



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

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**FY 2002  
AUDIT AND INSPECTION  
PLAN**

**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General



Inspector General

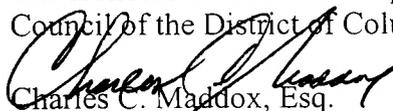
**MEMORANDUM**

**TO:** The Honorable Anthony A. Williams  
Mayor  
District of Columbia

The Honorable Alice M. Rivlin, Chairman  
D.C. Financial Responsibility and Management Assistance Authority

The Honorable Linda W. Cropp, Chairman  
Council of the District of Columbia

**FROM:**

  
Charles C. Maddox, Esq.  
Inspector General

**DATE:** August 31, 2001

**SUBJECT:** Office of the Inspector General's Fiscal Year 2002 Audit and  
Inspections and Evaluations Plan

This memorandum transmits the Office of the Inspector General's (OIG) Fiscal Year (FY) 2002 Audit and Inspection Plan (Plan). This Plan has been prepared pursuant to D.C. Code, 2001 Ed. § 2-302.08(a)(3)(I), 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, the Council, and the Authority, establish an annual plan for audits to be conducted under this paragraph. . . ." Although not required by law, we are also including our plan for inspections and evaluations, which will be conducted by the Inspection Unit that I created in FY 1999.

The Plan contains audits and inspections and evaluations that are discretionary, required, or identified pursuant to special requests from District leaders and managers. Specifically, we will conduct reviews designed to assess the results of various budgeted programs, including the economy and efficiency of actions taken to attain those results. Additionally, during the past two years, the Mayor, the Council, the Authority, and the OIG have highlighted procurement and contract administration issues facing the District. Accordingly, this year's plan is again designed to audit procurement and contract administration on a continuous basis.

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, or 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.

Although the scope of audits and inspections described here are subject to change based on our discretion and resource availability, we are optimistic that this plan contemplates projects that will allow the District to become more efficient, cost effective, and responsive in its operations and services.

If you have questions, please feel free to contact me or John N. Balakos, Deputy Inspector General for Administration and Operations, at (202) 727-2540.

Enclosure

CM/cj

cc: See Distribution List

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

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**FY 2002  
AUDIT AND INSPECTION  
PLAN**

**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL  
FY 2002 AUDIT AND INSPECTION PLAN**

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL  
FISCAL YEAR 2002 AUDIT AND INSPECTION PLAN**

**INTRODUCTION**

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2002 Audit and Inspection Plan for the Government of the District of Columbia. This Plan has been prepared pursuant to D.C. Code, 2001 Ed. § 2-302.08(a)(3)(I). Section 2-302.08(a)(3)(I) requires, in part, that the OIG, in consultation with the Mayor, the District of Columbia City Council (Council), and the Financial Responsibility and Management Assistance Authority (Authority), establish an audit plan 30 days prior to the commencement of the new fiscal year. The plan will detail audits planned and required to be conducted for the upcoming FY based on Public law, risk assessments, and input from our stakeholders.

To complement the OIG audit function an Inspection function was created within the OIG in FY 1999. The Inspections and Evaluations goals are to help ensure compliance with applicable laws, regulations, and policies; to identify accountability, recognize excellence, and promote continuous improvement in the delivery of services to District residents and others. With the creation of this division, we have begun to perform inspections of the District agencies. It is our goal to have all District agencies inspected by FY 2007. For your convenience, we have prepared an inspection plan and included it in this document.

**Mission**

The mission of the OIG is to conduct independent audits, inspections and investigations to help the District of Columbia Government improve its programs and operations by promoting economy, efficiency and effectiveness, and detecting and preventing fraud, waste, and mismanagement.

**Vision**

We strive to be a highly skilled professional organization with the goal of improving performance and accountability in government. We contribute to the success of the District of Columbia Government by providing timely and objective information to public stakeholders, who are responsible for the oversight and implementation of government programs and operations and who help identify issues we consider when devising OIG work priorities. We strive to be a leader in coordinating, recommending, and ensuring compliance with policies designed to provide quality government services.

**Values**

We, as individuals and as an agency, value organizational independence, innovation, integrity, teamwork, and commitment to excellence. We will continually improve our skills, value the contribution of each member of our diverse workforce, and promote professional growth.

**Goals**

Consistent with the mission, vision, and values stated above, the OIG's overall goals and objectives include the following:

1. Identifying and eliminating the occurrence of fraud, waste, abuse and mismanagement through aggressive government-wide fraud education programs;
2. Providing the District government leadership with investigative work products that are thorough, clear, concise, and which may form the basis for administrative, civil or criminal sanctions;
3. Assessing the degree to which assets of the District are safeguarded;
4. Determining the level of compliance with laws and regulations;
5. Determining and ensuring the accuracy of recorded transactions in the District's financial books and records;
6. Assessing whether resources are used efficiently, effectively and economically;
7. Determining the reliability and integrity of information systems;
8. Determining the effectiveness of operations and programs in accomplishing the delivery of goods and services by the District;
9. Promoting economy and efficiency in the management of the information resources of the District to support the delivery of services and program effectiveness; and
10. Promoting economy and efficiency in the business processes of the District to improve the delivery of services and program effectiveness.

## **ADDITIONAL REPORTING CATEGORIES**

In addition to final reports issued upon the completion of an engagement, the OIG has instituted three categories for the issuance of certain type reports. The three categories are:

- 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 could be addressed during an audit, investigation, or inspection process. 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 that are discovered most commonly as a result of a criminal investigation. This report is issued to all District agencies to be on the lookout for similar schemes.

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

**AUDIT DIVISION ACTIVITIES**

## **THE AUDIT FUNCTION**

The Audit Division performs internal audits and oversees external audits of District Government agencies, programs, and operations. Such audits provide management with an independent appraisal of whether desired results and objectives are achieved efficiently; economically; and in accordance with prescribed laws, regulations, policies, and procedures. These audits include both performance and financial audits.

Internal audits are reviews of selected programs, activities, or functions which provide management with an independent appraisal of whether desired results and objectives are achieved efficiently, economically, and in accordance with prescribed laws, regulations, policies and procedures. These audits complement other elements of management evaluations and are aimed at providing reliable and constructive recommendations for improved administration of operations.

Key elements of internal audits conducted by the OIG are the independence of the OIG from the management of such programs and the responsibility placed on the OIG by the Inspector General Act to report to top management and other stakeholders on the results of such audits.

### **Audit Selection**

The FY 2002 Audit Plan includes OIG initiatives for audit coverage with particular focus on the deterrence of fraud, waste, and mismanagement. The Plan also focuses on increasing coordination and assistance to District managers. Additionally, the Audit Plan is flexible in that it sets aside staff hours to be devoted to assisting investigations and responding to special requests for audits and related services.

Selection of a District office for audit does not necessarily mean that problems exist. Unless exempt by law, all District programs, activities, and functions are subject to audit. The OIG plans audits based on our assessment of how limited resources can be best used to address priority issues. Audits in the plan cover a wide range of subjects and include matters suggested by District officials.

The criteria for selection relate to the following: (1) materiality of the programs; (2) activities and functions being considered for audit; (3) the vulnerability of these operations to fraud, waste, and mismanagement; and (4) whether there is a legislative or regulatory audit requirement. The annual plan is subject to change based on our discretion, and resource availability.

## **The Audit Process**

An established sequence of events occurs for every audit conducted. These steps include the announcement of the audit, the entrance conference, fieldwork, exit conference, resolution process, and audit followup. 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 survey. The letter describes the audit scope and objectives, and it suggests a starting time. The letter also explains that we plan to brief the appropriate management officials on the audit. Briefing items include the audit's objectives, potential scope, and methodology. In addition, it advises agencies of our working space requirements, any specific information needs, and other audit 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. The entrance conference covers the matters discussed in the engagement letter. We also explain the audit and audit reporting processes. During the conference, we encourage management officials to bring to the attention of audit team members any concerns, ideas, or special circumstances concerning the matters to be audited.

### **Fieldwork**

The first phase of fieldwork is called the "survey." We conduct surveys to gain background information on a program, activity or function and to assess whether there appear to be any vulnerable areas that should be reviewed. The second phase of fieldwork is the audit phase. It is during the audit phase that we perform detailed tests to determine whether systems and programs are functioning as intended, and fully develop audit findings and recommendations for improvement.

Audit fieldwork requires some effort on the part of agency personnel for answering questions, providing access to files, and preparing information requested by the auditors. However, our auditors are fully aware of the agencies' need to keep up with the regular workload. Therefore, auditors make every attempt to limit requests for information, records, and assistance to the minimum necessary to complete the audit.

## Keeping Agency Officials Informed

During the course of the audit, we keep management 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 their attention. Managers of an organization being audited can also expect the following types of formal communications:

- **Survey Closeout Conference.** At the end of a survey, we meet with key agency officials to discuss the results. If an audit is not to be performed, we summarize the audit objectives and explain that, based upon the survey work performed, no additional audit work is necessary. We also point out any minor deficiencies. The formal letter closing out the survey is sent following the conference.
- **Audit Memorandum.** As the audit progresses, we may provide the agency head with interim findings for informal comments on the accuracy and completeness of the findings.

This early communication serves three purposes:

- It gives the agency the opportunity to voice concerns and provide additional information.
  - It reduces misunderstandings or inaccuracies.
  - It allows the agency to correct problems as they are identified.
- **Audit Exit Conference.** After all steps in the audit program have been completed, we conduct an exit conference. At the exit conference, we summarize the issues previously brought to the agency management's attention as well as any other findings and recommendations we may have developed.
  - **Draft Audit Reports.** After considering any comments and concerns raised at the exit conference, we send a draft report to managers responsible for implementing corrective action. Usually, we request the action official to reply in writing to a draft report within 10 working days. The reply should include actions taken and planned, target dates for any uncompleted actions, and the reasons for any disagreements with the findings or recommendations.
  - **Final Report.** After carefully analyzing the comments, we make any changes that may be needed, incorporate the comments into the report, and include the comments as an appendix to the report. We send copies of the final report to the

highest level official responsible for taking corrective action. This usually is the head of the agency. Copies of the report are also provided to the Mayor, the Council, and the Authority. Others who may have an interest in a particular report will be sent a copy, and all reports are published on the OIG website. OIG audit reports may also be provided to congressional committees, members of Congress and the press.

### **Resolution Process**

The OIG will make every reasonable effort to resolve a disagreement with appropriate officials, but if an agreement is not reached, the final report will be issued with unresolved findings or recommendations. Final resolution will occur at the Inspector General level in conjunction with the Mayor or the Authority.

### **Audit Followup**

District officials and managers are responsible for implementing the agreed corrective actions. OIG auditors monitor progress in implementing audit recommendations. In addition, the OIG conducts followup audits to verify that pledged actions have been taken and were effective.

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

**AUDITS IN PROCESS AS OF SEPTEMBER 1, 2001**

**OFFICE OF THE INSPECTOR GENERAL  
AUDIT DIVISION ACTIVITES**

**AUDITS IN PROCESS AS OF SEPTEMBER 1, 2001**

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**AGENCY:** Department of Human Services (DHS)

**TITLE:** Administration of Funds for the Homeless Shelter Services Program

**OBJECTIVES:** The audit objective is to determine whether expenditures for the Homeless Shelter Services Program are being used for their intended purposes.

**JUSTIFICATION:** The Homeless Shelter Services Program is administered by the Family Services Administration (FSA). Its FY 2001 budget is estimated at approximately \$11 million.

Based on public reports, and at the request of the Executive Director of the Washington Legal Clinic for the Homeless, Inc., the OIG will perform an audit of the Administration of Funds for the Homeless Shelter Services Program.

In June of 1993, the District and the U.S. Department of Housing and Urban Development (HUD) agreed to transition the District's homeless service system from a shelter-based system to a continuum of care approach. The entity designated to implement this transition was the Community Partnership. Under this agreement, both HUD and the District jointly fund the Partnership. This new structure serves as a national model for providing housing, medical, and social services to the District's homeless population.

Proper accountability over the disbursement of funds for the Homeless Shelter Services Program would be of interest to District management, federal agencies, and Congress.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Department of Public Works (DPW)

**TITLE:** Audit of the District Division of Transportation

**OBJECTIVES:** Our audit objectives are to determine whether the District Division of Transportation (DDOT) managed and used resources in an efficient, effective, and economic manner; complied with requirements of applicable laws, regulations, policies, and procedures; implemented internal controls to prevent or detect material errors and irregularities in its operations; and has taken adequate corrective action on prior internal and external audits, inspections, and reviews.

**JUSTIFICATION:** This audit is being performed at the request of the Deputy Mayor and City Administrator. DDOT is responsible for managing the District's transportation infrastructure and its maintenance. DDOT's annual budget total's over \$38 million supporting about 150 full-time employees.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** **Child and Family Services Agency (CFSA)**

**TITLE:** **Child Support Data System**

**OBJECTIVES:** The audit objective is to assess the adequacy of the District's Child Support Data System to ensure that it meets specified federal certification requirements.

**JUSTIFICATION:** In 1975, Congress created the Child Support Enforcement (CSE) Program by enacting Title IV-D of the Social Security Act for the purpose of establishing and enforcing the support obligations owed by noncustodial parents to their children. The Department of Health and Human Services is the federal agency that oversees the administration of CSE Programs. The federal government shares the cost of funding CSE Programs by contributing to the administrative costs and providing incentive payments.

In 1993, the federal government issued system specifications to comply with Title IV-D requirements. Many states, including the District of Columbia, have failed to implement a Child Support Data System that meets established requirements. Currently the District has been granted an extension to obtain the necessary certifications. Failure to meet these guidelines could jeopardize millions of dollars in federal grants.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Metropolitan Police Department (MPD)

**TITLE:** Controls of Overtime at the Metropolitan Police Department

**OBJECTIVES:** The objectives of our audit are to determine whether overtime payments were correctly calculated and adequately supported. We also plan to evaluate governing criteria and controls in place to report and monitor overtime.

**JUSTIFICATION:** The Metropolitan Police Department seeks to prevent crime and the fear of crime, and to work with others to build safe and healthy neighborhoods throughout the District of Columbia. MPD is working to achieve these goals through a community policing strategy called "Policing for Prevention."

MPD spends approximately \$20 million annually on overtime and has consistently exceeded its overtime budget. Overtime costs are divided into many categories including court, homicide investigations, special events, holiday, traffic, call back, and Fair Labor Standards Act (FLSA). Our audit will focus on ensuring that overtime is properly calculated and supported. Additionally, we will review controls in place to monitor and track overtime costs, perform benchmarking of related budget and actual expenditures, identify best practices employed with other police jurisdictions, and follow-up on previous recommendations in this area. This audit was requested by the Chairperson of the Committee on the Judiciary, Council of the District of Columbia, and the Chief of Police.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Office of the Chief Technology Officer (OCTO)

**TITLE:** Controls Over Access to the System of Accounting and Reporting (SOAR)

**OBJECTIVES:** The objective of our review is to determine whether adequate access security controls over SOAR had been established throughout District agencies. However, after the start of our audit, the General Accounting Office (GAO) started an audit of the Highway Trust Fund (GAO-01-489, dated April 2001), which included an evaluation and test of the overall effectiveness of the information system general controls over SOAR, which processes the fund's financial data. The GAO audit objectives duplicated our original objective but concentrated on the SHARE computer center level and not the District agency level. To minimize any duplication of efforts, we modified our objective and focused our review on access security controls over SOAR at the District agency level.

**JUSTIFICATION:** In September 1997, the District awarded a contract to acquire a new financial accounting system to replace the District's aging Financial Management System. The District implemented SOAR on October 1, 1998, as the District's system of record.

The Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (OCIO), and the SOAR Project Management Office are responsible for providing administration and guidelines for SOAR access, usage, and training. In October 2000, the OCFO/OCIO transferred responsibility for managing the SHARE Computer Center, which is the location of the SOAR application, to OCTO. Each District agency is responsible for appointing agency security officers who coordinate with the D.C. SHARE Computer Center staff to facilitate granting user access.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** District of Columbia Public Schools (DCPS)

**TITLE:** District of Columbia Public School's Facilities Maintenance Department (FMD)

**OBJECTIVES:** The audit objectives are to: (1) assess management plans, goals and objectives, internal controls, and policies and procedures; (2) determine whether capital and operating funds were properly used; and (3) determine whether the FMD is operating effectively and efficiently.

**JUSTIFICATION:** The District of Columbia Public Schools is addressing several facilities management issues. Based on concerns about supporting documentation for past financial transactions in FMD and the lack of a systematic approach to reconciling procurement authorization and accounting transactions to invoices, the DCPS Superintendent requested that the OIG conduct a performance audit of DCPS' Facilities Maintenance Department.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Department of Housing and Community Development (DHCD)

**TITLE:** Financial Statement Audit of the Home Purchase Assistance Fund

**OBJECTIVES:** The audit objectives are to determine whether monies in the Home Purchase Assistance Fund have been accounted for properly and whether persons obtaining loans under this program meet the qualifications under existing policies and procedures.

**JUSTIFICATION:** D.C. Code, 2001 Ed. § 42-2605 requires the OIG to conduct an annual audit of this fund. The Mayor is required to report on the financial condition of this program to Congress and the Council within six months after the end of the preceding fiscal year.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Metropolitan Police Department (MPD)

**TITLE:** Fleet Management Maintenance Contract

**OBJECTIVES:** The audit objectives are to assess compliance with contract administration procedures within the MPD relative to its fleet maintenance contract.

**JUSTIFICATION:** Concerns over the handling of the federal contract awarded for the maintenance and repairs of District police vehicles have received extensive coverage in the news media. The senior executive director for the District of Columbia MPD Corporate Support and the contracting officer for the U.S. Department of General Services Administration (GSA) requested an audit of the fleet maintenance contract. The OIG agreed to coordinate audit efforts with the GSA Office of Inspector General (GSA-OIG).

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** **District of Columbia Water and Sewer Authority (WASA)**

**TITLE:** **Follow-up at WASA Blue Plains Facility**

**OBJECTIVES:** The audit objective is to follow-up and review corrective actions taken by WASA on the conditions and recommendations contained in our prior audit report entitled: "Management Review of the District of Columbia Water And Sewer Authority", OIG No. 00-2-03LA, dated November 7, 2000.

**JUSTIFICATION:** On December 6, 2000, the Committee on Public Works and the Environment conducted a public hearing on the Inspector General's management audit of the District of Columbia Water and Sewer Authority. As part of those hearings, the Chairperson requested that the OIG perform a follow-up review at WASA.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Office of Planning

**TITLE:** Historic Preservation Division

**OBJECTIVES:** The primary audit objectives are to determine whether: (1) all funds and resources associated with the operations of the Historic Preservation Division (HPD) were managed in an efficient, effective, and economical manner; (2) HPD complied with applicable laws, regulations, policies, and procedures; and (3) proper internal controls have been implemented to prevent or detect material errors and irregularities in its operations.

**JUSTIFICATION:** The Office of Planning recently assumed responsibility for HPD activities and subsequently requested that the OIG conduct an audit to ensure program integrity.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** **District of Columbia Housing Authority (DCHA)**

**TITLE:** **HOPE VI Grant Funds**

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

**JUSTIFICATION:** In accordance with section 24 (a) of the U.S. Housing Act of 1937, the purpose of Hope VI Revitalization grants is to assist public housing agencies to:

1. Improve the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);
2. Revitalize sites (including remaining public housing dwelling units) on which such public housing projects are located and contribute to the improvements of the surrounding neighborhood;
3. Provide housing that will avoid or decrease the concentration of very low-income families; and
4. Build sustainable communities.

The U.S. Department of Housing and Urban Development administers the Hope VI Revitalization program and has awarded over \$106 million in Hope VI grants funds to the District of Columbia Housing Authority (DCHA) during the period of 1993 to 2000 (\$82 million during the last five years).

Because of the large dollar amount of grants funds awarded to DCHA and its importance to the residents of the District of Columbia, the OIG will conduct an audit of DCHA's management of the Hope VI grant funds during the last five years.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Multi-Agency

**TITLE:** Implementation of Audit Recommendations

**OBJECTIVES:** The audit objectives are to determine whether agencies have implemented agreed-to recommendations that were intended to correct reported deficiencies and whether actions taken have corrected the reported deficiencies.

**JUSTIFICATION:** The District has been subject to audits conducted by internal and external auditors for many years. The recommendations that auditors made to correct negative conditions should have resulted in monetary benefits, more efficient and effective operations and programs, and safer environments for the public. However, audits have little value if the reported deficiencies remain uncorrected. Without implementation of the agreed-to recommendations, expected benefits would likely not occur. This audit is of special interest to the Deputy Mayor/City Administrator.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Department of Mental Health (DMH)

**TITLE:** Management Operations at the Department of Mental Health

**OBJECTIVES:** The audit objectives are to determine whether the Department of Mental Health: (1) managed and used resources in an efficient, effective, and economical 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:** During FY 2001, the Commission on Mental Health Services returned from receivership to District control. Established as the Department of Mental Health, it is a separate cabinet-level agency, which reports directly to the Mayor. The Department's budget is approximately \$228 million with 2,100 employees. This audit was requested by officials from the Office of the Mayor.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Washington Humane Society (WHS)

**TITLE:** Management Operations at the Washington Humane Society

**OBJECTIVES:** The audit objective is to evaluate the operations and accounting methods at the Washington Humane Society to ensure compliance with District animal control codes.

**JUSTIFICATION:** The Senior Deputy Director for Public Health Assurance requested a review of operations at the Washington Humane Society based on concerns of possible contract violations and possible liabilities to the District.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Washington Convention Center (WCC)

**TITLE:** Procurement Activities at the Washington Convention Center

**OBJECTIVES:** The audit objectives are to assess the adequacy of contract administration, procurement training, and compliance with procurement laws and regulations.

**JUSTIFICATION:** The mission of the Washington Convention Center Authority is to expand the revenue base of the District by promoting large national and international conventions and trade shows that bring hundreds of thousands of out-of-town delegates, exhibitors, and businesses to Washington, D.C.; and to provide expanded employment and business opportunities for residents of the District. The Washington Convention Center's budget is approximately \$57 million.

This audit is part of the OIG's initiative to audit the functional areas of procurement and contract administration on a continuous basis.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Office of Contracting and Procurement (OCP)

**TITLE:** Procurement and Contract Training

**OBJECTIVES:** The objectives of the audit are to determine whether OCP complied with the requirements of applicable laws, regulations, policies, and procedures relative to training and whether training resources were used in an efficient and economical manner.

**JUSTIFICATION:** The District of Columbia Government is one of the largest purchasers of property and services in the Metropolitan area. Its procurement policies impact upon every aspect of District society. Health and safety standards, education, wages, business growth, and fiscal and monetary soundness are each affected by District programs of procurement. These expenditures, however, have not always provided taxpayers with the most for their tax dollars. Public audits and oversight have revealed recurrent and pervasive areas of waste, mismanagement, cost overruns, and fraud.

To maintain the confidence and trust of District managers and the public, individuals working in the procurement process must be properly trained to help ensure the delivery of quality products and services. This audit is part of the OIG's initiative to audit the functional area of procurement and contract administration on a continuous basis.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Department of Consumer and Regulatory Affairs (DCRA)

**TITLE:** Professional Engineering Fund

**OBJECTIVES:** The audit objective is to determine whether DCRA's Professional Engineering Fund registration fees and Board expenditures were proper.

**JUSTIFICATION:** This audit is required pursuant to D.C. Code, 2001 Ed. §§ 47-2886.02(6) and 47-2886.13(d). Section 47-2886.13(d) states, in pertinent part: "It shall be the duty of the Office of the Inspector General of the District of Columbia to audit annually the accounts of the Board and to make a report thereof to the Mayor." Section 47.2886.02(6) defines "Board" as the District of Columbia Board of Registration for Professional Engineers.

**STATUS:** Ongoing as of September 1, 2001.

<b>AGENCY:</b>	<b>Multi-Agency</b>
<b>TITLE:</b>	<b>Rent Collections</b>
<b>OBJECTIVES:</b>	At the D.C. Housing Authority (DCHA), the audit objective is to determine whether rent collection activities were performed in an effective and efficient manner. At the Office of Property Management (OPM), the objectives are to determine: (1) whether tenant leases for the District are in compliance with applicable District laws, regulations, and policies and procedures; and (2) if agency monitoring processes over rent collection activities are effective and efficient.
<b>JUSTIFICATION:</b>	The OIG will evaluate DCHA processes to ensure that District residents are treated fairly and equitably. OPM is the gatekeeper for all District rental properties and, in this capacity, should be collecting timely and accurate payments from tenants. If this is not occurring, the District will experience a loss of revenue.
<b>STATUS:</b>	Ongoing as of September 1, 2001.

**AGENCY:** Multi-Agency

**TITLE:** Review of District's Payroll System Data Conversion Process

**OBJECTIVES:** The objectives are to determine whether: (1) employee data is accurately and completely converted from the Comprehensive Automated Personnel Payroll System (CAPPS) to the Unified Personnel Pay System (UPPS); (2) controls are maintained over the conversion process to prevent inaccurate or unauthorized changes to data; and (3) accurate and complete results are achieved.

**JUSTIFICATION:** The integrity of data converted from one system to another system is essential and must be maintained during the conversion process. Prior Management Letters from the District's Comprehensive Annual Financial Report have identified significant payroll system deficiencies. These deficiencies include duplicate social security numbers and active employee records for deceased employees. This audit will determine whether controls have been implemented in the conversion process that would prevent these deficiencies.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Department of Employment Services (DOES)

**TITLE:** Top Down Management Review of the Department of Employment Services

**OBJECTIVES:** We have performed a review of four critical areas of the DOES to ensure that the programs are adequately administered. This audit will summarize management issues relative to DOES operations.

**JUSTIFICATION:** The Department of Employment Services performs a critical mission for the District and its residents. DOES is the key agency responsible for managing the District's unemployment training and unemployment programs, as well as the District's self-insured disability compensation program. DOES also administers the worker's compensation program on behalf of the District.

These programs represent significant financial risk to the District with annual unemployment tax revenues in excess of \$100 million and annual expenditures for the program of over \$100 million. There are over 800 active claimants processed annually. There are also numerous businesses in the District from which DOES must collect unemployment taxes and delinquent tax payments. Finally, DOES must monitor the District's ever changing business terrain marked by frequent business start-ups and failures.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** Multi-Agency

**TITLE:** Verification of the District's Fiscal Year 2001 Savings Plan

**OBJECTIVES:** The objective is to verify that the savings identified in the Fiscal Year 2001 Savings Plan have been achieved.

**JUSTIFICATION:** In joint testimony with the City Administrator and the Chief Financial Officer (CFO) on December 7, 2000, the Inspector General informed the D.C. Council that the OIG would verify that the \$47 million Savings Initiative had been achieved. We are conducting the audit in two distinct phases: Phase I is an initial (and larger) effort to test and verify savings methodologies. Phase II will be a follow-on effort soon after the close of the fiscal year to verify the CFO's final certification process.

**STATUS:** Ongoing as of September 1, 2001.

**AGENCY:** District of Columbia

**TITLE:** Washington Interfaith Network (WIN)

**OBJECTIVES:** The objective is to certify costs and matching funds in accordance with Pub. L. No. 106-522.

**JUSTIFICATION:** Pub. L. No. 106-522 provides for a Federal payment to the Washington Interfaith Network in the amount of \$1 million to reimburse the Network for costs incurred in carrying out preconstruction activities at the former Fort Dupont Dwellings and Additions. However, this Law also provides that the Inspector General of the District of Columbia shall certify costs and matching funds prior to reimbursement. The full text of this Law pertaining to this certification and reimbursement is provided under the heading “Federal Payment for Washington Interfaith Network.”

**STATUS:** Ongoing as of September 1, 2001.

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

**FY 2002 PLANNED AUDITS**

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**OFFICE OF THE INSPECTOR GENERAL  
AUDIT DIVISION ACTIVITES**

**FY 2002 PLANNED AUDITS**

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**AGENCY:** Metropolitan Police Department (MPD)

**TITLE:** Asset Forfeitures and Seizures

**OBJECTIVES:** The audit objectives are to determine whether controls exist and are operating as designed to ensure proper accountability of asset forfeitures and seizures.

**JUSTIFICATION:** This audit will provide an independent assessment of the reliability of internal controls over asset forfeitures and seizures and any removal or disposition of such property. Forfeitures and seizures include such items as currency, narcotics, vehicles, weapons, and other property. If proper controls are not in place, removal or theft could lead to illegal sale, inappropriate personal use, or the loss of items that should remain in the possession of the District.

**STATUS:** New start FY 2002

**AGENCY:** District-Wide

**TITLE:** Audit of the District of Columbia's Comprehensive Annual Financial Report (CAFR)

**OBJECTIVES:** The objective of this engagement is to secure services of an independent audit firm to perform the annual audit of the District government.

**JUSTIFICATION:** The Comprehensive Annual Financial Report (CAFR) must be submitted to the President of the United States, the Comptroller General of the United States, the Mayor, and the Council of the District of Columbia on or before February 1<sup>st</sup> of each year following the end of the fiscal year being audited. Immediate and continued access by the audit firm is required to provide audit and other professional assistance 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 (CAFR and CAFR Preparation),
- D.C. Health and Hospitals Public Benefit Corporation (Financial Statements, Review of Blue Cross/Blue Shield Cost Rates).
- Water and Sewer Authority (Financial Statements).\*
- D.C. Sports Complex (Financial Statements).
- D.C. Lottery Board (Financial Statements).
- Department of Employment Services (Unemployment Compensation Fund – Financial Statements).
- Department of Employment Services (Disability Compensation Fund – Actuarial Study).
- Washington Convention Center (Financial Statements).
- University of D.C./D.C. Law School (Financial Statements).
- D.C. Retirement Board (Financial Statements and Actuarial Study).\*
- D.C. Housing Finance Agency (Financial Statements).\*
- D.C. Financial Responsibility and Management Assistance Authority (Financial Statements).

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\* These agencies and entities will arrange to secure their own audit firms to perform required services.

**AGENCY:** Department of Public Works (DPW)

**TITLE:** District of Columbia Highway Trust Fund

**OBJECTIVES:** The objectives are to perform an audit for the purpose of expressing an opinion on the financial statements of the District of Columbia Highway Trust Fund (Fund) for the fiscal year ended September 30, 2001, and to perform an examination of the forecasted statements of the Fund's expected conditions and operations for the next five years.

**JUSTIFICATION:** Section 135 of the FY 2001 D.C. Appropriations Act amends Pub. L. No. 104-21, the District of Columbia Emergency Highway Relief Act, which now requires the D.C. Inspector General to submit a report on the results of its audit of the financial statements of the District of Columbia Highway Trust Fund. The report is due to Congress on February 1<sup>st</sup> of each year for the preceding FY.

**STATUS:** New start FY 2002

**AGENCY:** Department of Housing and Community Development (DHCD)

**TITLE:** Financial Statement Audit of the Home Purchase Assistance Fund

**OBJECTIVES:** The objectives are to determine whether monies in the Home Purchase Assistance Fund have been accounted for properly and whether persons obtaining loans under this program meet the qualifications under existing policies and procedures.

**JUSTIFICATION:** D.C. Code, 2001, Ed. § 42-2605 of the D.C. Code requires the D.C. Inspector General to conduct an annual audit of this fund. The Mayor is required to report on the financial condition of this program to Congress and the Council within six months after the end of the preceding fiscal year.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Fixed Asset Management System

**OBJECTIVES:** The objectives are to determine whether the District has an adequate fixed asset management system to track the various classes of fixed assets. These assets include infrastructure, land, land improvements, buildings, moveable equipment, and works of art and historical treasure. The asset management system should be able to identify the assets by class, location, depreciation method, age, useful life, etc. The asset management system should have up-to-date inventories and to assist in performing condition assessments.

**JUSTIFICATION:** The District of Columbia Government, like other state and local governments, follows standards of the Governmental Accounting Standards Board (GASB) in recording financial transactions. In order to receive an unqualified opinion on its financial statements, the District must prepare its financial statements in accordance with generally accepted accounting principals as promulgated by GASB and its predecessor the National Council on Governmental Accounting. GASB 34 requires a major change in the format of the Comprehensive Annual Financial Report (CAFR) prepared by state and local governments. The CAFR must now be prepared on a government-wide basis as opposed to the fund basis previously used. Also, fixed assets must now be included in the basic financial statements. Previously, fixed assets were reported in a fixed asset account group. Also, fixed assets now include infrastructure assets such as roads, bridges, tunnels, sewer systems, lighting systems, etc.

**STATUS:** New start FY 2002

**AGENCY:** District of Columbia Public Schools (DCPS)

**TITLE:** Follow-up on DCPS' Special Education Program

**OBJECTIVES:** The objective of this audit will be to follow-up on actions taken by DCPS in response to OIG Audit No. 00-2-8GA, issued on November 22, 2000.

**JUSTIFICATION:** The mission of DCPS is to provide a viable comprehensive system of publicly supported education for students from pre-kindergarten through grade twelve. In striving to meet its mission, DCPS provides educational programs at the elementary and middle school levels and at junior and senior high school levels for about 72,000 students. DCPS also provides career-training opportunities for adults at its career development center and special educational services for about 10,600 of its students who have special needs. DCPS provides bus services for about 4,200 of its special education students. For FY 2000, special education costs exceeded \$117 million (for tuition and transportation). These amounts do not include salaries for teachers, aides, or psychologists employed by District public schools that offer special education programs.

Our original audit showed that DCPS did not have adequate management controls in place to ensure that transportation services were adequately procured, documented, and paid. Specifically, DCPS did not exercise its management responsibility for procurement and contract administration. As a result, DCPS violated contracting regulations and was vulnerable to paying improper charges.

The original audit also identified the following deficiencies in the administration of the Special Education Program: 1) inaccurate database of special education students, 2) inadequate review of special education tuition payments, and 3) insufficient monitoring of nonpublic day schools and residential schools.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Follow-up on Information Security

**OBJECTIVES:** The objective is to determine whether actions taken by the District in response to findings reported by the General Accounting Office (GAO) were adequate to correct reported deficiencies.

**JUSTIFICATION:** This audit is being performed as part of our audit of the District's Highway Trust Fund (Fund). The tests in this audit are necessary to ensure financial controls are in place to produce accurate and reliable financial statements. The Funds' balance as of September 30, 2000, was approximately \$66 million.

The GAO reviewed information system general controls over the financial systems that process and account for the financial activities of the District of Columbia's Highway Trust Fund as part of its annual required audit of the Fund's financial statement for FY 1999. Effective information system general controls are essential to ensure that the Fund financial information is adequately protected from inadvertent or deliberate misuse, fraudulent use, improper disclosure, and destruction.

The report disclosed computer security weaknesses at: (1) the Department of Public Works, which is responsible for processing, accounting for, and reporting on the funds financial activities and, (2) the Office of the Chief Financial Officer and the Office of the Chief Technology Officer, which are also responsible for information system general controls that could affect Fund financial systems.

**STATUS:** New start FY 2002

**AGENCY:** Department of Health (DOH)

**TITLE:** Health Care Safety Net

**OBJECTIVES:** The objectives of this audit are to determine whether selected services for which the District contracted for were being delivered and at a reasonable cost.

**JUSTIFICATION:** This audit was requested by the Chairperson for the Committee on Public Services, Council of the District of Columbia.

The Health Care Safety Net Administration is a new unit in the Department of Health that is responsible for the management and monitoring of the delivery of comprehensive community-based health care services to indigent and uninsured District residents. It provides health services previously provided through the Public Benefit Corporation.

For FY 2001, \$90 million from the rollover of the reserve fund is funding this new health care delivery system under the auspices of the Department of Health. For FY 2002, the proposed budget exceeds \$80 million, of which \$75 million is local money. Effective service delivery at appropriate cost will benefit an important sector of District residents and ensure responsible expenditure of District Funds.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Hiring Practices and Background Checks

**OBJECTIVES:** The objectives are to determine whether controls are in place to ensure that qualified applicants are selected for critical positions, and that adequate policies and procedures of hiring practices are in place and working as designed.

**JUSTIFICATION:** District agencies should hire personnel based on their qualifications to perform specific position descriptions. An audit to test whether critical positions are filled by qualified personnel should inform District officials that personnel hiring practices are working well or that they are a cause of poor agency performance.

The audit will seek to reduce the possibility of hiring persons with inappropriate backgrounds and eliminate embarrassment to the District.

**STATUS:** New start FY 2002

<b>AGENCY:</b>	<b>Office of the Chief Technology Officer (OCTO)</b>
<b>TITLE:</b>	<b>Information Technology Facilities Audit – SHARE Data Center</b>
<b>OBJECTIVES:</b>	<p>The objectives of the audit are to determine whether:</p> <ol style="list-style-type: none"><li>1. Data center environment provides adequate protection so that data (both programs and applications) are properly protected from unauthorized access, change, destruction, or misuse and that changes to data are properly controlled.</li><li>2. Data center properly performs those tasks which it has been directed to perform and does so in an effective and efficient manner, providing adequate access to end-users according to established agreements and also provides for any contingency concerns by taking proper steps to both prevent and be prepared for emergency situations.</li><li>3. Data center exercises management controls designed to provide proper segregation of duties so that those who execute programs do not have access to the source code; and those that maintain programs do not have access to production files.</li></ol>
<b>JUSTIFICATION:</b>	<p>The SHARE Data Center houses the mainframe-computing systems used for payroll and direct deposits, tax processing, benefits processing, health care provider payments, student stipends, and numerous other applications. The SHARE Data Center operates under OCTO and is one of seven control centers that serve as the major components of OCTO's budget.</p> <p>Data centers and end users must assure that proper security and change management takes place wherever programs are housed (mainframe, mid-range, server, personal computer). Otherwise, once in production, there would be no integrity (assurance that the program procedures are still correct), and each business would have to re-test all pertinent controls.</p>
<b>STATUS:</b>	New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Inventory of Information Technology Equipment

**OBJECTIVES:** The objective of this audit is to determine whether adequate internal controls are in place to establish accountability for all information technology (IT) equipment.

**JUSTIFICATION:** The OIG issued a report (OIG No. 00-2-11FB) on August 22, 2001, summarizing the results of our audit of controls over IT equipment at the District of Columbia Fire and Emergency Medical Services Department (DCFEMS). The audit disclosed that the internal controls and accountability for DCFEMS IT related resources were virtually non-existent. Further, supporting documentation maintained by DCFEMS for approximately \$3.5 million that was transferred to the General Services Administration Federal Acquisition Services for Technology (GSA FAST) program from 1998 to September 2000 for the procurement of IT services and software could not be relied upon to accurately determine the extent of IT procurements. As a result of this audit, the OIG will perform a city-wide audit to determine whether District agencies are properly safeguarding IT assets.

**STATUS:** New start FY 2002

- AGENCY:** Multi-Agency
- TITLE:** Management of Real Estate Owned by the District Government
- OBJECTIVES:** The audit objectives are to assess the District's ability to:
- restore abandoned property to active real estate revenue producing properties in a timely manner;
  - reduce maintenance and management costs of abandoned property;
  - eliminate neighborhood decay caused by abandoned properties; and
  - ensure that the District receives fair market value for properties sold.
- JUSTIFICATION:** Abandoned properties contribute to neighborhood decay and require the District to expend funds to protect, winterize, and manage these properties. The District may be losing revenues due to its inability to restore vacant/vacated property to the active real estate tax rolls in a timely manner. If the average residential property generates real estate taxes of \$3,000 per year, vacated property owned by the District loses the same amount. For each 1,000 vacant properties owned by the District, lost property tax revenues would amount to \$3,000,000 per year. In addition, lost income tax revenues on people who could occupy these properties, based on an estimated annual reported gross income of \$10,000, would equate to approximately \$10 million per year.
- STATUS:** New start FY 2002

**AGENCY:** **Child and Family Services Agency (CFSA)**

**TITLE:** **Management Operations at the Child and Family Services Agency**

**OBJECTIVES:** The audit objectives are to determine whether CFSA: (1) procured, managed, and used resources effectively and efficiently; (2) complied with requirements of applicable laws, regulations, policies, and procedures; and (3) had internal controls in place to prevent or detect material errors and irregularities.

**JUSTIFICATION:** The mission of CFSA is to support the development of healthy families, to assist families and children in need, to protect abused and neglected children, and to provide a permanent home for all wards of the District of Columbia. The FY 2002 budget for CFSA is estimated at \$188 million. Review of the Agency will help ensure effective and efficient delivery of critical services to District families.

**STATUS:** New start FY 2002

**AGENCY:** Department of Consumer and Regulatory Affairs (DCRA)

**TITLE:** Management Operations at the Department of Consumer and Regulatory Affairs

**OBJECTIVES:** The audit objectives are to review operations to ensure that DCRA: (1) managed and used resources in an efficient, effective, and economical 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:** This audit was requested by the Deputy Mayor/City Administrator and the Director of DCRA. The mission of the DCRA is to protect the health, safety, and welfare of District residents through the regulatory and compliance process of business activities, occupational and professional services, land and building use, and rental housing condominium conversion. DCRA's budget is estimated at about \$28 million. This funding level supports 376 full-time employment positions.

**STATUS:** New start FY 2002

**AGENCY:** Office of Early Childhood Development (OECD)

**TITLE:** Management Operations at the Office of Early Childhood Development

**OBJECTIVES:** The audit objectives are to review the vendor payment process to ensure that payments are accurate, timely, and that adequate controls exist to safeguard assets.

**JUSTIFICATION:** The Deputy Mayor for Children, Youth and Families requested an audit to evaluate operations and administrative systems to ensure that controls are adequate to prevent overpayments to providers and to ensure that resources are used efficiently.

**STATUS:** New Start FY 2001.

**AGENCY:** University of the District of Columbia (UDC)

**TITLE:** Management Operations at the University of the District of Columbia

**OBJECTIVES:** The audit objectives are to determine whether the UDC:  
(1) managed and used resources in an efficient, effective, and economical 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 UDC is an urban land-grant institution of higher education with an open admissions policy. It is a comprehensive public institution offering quality, affordable, post-secondary education to D.C. residents at the certificate, associate, baccalaureate, and graduate levels. These programs prepare students for immediate entry into the workforce for the next level of education, for specialized employment opportunities, and for life-long learning.

UDC's budget is estimated at \$85 million. The budget supports over 1000 full-time equivalent positions

**STATUS:** New start FY 2002

**AGENCY:** Department of Public Works (DPW)

**TITLE:** Motor Fuel Tax Revenues

**OBJECTIVES:** The audit objective is to determine whether fuel taxes being collected from District wholesalers/importers, distributors, and retail gas stations are complete and accurate.

**JUSTIFICATION:** This audit was requested by the Director of the District Division of Transportation (DDOT). Proceeds of the motor fuels tax has been steadily declining, explained by District revenue authorities as a result of fewer gasoline retailers in the District. However, the District's figures seem to buck a trend nationwide of increasing gas tax revenues due to increasing vehicle miles traveled and decreasing average fuel economy, a by-product of the popularity of light trucks and sport utility vehicles. The District should see at least modest increases in its fuel tax revenues. The Director of DDOT is extremely concerned about this since motor fuel tax revenue is a source of revenue for DDOT's planning and expenditures for future years.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Natural Gas Purchases

**OBJECTIVES:** The audit objectives are to: (1) determine compliance with the contract award and administration processes, and (2) determine the reliability and accuracy of charges. Additionally, we will evaluate management's controls to ensure their adequacy.

**JUSTIFICATION:** This audit was requested by the Office of Property Management. The District Government purchases natural gas for its buildings, the bulk of which is obtained in the winter months. Early in CY 2000, the natural gas industry was re-delegated, widening the vendor market. The program office responsible for purchasing is OPM. The Office of Finance and Revenue pays the invoices, and the Office of Contract and Procurement finalizes the negotiated contract. The cost to the District approximates \$25 million annually.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Overtime Controls at District Agencies

**OBJECTIVES:** The audit objectives are to determine whether overtime payments were supported and justified. Additionally, the audit will determine whether agencies have established adequate controls over the management and monitoring of overtime.

**JUSTIFICATION:** Overtime has been viewed, as overused, misused, and inadequately managed. The District spends millions of dollars annually on overtime payments. This audit will help to ensure that District tax dollars are spent efficiently and effectively and in accordance with applicable laws and regulations. During the survey phase of the audit, we will identify specific agencies for audit coverage.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Payment of Utility Bills

**OBJECTIVES:** The audit objectives are to determine whether adequate controls exist over the operational and financial processes relative to the District's payment of utility bills.

**JUSTIFICATION:** The identification of abandoned buildings and previous audit work in the area of telecommunication systems within the District indicate that controls and expenditures in this area may need improvement. We anticipate unused services for gas, electricity, and water, unauthorized uses of such services, and a lack of internal controls to prevent these occurrences.

**STATUS:** New start FY 2002

**AGENCY**                      **Multi-Agency**

**TITLE:**                      **Pre-Award And Post-Award Contract Audits**

**OBJECTIVES:**              The audit objectives are to determine whether the price and cost of contracts are being properly estimated, and whether District agencies are paying excessive costs.

**JUSTIFICATION:**          There have been numerous reports by GAO, the OIG, and District senior staff citing a variety of abuses and inconsistencies in the contracting process.

**STATUS:**                      New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Procurement Administrative Lead Time

**OBJECTIVES:** The objectives of the audit are to:

1. Determine procurement time, from identification of need until date of contract award;
2. Determine whether the need was timely identified by the user organization;
3. Determine the number of days it took procurement to award contracts for various contract types;
4. Determine the reasons for long periods of time to award contracts, i.e. insufficient staff, or inadequate description of need by user; and
5. Evaluate the time it took to award various types of contracts and establish procurement lead-time by contract type.

**JUSTIFICATION:** The Office of Contracting and Procurement provides acquisition services for numerous District agencies under the authority of the Mayor, as well as independent agencies subject to the Procurement Practice Act. For FY 2001, these services are estimated at over \$1.4 billion in acquisitions, 1,600 contract actions and 19,000 small purchases.

The audit will seek to identify whether a lengthy procurement process leads to an increased number of emergency and sole source contracts. Also the audit will seek to identify whether contracts were truly emergency and sole source procurements. If unwarranted emergency and sole source procurements are discovered, the audit should identify funds that could have been saved if the competitive process was used. This audit is part of the OIG's initiative to audit procurement and contract administration on a continuous basis.

**STATUS:** New start FY 2002

**AGENCY:** Department of Consumer and Regulatory Affairs (DCRA)

**TITLE:** Professional Engineering Fund

**OBJECTIVES:** The audit objective is to determine whether DCRA's Professional Engineering Fund registration fees and Board expenditures were proper.

**JUSTIFICATION:** This audit is required pursuant to D.C. Code, 2001 Ed. §§ 47-2886.02(6) and 47-2886.13(d). Section 47-2886.13(d) states, in pertinent part: "It shall be the duty of the Office of the Inspector General of the District of Columbia to audit annually the accounts of the Board and to make a report thereof to the Mayor." Section 47.2886.02(6) defines "Board" as the District of Columbia Board of Registration for Professional Engineers.

**STATUS:** New start FY 2002

**AGENCY:** **Water and Sewer Authority (WASA)**

**TITLE:** **Reimbursement for Water and Sewer Services**

**OBJECTIVES:** The overall objective is to determine whether controls over the measuring and metering of water and sewer services and billing rates are in place and effective. Our specific objectives are to determine:

1. Whether WASA bills, and is reimbursed by, its customers for water and sewer services in accordance with laws and regulations;
2. The propriety of billing rates; and
3. The accuracy and appropriateness of metering or other processes for determining quantities of water and sewer services delivered.

**JUSTIFICATION:** Recent oral inquiries from federal agencies indicate a lack of confidence in the processes in place that determine the amounts billed by WASA. Excessive or unjustified bills may result in a windfall to WASA upon payment. Conversely, underbillings or inappropriately allocated service costs by WASA may inhibit its ability to fund improvements as well as undermine the confidence of its customers. This audit should identify the need for improvement and/or provide justification to customers that should bolster the confidence of WASA's billing/metering processes.

**STATUS:** New start FY 2002

**AGENCY:** Multi-Agency

**TITLE:** Review of the Single Audit Process

**OBJECTIVES:** The objective of this audit is to follow-up on Management Implication Report (MIR No. 01-A-02), which addressed the status of the District of Columbia's compliance with the Single Audit Act.

**JUSTIFICATION:** Although the MIR did not make any specific recommendations, it did identify the District's lack of compliance with the Single Audit Act. Non-federal entities (state and local governments and non-profit entities) receiving federal financial assistance in the form of grants, loans, loan guarantees, and property must comply with the Single Audit Act. The Single Audit Act requires non-federal entities expending federal funds totaling \$300,000 or more per year to complete a single audit or program specific audit. The single audit must be completed and submitted to the oversight federal agency within nine months following the end of the fiscal year. Thus, District agencies must complete the audit by June 30th. If a non-federal entity expends less than \$300,000 for a particular year, it is exempt from the audit requirements for that year. Failure to comply with the Single Audit Act can result in severe penalties. Federal agencies can withhold, suspend, or terminate funds for non-compliance with the Single Audit Act.

**STATUS:** New start FY 2002

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

**INSPECTIONS AND EVALUATIONS  
DIVISION ACTIVITIES**

## **THE INSPECTIONS AND EVALUATIONS FUNCTION**

Consistent with the Mayor's initiative to review, evaluate, and improve performance standards in all components of the District of Columbia government, the Inspections and Evaluations (I&E) Division 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 an effective mechanism for identifying weaknesses in agency operations; ensuring compliance with applicable laws, regulations and policies; identifying accountability; recognizing excellence; and promoting improvement in the delivery of services to District residents.

The Inspections and Evaluations Division follows the inspection process adhered to by most federal OIGs and endorsed by the President's Council 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 concern management and the parameters of the inspection are defined; surveys and focus groups where appropriate; field work, findings and recommendations in a draft Report of Inspection (ROI) which is reviewed and commented on by agency management; a final ROI, and an exit conference. During the course of an inspection, management will be advised of any significant findings that the inspection team believes require immediate attention.

### **Compliance**

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 Report of Inspection, so agencies can record and report actions taken on I&E recommendations. Agencies are asked to provide target dates for completion of the required actions, and when recommendations have been complied with, the action taken should be described on the forms and validated by the signature of the responsible agency official.

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

**INSPECTIONS AND EVALUATIONS  
IN PROCESS AS OF SEPTEMBER 1, 2001**

**OFFICE OF THE INSPECTOR GENERAL  
INSPECTIONS AND EVALUATIONS DIVISION ACTIVITIES**

**INSPECTIONS AND EVALUATIONS  
IN PROCESS AS OF SEPTEMBER 1, 2001**

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<b>AGENCY:</b>	<b>Department of Public Works (DPW)</b>  <i>Budget--\$129 million</i> <i>FTEs—1780</i>
<b>CORE SERVICES:</b>	Trash collection, street and alley cleaning, solid waste disposal, recycling services, maintenance of city vehicles, parking services.
<b>OBJECTIVES:</b>	Evaluate the efficiency and effectiveness of key operations and customer service, management performance, compliance with District and federal laws and regulations of DPW's Solid Waste Management Administration, Fleet Management Administration, Parking Services Administration.
<b>JUSTIFICATION:</b>	During the 1999-2000 winter snow removal season, there was extensive public concern about DPW's inability to quickly clear streets of accumulated snow. Residents also complained that alleys had not been cleared, and trash was not being collected in a timely manner. These issues could create serious health and safety concerns that must be addressed.
<b>STATUS:</b>	Reports completed on Solid Waste Management Administration (No. 00-0003KA) and Fleet Management Administration (No. 01-0001KA). Parking Services Administration report is ongoing as of September 1, 2001.

<b>AGENCY:</b>	<b>Department of Parks and Recreation (DPR)</b>  <i>Budget--\$34 million</i> <i>FTEs—690</i>
<b>CORE SERVICES:</b>	Operate and protect recreation centers, parks, playgrounds, sports fields, swimming pools; conduct arts and crafts and other leisure programs; operate childcare and senior citizen programs and summer camps; coach and mentor students in District schools.
<b>OBJECTIVES:</b>	Evaluate conditions of summer programs and recreational facilities. Review safety policies and procedures and management controls.
<b>JUSTIFICATION:</b>	Both District residents and DPR employees complained about problems in DPR's summer recreation programs, the poor condition of some recreation facilities, and chronic personnel management issues.
<b>STATUS:</b>	Ongoing as of September 1, 2001.

<b>AGENCY:</b>	<b>Department of Corrections (DOC)</b>  <i>Budget - \$200 million</i> <i>FTEs - 1800+</i>
<b>CORE SERVICES:</b>	Confinement of those accused of crimes while awaiting trial and for convicted offenders.
<b>OBJECTIVES:</b>	Follow-up on complaints concerning poor environmental and safety conditions, and related management deficiencies in the Central Detention Facility (D.C. Jail).
<b>JUSTIFICATION:</b>	OIG received complaints from D.C. Jail employees concerning recurring environmental and health hazards. Inspection will help agency avoid endangerment of residents and employees, and reduce risk of civil liability because of adverse conditions.
<b>STATUS:</b>	Ongoing as of September 1, 2001.

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

**FY 2002 PLANNED INSPECTIONS AND EVALAUTIONS**

**OFFICE OF THE INSPECTOR GENERAL  
INSPECTIONS AND EVALUATIONS DIVISION ACTIVITES**

**FY 2002 PLANNED INSPECTIONS AND EVALUATIONS**

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<b>AGENCY:</b>	<b>Fire and Emergency Medical Services (FEMS)</b>  <i>Budget - \$118 million</i> <i>FTEs - 1948</i>
<b>CORE SERVICES:</b>	Fire prevention and education; fire fighting; emergency ambulance and medical services; technical rescue services.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures; the quality and efficiency of emergency response services, the management of operational resources, and the sufficiency of internal controls in the Emergency Medical Services Bureau and the Firefighting Division.
<b>JUSTIFICATION:</b>	There has been much public concern regarding response times of emergency personnel and equipment. District residents have complained that it takes too long for FEMS personnel to arrive at the scene of an emergency.
<b>STATUS:</b>	New start FY 2002.

<b>AGENCY:</b>	<b>Department of Health (DOH)</b>  <i>Budget - \$1.015 billion</i> <i>FTEs - 1241</i>
<b>CORE SERVICES:</b>	Designs public health systems; diagnoses and investigates health threats; develops health policies; administers laws and regulations governing licensing, certification and registration of health related entities; administers the Medicaid program.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures, the quality and efficiency of service delivery, and the sufficiency of internal controls in the Emergency Health and Medical Services, Environmental Health Administration, Addiction Prevention and Recovery Administration, Health Regulation Administration, HIV/AIDS Administration, and the Office of Maternal and Child Health.
<b>JUSTIFICATION:</b>	DOH performs a critical service delivery mission for the District and its residents. DOH's annual budget totals over \$1 billion supporting approximately 1241 full-time employees.
<b>STATUS:</b>	New start FY 2002.

<b>AGENCY:</b>	<b>Department of Human Services (DHS)</b>  <i>Budget--\$386 million</i> <i>FTEs—2030</i>
<b>CORE SERVICES:</b>	Administers welfare and food stamp benefits programs, investigates welfare fraud, establishes and runs a variety of childcare, medical, educational, and job training programs.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures, assess the operational effectiveness of key programs, evaluate the quality of service delivery to residents, and determine the sufficiency of internal controls in the Income Maintenance, Family Services, Youth Services Administrations, and the Office of Early Childhood Development.
<b>JUSTIFICATION:</b>	DHS performs a critical service delivery mission for the District and its residents. DHS's annual budget totals over \$386 million supporting approximately 2030 full-time employees.
<b>STATUS:</b>	New start FY 2002.

<b>AGENCY:</b>	<b>Office of Property Management (OPM)</b>  <b>Budget - \$34 million</b> <b>FTEs - 282</b>
<b>CORE SERVICES:</b>	Manages the District's real property assets; including acquisition, construction, leasing, maintenance, repair and alteration, and security.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures, the quality and efficiency of management of District properties, the quality of service delivery to customer agencies, and the sufficiency of internal controls.
<b>JUSTIFICATION:</b>	Consistent with the Mayor's initiative to review, evaluate, and improve performance standards in all components of the District of Columbia government, the OIG will evaluate OPM processes to determine if the District's real property assets, valued at millions of dollars, are being efficiently managed.
<b>STATUS:</b>	New start FY 2002.

**AGENCY:** Department of Housing and Community Development (DHCD)

*Budget - \$51 million*

*FTEs - 144*

**CORE SERVICES:** Facilitates the production and preservation of District housing and provides community and economic development opportunities.

**OBJECTIVES:** Evaluate the sufficiency and quality of policies and procedures, assess the quality of assistance to residents in finding affordable housing, evaluate economic development activities; evaluate service delivery to residents, and the sufficiency of internal controls.

**JUSTIFICATION:** DHCD performs a critical service delivery mission for the District and its residents. An OIG audit of the Department of Housing and Community Development's Management of Funds Provided to Community Development Corporations (OIG No. 11-99CD, issued February 22, 2000) determined that DHCD did not have adequate policies and procedures.

**STATUS:** New start FY 2002.

<b>AGENCY:</b>	<b>D.C. Office of Personnel (DCOP)</b>  <i>Budget - \$12.5 million</i> <i>FTEs - 171</i>
<b>CORE SERVICES:</b>	Provides comprehensive personnel management services for new and established District government employees; oversees the drafting, revision, and finalization of District personnel regulations.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures, the quality and efficiency of processing new employees, the quality of personnel management, the quality of service delivery to customer agencies and individuals, and the sufficiency of internal controls.
<b>JUSTIFICATION:</b>	The Office of Personnel has the critical mission of ensuring that city agencies are sufficiently staffed. It is the key agency responsible for providing personnel management services to all District government employees.
<b>STATUS:</b>	New start FY 2002.

<b>AGENCY:</b>	<b>Public Service Commission (Independent Agency) (PSC)</b>  <i>Budget - \$5.6 million</i> <i>FTEs - 58</i>
<b>CORE SERVICES:</b>	Ensures that natural gas, electricity, and telecommunications services are safe, reliable, and affordable for residential, business, and government customers.
<b>OBJECTIVES:</b>	Evaluate the sufficiency and quality of policies and procedures, the quality and efficiency of oversight of public utility companies, the quality of service delivery to customer agencies, and the sufficiency of internal controls.
<b>JUSTIFICATION:</b>	The PSC mission addresses fundamental needs of every resident.
<b>STATUS:</b>	New start FY 2002.