and salvage computer equipment is effectively removed or destroyed to prevent unauthorized disclosure of sensitive information; (2) surplus and salvage computer equipment are disposed of in an environmentally responsible manner; (3) adequate controls are in place to prevent unauthorized removal or theft of surplus and salvage computer equipment; (4) the District receives its fair share of funds from the disposal of surplus IT assets; and (5) the disposal of all IT assets is adequately documented and handled in compliance with applicable regulations and contracts. 	

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

NO. 20 **D. C. Lottery and Charitable Games Control Board** **STATUS: Start FY 2012**

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

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

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

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

NO. 21	Fire and Emergency Medical Services	STATUS: Start FY 2012
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TITLE:	FIRE AND EMERGENCY MEDICAL SERVICES SPECIAL EVENT FEES
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OBJECTIVES:	<p>The audit objectives are to: (1) evaluate the adequacy of the Fire and Emergency Medical Services' (FEMS) internal controls for collecting, handling, and safeguarding revenue generated from special events; and (2) determine whether FEMS properly managed revenue in accordance with applicable District laws and regulations, particularly D.C. Code §§ 47-2823 and 47-2826.</p>
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JUSTIFICATION:	<p>FEMS is an all-hazards agency providing emergency medical care services and transportation (EMS), fire prevention, fire suppression, hazardous material response, and technical rescue services to residents and visitors in the District of Columbia. FEMS also provides protection for special events that are unique to the nation's capital, such as major demonstrations and the Presidential Inauguration. Additionally, FEMS collects fees for providing fire and EMS safety for special events such as parades, professional and non-professional sporting events, marches, walkathons, etc. Information obtained found that FEMS has collected as much as \$875,000 in 1 year for providing FEMS safety services for special events.</p>
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NO. 22	Multi-Agency	STATUS: Start FY 2012
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TITLE:	USE OF DISTRICT OF COLUMBIA GOVERNMENT BANK ACCOUNTS
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OBJECTIVES:	<p>The audit objectives are to evaluate unauthorized bank accounts in the name of the District of Columbia government and determine whether any District agency has violated Financial Management and Control Order No. 01-001.</p>
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JUSTIFICATION:	<p>No agency or component unit shall establish and operate a stand-alone bank account without the express written approval of the Deputy Chief Financial Officer, Office of Finance and the Treasury. Research of government agencies from other states and local municipalities has found this condition to be problematic. Audits have found that unauthorized bank accounts had been opened in a government's name, providing an avenue for possible unscrupulous activities to take place.</p>
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NO. 23	Department of Consumer and Regulatory Affairs/Office of the Chief Financial Officer	STATUS: Start FY 2012
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TITLE:	COLLECTION OF BUSINESS LICENSE REVENUE
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OBJECTIVES:	The audit objectives are to: (1) evaluate the adequacy of business licensing fee collection by DCRA and the OCFO; (2) assess whether DCRA complied with applicable laws, regulations, policies, and procedures; and (3) determine if DCRA implemented internal controls over the collection of business licensing fees to prevent and detect fraud, waste, and abuse.
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JUSTIFICATION:	DCRA protects the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia 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. DCRA's actual budgets for FYs 2009 and 2010 were \$33.9 and \$32.7 million, respectively. DCRA's approved budget for FY 2011 is \$24.7 million. DCRA is one of the District's top revenue-generating agencies. In order to operate a business legally in District of Columbia, most businesses must obtain a basic business license (BBL) from DCRA. DCRA licenses more than 30,000 small businesses citywide in more than 14 different categories.
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NO. 24	Office of Unified Communications	STATUS: Start FY 2012
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TITLE:	MONITORING AND ANALYZING TELECOMMUNICATION USER FEES
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OBJECTIVE:	The audit objectives are to determine whether the Office of Unified Communications (OUC) is monitoring and analyzing user fees received from various telephone carriers, and whether there are adequate internal controls to ensure the collection of user fee revenue.
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JUSTIFICATION:	In FY 2007, a newspaper reported that OUC had a decrease in user fee revenue. Additionally, an audit confirmed decreases in user fee revenue. According to the audit report, OUC was unable to explain the decrease. The inability to provide an explanation was due to inadequate monitoring and analysis of user fees. The E911 fee subsidizes OUC and is assessed on every land and wireless telephone line in Washington, D.C.
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NO. 25 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **ACCOUNTABILITY OF NON-TAX REVENUES
DISTRICT-WIDE**

OBJECTIVE: The audit objectives are to evaluate the adequacy of internal controls at various agencies within the District government that collect non-tax revenues. Specifically, the audit will examine and evaluate the process for collecting, recording, and safeguarding non-tax revenues generated from business licenses and permits, fines, forfeitures, and charges for services. We will also determine whether agencies that collect non-tax revenues managed these funds in accordance with applicable laws, rules, and regulations.

JUSTIFICATION: During FY 2009, non-tax revenue generated over \$353 million for the General Fund, which is the chief operating fund of the District government. Over 100 sources generate this revenue, which in turn provides unrestricted operating support to the District. The revenue must be properly managed with adequate internal controls to ensure accountability and to guard against fraud, waste, and abuse. Non-tax revenues received in the District play an integral part in assisting the Mayor and the District of Columbia Council in their ongoing efforts to close the District's budget gap.

NO. 26 **District of Columbia Public Library** **STATUS: Start FY 2012**

TITLE: **ACCOUNTABILITY OF REVENUES COLLECTED
AT THE PUBLIC LIBRARY**

OBJECTIVE: The audit objectives are to evaluate the adequacy of the internal controls at the District of Columbia Public Library (DCPL) for collecting, recording, and safeguarding revenue generated from donations, fees, fines, and other miscellaneous sources. We will also determine whether DCPL managed its revenues in accordance with applicable laws, rules, and regulations.

JUSTIFICATION: The District of Columbia operates 10 public libraries that generate approximately \$700,000 in annual revenue from donations, copying fees, fines, garage parking space rentals, and other miscellaneous sources. In this regard, revenue must be properly managed with

adequate internal control designed to ensure accountability and to guard against fraud, waste, and abuse.

Annual revenue generated by the public libraries is an integral part of the Mayor and D.C. Council's determination of DCPL's fiscal year budget. Revenue generated by DCPL is submitted to the District of Columbia Treasury.

II. SPENDING AND EFFICIENT USE OF RESOURCES

Spending pressures in the last couple of years have sharpened our resolve to examine programs that present the greatest risk of monetary drain on District funds. As such, we have ongoing audits that address the efficiency of operations at various District agencies. For FY 2012, we plan to review various programs related to the OCFO, as well as infrastructure issues such as capital improvement. We will also concentrate on procurement of goods and services, focusing on the acquisition of computer hardware; software and services; consultant contracts; and sole source contracting.

Additionally, we will audit funds provided to the District government from the American Recovery and Reinvestment Act of 2009. To assist the District government by helping to promote accountability and transparency for the use of funding under the Recovery Act and to provide oversight of funds and ensure compliance with laws and accounting standards, we believe it is necessary to audit this effort.

A. Procurement

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

To maintain the confidence and trust of District stakeholders, the procurement process must provide for quality products and services at reasonable prices. Accordingly, the OIG has implemented an initiative to audit procurement and contract administration on a continuous basis consistent with the mandates of the OIG statute.

NO. 27 **Office of Contracting and Procurement/ STATUS: Start FY 2012**
Department of General Services

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

OBJECTIVES: Our audit objectives are to determine the effectiveness of contract
award and administration for the city-wide security contract, and to

evaluate the effectiveness of internal controls established and implemented to adequately 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 MPD issued solicitation DCPO-2009-B-0008 seeking contractors to provide security services to DGS and the District of Columbia Public Schools. The solicitation states that DGS requirements were clustered 1, 2, and 3.

On August 5, 2009, OCP awarded a \$17.7 million, 1-year payment based fixed labor hour rates, requirements type contract with 4 option years to U.S. Security Associates, Inc. for city-wide security guard services. PSPD is identified as the Contracting Officer Technical Representative (COTR) and is responsible for the 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. 28 **Office of Contracting and Procurement STATUS: Start FY 2012**

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

OBJECTIVES: The audit objectives are to determine whether: (1) excess and surplus property is properly accounted for, controlled, and adequately safeguarded; (2) 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. 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 District's Surplus Property Division (SPD).

Under District policies, each District agency is required to designate an Accountable Property Officer (APO), who is responsible for the custody, use, care, and safekeeping of the agency's property, and for maintaining records of the agency's property. When a District government agency determines that an item of personal property is

obsolete or excessive to the needs of the agency, the APO is required to dispose of the property, declaring such property as excess, the property is sent to the SPD warehouse. If another agency can make use of the property, SPD will transfer the property to that agency. If no use can be found, it is declared as surplus assets and sold through online auction sales at www.Liquidation.com/dcgov.

NO. 29 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **ADVANCE PAYMENTS TO CONTRACTORS**

OBJECTIVES: Our audit objectives are to determine whether: (1) contractors meet eligibility criteria to receive advance payments; and (2) advance payments to contractors are properly administered and monitored. Additionally, we will follow-up on prior audits relative to this audit area.

JUSTIFICATION: OCP provides services to numerous agencies throughout the District government. The agencies are staffed by Agency Chief Contracting Officers and procurement specialists and are organized into clusters, such as the Public Safety Cluster and the Human Services Cluster. An Assistant Director who has senior contracting experience manages each cluster. OCP agency customers are provided contract program training, assistance with developing statements of work, and purchase cards to acquire needed supplies.

Past audits have identified millions of dollars in payments that the District improperly advanced to contractors. Title 27 of the DCMR, Sections 3205 through 3208, discuss the regulations regarding advance payments to contractors.

NO. 30 **Office of Contracting and Procurement** **STATUS: Start FY 2012**

TITLE: **COST ANALYSIS FOR SELECTED CONTRACTS**

OBJECTIVES: Our audit objective is to determine whether the contract prices for selected contracts are reasonable and fair when a contract award or contract modification exceeds \$500,000.

JUSTIFICATION: Title 27 DCMR § 1626.1 requires contracting officer to perform a cost analysis for contract awards or modifications in excess of \$500,000. Cost analysis is the review and evaluation of the separate cost

elements and proposed profit of a contractor's cost or pricing data and the judgmental factors applied in projecting from the data to estimated costs.

On June 28, 2011, OCP provided us a report identifying all contracts awarded or modified in excess of \$500,000 for the period 10/1/2010 through 6/28/2011. The report was generated from the Procurement Automated Support System (PASS) by PASS analyst. According to the report, OCP awarded or modified 139 contracts with a total value of \$352,958,454. However, OCP only conducted a cost analysis for 1 out of 139 contracts.

Our independent cost analysis performed during the audit of contracting actions at the Office of the Chief Technology Officer, questioned whether the vendor overcharged the District by 10 percent. The primary cause for this condition was OCP's lack of cost analysis conducted prior to the award or modification of the contract. Conducting a similar independent cost analysis on selected contracts within the 138 from PASS, may result in an additional saving of 10 percent or \$35,295,845.

NO. 31	Office of Contracting and Procurement/ Office of the Chief Financial Officer	STATUS: Ongoing
TITLE:	BILLING PROCEDURES USED FOR SECURITY CONTRACTS AWARDED TO HAWK ONE SECURITY	
OBJECTIVES:	Our audit objectives are to determine the effectiveness of contract administration for Hawk One Security contracts during FYs 2006, 2007, and 2008, and to evaluate the effectiveness of internal controls established and implemented to adequately safeguard against fraud, waste, and abuse.	
JUSTIFICATION:	On May 16, 2005, the District awarded a 1-year contract with 4 option years to Hawk One Security, Inc. for city-wide security guard services (excluding services for the District of Columbia Public Schools). The District spent more than \$94 million over the 4-year period of the contract for these services. DGS monitored the contractor's performance and had responsibility for reviewing and certifying monthly invoices for payment.	

Based on information obtained from OCFO, we believe it necessary to conduct an audit of billing procedures used for the security services contract awarded to Hawk One Security, Inc.

NO. 32 **Office of Contracting and Procurement** **STATUS: Start FY 2012**

TITLE: **POST-AWARD AUDITS OF CONTRACTS FOR
CONSTRUCTION MANAGEMENT**

OBJECTIVES: The primary objective of the audit is to determine whether contracting officers obtained fair and reasonable prices in the award of contracts for construction management services. A secondary objective is to review and evaluate the award of these contracts for compliance with District procurement laws and regulations.

JUSTIFICATION: Title 27 DCMR § 1624.1 requires the contracting officer to “require [contractors] to submit and certify cost or pricing data for any contract awarded through competitive sealed proposals, sole source procedures, or any change order or contract modification.” Further, 27 DCMR § 16264.1 requires the contracting officer to perform a cost analysis for the award of any contract or modification in excess of \$500,000. The primary purpose of these requirements is to determine the reasonableness of cost and profit.

One of the primary tools available to the District for executing contracts at reasonable prices is the post award audit, which: (1) analyzes all elements of the contractor’s proposed costs estimated to be incurred in the performance of the contract; (2) assesses the reasonableness of cost and profit; (3) evaluates the contractor’s estimating system; (4) identifies unallowable and questioned cost; and (5) recommends recovery of monies or assists in the renegotiation of the contract pricing. In the case of a completed contract, an incurred cost review is performed and may result in the recovery of excessive cost and profit.

Construction management services is one of the areas where the District can realize significant benefits. Thus far in FY 2011, the District has multiple ongoing construction projects with an aggregate value of more than \$100 million. Five construction management services contracts are included in this group with a combined contract value of almost \$13 million.

NO. 33	Multi-Agency	STATUS: Start FY 2012
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TITLE:	CONSTRUCTION CONTRACTS
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OBJECTIVES:	<p>The audit objectives are to determine whether: (1) District agencies used the competitive bidding process when soliciting construction contracts; and (2) each District agency monitored its construction contracts to ensure satisfactory deliverables.</p>
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JUSTIFICATION:	<p>The Construction Division, which operates under the DGS, ensures timely and cost-effective delivery of quality engineering design, construction, and other technical services for capital development projects. The total proposed appropriation request for the FY 2010-2015 Capital Improvement Program is \$3.3 billion from all sources (excluding the Highway Trust Fund).</p>
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The District has experienced problems regarding the administration of construction contracts. It is paramount that internal controls are in place to ensure that construction contractors properly price property and/or services and submit accurate invoices and appraisals.

NO. 34	District Department of Transportation	STATUS: Ongoing
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TITLE:	CONSTRUCTION CONTRACTS AWARDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
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OBJECTIVES:	<p>The audit objectives are to determine whether construction contracts were fairly and properly awarded and whether construction contracts awarded by DDOT for maintenance of highway projects are in compliance with Section 1511 of the American Recovery and Reinvestment Act of 2009 (ARRA).</p>
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JUSTIFICATION:	<p>The ARRA makes funds available to state and local governments for infrastructure investments. The U.S. Department of Transportation awarded the District Department of Transportation (DDOT) \$123.5 million for its highway infrastructure needs. DDOT, in turn, awarded 15 construction contracts totaling \$65.9 million.</p>
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The Mayor of the District of Columbia certified that these “shovel ready” projects met requirements under Section 1511 of the ARRA. We need to determine whether DDOT met the federal requirements under Section 1511 of the Act and the contract awards complied with District procurement regulations.

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

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

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

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

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

NO. 36 Office of Contracting and Procurement STATUS: Start FY 2012

TITLE: USE OF QUALIFIED CERTIFIED BUSINESS ENTERPRISES (CBEs)

OBJECTIVES: The audit objectives are to determine whether: (1) CBEs have current applications and certifications for doing business with the District; (2) contract performance has been performed in compliance with 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 1,185 CBEs in the database maintained by OCP. Contracting opportunities 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, Cost Estimating Services and TANF – Job Placement and Retention Services. The dollar value awarded to CBEs could easily exceed \$100,000,000, which is just short of 10 percent of the annual \$1.2 billion the District spends for goods and services.

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

NO. 37 Department of General Services STATUS: Start FY 2012

TITLE: FORECAST AND ALLOCATION OF FIXED COSTS

OBJECTIVES: The audit objectives are to determine whether: (1) DGS has policies, procedures, and controls in place to address the acquisition and management of leases; (2) contractual rental rates are supported by market indicators; and (3) operational pass-through costs charged by lessors are adequately supported and valid.

JUSTIFICATION: DGS is responsible for the management of all District leases. There are about 60 in-leases and 39 out-leases. In-leases represent leases where the District government is the tenant. Out-leases are leases in which the District leases property it owns to others.

A prior OIG audit of rental expenditures for fixed costs in FY 2004 and FY 2005 recognized that the District had been overcharged for operational costs incurred by the lessors.

NO. 38 **DC Water** **STATUS: Start FY 2012**

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

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

JUSTIFICATION: For FY 2011, DC Water will spend approximately \$77 million to procure a variety of goods and services to support its mission objectives. The manner by which DC Water procures goods and services could have a direct effect on water and sewage rates, which in turn affects all District residents.

NO. 39 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **CONSOLIDATED FORENSICS LABORATORY**

OBJECTIVES: The overall audit objective is to determine whether the District properly planned and managed the design and construction of a consolidated forensics laboratory. Specifically, our audit objectives are to determine whether: (1) Consolidated Forensics Laboratory contracts were awarded in compliance with applicable laws, rules, regulations, policies, and procedures; and (2) the District received the goods and services for which it paid.

JUSTIFICATION: A contract for the construction of a 287,000 square-foot consolidated forensics laboratory valued at \$133 million was awarded in May 2009. The Consolidated Forensics Laboratory, which is estimated to be operational in 2012, will house the Metropolitan Police Department forensics laboratory, Department of Health Public Health Laboratory, and the Office of the Chief Medical Examiner.

NO. 40 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **EXPERT AND CONSULTING SERVICES**

OBJECTIVES: The audit objectives are to determine whether: (1) District agencies attempt to obtain open competition among available suppliers when awarding expert and consulting contracts, and that the District obtains fair and reasonable prices for contracted expert and consultant services; (2) District agencies benefit from these expert and consultant contracts through acceptance of useful deliverables; and (3) OCP ensures that its contracting officers and District agencies comply with procurement laws and regulations when contracting for expert and consulting services.

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

NO. 41 **Office of Contracting and Procurement** **STATUS: Start FY 2012**

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

OBJECTIVES: The audit objectives are to determine whether OCP: (1) collected the sales discount on a quarterly basis in accordance with D.C. Code §2-311.03 (2006); (2) submitted the sales discount to the Office of Finance and Treasury (OFT) in a timely manner; and (3) placed the sales discounts received under appropriate accounting control upon receipt as required by OCFO.

JUSTIFICATION: Based on a recent audit OCP did not maintain quarterly sales reports submitted by vendors for FYs 2007 and 2008. Also, OCP did not provide evidence that quarterly reconciliations were performed for quarterly sales reports submitted by vendors to ensure that the completeness of sales discount revenue generated from the District of Columbia Supply Schedule (DCSS) program.

Further, the FY 2007 Budget Overview related to revenue shows only \$400,000 in FY 2006 certified revenues for the DCSS sales discount, which seems low given the not-to-exceed price of \$399.7 million for DCSS contracts awarded October 5, 2006 and May 29, 2007. The District may have lost interest on monies not timely deposited into the treasury.

NO: 42

Multi-Agency

STATUS: Start FY 2012

TITLE:

TRIENNIAL REVIEW OF CANCELLATIONS OF BID SOLICITATIONS, REQUESTS FOR PROPOSALS AND OTHER SOLICITATIONS

OBJECTIVES:

The objectives are to perform a triennial review of the cancellations or rejections of bids received from bid solicitations, requests for proposals and other contract solicitations to determine whether such actions were justified and in the best interest of the District. We will also determine whether internal controls at the OCP and at the agencies sponsoring the procurements are sufficient to ensure fairness in the bidding process and preclude costly and abusive practices.

JUSTIFICATION:

The Procurement Practices Reform Act of 2010 repealed the requirement that the OIG be provided information for review, within 72 hours of the action, concerning the cancellations or rejections of bids under invitation for bids, requests form proposals, or other solicitations. Although the old law did not specify that the OIG issue reports on these solicitation cancellations or bid rejection submissions, we believe the issue warrants visibility by the OIG. From 2005 through 2007, more than 65 solicitation cancellations or bid rejections were provided to the OIG for review. As a result, we believe the issue requires audit evaluation on a periodic basis. Therefore beginning with FY 2008, we plan to review solicitation cancellations and bid rejections to ensure that the decisions to cancel solicitations or bids were indeed in the best interest of the District.

B. Social Service Spending

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

NO. 43 **District Department of the Environment** **STATUS: Start FY 2012**

TITLE: **ENERGY ASSISTANCE PROGRAM**

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

JUSTIFICATION: The EAP was established to assist low-income District residents pay their heating and cooling bills. During FY 2009, DDOE distributed a total of \$20.1 million in energy assistance to more than 33,000 households, nearly 16,000 of which were east of the Anacostia River. DDOE obtains the program's funds from the United States Department of Health and Human Services, the District of Columbia government, and the Reliable Energy Trust Fund.

An audit of the Reliable Energy Trust Fund program would ensure monies are used for the intended purposes.

NO. 44 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT ON DISABILITY SERVICES**

OBJECTIVES: The audit objectives are to evaluate the adequacy of contract planning, management, and administrative practices relative to services provided to the Department on Disability Services (DDS). These objectives will be applied to the areas of contracts, core competencies of healthcare workers, processing of payments to group home providers, delivery of services to DDS clients, and client bank accounts.

JUSTIFICATION: The Department of Human Services, DDS and the DOH are primarily responsible for administering the program. Past audits have identified allegations of abuse, neglect, and mistreatment of DDS clients placed in community residential facilities.

NO. 45	Department of Health	STATUS: Ongoing
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TITLE:	ADDICTION PREVENTION AND RECOVERY ADMINISTRATION
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OBJECTIVES:	The audit objectives are to determine whether the Addiction Prevention and Recovery Administration (APRA): (1) properly awarded sub-grants; (2) adequately monitored grants to ensure federal funds were used for intended purposes; and (3) complied with grant agreements and other rules and regulations.
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JUSTIFICATION:	The DOH's APRA provides regulatory standards for the delivery of prevention and treatment services to District residents who are addicted or at risk of becoming addicted to alcohol, tobacco, and other drugs. APRA is responsible for the development and promulgation of rules, regulations and certification standards for prevention and treatment services related to the abuse of alcohol, tobacco and other drugs in the District in accordance with 29 DCMR § 2300.1.
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NO. 46	District Housing Authority	STATUS: Start FY 2012
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TITLE:	HOUSING CHOICE VOUCHER PROGRAM
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OBJECTIVES:	The objectives of the audit are to determine whether: (1) participants in the program met qualifications, criteria, and guidelines for housing assistance; and (2) internal controls are established to prevent fraud, waste, and abuse within the program.
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JUSTIFICATION:	DCHA owns and manages 8,000 public housing units and annually, makes more than \$156 million in housing assistance payments for over 11,000 families in the Housing Choice Voucher Program, who rent privately-owned housing throughout the District.
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This audit would ensure that only eligible families receive support from this program. Also, our audit would evaluate internal controls established to prevent fraud, waste, and abuse.

NO. 47	Department of Health	STATUS: Start FY 2012
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TITLE:	HOME HEALTHCARE AGENCY HOURLY LABOR RATES FOR PERSONAL CARE ASSISTANTS
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OBJECTIVES:	<p>Our objectives will be to follow up on DOH's development of written policies to provide guidance on conducting reviews of home healthcare agencies, including steps to ensure healthcare workers are paid in accordance with the applicable living wage rate. In addition, we will determine whether DOH initiated appropriate action to detect errors and oversee corrections related to the hourly wage requirement at selected home healthcare agencies not visited during the original audit.</p>
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JUSTIFICATION:	<p>The OIG received a request from the Coordinator of the D.C. Coalition on Long Term Care to conduct a new audit of the hourly wage requirement covering all 16 home healthcare agencies. As our previous report indicated, the 5 home healthcare agencies we audited received 69 percent (\$10.3 million) of the total home healthcare reimbursements paid (\$15 million) by the DOH MAA in FY 2006.</p>
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Based on the results of our first audit, and ongoing concerns in this area, we plan to conduct a follow-up audit to ensure compliance with the hourly wage requirement for all home healthcare agencies.

NO. 48	Department of Human Services	STATUS: Start FY 2012
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TITLE:	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
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OBJECTIVES:	<p>The audit objectives are to determine whether the DHS (1) has criteria for determining District residents' eligibility to receive food stamps; (2) only provides benefits to eligible citizens; (3) has policies and procedures to manage the program; and (4) has policies and procedures to monitor recipient eligibility.</p>
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JUSTIFICATION:	<p>The Supplemental Nutrition Assistance Program (SNAP) is administered at the federal level by the U.S. Department of Agriculture's Food and Nutrition Service (FNS). The District's SNAP is housed within the DHS's Income Maintenance Administration (IMA). The mission of the IMA is to determine the eligibility of applicants, to recertify the eligibility of recipients for federal and District-funded assistance programs, and to help heads of households receiving TANF benefits to become employed and move toward</p>
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financial independence. The District's SNAP program helps low-income residents and families buy the food they need for good health.

Approximately 118,000 District residents receive SNAP benefits in FY 2010. The average monthly benefit amounts to approximately \$138 per District resident, which totals \$196 million in SNAP benefits per year. Potential issues are able-bodied individuals with no dependents receiving benefits and ineligible individuals receiving benefits.

C. Other Spending Programs

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

NO. 49 **University of the District of Columbia** **STATUS: Start FY 2012**

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

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

JUSTIFICATION: UDC is an urban, land-grant institution of higher education with an open admissions policy. It is a comprehensive public institution offering affordable post-secondary education to students at the certificate, associate, baccalaureate, and graduate levels. The goals of these programs are to prepare students for immediate entry into the workforce, the next level of education, and specialized employment opportunities, and to promote life-long learning.

UDC's budget for FY 2010 was \$152.9 million, including a level of 1,103.9 full-time equivalent positions (FTEs). The FY 2009 approved budget for UDC was \$128.4 million. UDC currently offers 75 undergraduate and graduate academic degree programs. Close to 6,000 students are enrolled in credit courses. Additionally, UDC's

public service arm, the Division of Community Outreach and Extension Services (COES), offers a variety of practical, nonacademic educational programs and training to the citizens of the District of Columbia.

NO. 50 **Alcoholic Beverage Regulation Administration** **STATUS: Start FY 2012**

TITLE: **ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION**

OBJECTIVES: Our audit objectives are to evaluate the effectiveness of Alcoholic Beverage Regulation Administration (ABRA) internal controls over issuing licenses and permits, suspensions and revocations, collecting revenues, and records management. We will also assess whether ABRA operates in compliance with applicable laws and regulations.

JUSTIFICATION: ABRA regulates alcoholic beverage wholesalers, retailers, and manufacturers in the District of Columbia. ABRA issues licenses to liquor stores, grocery stores, brew pubs, restaurants, hotels, nightclubs, taverns, and other establishments that manufacture, sell, or serve alcoholic beverages. ABRA also inspects license holders for compliance with regulations.

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

NO. 51 **Department of Corrections (DOC)** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT OF CORRECTIONS**

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

JUSTIFICATION: The DOC's operating budget for FY 2011 was \$134 million, and according to the Mayor's Proposed Budget for FY 2012, the DOC's budget will be \$136 million.

The DOC operates the Central Detention Facility (DC Jail) with an inmate capacity of 2,164. District inmates are also housed at the Correctional Treatment Facility, which is administered by the Corrections Corporation of America under exclusive contract to the DOC. In addition, DOC has contracts with four private and independently-operated halfway houses: Efforts from Ex-Convicts; Extended House, Inc.; Fairview; and Hope Village. The U.S. District Court for the District of Columbia and the District of Columbia Superior Court place pretrial offenders and sentenced misdemeanants in halfway houses as an alternative to incarceration. The halfway houses offer a variety of educational opportunities and other programming services.

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

NO. 52 **Office of the Chief Financial Officer** **STATUS: Start FY 2012**

TITLE: **ASSET MANAGEMENT PROGRAM**

OBJECTIVES: The audit objectives are to determine whether the Office of Finance and Treasury (OFT) Asset Management Program: (1) managed and used resources in an efficient, effective, and economical manner; (2) complied with requirements of applicable laws, regulations, policies, and procedures regarding unclaimed property; (3) maintained adequate documentation and protection of unclaimed property in its possession; and (4) established adequate internal controls to safeguard against waste, fraud, abuse, and mismanagement of unclaimed property.

JUSTIFICATION: OFT, under the purview of the OCFO, is responsible for managing the financial assets and liabilities of the District government. The OFT budget is about \$19 million.

OFT's Unclaimed Property Unit (UPU) manages the District's unclaimed property. Unclaimed property consists of money and other personal assets that are considered lost or abandoned when an owner cannot be located after a specified time period. These assets can include checking accounts, certificates of deposit, customer deposits,

over-payments, gift certificates, paid life insurance policies, unpaid wages, commissions, uncashed checks, death benefits, dividends, insurance payments, money orders, refunds, savings accounts, stocks, and proceeds of safe deposit box auctions. The UPU has millions of dollars in unclaimed property under its control that it safeguards until the rightful owners of the property can be located. There have not been any recent audits of OFT's UPU business processes, practices, and oversight responsibilities.

NO. 53 **Office of Risk Management (ORM)** **STATUS: Start FY 2012**

TITLE: **WORKERS' DISABILITY COMPENSATION BENEFITS**

OBJECTIVES: The audit objectives are to determine whether: (1) workers' disability compensation claims are properly and timely processed; (2) the agency's risk management program is proactive and effective in reducing the cost of workers' disability compensation claims; (3) claims are handled in accordance with applicable District laws; and (4) adequate monitoring exists over active disability compensation claims.

JUSTIFICATION: The District's Disability Compensation Fund operates with an annual budget of approximately \$28 million. *The Washington Examiner* issue of Monday, May 24, 2010, reported that top District officials have directed the DCORM to identify funding and clean up the records of the agency's life insurance program. The news article further noted:

- Disabled workers have alleged publicly that DCORM has been deducting life insurance premiums from bimonthly paychecks without paying for life insurance coverage.
- Although approximately \$2 million from 4,000 workers has gone into an insurance fund controlled by ORM, the fund is continually out of money.
- A D.C. councilmember recently asked for an audit of ORM because of concerns about improper denials, a lack of the knowledge of relevant law, and proper management of claims.

NO. 54 **Department of General Services** **STATUS: Start FY 2012**

TITLE: **DISTRICT LEASES**

OBJECTIVES: The audit objectives are to determine whether: (1) the District has adequate policies and procedures in place to acquire and manage its leasehold interests, and the policies and procedures are followed to ensure the best value for expenditures; (2) cost-benefit analyses were performed for long-term leasing (i.e., office buildings) to ascertain whether leasing rather than buying was a better option for certain properties; and (3) leases are properly monitored by DRES officials.

JUSTIFICATION: DGS is the agency that oversees the District's leasing activities. According to the District Facilities Plan for FYs 2009-2013, the District leased 2.4 million square feet of office space vs. 2 million square feet owned by the District. In FY 2009, the District's rental expenses for land and structure were \$126 million. The approved budget for DGS for FY 2011 is \$81.5 million.

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

NO. 55 **Metropolitan Police Department** **STATUS: Start FY 2012**

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

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

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

III. DELIVERY OF CITIZEN SERVICES

In the last few years, we have increased our audit and inspection coverage of agencies responsible for delivery of essential citizen services. In FY 2012, we plan to provide audit and inspection coverage for many of the large District service organizations. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services to District residents.

Core Services

District leaders frequently have expressed concern about whether taxpayer dollars are used optimally to serve citizens' best interests in a number of areas. We share these concerns and have completed audits on housing issues, child support services (accounting for foster children), community development (Department of Housing and Community Development), and mental health (St. Elizabeths Hospital). For FY 2012, we have planned audits of several service-based organizations, including DCRA; OCTO; DOH; the Department of Employment Services; DDOT; and the D.C. Taxicab Commission.

NO. 56 **Department of Employment Services** **STATUS: Start FY 2012**

TITLE: **WORKERS' COMPENSATION PROGRAM**

OBJECTIVES: The audit objectives are to: (1) determine the adequacy of the process for granting and disbursing claims; (2) evaluate compliance with laws, regulations, and established policies and procedures; and (3) evaluate the capability of identifying suspect or fraudulent claims.

JUSTIFICATION: The Department of Employment Services (DOES) plans, develops, and administers employment-related services for all District employees. The DOES issues fines for non-compliance with the law, and monitors vocational rehabilitation. DOES processes claims and monitors payment of benefits to injured private and public sector employees in the District of Columbia. DOES mediates disputes between claimants, employers, or employers' insurance carriers, and monitors employers to ensure compliance with insurance coverage requirements.

The program also administers the special/second injury fund, which provides benefits in cases of uninsured employers or in instances where an injury combined with a pre-existing disability cause a substantially greater disability. The Workers' Compensation Office also approves

lump-sum settlements, and assesses penalties. Administrators of the Program estimate that fraud accounts for up to 10 percent of the cost of workers' compensation premiums. In the past, there have been allegations that over 2,000 District employees simultaneously received bi-weekly paychecks and workers' compensation checks. Therefore, conducting this audit will ensure that District employees receiving workers' compensation benefits are eligible and that DOES has proper internal controls to prevent processing fraudulent claims.

NO. 57 **Department of Health** **STATUS: Ongoing**

TITLE: **FOOD SAFETY AND HYGIENE INSPECTIONS**

OBJECTIVE: The audit objectives are to determine whether food establishments in the District of Columbia are receiving proper safety and hygiene inspections, and to determine the qualifications and adequacy (in terms of personnel to support mission goals) of food inspectors.

JUSTIFICATION: According to the agency's mission, the Food Safety and Hygiene Inspection Services Division (FSHISD) makes certain that residents and visitors to the District of Columbia consume healthy and safe food. The Division ensures the safety of the food supply and sanitation of non-food health facilities through inspections, enforcement, education and training. The Division administers an inspection program to address risk factors known to contribute to food-borne illness. Staff enforces regulations that reduce the risk of food-borne illness, ensures food products are honestly and accurately represented, and promotes public and industry awareness and understanding of legal requirements and responsibilities of the food establishments and other non-food health facilities.

With about 4,700 food establishments throughout the District of Columbia, it is uncertain if these establishments are receiving proper inspections. The FSHISD staff consists of 17 sanitarians, 2 supervisors, a program manager, and a food technologist - a total of 21 staff members - to provide inspection coverage for 4,700 food establishments. Civil fines, penalties, or related costs may be imposed against any food establishment, owner, or person in charge for violation of the *Food and Food Operations* regulations found in Title 25 DCMR, Chapter 47. *See* 25 DCMR § 4720.1. The District of Columbia should ensure that all food establishments are inspected and health and safety rules are not violated.

NO. 58 **Homeland Security and Emergency Management Agency (HSEMA)** **STATUS: Start FY 2012**

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

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

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

NO. 59 **Department of Health** **STATUS: Start FY 2012**

TITLE: **DISTRICT OF COLUMBIA RAT ABATEMENT PROGRAM**

OBJECTIVES: Our audit objectives are to determine: (1) the effectiveness of the rodent abatement program; and (2) compliance with requirements of applicable laws, rules, regulations, policies, and procedures.

JUSTIFICATION: The Office of Vector Control is responsible for abating the current rat population throughout the District. Areas with reported infestations are investigated to determine the source of the rat problem (alley, front yard, back yard) and then treated depending on the outcome of the inspection.

The DOH standard is to investigate all Bureau of Community Hygiene requests within 15 days of the initial request date. If rats or indications of the source are found at the work area, DOH will treat the area until the infestation is fully resolved. The Rodent Control Act of 2000, a law establishing the Bureau of Community Hygiene, became effective on

October 19, 2000. In addition to establishing the Bureau, the law prohibits practices that provide rodent habitats and specifies procedures for abating rodent infestations.

Rats present health hazards and can cause structural damage to buildings due to their ability to gnaw through almost any type of material.

NO. 60 **D.C. Taxicab Commission** **STATUS: Start FY 2012**

TITLE: D.C. TAXICAB COMMISSION

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

The Taxicab Commission provides a wide assortment of information about taxicab and limousine services in the District of Columbia and surrounding areas. The Commission fulfills its mission through the regulation, oversight, and enforcement of the public vehicle-for-hire industry. The Commission conducts its operations through two advisory panels; a nine-member commission and the Office of Taxicabs. The proposed FY 2011 budget for the D.C. Taxicab Commission is \$2.1 million. The commission is budgeted at 18 full-time employees.

NO. 61 **DC Water** **STATUS: Start FY 2012**

TITLE: DC WATER RESIDENTIAL METERS

OBJECTIVES: The audit objectives are to determine whether: (1) District water consumption is metered, monitored, and billed in accordance with approved rates/tariffs; (2) water meters accurately record consumption; (3) non-revenue water or unaccounted for water is reasonable; (4) procedures and controls over customer service, leak detection programs, fees, collection, and compliant resolution are operating effectively and

efficiently; and (5) internal control processes are in place to detect and prevent fraud, waste, and abuse.

JUSTIFICATION: In 2011, District of Columbia Water and Sewer Authority (DC WASA) initiated a rebranding campaign and is now known as DC Water. DC Water provides retail water and wastewater (sewer) service to nearly 600,000 residents, 16.6 million annual visitors, and 700,000 employees in the District of Columbia. DC Water's service area is approximately 725 square miles. For FY 2012, DC Water has proposed a 10 percent water and sewer rate increase for District residential customers. Its proposed budget for FY 2012 is \$422 million, which represents a 3.5 percent (\$14 million) increase over its FY 2011 approved budget.

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

NO. 62 **D.C. Fire and Emergency Medical Services Department (FEMS)** **STATUS: Start FY 2012**

TITLE: **MANAGEMENT OPERATIONS AT D.C. FIRE AND/EMERGENCY MEDICAL SERVICES DEPARTMENT**

OBJECTIVES: The audit objectives are to determine whether FEMS: (1) managed and used resources in an efficient and effective manner; (2) complied with requirements of applicable laws, regulations, policies, and procedures; and; (3) implemented internal controls to prevent or detect material errors and irregularities.

JUSTIFICATION: The FEMS FY 2012 proposed budget was \$195,422,438, which includes 2,128 FTEs. Officials from FEMS provided the following suggestions for review: (1) feasibility of allowing collected fees to be input in the operating budget and disbursed to meet operating needs; (2) fees charged for personal services and non-personal services; (3) memorandum of understanding (MOU) processes between intra-agency fund transfers; and (4) verification of monies collected for services to ensure proper handling.

NO. 63	Multi-Agency	STATUS: Ongoing
TITLE:	TRIENNIAL FOLLOW-UP OF AGENCY IMPLEMENTATION OF RECOMMENDATIONS	
OBJECTIVES:	The audit objectives are to determine whether District agencies have: (1) implemented agreed-to recommendations for corrective actions on reported control deficiencies; and (2) actually corrected reported deficiencies.	
JUSTIFICATION:	<p>The Comptroller General's Government Auditing Standards emphasize the importance of follow-up on significant findings and recommendations from prior audits to determine if corrective actions have been implemented. Based on this standard, coupled with the importance that we place on implementation of audit recommendations, we have included a performance measure to track audit recommendations so that we can assess the progress of corrective actions. Audit recommendations do not produce the desired outcomes unless they are implemented. The results of this audit will be used to establish our performance measure target baseline. This triennial audit will cover FYs 2008, 2009, and 2010.</p> <p>Our 2005 triennial follow-up audit identified that District agency officials reported to the OIG that actions had been completed to address 259 of 337 (77 percent) recommendations reviewed. Our 2008 audit revealed agency officials reporting that actions had been completed to address 321 of 363 (88 percent) recommendations reviewed.</p>	

IV. SUPPORT SERVICES

A. Information Systems

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

- (1) IT Enterprise Management and Governance Review - Includes a review of the leadership and staff, plans, policies, procedures, and standards employed to manage the IT environment.
- (2) Data Facility/General Control Review - A review of the controls over the processing environment of an IT facility. Generally, the review includes the following: (a) management; (b) operational policies, procedures, and standards; (c) environmental controls; (d) physical/logical security administration; (e) change management; (f) contingency planning; and (g) systems development life cycle (SDLC) management.
- (3) Application Control Review - A review of relevant operational controls and inherent application controls that support the functions surrounding the collection, input, processing, and output of data supporting a business process.
- (4) Systems Development Life Cycle Review - A review conducted to determine whether management has followed a rational and structured project management structure, replete with effective incremental control mechanisms, for system development projects.
- (5) Support Infrastructure Review - Includes, but is not limited to, a review of periphery and support IT and IT-related infrastructures, for example: (a) Wide Area Networks; (b) Local Area Networks; (c) databases; (d) e-mail systems; and (e) telecommunication systems and networks.
- (6) Service Level Agreements and Contracts - Reviews undertaken to determine the feasibility of contracting for IT and IT-related services.

NO. 64 **Multi-Agency** **STATUS: Start: FY 2012**

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.

NO. 65 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **DISTRICT DATA FACILITY REVIEWS**

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

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

NO. 66	Multi-Agency	STATUS: Start FY 2012
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TITLE:	SYSTEMS DEVELOPMENT LIFE CYCLE REVIEWS
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OBJECTIVES:	<p>The audit objectives are to determine whether the District is utilizing a structured SDLC management process to develop and implement IT services. The District needs to employ a SDLC methodology to ensure that a structured process is utilized and controls are in place and observed to increase the likelihood that the project will be delivered on time and within budget. We will select IT projects based on our review of the District's planned or existing development and implementation projects, and utilize a risk-based selection methodology.</p>
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JUSTIFICATION:	<p>OCTO is responsible for providing the District agencies with IT expertise. However, OCTO's oversight and control have not always yielded optimal IT solutions. To further complicate the District's IT environment, some agencies have autonomy to acquire and implement IT solutions as well as operate their own IT departments without OCTO's oversight and control. Lapses and gaps in OCTO's authority and agency autonomy increases the opportunity and risk that IT implementation activities will not be managed properly and oversight will not be conducted.</p>
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NO. 67	Multi-Agency	STATUS: Start FY 2012
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TITLE:	DISTRICT AGENCIES' EFFORTS TO PROTECT SENSITIVE INFORMATION
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OBJECTIVES:	<p>This audit will determine whether the District government and selected District agencies have developed and implemented adequate controls to ensure personally identifiable information and other sensitive data (such as social security numbers, credit card numbers, bank account numbers, and healthcare information) are safeguarded in accordance with applicable privacy regulations and sound internal control procedures.</p>
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JUSTIFICATION:	<p>Identity theft is one of the fastest growing crimes in the United States. District agencies maintain personally identifiable information for over 30,000 District employees, and they are required to safeguard such sensitive information. This audit will help agencies to: (1) proactively assess sensitive information in order to determine whether it is necessary to obtain it; (2) conduct an inventory of where sensitive data are stored; (3) adopt or refine organizational policies that are</p>
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actionable and enforceable; and (4) effectively train responsible employees in handling sensitive data. These outcomes minimize both legal and reputational risks associated with breaches of District employees' privacy rights.

NO. 68 **Office of the Chief Financial Officer** **STATUS: Ongoing**

TITLE: **APPLICATION CONTROL REVIEW OF
THE INTEGRATED TAX SYSTEM**

OBJECTIVES: The overall objectives are to review: (1) application controls over the ITS; and (2) adequacy of internal controls over supporting operational processes.

JUSTIFICATION: Tax collections generate the bulk of revenue to finance District operations paid from the General Fund. The efficiency of the tax collection automated systems and the effectiveness of policies, procedures, and internal controls determine whether the District is maximizing collection of taxes due the city.

Charges filed against employees in the OTR's highly publicized property tax refund scandal, as well as other employees in the same office charged in a separate phony refund scheme illustrate vulnerabilities where employees exploited weaknesses in the automated tax system and manual processes to obtain refunds illegally. In response to these fraudulent activities, OCFO officials claim that they have implemented a new system of checks and balances. The importance of application controls is manifest in the fact that the ITS processes billions of dollars in taxes each year. This audit will examine adequacy of controls in ITS and the supporting processes.

NO. 69 **Department of Motor Vehicles (DMV)** **STATUS: Start FY 2012**

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

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

JUSTIFICATION: DMV's online services allow motorists to perform several driver and vehicle transactions via the Internet. Using these online services, D.C.

residents can avoid a trip to DMV offices and more efficiently and conveniently conduct their DMV business. DMV provides four online services involving District driver licenses; learner's permits; driving records; non-driver identification cards; senior driver and driver medical requirement information; and automobile dealer and agency information.

NO. 70 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **DISTRICT INTERNET/INTRANET APPLICATIONS SECURITY**

OBJECTIVES: This audit will evaluate selected Internet/Intranet applications to determine whether the agency's business objectives are met and whether the application is adequately secured.

JUSTIFICATION: As the District continues to automate key processes, more access to its network is granted to outsiders, often via the Internet. For instance, the ability to look up the account status of tax payments or refunds provides customers access to the District's internal networks via the Internet. A major issue is that external networks are not under the control of the District government and, therefore, unsecure. All communications to and from external networks should be tightly controlled and monitored. The District can audit only what it can control. Thus, it is critical to audit the entry and exit points, at a minimum, to determine the adequacy of the Intranet/Internet applications security.

NO. 71 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **ADMINISTRATION OF INFORMATION TECHNOLOGY CONTRACTS**

OBJECTIVES: The audit objectives are to determine whether: (1) IT contracts are awarded based on full and open competition; (2) services are obtained in the most cost-effective manner; (3) contractors perform according to contract terms and conditions; (4) actual or potential conflicts of interest are identified and avoided; and (5) the management control system for measuring, reporting, and monitoring contracts is adequate.

JUSTIFICATION: District agencies are becoming increasingly dependent on IT. Key agency processes are automated or enabled by technology. The OCTO

has been outsourcing a significant portion of its systems development, IT operations, and maintenance workload. Under this new organizational strategy, OCTO retains inherently government functions such as strategic and tactical planning, management, and oversight, while contractors perform most of the day-to-day IT support services, including systems design, development, testing, deployment, and operations and maintenance support. Major IT contracts, including interagency agreements, are potentially handled without sound return on investment (ROI) analyses. As a result, the administration of IT contracts is a critical management control area that requires aggressive monitoring and management within OCTO.

NO. 72 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **MANAGEMENT OF COSTS ASSOCIATED WITH D.C. NET**

OBJECTIVES: The overall objective of this audit is to determine whether there is any duplication of efforts between D.C. Net and Verizon's dual activities to establish Internet connectivity throughout the District.

JUSTIFICATION: The D.C. Net provides secure managed voice, video, and data services throughout the District. D.C. Net is a fiber-optic telecommunications platform providing the core foundation and primary backbone transport for all technology and telecommunications services used by over 30,000 District employees. The approved budget for D.C. Net in 2009 was \$4,473,000, according to OCFO's Proposed Budget and Financial Plan for the District. In 2009 the actual expenditure amounted to \$10,985,000, which amounted to 12.3 percent of OCTO's total actual operating budget for the year. In 2010, the approved budget was \$7,694,000, with an actual expenditure of \$13,701,000, or 16 percent; of the agency's total annual budget. The approved FY 2011 budget for D.C. Net is \$11,901,000.

On May 7, 2010, during OCTO's budget hearing, a council member voiced the concern regarding possible duplication of efforts by both D.C. Net and Verizon. Currently, D.C. Net has laid an intricate network of fiber-optics throughout the District enabling District governmental agencies to have Internet connectivity. Verizon is also in the process of laying FiOS throughout the District per a contract with the D.C. Government.

Due to high dollar expenditures, the large amount of federal funding, as well as the Council's expressed concern, this audit would assess

whether there are any duplications, and therefore inefficiencies, between the D.C. Net and Verizon FiOS efforts to establish Internet connectivity throughout the District.

NO. 73

Multi-Agency

STATUS: Start FY 2012

TITLE:

**DISASTER RECOVERY AND CONTINGENCY
PLANNING FOR DISTRICT FINANCIAL SYSTEMS**

OBJECTIVES:

The audit objectives are to assess the current status of the District's disaster recovery plan, placing particular emphasis on whether the plan has been consistently updated to reflect the current state of financial systems, and that the plan is being distributed to all disaster recovery team members. We will also determine whether: (1) there are defined locations from which the District's disaster recovery plan is to be executed to ensure continuity of financial operations and systems, and (2) the plan has been periodically tested and revised or adjusted based on the results of testing.

JUSTIFICATION:

The District's core financial systems process tax information, account for the city's financial activities, maintain data for citizen services, and interface with other major District systems and applications. As the nation's capital and a major city, the District must be prepared to protect and ensure the continuity of its business operations in the event of a major catastrophe or terrorist attack affecting the city's infrastructure, including its financial systems. A business continuity plan focuses on minimizing the risks associated with potential business failures and maintaining public services. A sound business continuity plan safeguards each District agency's ability to produce a minimum acceptable level of outputs and services in the event of failures to process internal or external mission-critical information. This audit will evaluate how well the District is prepared to maintain continuity of business operations and citizen services should a significant event occur.

NO. 74 **Multi-Agency** **STATUS: Start FY2012**

TITLE: **PROTECTION OF INFORMATION SYSTEMS
SUPPORTING CRITICAL GOVERNMENT
INFRASTRUCTURES**

OBJECTIVES: The audit objectives are to ensure that D.C.'s information systems and applications that support critical infrastructures are securely maintained and adequately protected from potential terrorist attack, intentional and unintentional modification, and improper public disclosure.

JUSTIFICATION: Steady increases in computer interconnectivity, especially in the use of the Internet, are changing the way governments conduct business. This interconnectivity poses significant risks to our computer systems and, more importantly, to the critical operations and infrastructures they support. For example, telecommunications, power distribution, public health, law enforcement, and emergency services all depend on the security of their computer operations. Likewise, the speed and accessibility that create the enormous benefits of the computer age, if not properly controlled, allow individuals and organizations to inexpensively eavesdrop on or interfere with these operations from remote locations for mischievous or malicious purposes, including fraud or sabotage. The number of computer security incidents has risen significantly in the last few years.

Information system experts estimate that as much as 80 percent of security incidents go unreported, in most cases, because the organization was unable to recognize that its systems had been penetrated or because there was no indications of penetration or attack.

B. Human Capital

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

NO. 75 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **DISTRICT'S STRATEGIC PLANNING AND
PERFORMANCE MEASURES**

OBJECTIVES: Our audit objectives are to determine whether selected District agencies have established strategic plans to use performance measurement results and to assess the reliability of data used for performance measurement purposes. Additionally, our audit objective is to verify the accuracy of data supporting reported achievements regarding performance measures.. We will also determine the extent of implementation of internal controls to detect or prevent material errors and irregularities in reporting performance measures.

JUSTIFICATION: The Mayor's performance management system requires accountability for each agency and employee in order to ensure the District government is responsive to its citizens. Waste and inefficiency in District government programs undermine the confidence of District residents and other stakeholders in the government and reduce the government's ability to adequately address vital public needs. Agency managers' efforts to improve program efficiency and effectiveness are hindered due to insufficient articulation of program goals and inadequate feedback on program performance. In addition, legislative policymaking, spending decisions, and program oversight are handicapped by insufficient attention to program performance and results.

The audit will help the District government adopt practices detailed in the Government Performance and Results Act of 1993 (Pub. L. No. 103-62) in order to realize some of the following benefits: (1) improve the confidence of the stakeholders in the capability of the District government by systematically holding agencies accountable for achieving program goals; (2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress; and (3) improve District program effectiveness and public accountability by promoting a new focus on results, service

quality, and customer satisfaction. Previous OIG audits found a need to improve performance measurement at District agencies. The Office of the City Administrator continues to place a high priority on this area.

NO. 76 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **CONTRACTING OFFICER TECHNICAL REPRESENTATIVE QUALIFICATIONS AND TRAINING**

OBJECTIVES: The audit objectives are to evaluate COTR performance and determine whether COTRs are qualified and properly trained to effectively monitor contractor performance and compliance with contract provisions.

JUSTIFICATION: The Office of Contracting and Procurement's 2009 Procedures Manual states that the COTR has primary responsibility to monitor contractor performance. In addition, the COTR is responsible for accepting contract deliverables and approving the contractors' invoices. Therefore, it is imperative that the COTR is properly trained to ensure that the District is receiving all of the goods and services called for by the contract. This training is especially important for time and materials and construction contracts. The COTR must be qualified to insure all the contract specifications and requirements are met, that substandard materials are not used, and the costs claimed by the contractor are actually incurred.

Without adequately trained and qualified COTRs, there is an increased risk to the District that contract requirements are not being fully met.

NO. 77 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **TIMEKEEPING AND PAYROLL**

OBJECTIVES: The audit objectives are to determine whether adequate timekeeping and payroll processes and procedures at District agencies are employed to prevent abuse of the system and potential loss through fraud, waste, or abuse. We will examine the processes for recording payable time through the PeopleSoft system and other adopted timekeeping practices, and evaluate the adequacy of internal controls over timekeeping and payroll.

JUSTIFICATION: The District employs more than 30,000 individuals, most of whom record time in the PeopleSoft automated system. Paid salaries represent the single highest segment of the city's budget. PeopleSoft is designed to be an "honor" system wherein the employee records payable time, leave, holiday time, etc. into the electronic system and a supervisor then approves the employee's time entries. Agencies have employed various parallel timekeeping requirements such as sign-in and sign-out sheets, time logs, and other forms of daily timekeeping. In addition, annual and sick leave forms are still required for all requested leave. We believe that without established and consistent procedures within District agencies, opportunity exists to abuse the timekeeping process.

NO. 78 **Department of Public Works** **STATUS: Start FY 2012**

TITLE: **CONTROLS OF OVERTIME AT THE
DEPARTMENT OF PUBLIC WORKS**

OBJECTIVES: The overall audit objective will be to determine whether overtime payments were legitimate and adequately supported. We will also determine whether DPW has controls in place and established governing criteria to report and monitor overtime.

JUSTIFICATION: Officials from DPW requested that the OIG conduct an audit of overtime usage within the Solid Waste Management Administration. Over the past 2 years, there have been two audits conducted. As a result of those audits, overtime usage concerns were found and documented. DPW officials have stated that they are committed to improving the method in which DPW administers and monitors overtime, and would welcome process improvements that could be provided from an additional review conducted by the OIG.

NO. 79	Multi-Agency	STATUS: Start FY 2012
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TITLE:	ETHICS AWARENESS AND TRAINING FOR DISTRICT EMPLOYEES AND PROSPECTIVE CONTRACTORS
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OBJECTIVES:	The objectives are to evaluate: (1) awareness of and adherence to ethics laws governing District employees, former employees, and contractors; and (2) the sufficiency of ethics training provided to city employees and other controls designed to ensure District employees are sufficiently aware of ethics responsibilities and prohibitions in District business relationships.
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JUSTIFICATION:	A recent audit of a DCPS development arrangement/contract with a non-profit corporation identified a lack of awareness by DCPS educators, former educators, and contracting professionals with regard to District ethics laws and regulations. Further, several other audits have also disclosed questionable ethics practices by District employees. We believe a review of District ethics policies and a survey of ethics awareness practices within the District may disclose a need to tighten controls and rules governing employee activities and demonstrate the need to heighten ethics awareness and training.
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NO. 80	Metropolitan Police Department	STATUS: Start FY 2012
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TITLE:	METROPOLITAN POLICE DEPARTMENT (MPD) OVERTIME EXPENDITURES RESULTING FROM MANDATED COURT APPEARANCES
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OBJECTIVES:	The audit objectives are to determine whether: (1) large overtime expenditures are the result of the Court Automated Notification System (CANS); (2) requests from the United States Attorney's Office for MPD officers to appear in court were necessary; and (3) the CANS is operating in an efficient and economical manner.
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JUSTIFICATION:	One of the 10 largest local police agencies in the United States, the MPD is the primary law enforcement agency for the District of Columbia. During FY 2011, MPD had an approved budget of \$468,652,091. Within that budget, \$23,755,000 was approved for overtime. There are concerns that often times CANS requests for officers to appear in court were merely for administrative matters, which resulted in officers earning overtime, yet being unavailable to
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provide police protection for the residents of and visitors to the District.

NO. 81 **Department of Employment Services** **STATUS: Start FY 2012**

TITLE: **WORKFORCE INVESTMENT PROGRAMS**

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

JUSTIFICATION: The DOES proposed budget for FY 2012 is \$126 million, which consists of local, special purpose, federal, private, and District funds. The audit will seek to identify whether District residents are benefiting from the Workforce Investment Program.

V. AUDITS REQUIRED BY LAW

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

A. Financial Integrity

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

NO. 82	Multi-Agency	STATUS: Ongoing/ Start FY 2012
TITLE:	COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2011	
OBJECTIVES:	<p>The objective of this engagement is to secure services of an independent CPA firm to perform the annual audit of the District government's financial statements. Once a contractor is selected, the OIG provides oversight for the progress of the audit and addresses any issues that may arise or that may prevent the audit from timely completion. The OIG chairs the audit oversight committee, conducting regular meetings with committee members and interacting with OCFO and CPA firm throughout the audit engagement.</p> <p>In fulfilling its oversight role, the OIG is responsible for: (1) monitoring the reliability and integrity of OCFO's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance; (2) monitoring the independence and performance of the CPA firm; and (3) providing an open avenue of communication among the auditors, the Executive Office of the Mayor, the D.C. Council, OCFO, and other District management officials.</p>	

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 fiscal year 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. Public Schools (Financial Statements);
- 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/D.C. Law School (Financial Statements);
- Home Purchase Assistance Program (Financial Statements);
- D.C. Post-Employment Benefit Trust Fund (Financial Statements and Actuarial Study);
- E911/311 Fund; and
- United Medical Center (Financial Statements).

NO. 83 **Office of the Chief Financial Officer** **STATUS: Ongoing**

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

OBJECTIVES: The objectives of this engagement is 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 the human resources rules and regulations to which OCFO is subject hinder or enhance the ability to attract, develop, and retain a well-qualified workforce.

JUSTIFICATION: Pursuant to D.C. Code § 47-821(e), OIG shall arrange for an independent audit for the purposes of examining the District's management and valuation of commercial real property assessments. The independent audit shall be prepared by an outside firm, such as the International Association of Assessing Officers, that is knowledgeable

and experienced in real property appraisal, assessment administration, and real property tax policy, with a demonstrated history of assisting local and state governments in evaluating assessment practices.

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

NO. 84 **Department of Public Works** **STATUS: Ongoing/
Start FY 2012**

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) (2008) 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 on February 1st of each year for the preceding fiscal year. The Highway Trust Fund Pro Forma (Forecast) has a statutory due date of March 15th with the passage of DC Law 18-370, the Fiscal Year 2011 Supplemental Budget Support Act of 2010. The Forecast includes the actual revenues and expenditures for the preceding fiscal year and the forecast for the current fiscal year and the next 4 fiscal years.

NO. 85 **Office of the Chief Financial Officer** **STATUS: Ongoing**

TITLE: **SPECIAL EDUCATION ATTORNEY CERTIFICATIONS**

OBJECTIVES: The audit will determine the accuracy of certifications made to the OCFO by attorneys in special education cases brought under the Individuals with Disabilities Education Act (IDEA) in the District.

JUSTIFICATION: In 1975, the U.S. Congress enacted the Education for All Handicapped Children Act (Public Law 94-142) to ensure that children with disabilities were afforded access to the same education as their nondisabled peers. The act required states to develop and implement policies addressing the education of students with a broad range of disabilities. The act was amended and reauthorized in 1990 (20 U.S.C. § 1400) and 1997 (Public Law 105-17) and renamed the IDEA.

D.C. Code § 1-301.115(a)(3)(J) (Supp. 2011) requires the OIG to review and determine the accuracy of certifications made to OCFO from attorneys in special education cases brought under the IDEA. These audits are to be conducted during each fiscal year.

VI. DISTRICT OF COLUMBIA EDUCATION PROGRAMS

The cost of operating the District of Columbia Public Education System for FY 2012 will exceed \$1 billion. Included in this budget authority is about \$826 million for DCPS, \$150 million for non-public tuition programs managed by the Office of the State Superintendent of Education (OSSE), and \$91 million for special education student transportation. The audits of District of Columbia Education Programs (DCEP) included in our Plan for FY 2012 represent suggestions made by elected officials, DCPS officials, and our research of previous audits addressing various education issues. In evaluating a variety of school issues, our intention is not to merely arrive at technical solutions to complex problems, but to provide DCEP officials and educators with the tools to make sufficiently sound decisions and effect positive improvements.

NO. 86 **District of Columbia Public Schools** **STATUS: Start FY 2012**

TITLE: **MANAGEMENT OF ADMINISTRATIVE PAY**

OBJECTIVES: Our audit objectives are to determine: (1) whether DCPS employees are placed in administrative leave with pay status for extended periods of time without action or resolution of their cases; and (2) the extent to which untimely resolutions cause unwarranted cost.

JUSTIFICATION: DCPS employees are placed on administrative leave with pay for a variety of reasons. The length of time an employee is in this status varies depending on the circumstances surrounding the incident. We conducted a series of audits of school security in FYs 2004 and 2005 and observed that DCPS employees were in administrative leave with pay status for prolonged periods. The process for reviewing and resolving incidents may have systemic problems that can be addressed through an audit. Costs associated with placing employees in an administrative leave with pay status include the cost of downtime to the agency, the cost to employ a temporary employee, and the possibility of incurring overtime for other staff.

NO. 87 **District of Columbia Public Schools** **STATUS: Ongoing**

TITLE: **MANAGEMENT OF TRUANCY AT DCPS**

OBJECTIVES: Our audit objective is to evaluate the effectiveness of DCPS' program for managing unauthorized student absences (truancies). As part of our evaluation, we will assess the policies and procedures for

recording and reporting student absences; policies and procedures for remedial/punitive actions for repetitive or abusive truants; community/policing programs for reducing trancies; and the data collection process for accurate accumulation and reporting of truancy statistics.

JUSTIFICATION: For school year 2006–2007, DCPS reported that the truancy rate was 16 percent. By 2008–2009, the truancy rate increased to 20 percent. The DCPS truancy rate reflects the percentage of students with 15 or more unexcused absences during a given school year. One of DCPS’ goals is to reduce truancy. An independent assessment of DCPS’ truancy program will provide an objective look at the effectiveness of the truancy initiatives.

The FY 2009 approved budget for truancy services was \$369,000. Beginning FY 2010, DCPS no longer had a separate budget line item for truancy services. In October 2008, DCPS established the Office of Youth Engagement and truancy services fall under the purview of this office. The approved FY 2010 budget for the Office of Youth Engagement was \$2.6 million.

NO. 88 **District of Columbia Public Schools** **STATUS: Start FY 2012**

TITLE: **PROCUREMENT PRACTICES AT 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 the 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; contract administration; and other procurement areas.

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. For the period between June 2010 and June 2011, DCPS awarded contracts for various services amounting to \$181,746,953. We believe that a series of audits that focus on key segments of the procurement process will best address the issues in a narrower vein so that systemic problems and solutions can be

identified to create permanent changes and more efficient use of resources. An inadequate or poorly administered procurement process could result in unauthorized procurements, unqualified vendors receiving awards, non-receipt of vital goods and services, and unnecessary waste of tax dollars.

NO. 89 **District of Columbia Public Schools** **STATUS: Start FY 2012**

TITLE: **CONSULTING SERVICES CONTRACTS**

OBJECTIVES: Our audit objectives are to determine whether DCPS: (1) managed and used resources for contracted consultant services in an efficient and effective manner; (2) complied with requirements of applicable laws, and procurement regulations, policies, and procedures; and (3) implemented internal controls in its contracting processes to safeguard against waste, fraud, and abuse.

JUSTIFICATION: The Chancellor for DCPS has procurement authority independent of OCP. The DCPS Office of Contracts and Acquisitions (OCA) is responsible for awarding contracts on behalf of the Chancellor. OCA oversees a wide range of acquisitions from school supplies to computers. Consulting services contracts are included in the range of acquisitions that OCA oversees. Although DCPS has independent procurement authority, DCPS has elected to adhere to Title 27 of the District of Columbia Municipal Regulations (DCMR) in lieu of establishing its own procurement regulations.

Due to a recent audit, several concerns have been raised as to whether DCPS contracts for consulting services in the most efficient and effective manner.

NO. 90 **District of Columbia Public Schools** **STATUS: Start FY 2012**

TITLE: **EVALUATION OF THE PROCESS FOR
TRANSITIONING SPECIAL EDUCATION STUDENTS
OUT OF THE SPECIAL EDUCATION PROGRAM**

OBJECTIVES: Our objectives are to determine whether: (1) the DCPS special education program successfully provides students with the necessary curriculum to be able to perform grade-level school work; and (2) students who no longer need special education services are timely

and seamlessly folded back into their mainstream school level placements.

JUSTIFICATION: The District spends in excess of \$200 million annually for costs associated with the special education program. Special education students include those students who have physical, emotional, mental, learning, or other health disabilities. The total enrollment of special education students in DCPS is approximately 11,000. Of the total enrollment, approximately 80 percent are in D.C. public schools, and the remaining 20 percent are in non-public day schools and residential treatment facilities. DCPS serves one of the highest percentages of special education populations in the country.

NO. 91 **Office of the State Superintendent of Education** **STATUS: Ongoing**

TITLE: **THE NON-PUBLIC TUITION PROGRAM**

OBJECTIVES: Our overall audit objectives are to determine whether OSSE: (1) operated the non-public tuition program in an efficient, effective, and economical manner; (2) complied with applicable laws, regulations, policies, and procedures for making non-public tuition payments; and (3) implemented internal controls to safeguard against fraud, waste, and abuse.

JUSTIFICATION: The non-public tuition program serves children with special needs within the school system and children under the care of CFSA, DMH, and the Department of Youth Rehabilitation Services. Non-public tuition funds a variety of specialized services including: (1) day and residential tuition to private educational organizations; (2) payment for related services at non-public facilities; (3) educational evaluations performed independently of DCPS; and (4) parental reimbursement for certain expenses, such as transportation, special equipment and tutoring.

There are approximately 2,200 special education students enrolled in non-public day schools and residential treatment facilities. These students receive specialized services pursuant to their Individual Education Plans developed under the Individuals with Disabilities Education Act. The FY 2009 actual budget for non-public tuition was \$165.9 million and the FY 2011 approved budget was \$149.1 million.

NO. 92	Office of the State Superintendent of Education	STATUS: Start FY 2012
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TITLE:	SPECIAL EDUCATION PROGRAMS
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OBJECTIVES:	The audit objectives are to determine the extent of OSSE's Special Education monitoring, oversight, and corrective actions established for: (1) proper eligibility identification of special education students; (2) adequate internal controls over payments for special education services; (3) accurate and complete tracking of demographic, academic, financial, and other descriptive information on enrolled special education students; and (4) compliance with the District and federal regulations governing the special education program.
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JUSTIFICATION:	OSSE's Special Education Program operates at a total cost to taxpayers of about \$129 million a year. For FY 2012, the budgeted costs associated with the \$129 million are: (1) \$91 million for transportation; and (2) \$38 million for program administration. Approximately \$8 million of the program administration's budget is allocated to responsibilities associated with adherence to the Blackman-Jones Consent Decree and Alternative Dispute Resolution (ADR) agreements related to federal civil class actions No. 97-1692 and 97-2402, <i>Mikeisha Blackman, et al., v. District of Columbia</i> . <i>The Washington Post</i> on September 3, 2008, reported that the District could not meet the needs of its 10,997 special education students, including those in public charter schools, due to missing records, poor communication, lengthy delays in the placement of students in special education programs, and responsible District officials being distracted by numerous other reform efforts.
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NO. 93	District of Columbia Public Schools	STATUS: Start FY 2012
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TITLE:	GRANT REVENUE
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OBJECTIVES:	The audit objectives are to determine whether the District has the infrastructure in place to actively identify grant opportunities for DCPS and abide by the requirements of existing grant agreements to avoid loss of grant funding.
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JUSTIFICATION:	The Office of Partnerships and Grants Development (OPGD), which is a part of the Executive Office of the Mayor, serves as the clearinghouse for all D.C. government grant opportunities. The DCPS
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Office of Federal Grants Programs (OFGP) secures and administers grant funding to support local education agencies (LEAs). The funding is utilized to enable the states and the LEAs to design, develop, and implement programs that will eliminate achievement gaps and improve student learning. According to OFGP officials, the OFGP regularly works with the OPGD to review grant opportunities identified by OPGD. The OFGP currently has three grant writers who develop grants for OSSE. For school year 2006-2007, DCPS received \$117.8 million in federal grant funds. The issue of DCPS grants management arose as a significant issue in the FY 2006 CAFR wherein the U. S. Department of Education declared DCPS a “high risk” entity. This declaration has the potential for DCPS to lose or have severe restrictions imposed on its grant funding.

VII. PRIOR PERFORMANCE AUDITS

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

NO. 94 **Fire and Emergency Medical Services** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES' ADMINISTRATION OF AMBULANCE BILLING CONTRACTS**

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

JUSTIFICATION: A prior audit of the Department of Fire and Emergency Medical Services' Administration of Ambulance Billing identified significant deficiencies. Recommendations to correct the systemic issues identified in the prior audit include: (1) integrating business-related activities into FEMS' mission to provide assurance that key business functions have adequate oversight and accountability (2) recruiting and training staff to operate and maintain operational areas such as contract management, research and evaluation, and fiscal operations; (3) collaborating with OCP when contracting for services, to include a review of contract terms to ensure that the best interests of the District are met; (4) providing effective oversight for employees operating in COTR positions by scheduling monthly meetings to provide management with the status of ongoing contracts; and (5) establishing policy to monitor industry best practices to ensure that the District is providing emergency transport services that are reasonably priced. The FY 2012 proposed budget for FEMS is \$196 million.

NO. 95	Office of the Chief Financial Officer	STATUS: Start FY 2012
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TITLE:	MOTOR FUEL SALES AND TAX PROCESS
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OBJECTIVES:	The overall objective of this audit is to determine whether OCFO and DDOT have implemented agreed-to recommendations that were intended to correct reported deficiencies. In addition, we will evaluate the adequacy of the process for processing, recording, and collecting motor fuel taxes.
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JUSTIFICATION:	The motor fuel tax is an excise tax imposed primarily on importers (wholesale businesses) of motor fuels, including gasoline, diesel fuel, benzoyl, benzene, naphtha, kerosene, heating oils, all liquefied petroleum gases, and all combustible gases and liquids suitable for the generation of power for motor vehicles. D.C. Code § 47-2301(a) states that the District's motor fuel tax rate is 23.5 cents per gallon on motor vehicle fuels within the District of Columbia, sold or otherwise disposed of by an importer or by a user, or used for commercial purposes.
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Our past audit OIG No. 09-2-02KA issued on July 23, 2009, identified that importer motor fuel tax liabilities have gone uncollected for more than 6 years. As a result, we identified uncollected motor fuel tax revenues of about \$733,000 for 6 years. Also, the District did not implement previously agreed to recommendations and, therefore, lost interstate bus tax revenues totaling at least \$2.3 million over the last 10 years (\$229,000 annually) by not participating in the International Fuel Tax Agreement managed by the International Fuel Tax Association.

NO. 96	District of Columbia Housing Authority	STATUS: Start FY 2012
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TITLE:	MANAGEMENT OF THE DISTRICT OF COLUMBIA HOUSING AUTHORITY
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OBJECTIVES:	The objectives of this audit are to follow-up on DCHA actions taken in response to OIG Audit No. 01-2-25PH(b), issued on April 21, 2003, and OIG No. 01-2-25PH(c), issued on September 9, 2003. The objectives also include determining whether DCHA is managing and using resources in an effective, efficient, and economical manner; and administering funds in compliance with applicable laws, regulations, policies and procedures.
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JUSTIFICATION: The DCHA is charged with providing and effectively managing affordable housing that is diverse and aesthetically pleasing to low and moderate income households. DCHA's proposed budget for FY 2012 is \$66 million.

The OIG plans to conduct a follow-up audit of DCHA's management of housing programs and funds because previous audits of the agency identified significant internal control weaknesses. In an audit of the HOPE VI program, DCHA was cited for failure to comply with rules and regulations for awarding contracts, utilizing force account labor in the amount of \$1.1 million to perform various infrastructure improvements instead of competitive procurement procedures, commingling grant funds, lack of recordkeeping, unsupported expenditures of \$13.2 million, and questionable expenditures of \$1.4 million for project costs.

NO. 97 **University of the District of Columbia STATUS: Start FY 2012**

TITLE: **PARKING LOT REVENUE AT THE UNIVERSITY
OF THE DISTRICT OF COLUMBIA**

OBJECTIVES: The objectives of this audit are to (1) follow-up on actions taken by UDC management in response to OIG Audit No. 08-2-03GG, and (2) determine whether automated systems to collect parking fees have been implemented and assess effectiveness.

JUSTIFICATION: UDC is the only fully-accredited public institution of higher education in the nation's capital. As an urban land-grant university, it supports a broad mission of education, research and community service and offers bachelors and masters degrees in the College of Arts and Science; School of Business and Public Administration; School of Engineering and Applied Sciences; and College of Agriculture, Sustainability and Environmental Studies. UDC is a component of the District of Columbia government, and is a legally separate entity for which officials of the District of Columbia are financially accountable. UDC's proposed operating budget for FY 2012 is \$67.5 million.

UDC offers parking facilities to its faculty, staff, students, and visitors. Parking lot fees are a revenue source for UDC. A prior audit of the UDC Parking Lot Revenue identified inadequate internal controls over cash collection/ receipts for parking lot operations, a lack of controls and accountability for parking decals, ineffective re-entry procedures

for parking garages, and discrepancies in the reporting of parking revenue. The lack of internal controls and the use of improper procedures increase the risk of fraud, waste, and abuse.

NO. 98 **Multi-Agency** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT OF MOTOR VEHICLES TICKET
PROCESSING SERVICES**

OBJECTIVES: The objectives of this audit are to determine whether: (1) the recommendations addressed in the *Audit of the D.C. Department of Motor Vehicles Ticket Processing Services*, issued in FY 2008, have been satisfactorily implemented by DMV, OCP, and the Board of Review for Anti-Deficiency Violations; (2) contracts for Ticket Processing Services are competitively bid in compliance with applicable laws, rules and regulations, and administered in an efficient, effective and economical manner; (3) adequate oversight exists over metering enforcement and ticket issuing processes; and (4) there are adequate internal controls to adequately safeguard against fraud, waste and abuse.

JUSTIFICATION: Ticket processing services are administered within DMV's Adjudication Services division. The proposed FY 2012 budget for ticket processing services is \$13.6 million.

A prior audit of the DMV ticket processing services identified significant deficiencies in ticket processing solicitation and contracting procedures. Specifically, the audit noted the following findings:

- Suspension and cancellation of the Motor Services Modernization Program (MSMP) project by the Deputy Mayor/City Administrator cost the District \$11 million more than it would have otherwise incurred.
- DMV issued three sole source contracts to extend ticket processing and collection services without soliciting competition or properly justifying the awards, which caused the cost to escalate by approximately \$6.4 million.

NO. 99 **Department of Employment Services** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT OF EMPLOYMENT SERVICES’
SUMMER YOUTH EMPLOYMENT PROGRAM**

OBJECTIVES: The objectives of this audit are to follow-up on actions taken by DOES in response to the OIG Audit No. 08-2-28CF and determine whether DOES: (1) operated the Summer Youth Employment Program (SYEP) in an efficient, effective, and economical manner and (2) implemented adequate internal controls to safeguard against fraud, waste, and abuse.

JUSTIFICATION: SYEP is a locally funded initiative that provides District youth ages 14 to 21 with enriching and constructive summer work experiences through subsidized placements in the private and government sectors. Through the SYEP, eligible youth are given the opportunity to: (1) earn money and gain meaningful work experience; (2) learn and develop the skills and commitment to succeed in today’s world; and (3) gain exposure to a diverse range of careers in industries. The SYEP’s approved budget for FY 2010 was \$16.2 million.

A previous audit of the SYEP identified lack of oversight and inadequate controls to prevent cost overruns, waste, fraud, and abuse. For instance, the original SYEP budget for FY 2008 was \$21 million; however, widespread problems caused the cost to escalate to \$52 million, representing a cost overrun of \$31 million (261 percent). The audit also identified that DOES did not: (1) develop formal policies and procedures for critical processes; (2) properly secure undistributed debit cards; (3) segregate key duties and responsibilities among different people; and (4) provide adequate training to staff and host agencies. Several media reports continue to point out cost overruns and lack of oversight of the SYEP.

NO. 100 **Department of Public Works** **STATUS: Start FY 2012**

TITLE: **DEPARTMENT OF PUBLIC WORKS FLEET
MANAGEMENT OF INVENTORY, USAGE, AND
MAINTENANCE OF DISTRICT VEHICLES
AND BILLING PRACTICES**

OBJECTIVES: The audit objectives are to determine whether the DPW Fleet Management Administration (FMA) has: (1) established a system to identify, record, and classify actual direct and indirect cost of operations needed to determine the fully burdened shop labor rate and

markups on fleet services; (2) revised and complied with policies and procedures for calculating billing rates; and (3) instituted adequate internal controls to ensure data accuracy, and monitoring of mechanic compliance with log in and log out requirements.

JUSTIFICATION: FMA supports all city services by procuring and maintaining more than 3,000 vehicles, excluding those used by MPD, FEMS, DOC, and DCPS. This division fuels all 6,000 District government vehicles, including school buses, fire and trash trucks, and street sweepers. FMA's objective is to ensure that at least 95 percent of mission critical equipment will be available to all agencies, while reducing the environmental impact of the District's fleet. The FY 2012 proposed budget for the FMA is \$18.5 million.

Past audits identified the following deficiencies: (1) FMA could not adequately support the fully burdened shop labor rates for maintenance services and markups on parts and other services provided by the vehicle acquisition department; and (2) FMA officials did not comply with policies and procedures related to calculating billing rates for fleet services. A follow-up audit will determine whether DPW has implemented corrective actions to address the reported findings.

NO. 101 **Office of Risk Management** **STATUS: Start FY 2012**

TITLE: **DISTRICT OF COLUMBIA EMPLOYEE DISABILITY
COMPENSATION PROGRAM**

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

JUSTIFICATION: ORM oversees the management and operation of the Public Sector Workers' Compensation Program with the help of TPA Sedgwick CMS. The OIG will conduct a follow-up audit of the District of Columbia Employee Disability Compensation Program because a prior audit of the agency identified significant deficiencies including lack of oversight and potential for fraud, waste, and abuse. ORM's lack of oversight of the TPAs increased program costs by as much as \$3.3 million annually because the TPA failed to review and monitor claims for continued eligibility; perform timely follow-up and appropriate case management actions; and conduct supervisory reviews on

processed claims, as well as opportunities to return disability claimants to the workforce or remove them from the Disability Compensation Program. In addition, the audit noted that both ORM and the TPA lacked procedures to account for claimants' health and/or life insurance benefits.

NO. 102 **University of the District of Columbia** **STATUS: Start FY 2012**

TITLE: **PROCUREMENT PRACTICES AT THE
UNIVERSITY OF THE DISTRICT OF COLUMBIA**

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

JUSTIFICATION: UDC is the only fully-accredited public institution of higher education in the nation's capital. As an urban land-grant university, it supports a broad mission of education, research and community service and offers bachelors and masters degrees in the College of Arts and Science; School of Business and Public Administration; School of Engineering and Applied Sciences; and College of Agriculture, Sustainability and Environmental Studies. UDC is a component of the District of Columbia government, and is a legally separate entity for which officials of the District of Columbia are financially accountable. UDC proposed operating budget for FY 2012 is \$67.5 million.

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

NO. 103 **Office of the Chief Financial Officer** **STATUS: Start FY 2012**

TITLE: **UNCLAIMED PROPERTY**

OBJECTIVES: The audit objectives are to determine whether the Office of Finance and Treasury (OFT) Asset Management Program: (1) is in compliance with applicable laws, regulations, policies, and procedures regarding

unclaimed property; (2) is securing and maintaining adequate documentation of unclaimed property in its possession; and (3) has adequate internal controls to safeguard against waste, fraud, abuse, and mismanagement of unclaimed property.

JUSTIFICATION: Under the purview of OCFO, OFT is responsible for managing the financial assets and liabilities of the District government. This includes investing, receiving, safe-keeping, disbursing, recording, and acquiring District financial resources. The program is divided into the following core activities: debt management; operations (transaction) and banking management; and asset management. The proposed OFT budget for FY 2012 is \$16.7 million.

OFT Asset Management provides management for District's pension plans, college savings plan, and unclaimed property. The Unclaimed Property Unit (UPU) manages the District's unclaimed property, which consists of money and other personal assets that are considered lost or abandoned when an owner cannot be located after a specified period of time. These assets can include checking accounts, certificates of deposit, customer deposits and overpayments, gift certificates, paid life insurance policies, unpaid wages, commissions, uncashed checks, death benefits, dividends, insurance payments, money orders, refunds, savings accounts, stocks, and proceeds from safe deposit box auctions. UPU attempts to reunite this property with its rightful owners through mailings and newspaper notices. The unit successfully returns an average of \$6 million a year. There have not been any recent audits of OFT's UPU business processes, practices, and oversight responsibilities.

NO. 104 **Metropolitan Police Department** **STATUS: Start FY 2012**

TITLE: **METROPOLITAN POLICE DEPARTMENT'S
MANAGEMENT OF EVIDENCE CONTROL
BRANCH**

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

of internal controls over the sale of seized and forfeited property, and proceeds generated from the sale of such property.

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

The FY 2012 proposed budget for MPD is \$469 million. Although MPD opened its new Evidence Warehouse in March 2011, an audit of the Evidence Control Branch is needed to ensure proper controls are in place to manage and secure evidence within the new facility.

THE INSPECTION AND EVALUATION PROCESS

THE INSPECTION AND EVALUATION PROCESS

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

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

The Federal Model

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

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

OIG Inspections and Reports

While mechanically similar to the audit process, inspections typically have a broader scope, often evaluating *all* of the key operations of an agency in order to help managers improve diverse policies, programs, and procedures. On the other hand, an audit is generally more narrowly focused and directed toward one or more specific operational or financial issues. An inspection combines some of the best features of several disciplines, including management analysis, traditional program evaluation, audits, survey research, program monitoring, and compliance reviews.

Follow-up, Compliance, and Re-Inspections

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

INSPECTIONS AND EVALUATIONS THEME/AGENCY INDEX

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³ “O” indicates the review is ongoing as of September 1, 2011. “P” indicates the review is planned to start in FY 2012.

**PLANNED AND ONGOING
INSPECTIONS, RE-INSPECTIONS,
AND SPECIAL EVALUATIONS**

I. DELIVERY OF CITIZEN SERVICES

In FY 2012, we plan to continue inspection and evaluation coverage of key District service organizations. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services that are vital to District residents and other stakeholders, as well as services aimed at supporting the more vulnerable segments of the District's population (e.g., children and seniors).

Core Services

The FY 2012 Inspection Plan includes OIG initiatives for inspection coverage that are consistent with our objective to review, evaluate, and help improve performance in all components of the District of Columbia government.

I&E expects to conduct a follow-up inspection in the Fire and Emergency Medical Services Department, and special evaluations pertaining to the D.C. Housing Authority; the Department of Youth Rehabilitation Services; and selected agencies that are subject to the District's policy regarding mandatory drug and alcohol testing of employees who serve children or youth.

I&E will complete ongoing special evaluations of the Metropolitan Police Department's Youth Investigations Division; the Office of Unified Communications; the Department on Disability Services' Developmental Disabilities Administration; DOH's HIV/AIDS, Hepatitis, STD and TB Administration; and the Department of Employment Services' Unemployment Compensation Program. The division will also complete ongoing inspections of the Department of Human Services' (DHS) Adult Protective Services; and DHS's Office of Shelter Monitoring and selected homeless shelters.

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

NO. 1 **Fire and Emergency Medical Services Department** **STATUS: Start FY 2012**

TITLE: ***FOLLOW-UP TO OIG REPORT CONDITIONS IN FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT (FEMS) FIRE STATIONS (07-I-027 FEMS)***

OVERVIEW: In 2007, I&E inspectors visited all 33 of the District’s fire stations and the Fire Boat facility to observe and record conditions in key areas such as general infrastructure, employee accommodations, and communication systems. The team found numerous deficient conditions: inoperative smoke detectors; unabated asbestos hazards; exposed electrical wiring; emergency call alerting systems that did not operate properly; broken windows; holes and cracks in interior walls, ceilings, and façades; improperly functioning heating and cooling systems; and leaking roofs and water-damaged walls. The OIG recommended, among other things, that FEMS: (1) devise a strategy to identify, prioritize, and complete necessary repairs of all conditions that threaten the health, safety, comfort, and effectiveness of FEMS employees; and (2) take steps to improve its capabilities in resolving maintenance and repair requests and tracking their status through to timely resolution.

OBJECTIVES: The objectives of this project are to: (1) assess FEMS’ success in abating and correcting conditions cited in the 2007 report of special evaluation; and (2) document any newly observed deficient or hazardous conditions in the fire stations.

NO. 2 **D.C. Housing Authority** **STATUS: Start FY 2012**

TITLE: ***SPECIAL EVALUATION OF THE D.C. HOUSING AUTHORITY’S (DCHA) CLIENT PLACEMENT DIVISION (CPD)***

OVERVIEW: DCHA’s mission is to “[enhance] the quality of life in the District of Columbia for low and moderate income households by providing and effectively managing affordable housing that is diverse and aesthetically pleasing.”⁴ D.C. Code § 6-202(a) establishes DCHA as an “independent authority” of the District

⁴ See <http://www.dchousing.org/default.aspx?catid=5> (last visited Aug. 2011).

government and federal funds constitute a large majority of DCHA's roughly \$300 million annual budget. District funds currently represent less than 10 percent of DCHA's budget. However, D.C. Code § 1-301.115a(e-1), which created and established the duties of the OIG, states that "the Inspector General may conduct an annual inspection and independent fiscal and management audit of [DCHA]...."

DCHA's CPD is responsible for processing applications for housing assistance, making eligibility determinations, and administering lists of clients who are waiting for placement in public housing units and other forms of housing assistance such as the Housing Choice Voucher Program (HCVP), which provides rental assistance to eligible families or individuals who find their own housing. A FY 2010 DCHA planning document reported that over 35,000 individuals were on the waiting list for public housing and the HCVP, a condition which results in clients spending years on DCHA's waiting list.

OBJECTIVES:

The objectives of this project are to analyze CPD's administration of application processes and waiting lists of clients seeking housing assistance; identify any inefficiencies in the application and client placement processes; and recommend ways in which DCHA can more efficiently serve clients seeking housing assistance.

NO. 3

Multiple Agencies

STATUS: Start FY 2012

TITLE:

SPECIAL EVALUATION OF DISTRICT AGENCIES' IMPLEMENTATION OF MANDATORY DRUG & ALCOHOL TESTING PROGRAMS

OVERVIEW:

Issued by the Department of Human Resources on June 10, 2008, District policy is to "subject to drug and alcohol testing each District government employee who, as part of the performance of his or her official job duties, has direct contact with children and youth; is entrusted with the direct care and custody of children or youth; and whose performance of his or her duties in the normal course of employment may affect the health, welfare, or safety of children or youth." Examples of agencies covered by the policy include the Department of Human Services; Department of Parks and Recreation; Department of Youth Rehabilitation Services; D.C. Public Schools; and the D.C. Public Library.

OBJECTIVES: The objectives of this special evaluation are to determine the extent to which agencies subject to the policy comply with requirements and procedures regarding alcohol and drug testing; retention of testing records and results; and employee education and referrals to alcohol and drug abuse treatment programs.

NO. 4 **Department of Youth Rehabilitation Services** **STATUS: Start FY 2012**

TITLE: **SPECIAL EVALUATION OF CONDITIONS IN AND MANAGEMENT AND OVERSIGHT OF GROUP AND SHELTER HOMES THAT SERVE YOUTH UNDER THE SUPERVISION OF THE DEPARTMENT OF YOUTH REHABILITATION SERVICES (DYRS)**

OVERVIEW: In July 2004, in conjunction with an inspection of the Youth Services Administration (YSA) (which later became DYRS), the OIG issued a Management Alert Report documenting that efforts to locate youths who had absconded from YSA-sponsored group and shelter homes were minimal and ineffective, a condition that posed serious and immediate risks to both the community and the youths who absconded. In the report, the OIG concluded that action should be taken to “improve the supervision, oversight, and security of group and shelter home operations” and “develop an active and effective absconder program to assist law enforcement authorities in locating and returning absconded youths.” Since then, a number of well-publicized incidents and crimes have involved youths who were assigned by DYRS at one point to live in a group or shelter home.

OBJECTIVES: The objectives of the special evaluation are to determine the frequency with which youths assigned by DYRS to group and shelter homes have absconded from these facilities; identify and analyze any deficiencies in the conditions and/or security procedures and practices that may enable absconders; evaluate the processes and methods used by entities responsible for locating and returning absconders to the appropriate facility; and recommend corrective actions that aim to minimize the number of abscondences and maximize the efficacy of efforts to locate youths who abscond from group and shelter homes.

NO. 5	Metropolitan Police Department	STATUS: Ongoing
TITLE:	SPECIAL EVALUATION OF THE METROPOLITAN POLICE DEPARTMENT (MPD) – YOUTH INVESTIGATIONS DIVISION (YID)	
OVERVIEW:	MPD's YID investigates such matters as child abuse and neglect, child sexual abuse and exploitation, juvenile missing persons, kidnapping by non-custodial parents, and internet crimes against children. YID personnel also staff a facility that processes juveniles who have been arrested in the District.	
OBJECTIVES:	The special evaluation objectives are to evaluate the operational effectiveness of the assignment, administration, and oversight of YID investigations; the quality and timeliness of its investigations; the overall sufficiency of YID policies and procedures; and the sufficiency of internal controls and information management systems.	
NO. 6	Department of Human Services	STATUS: Ongoing
TITLE:	INSPECTION OF THE DEPARTMENT OF HUMAN SERVICES (DHS) – FAMILY SERVICES ADMINISTRATION'S ADULT PROTECTIVE SERVICES (APS)	
OVERVIEW:	DHS' Family Services Administration (FSA) provides social services, case management, and other forms of support to meet the needs of "vulnerable adults and families with children so that they can achieve stabilization and self-sufficiency." Located under FSA, APS provides "protection, counseling, and crisis intervention services to adult residents of the District of Columbia so that they can be safe from abuse, neglect and exploitation." In FY 2010, APS' approved budget consisted of \$3.7 million and 26 full-time equivalents.	
OBJECTIVES:	The inspection objectives are to evaluate the sufficiency, quality, and timeliness of client intake processes and investigations of abuse and neglect reports received by APS. The inspection will assess APS's policies, procedures, quality assurance mechanisms, and adherence to applicable laws and best practices. The inspection will also address the quality of services delivered to APS clients and other stakeholders.	

NO. 7 **Office of Unified Communications** **STATUS: Ongoing**

TITLE: **SPECIAL EVALUATION OF THE OFFICE OF UNIFIED COMMUNICATIONS (OUC)**

OVERVIEW: OUC is responsible for coordinating fast, professional, and cost-effective responses to emergency and non-emergency calls in the District. It was created in fiscal year 2005 and consolidates the emergency 911 and non-emergency call activities of the Metropolitan Police Department (MPD) and the Fire and Emergency Medical Services Department (FEMS), as well as the customer service operations (i.e., calls to 311) for the District of Columbia government.

OBJECTIVES: The objectives are to evaluate the quality and effectiveness of OUC's primary operations; assess the sufficiency of procedures, management controls, and agency performance standards; and review agency initiatives and objectives related to workforce development, human resource management, and customer service.

NO. 8 **Department on Disability Services** **STATUS: Ongoing**

TITLE: **SPECIAL EVALUATION OF THE DEPARTMENT ON DISABILITY SERVICES (DDS) – DEVELOPMENTAL DISABILITIES ADMINISTRATION (DDA)**

OVERVIEW: DDS provides services to people with disabilities, to help them lead meaningful and productive lives, through two administrations: DDA; and the Rehabilitation Services Administration. DDA is responsible for the oversight and coordination of services provided to all persons with developmental disabilities in the District of Columbia. Currently, DDS is under court monitoring as a result of a long-running class-action lawsuit against the District regarding its care of individuals with developmental disabilities.

OBJECTIVES: The inspection objectives are to evaluate the suitability and quality of assessments and services provided to clients who are placed and reside in out-of-state facilities; the efficacy and thoroughness of client monitoring; and vital quality assurance mechanisms such as unusual incident reporting and

investigations of allegations and possible incidents of mistreatment and abuse.

NO. 9 **Department of Health** **STATUS: Ongoing**

TITLE: **SPECIAL EVALUATION OF THE DEPARTMENT OF HEALTH (DOH) – HIV/AIDS, HEPATITIS, STD, AND TB ADMINISTRATION**

OVERVIEW: DOH's HIV/AIDS, Hepatitis, Sexually Transmitted Disease (STD), and Tuberculosis (TB) Administration (HAHSTA) works to prevent and reduce the transmission of diseases, and provide care and treatment to infected persons. HAHSTA collaborates with health and community-based organizations to offer disease testing and counseling; prevention education; prophylactics and medication; medical support and insurance; housing; and nutrition services. HAHSTA also provides direct services at its STD and TB clinics to residents of the District and the metropolitan area.

OBJECTIVES: The objectives of the project are to evaluate the goals, plans, procedures, and internal control mechanisms related to HAHSTA's implementation of the 2007-2010 Youth and HIV/AIDS Prevention Initiative. The inspection team will assess operational capacity and effectiveness; program monitoring and evaluation; and the degree to which initiative goals were met.

NO. 10 **Department of Employment Services** **STATUS: Ongoing**

TITLE: **SPECIAL EVALUATION OF THE DEPARTMENT OF EMPLOYMENT SERVICES (DOES) – UNEMPLOYMENT COMPENSATION PROGRAM – Part II**

OVERVIEW: The mission of DOES is to plan, develop, and administer employment-related services to various segments of the District metropolitan population. Its Unemployment Compensation Program provides temporary income support to workers who lose their jobs through no fault of their own. It is

responsible for reviewing and processing applications and providing temporary unemployment compensation benefits.

OBJECTIVES: The special evaluation will evaluate the sufficiency of DOES' policies and procedures, internal quality assurance controls, and management systems.

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

TITLE: **INSPECTION OF THE DEPARTMENT OF HUMAN SERVICES' (DHS) OFFICE OF SHELTER MONITORING (OSM) AND SELECTED HOMELESS SHELTERS**

OVERVIEW: The Shelter Monitoring and Emergency Assistance Amendment Act of 2006 (effective March 2007), which amended the Homeless Services Reform Act of 2005, "established within the Department of Human Services an Office of Shelter Monitoring to monitor shelters and services provided by the District and its contractors to clients who are homeless." OSM conducts inspections of homeless shelters and homeless services providers covered by the Act, and issues reports that summarize the findings of inspections and any corrective actions needed, as well as deadlines for completion.

OBJECTIVES: The objectives of the inspection are to assess, analyze, and make recommendations aimed at: (1) improving the operations, physical conditions, and quality of services provided to individuals and families residing at selected homeless facilities under OSM's purview; and (2) monitoring and oversight conducted by OSM.