



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

---

# **FISCAL YEAR 2008 AUDIT AND INSPECTION PLAN**

**CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



August 31, 2007

The Honorable Adrian M. Fenty  
Mayor of the District of Columbia  
Mayor's Correspondence Unit, Suite 221  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

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

**RE: Office of the Inspector General's Fiscal Year 2008 Audit and Inspection Plan**

Dear Mayor Fenty and Chairman Gray:

This letter transmits the Office of the Inspector General's (OIG) *Fiscal Year 2008 Audit and Inspection Plan* (Plan). This Plan has been prepared pursuant to D.C. Code § 2-302.08(a)(3)(I) (2001), 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.

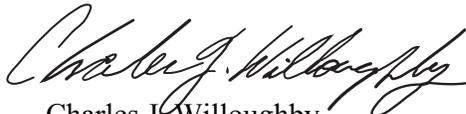
The OIG has and continues to play a role in assisting District management in addressing areas of risk. As such, we have developed six strategic themes that will govern our operations, help us achieve our mandated mission, and further the Mayor's strategic initiatives. These themes are:

- 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 Public Schools Programs

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. Also, many of the audit and inspection areas included transcend a given fiscal year. It is our hope that District managers will use 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.

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 William J. DiVello, Assistant Inspector General for Audits; Alvin Wright, Jr., Assistant Inspector General for Inspections and Evaluations; or me at (202) 727-2540.

Sincerely,



Charles J. Willoughby  
Inspector General

Enclosure

CJW/cf

cc: See Distribution List

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**FISCAL YEAR 2008  
AUDIT AND INSPECTION PLAN**

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Fiscal Year 2008 Audit and Inspection Plan

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# **INTRODUCTION**

Fiscal Year 2008 Audit and Inspection Plan

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## INTRODUCTION

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2008 Audit and Inspection Plan (Plan) for the Government of the District of Columbia. Pursuant to D.C. Code § 2-302.08(a)(3)(I) (2001), the OIG, in consultation with the Mayor and the District of Columbia City 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, 2007.

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 Plan has been designed to concentrate on six 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 Public Schools Programs

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, Council members, District agency officials, and others. 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 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, 2007, or planned for Fiscal Year 2008. 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 focus their efforts.

# **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 members 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) or discussion drafts 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 Reports.*** 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 disagreements 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 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. Generally, 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. In addition, the Executive Office of the Mayor has initiated a system to track OIG recommendations, agency responses, and corrective actions.



# **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 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 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.



# **AUDIT THEME/AGENCY INDEX**



Theme/Issue Area/Review Title	A G E N C Y <sup>1</sup>	S T A T U S <sup>2</sup>	P A G E
<b>I. Revenue Enhancement</b>			
<b>A. Medicaid</b>			
1. Non-Emergency Transportation Provider Compliance with Licensing and Certification Requirements	MA	O	25
2. Non-Emergency Transportation Provider Claims	MA	O	26
3. Nursing Home Reimbursements	MA	O	27
4. Medicaid Research Project	MA	O	27
5. Nursing Home Transitions	MA	P	28
6. Third Party Liability	MA	P	29
7. Medicaid Recordkeeping and Documentation	MA	P	30
8. Income Maintenance Eligibility Determination	MA	P	30
9. Denied Medical Claims	MA	P	31
10. Classifying and Recording Managed Care Organizations' Administrative and Medical Costs	MA	P	31
<b>B. Grant Management</b>			
11. Appropriated Funds For Citizen Protection	AE	P	32
12. Lapsed Grant Funds	MA	P	33
<b>C. Tax Collections</b>			
13. Tax Appeal Process	AT	P	34
14. Tax Collections – Offers in Compromise	AT	P	34
<b>D. Other Revenue Issues</b>			
15. MPD Photo Radar Program	FA	O	35
16. Contract for DMV Ticket Processing Services	MA	O	36
17. Fleet Management Billing Practices	KA	O	36
18. Monitoring and Analyzing Telecommunications User Fees	TO	P	37
19. Condominium Conversion Fees	CR	P	37
20. D.C. Lottery and Charitable Games Control Board Operations	DC	P	38
21. Disposition of 401(a) Defined Contribution Pension Plan Forfeited Funds - Follow-up Audit	AT	P	39

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

<sup>2</sup> "O" indicates the review is ongoing as of September 1, 2007, and "P" indicates the review is planned to start in FY 2008.

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
<b>II. Spending and Efficient Use of Resources</b>			
<b>A. Procurement</b>			
22. Local, Small, and Disadvantaged Business Enterprise (LSDBE) Contracts	MA	O	40
23. Ambulance Billing Contracts	FB	O	41
24. Contracting and Procurement Operations at The Office Of The Chief Financial Officer (CFO)	MA	P	41
25. Forecast and Allocation of Fixed Cost – Phase II	MA	P	42
26. District of Columbia Supply Schedule	MA	P	42
27. Consolidated Forensic Laboratory	HC	P	43
28. Construction and Building Permits at the Department of Consumer and Regulatory Affairs	CR	P	44
29. Contracting and Procurement Practices at the Department of Mental Health	HC	O	44
30. Expert and Consulting Services	MA	P	45
31. Construction Contracts	MA	P	46
32. Contract File Management	MA	P	46
33. Contractor Debarments and Suspensions	PO	P	47
34. Triennial Review of the Cancellation of Bid Solicitations, Requests for Proposal, and Other Solicitations	PO	P	48
<b>B. Social Service Spending</b>			
35. Home Health Care Agency Compliance With Legal Requirements For Paying Fixed-Hourly Labor Rates To Personal Care Assistants	HC	P	48
36. Follow-Up Audit Of The Department Of Disability Services	GF	P	49
37. Department of Parks and Recreation Before and After School Care Program	HA	P	50
38. Addiction, Prevention and Recovery	HC	P	50
<b>C. Other Spending Programs</b>			
39. Alcoholic Beverage Regulation Administration	LQ	P	51
40. District of Columbia Child Support Customer Service Unit	RL	P	52
41. Asset Management Program	MA	P	53
42. Management of the Capital Improvements Fund	MA	P	53

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
<b>43. Deferred Maintenance</b>	MA	P	54
<b>44. Vacant and Abandoned Property</b>	MA	P	55
<b>45. Implementation of the Child in Need of Protection Amendment Act of 2004</b>	RL	P	55
<b>46. Great Streets</b>	MA	P	56
<b>III. Delivery of Citizen Services</b>			
<b>A. Core Services</b>			
<b>47. Triennial Follow-up of Agency Recommendations</b>	HA	O	57
<b>48. Healthcare Alliance</b>	MA	P	58
<b>49. Workforce Investment Programs</b>	CF	P	59
<b>50. Closure and Construction of Public Libraries</b>	MA	P	59
<b>51. Emergency Health and Medical Services Administration (EHMSA) Contracts Awarded to Improve Bioterrorism Preparedness in the District of Columbia</b>	MA	P	60
<b>52. Unemployment Compensation Program</b>	MA	P	60
<b>53. Department of Parks and Recreation Capital Planning Projects</b>	HA	O	61
<b>54. Family and Maternal Health Administration</b>	HC	P	61
<b>55. D.C. Taxicab Commission</b>	TC	P	62
<b>56. District of Columbia Jail</b>	FL	P	63
<b>57. Seized Property Intake, Custody, and Disposal</b>	FA	O	63
<b>58. Community Policing</b>	FA	P	64
<b>59. Construction and Building Permits at the Department Of Consumer and Regulatory Affairs</b>	CR	P	64
<b>60. Homeland Security/Emergency Preparedness After-Action Reports</b>	MA	P	65
<b>61. Agency Internal Affairs Functions</b>	MA	P	65
<b>62. Management Operations at the University of the District of Columbia</b>	GF	P	66
<b>63. Educational Requirements for District Jobs/Positions</b>	BE	P	67

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
<b>IV. Support Services</b>			
<b>A. Information Systems</b>			
64. Medicaid Management Information System	MA	O	68
65. Protection of Personal Data	MA	P	69
66. DMV Online Services	MA	P	69
67. Protection of Information Systems Supporting Critical Government Infrastructures	TO	P	70
68. Protection of Network and Internet Services	TO	P	71
69. Disaster Recovery and Contingency Planning For District Financial Systems	TO	P	71
70. DCPS Personnel and Payroll System	GA	P	72
71. Systems Review of the Child Welfare System	MA	P	73
72. Unified Communications Center (UCC)	MA	P	73
<b>B. Human Capital</b>			
73. Employee Qualifications and Background Checks	MA	P	74
74. District Employee Suspensions with Pay	MA	P	75
<b>V. Audits Required by Law</b>			
<b>A. Financial Integrity</b>			
75. Comprehensive Annual Financial Report (CAFR) for FY 2007	MA	O/P	76
76. Home Purchase Assistance Fund	DB	O/P	77
77. Professional Engineers' Fund	CR	O/P	78
78. District of Columbia Antifraud Fund	CB	O/P	78
79. District of Columbia Highway Trust Fund and 5-Year Forecast	KT	O/P	79
80. Washington Metropolitan Area Transit Commission	KC	P	79
<b>VI. DCPS Resident Audit Site</b>			
81. Maintenance and Repairs at DCPS Buildings	GA	O	80
82. Tuition and Residency Requirements	GA	O	81
83. Negotiated Service Contracts	GA	P	81
84. Free and Reduced Priced Meals	GA	P	82
85. Grant Revenue	GA	P	83

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
<b>86. Non-Emergency Transportation of DCPS Students</b>	GA	P	83
<b>87. DCPS Athletics Program</b>	GA	P	84
<b>88. Special Education Capacity and Utilization</b>	GA	P	85
<b>89. No Child Left Behind Act Implementation</b>	GA	P	86
<b>90. Benchmarking Reviews of Key DCPS Issues</b>	GA	P	86
<b>91. Matching Educational Requirements with the District's Future Economic Development Needs</b>	GA	P	87
<b>92. Management of Truancy at DCPS</b>	GA	P	88
<b>93. Federal Communications Commission Grant Funds to DCPS</b>	GA	P	88
<b>94. Evaluation of the Progress for the Transition of Special Education Students Out of the Special Education Program</b>	GA	P	89



# **PLANNED AND ONGOING AUDITS**



## I. REVENUE ENHANCEMENT

As the nation's capital, the District's taxable property base is reduced by 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 2008, 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. For FY 2008, the gross funds operating budget is about \$7.5 billion.

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 approximately \$1.5 billion in FY 2008. 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 material weakness 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. Accordingly, our plan for Medicaid coverage is citywide and comprehensive. Reviews contemplated include Medicaid transportation, Medicaid eligibility, Medicaid documentation, and Medicaid records management. Additionally, we will identify ongoing efforts to resolve past and current Medicaid problems and new pressures on the Medicaid Program.

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<b>NO. 1</b>	<b>Department of Health (DOH)</b>	<b>STATUS: Ongoing</b>
<b>TITLE:</b>	<b>NON-EMERGENCY TRANSPORTATION COMPLIANCE WITH LICENSING AND CERTIFICATION REQUIREMENTS</b>	
<b>OBJECTIVES:</b>	The general objectives are to determine whether: (1) transportation providers complied with applicable laws, rules and regulations, and	

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community is affordable, available housing. As a result, concerns exist about how MAA-ODA officials will comply with the grant requirement to eliminate barriers that prevent Medicaid-eligible individuals from transitioning out of nursing homes back to home-based care.

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**NO. 6**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **THIRD PARTY LIABILITY**

**OBJECTIVES:**              To determine whether controls are in place to ensure that District Medicaid funding is used as the payer of last resort for District Medicaid enrollees' healthcare costs. Specifically, we would determine whether the District identified, billed, and collected funds from third party insurers for medical expenses of Medicaid enrollees when third party insurers exist.

**JUSTIFICATION:**          With Medicaid as payer of last resort, states are responsible for having plans in place to identify Medicaid enrollees' other sources of healthcare coverage, determine the extent of the liability of such third party claims, avoid payment of third party claims and recover reimbursement from third parties if Medicaid is billed first. Third parties include, in part: private health insurance (e.g. union, retired; and military); judgment of divorce, a child support order, or other court decree that includes a provision regarding medical support; and automobile insurance for injuries sustained in a motor vehicle accident.

The Department of Health Medical Assistance Administration (MAA) and the Department of Human Services Income Maintenance Administration (IMA) appear to have third party liability recovery units. The District may not be identifying and assigning financial responsibility to third party insurance companies when medical expenses are initially paid by Medicaid entities (Managed Care Organizations (MCOs) or fee for service organizations). The Governmental Accounting Office has performed several reviews on the subject of third party liability and has determined that about 10 percent of the District's Medicaid membership also has third party insurance coverage.

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**NO. 7**                      **Multi-Agency**                      **STATUS: Start FY 2008**

**TITLE:**                      **MEDICAID RECORDKEEPING AND DOCUMENTATION**

**OBJECTIVES:**              Our objectives are to determine whether District agencies and providers principally engaged in providing Medicaid covered services have recordkeeping processes that effectively generate documentation to support Medicaid covered services in the manner sufficient to warrant reimbursement. Additionally, we will attempt to identify underlying causes for past deficiencies and determine what improvements have been made by the District to correct previously reported findings.

**JUSTIFICATION:**          DCPS, the DOH, the District’s Department of Mental Health (DMH), and Child and Family Services provide a variety of Medicaid services to eligible District residents. Total Medicaid reimbursements for these agencies average nearly \$100 million per year. Past Management Letters have reported that the District was unable to accurately estimate and record amounts owed from the federal government for eligible services. In addition, in the Comprehensive Annual Financial Reports for FYs 2000 and 2003, more than \$300 million in Medicaid covered expenses were “written off,” i.e., the federal government disallowed reimbursement for these submitted expenses because the District was unable to adequately support medical covered charges.

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**NO. 8**                      **Department of Human Services**                      **STATUS: Start FY 2008**

**TITLE:**                      **INCOME MAINTENANCE ELIGIBILITY DETERMINATION**

**OBJECTIVES:**              The audit objectives are to: (1) review the Income Maintenance Administration’s (IMA) eligibility determination process; (2) determine whether IMA properly identified people who became ineligible for benefits; and (3) review applicable internal controls.

**JUSTIFICATION:**          The Department of Human Services’ IMA determines the eligibility of applicants and recertifies the eligibility of recipients for federal and District-funded assistance programs using the Automated Client Eligibility Determination System (ACEDS). The FY 2006 budget for IMA was approximately \$157 million. The budget consists of \$81 million of local funds, \$67 million of federal grants funds, \$8 million of Medicaid funds, and \$1 million of Special Purpose Revenue funds. The agency’s activities are grouped into five functions – Income Assistance, Temporary Assistance to Needy Families, Management

Services, Eligibility Determination, and Program Quality Assurance. Our audit will focus on the function of eligibility determination, which has a FY 2006 budget of \$39 million.

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**NO. 9**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **DENIED MEDICAL CLAIMS**

**OBJECTIVES:**              Our audit objectives are to determine: (1) whether Medicaid claims are submitted in accordance with Centers for Medicare and Medicaid (CMS) rules; (2) the amount of Medicaid claims denied by CMS; (3) the grounds for denial by CMS; (4) the amount of denied claims that are resubmitted and paid; and (5) whether District policies and procedures exist to minimize denied claims.

**JUSTIFICATION:**          Recent OIG audits, Medicaid cost reports, and Comprehensive Annual Financial Reports (CAFRs) have shown that the District has lost millions in Medicaid reimbursements because of claims denied by CMS. Denied claims have historically required significant financial write-offs and have created a financial burden for the District because the District ends up funding 100 percent of Medicaid costs, 70 percent more than necessary had the claims been properly supported.

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**NO. 10**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **CLASSIFYING AND RECORDING MANAGED CARE ORGANIZATIONS' ADMINISTRATIVE AND MEDICAL COSTS**

**OBJECTIVES:**              Our audit objectives are to determine how the three District Managed Care Organizations (MCOs) are classifying and recording administrative and medical costs of Managed Care enrollees.

**JUSTIFICATION:**          Prior to receiving Medicaid based medical services, District residents must establish eligibility and enroll in a Managed Care Organization (MCO). In FY 2006, the District had 90,000 of 141,000 Medicaid eligible citizens enrolled in an MCO. MCOs are reimbursed for their services through a monthly capitation payment based on the age and gender of each individual. The payments are made monthly regardless of whether the enrollee receives medical treatment for that period.

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During our audit of the capitation rate setting process for the MCOs, we found that the basis for the capitation payments was the previous years' medical costs and an allowance for administrative costs and profit (estimated as a percentage of medical expenses). The MCOs certify the data as correct, and the District appears to have accepted the value of the medical expenses as true. Previous audit reports and consultant reviews suggest that MCOs may not be fairly and consistently reporting medical and administrative costs to the Department of Health invalidating data used to set future capitation rates. The District does not have a way of determining if the three District MCOs are applying the cost consistently because: (1) there is no District guidance as to what is a medical expense and what is an administrative expense, and (2) the District does not perform or contract with anyone to audit the medical expenses for the accuracy of their presentation.

## B. Grant Management

The District depends on federal grant funds to support its ability to provide a wide range of services and programs for its citizens. 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 reimbursements, 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 and inspections.

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<b>NO. 11</b>	<b>Multi-Agency</b>	<b>STATUS: Start FY 2008</b>
<b>TITLE:</b>	<b>APPROPRIATED FUNDS FOR CITIZEN PROTECTION</b>	
<b>OBJECTIVES:</b>	Our audit objective is to determine whether funds appropriated to develop and lead interagency public safety programs and improve the quality of life within District neighborhoods were used for their	

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intended purpose, and whether internal controls are in place to provide proper accountability and control over those funds.

**JUSTIFICATION:** The District's public safety agencies are tasked with developing and leading interagency public safety programs to improve the quality of life within neighborhoods. This program has a gross funds budget of \$142 million for FY 2008.

With the growing concern for the safety of the District residents, visitors, and workforce, it is imperative that we use all available resources to support the District's public safety and justice strategic goals and ensure that the District government is operationally ready to respond to an emergency of any size.

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**NO. 12**                      **Multi-Agency**    **STATUS: Start FY 2008**

**TITLE:**                      **LAPSED GRANT FUNDS**

**OBJECTIVES:** Our audit objectives are to determine whether: (1) the District is maximizing the use of grant funds; (2) funds are being spent in an efficient and economical manner; and (3) funds are spent before the grant period lapses or expires. In addition, the audit will identify the dollar amount of lapsed grants awarded to District agencies; and (2) determine whether policies and procedures exist and are implemented for optimizing the usage of federal grants.

**JUSTIFICATION:** Each year the District government receives over a billion dollars in grant funds from various federal agencies. Our research indicates that some District agencies receive grant funds but do not expend the total funds before the grant period expires. For FYs 2007 and 2008 budgets, federal grants totaled \$2.04 billion and \$2.03 billion respectively. As a result, the District may be at risk of losing millions of dollars in needed funds.

**C. Tax Collections**

Tax collections generate the bulk of revenue to finance District operations paid from the General Fund. For FY 2008, District local source revenue is forecasted to be \$4.7 billion, an increase of 3.6 percent over FY 2006 after tax policy changes. Further, the Government Accountability Office, as well as District officials, have drawn attention to the structural imbalance in the District's revenue system that 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.

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**NO. 13**                      **Office of Tax and Revenue**                      **STATUS: Start FY 2008**

**TITLE:**                      **TAX APPEAL PROCESS**

**OBJECTIVES:**              The audit objective is to determine whether negotiations and settlements of cases involving tax audits and tax collections are made in accordance with applicable policies and procedures and to 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.

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**NO. 14**                      **Office of Tax and Revenue**                      **STATUS: Start FY 2008**

**TITLE:**                      **TAX COLLECTIONS – OFFERS IN COMPROMISE**

**OBJECTIVES:**              The objectives of the audit are to determine whether the Office of Tax and Revenue (OTR): (1) processes delinquent tax accounts in accordance with District laws and regulations; (2) has effective and efficient policies, and procedures in place to collect delinquent taxes; and (3) 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 the largest source of revenue for the District government. Individual income tax is the largest of the three. For fiscal year 2005, income and franchise taxes totaled about \$1.5 billion. Property taxes totaled \$1.14 billion.

As of July 19, 2006, there were 259 delinquent tax accounts totaling approximately \$22.4 million. The D.C. Code grants OTR the right to file liens, place levies on taxpayers' properties, and seize and sell taxpayer properties to collect taxes owed to the District government. OTR does not place levies on personal property of individuals who neglect or refuse to pay taxes. The only action OTR takes at this time to collect delinquent taxes from noncompliant taxpayers is to file liens against their property; the liens have a life span of 10 years.

The D.C. Code provides that the Mayor may waive in whole or in part interest or penalties on unpaid taxes and may compromise taxes levied. OTR allows for delinquent taxpayers to submit "offers in compromise" which may lead to reductions in the amount of delinquent taxes due.

#### 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.

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**NO. 15**                      **Metropolitan Police Department**                      **STATUS: Ongoing**

**TITLE:**                      **MPD PHOTO RADAR PROGRAM**

**OBJECTIVES:**              Our audit objectives are to determine whether the Photo Radar Enforcement contract was awarded in accordance with the District's procurement regulations, and whether a pending modification to the Photo Radar Enforcement contract is in compliance with the District's procurement regulations.

**JUSTIFICATION:**              We were informed by a District official of potential irregularities concerning the award of the contract for the Photo Radar Program. The contract, estimated to be about \$5 million, is for operating

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automated cameras, mounted strategically at selected intersections, to record a picture record of drivers who drive through red lights.

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**NO. 16**                      **Department of Motor Vehicles**                      **STATUS: Ongoing**

**TITLE:**                      **CONTRACT FOR DMV TICKET PROCESSING SERVICES**

**OBJECTIVES:**              Our audit objective is to examine the events surrounding the procurement actions related to *Contract No. POKV-2006-C-0064 Emergency Approval Resolution of 2006*. Specifically, our objectives were to determine whether responsible officials: (1) let the procurement in an efficient, effective, and economical manner; and (2) complied with requirements of applicable laws, rules and regulations, and policies and procedures with regard to the above-referenced procurement.

**JUSTIFICATION:**          The audit is being conducted in response to a request from Councilmember Carol Schwartz, as former Chairperson for the Committee on Public Works and the Environment; and former Councilmember Kathleen Patterson, as former Chairperson for the Committee on Education, Libraries and Recreation.

Ms. Schwartz and Ms. Patterson had concerns that a DMV initiative termed the MSMP One Done Project, which included an open solicitation for ticket processing services (MSMP-Ticket Solicitation), was cancelled to allow the submission and approval of *Contract No. POKV-2006-C-0064 Emergency Approval Resolution of 2006* legislation

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**NO. 17**                      **Department of Public Works**                      **STATUS: Ongoing**

**TITLE:**                      **FLEET MANAGEMENT BILLING PRACTICES**

**OBJECTIVES:**              Our audit objectives are to determine whether the Department of Public Works (DPW): (1) complied with Fleet Management policies and procedures in carrying out its responsibilities; and (2) implemented adequate internal controls to guard against fraud, waste, and abuse.

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Specifically, we will determine whether Fleet Management Administration (FMA) maintenance and repair billing rates are accurate, fair, reasonable, and sufficient to cover costs.

**JUSTIFICATION:** In Fiscal Year (FY) 2005, FMA maintained and repaired thousands of District vehicles at a cost of \$8.2 million to District agencies under the direct control of the Mayor. After agency officials raised concerns about potential over charges, the DPW Director asked us to perform an audit of the billing rates, markups, and miscellaneous fees associated with maintenance and repair services rendered by FMA.

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**NO. 18**                      **Office of the Chief Technology Officer**      **STATUS: Start FY 2008**

**TITLE:**                      **MONITORING AND ANALYZING TELECOMMUNICATION  
USER FEES**

**OBJECTIVE:**              The audit objectives are to determine whether the Office of Unified Communications (OUC) is monitoring and analyzing the user fees received from various phone carriers and whether there are adequate internal controls to ensure the collection of user fee revenue.

**JUSTIFICATION:** In FY 2007, a newspaper reported that OUC had a decrease in user fee revenue. Bert Smith (CPA firm) audited the revenue and expenditures of the District of Columbia's E911/E311 Special Revenue Fund for FY 2006. Despite issuing an unqualified opinion, the auditors of Bert Smith confirmed a decrease in user fee revenue of approximately \$927,000 from FY 2005.

According to the audit report dated January 26, 2007, specifically the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, OUC was unable to explain the decrease in user fees. 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. 19**                      **Office of Property Management**                      **STATUS: Start FY 2008**

**TITLE:**                      **CONDOMINIUM CONVERSION FEES**

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**OBJECTIVES:** The audit objectives will be to determine if all developers obtain the proper permits to convert buildings with rental units to condominiums and if the Department of Consumer and Regulatory Affairs (DCRA) collects a fee of five percent of the declared sales price of each condominium unit in accordance with DC Code § 42-3402.04 (Supp. 2005). Further, we will evaluate the mechanisms DCRA 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. There are indications that DCRA may not be adequately monitoring collections and/or reductions of the required fees and collecting the revenue associated with each condominium conversion.

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**NO. 20**                      **D. C. Lottery and Charitable Games Control Board**                      **STATUS: Start 2008**

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

**OBJECTIVES:** Our audit objectives are to 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. We will also assess whether the Lottery Board's operations are in compliance with applicable provisions of law and regulations.

**JUSTIFICATION:** The D.C. Lottery 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 D.C. Lottery'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**

**Chief Financial Officer**

**STATUS: Start FY 2008**

**TITLE:**

**DISPOSITION OF 401(a) DEFINED CONTRIBUTION  
PENSION PLAN FORFEITED FUNDS – FOLLOW-UP AUDIT**

**OBJECTIVES:**

Our audit objectives are to determine if: (1) forfeited District contributions are returned at least annually to the District; (2) interest earnings returned are maximized and are in the best interest of the government; and (3) an independent audit of the 401(a) Defined Contribution Plan has been conducted since its inception in 1999. Additionally, we will review the impact of the current policy of retaining departed non-vested employees account balances in the same investment vehicle for a year pending rehire of employee.

**JUSTIFICATION:**

Our past audit of the Plan (OIG No. 03-2-19AT) issued on October 15, 2003, found \$27.5 million in the Forfeiture Account being held by the Plan's contractor. These funds were subject to both a service fee and market fluctuations. The CFO, in his response, stated that forfeited funds would be moved to a no-risk account and would be subject to return at least on an annual basis. A more frequent return of forfeited funds and a change in the current practice of allowing departed employees' accounts to be subject to the same risks for a year before closing the account may improve the District's cash flow.

## 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 2008, we plan to review programs related to the Department of Mental Health, the Child and Family Services Agency, and the University of the District of Columbia, 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.

### 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.

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<b>NO. 22</b>	<b>Multi-Agency</b>	<b>STATUS: Ongoing</b>
<b>TITLE:</b>	<b>LOCAL, SMALL, AND DISADVANTAGED BUSINESS ENTERPRISE (LSDBE) CONTRACTS</b>	
<b>OBJECTIVES:</b>	The objectives of this audit are to determine: (1) the number of days it took the District to make payments to LSDBEs, compared to large contractors; (2) if the District ensures that LSDBEs receive their fair share of opportunities to compete for opportunities to provide goods and services to the District; (3) whether the District's direct payments to LSDBEs are processed in a timely manner, with respect to the	

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Quick Payment Act; (4) if there are a sufficient number of contracts being “set aside” for LSDBEs; and (5) whether internal controls are in place to guard against fraud, waste, and abuse.

**JUSTIFICATION:** Members of the District of Columbia Council have raised several questions concerning the use and/or lack of use of LSDBEs for numerous contracts issued by the Office of Contracting and Procurement (OCP). During a D.C. Council hearing, Councilmembers were concerned with late or delayed payments. Some LSDBE firms also testified that although the goods or services were delivered in accordance with the terms of the contract, invoices remained unpaid for extended periods of time.

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**NO. 23**                      **Fire and Emergency Medical Services Department**                      **STATUS: Ongoing**

**TITLE:**                      **AMBULANCE BILLING CONTRACTS**

**OBJECTIVES:**              The audit objectives are to determine whether the medical billing contract was awarded in accordance with the District’s procurement regulations, and if EMS is receiving the maximum allowable collection rate and reimbursement from the billing contractor.

**JUSTIFICATION:**              The audit is being conducted in response to a request from the Chief of Fire and Emergency Medical Services (FEMS). FEMS is in the process of reorganizing to improve operational efficiency and enhance revenue collections. The Chief of FEMS expressed concerns regarding contractor billings and the procurement practices for awarding the billing contract. The EMS provides around the clock state-of-the-art pre-hospital emergency care and transportation for residents and visitors to the nation’s capital. The EMS contracts out the billing and collection functions for these services.

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**NO. 24**                      **Office of the Chief Financial Officer**                      **STATUS: Start FY 2008**

**TITLE:**                      **CONTRACTING AND PROCUREMENT OPERATIONS AT THE OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO)**

**OBJECTIVES:**              The audit objectives are to determine the efficiency and effectiveness of contracting and procurement operations at the Office of the Chief Financial Officer (CFO) and to assess the effectiveness of internal controls and adherence to Title 27, District of Columbia Municipal

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Regulations (DCMR), guidelines in the placement and administration of CFO contracts.

**JUSTIFICATION:** The CFO has its own independent procurement authority; however, the CFO adheres to DCMR Title 27 guidelines for placing and administering contracts. For FY 2007, the CFO requested more than \$45 million for contracted services and an estimated additional \$10 million for equipment and other services. CFO contracts have never undergone an OIG audit and, given the independent procurement authority, size and volume of CFO contracts, we believe this issue warrants audit oversight.

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**NO. 25**                      **Office of Personnel Management**                      **STATUS: Start FY 2008**

**TITLE:**                      **FORECAST AND ALLOCATION OF FIXED COSTS – PART II**

**OBJECTIVES:**              To determine whether: (1) OPM has in place policies, procedures, and controls addressing the acquisition and management of leases; (2) contractual rental rates are supported by market indicators; and (3) operational pass through costs charged by the lessor are adequately supported and valid.

**JUSTIFICATION:** The Office of Property Management (OPM) is responsible for the management of all District leases. There are about sixty (60) in-leases and thirty-nine (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.

Based upon a review of rental expenditures for fixed costs in FY04 and FY05, we recognized that the District had been overcharged for operational costs incurred by the lessors.

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**NO. 26**                      **Office of Contracting and Procurement**                      **STATUS: Start FY 2008**

**Title:**                      **DISTRICT OF COLUMBIA SUPPLY SCHEDULE (DCSS)**

**OBJECTIVES:**              The audit objectives are to determine whether the Office of Contracting and Procurement (OCP): (1) negotiated fair and reasonable prices with DCSS contractors; (2) collected the sales discount on a quarterly basis in accordance with DC Code §2- 311.03; (3) submitted the sales discount to the Office of Finance and Treasury (OFT) in a timely manner; (4) placed the sales discounts received

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there is no guarantee that the funding considered secured through capital budget requests in FY09-FY10 will exist in future years. Historically, the District has not properly identified requirements, planned and managed construction projects, monitored contracts, or used grant funds appropriately and in a timely manner.

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**NO. 28**                      **Department of Consumer and Regulatory Affairs**                      **STATUS: Start FY 2008**

**TITLE:**                      **CONSTRUCTION AND BUILDING PERMITS AT THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS**

**OBJECTIVES:**              Our audit objectives will be to determine whether: (1) written policies and procedures on inspections exist and are followed as prescribed; (2) adequate supervision of inspectors on staff exists in order to prevent incidents of impropriety; (3) evidence exists that inspectors are involved with “kick-back” schemes to defraud the District of one of its revenue sources; and (4) DCRA appropriately responded to consumer complaints surrounding the activities of their inspectors.

**JUSTIFICATION:**          The Department of Consumer and Regulatory Affairs protects the health, safety, economic interests, and quality of life for 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. Whenever there is new construction in the District, DCRA inspectors have the responsibility to issue permits and conduct inspections.

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**NO. 29**                      **Department of Mental Health**                      **STATUS: Ongoing**

**TITLE:**                      **CONTRACTING AND PROCUREMENT PRACTICES AT THE DEPARTMENT OF MENTAL HEALTH**

**OBJECTIVES:**              Our audit objectives are to determine whether the Department of Mental Health (DMH): (1) awarded and administered contracts in compliance with requirements of applicable laws, rules and regulations, policies and procedures; (2) operated in an efficient, effective, and economical manner; and (3) established internal controls to safeguard against fraud, waste, and abuse.

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**NO. 31**                      **Multi-Agency**    **STATUS: Start FY 2008**

**TITLE:**                      **CONSTRUCTION CONTRACTS**

**OBJECTIVES:**            The objectives of the audit 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.

**JUSTIFICATION:**        The Capital Construction Services Administration, which operates under the Office of Property Management (OPM), 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 2006 – 2012 Capital Improvement Program is \$2.0 billion from all sources (excluding the Highway Trust Fund).

The District has experienced problems regarding the administration of construction contracts. It is of paramount importance that internal controls are in place to ensure that construction contractors properly price property and/or services and submit accurate invoices and appraisals.

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**NO. 32**                      **Office of Contracting and Procurement**        **STATUS: Start FY 2008**

**TITLE:**                      **CONTRACT FILE MANAGEMENT**

**OBJECTIVES:**            Our audit objectives are to determine the adequacy of the Office of Contracting and Procurement (OCP) policies and procedures for maintaining contract file documentation to support District procurements, including the documentation maintained by agency contract administrators to support actions for monitoring contractor performance, acceptance of deliverables, and contract payments. We will also examine the internal controls associated with the retention and use of contract file documentation and the procedures for the safeguarding and disposition of contract files.

**JUSTIFICATION:**        Numerous OIG audits have shown inefficiencies in contracting officers' records and contract file documentation, to include documentation that is inadequate, unavailable, misfiled, unprepared, mishandled, or otherwise insufficient to support the contract actions taken. Further, records maintained by contract administrators are often not available, not prepared, inadequate, or missing. Contract file

records and contract administration records are essential documents needed to reflect the official actions taken on District procurements. With more than \$1 billion spent annually, these records become the only means to establish accountability for the agencies and individuals entrusted with contracting and spending authority. This audit will examine the reason(s) the policies and procedures in effect and practiced by OCP contracting officials and contract administrators have not been effective in creating, storing, and safeguarding records necessary to document contract actions and administration.

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**NO. 33**                      **Office of Contracting and Procurement**                      **STATUS: FY 2008**

**TITLE:**                      **CONTRACTOR DEBARMENTS AND SUSPENSIONS**

**OBJECTIVES:**              The audit objectives are to (1) evaluate the District's process for initiating debarment and suspension actions on contractors and grantees in order to protect the District from potential financial harm; (2) determine how the District procurement agency (Office of Contracting and Procurement) uses the federal government's List of Debarred and Suspended Contractors in the contract award decision process; and (3) evaluate the awareness within District agencies of the prohibition of awarding contracts to debarred individuals, contractors, grantees, or surrogates of debarred individuals.

**JUSTIFICATION:**          With District procurements totaling billions annually, it is essential that the Office of Contracting and Procurement, and agencies engaging contractors and grantees, be aware of those contractors and grantees who have been debarred or suspended or whose actions would justify the District to seek the protection of such measures. Debarment and suspension of contractors and grantees who have abused their responsibilities and caused financial harm through administrative blunder or criminal activity is a protective mechanism widely employed by the federal government and to a lesser extent by the states and local municipalities. Indications are that the District has made little use of this protective mechanism and there is little evidence that the District has denied awards based on a contractor being listed on the debarred and suspended list. Use of these protective devices could prevent the District from incurring losses in dealings with unscrupulous individuals, contractors, or grantees.

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**NO. 34**                      **Multi-Agency**                      **STATUS: Start FY 2008**

**TITLE:**                      **TRIENNIAL REVIEW OF THE CANCELLATION OF BID SOLICITATIONS, REQUEST FOR PROPOSALS, AND OTHER SOLICITATIONS**

**OBJECTIVES:**              The objectives are to perform a triennial review of the cancellation of or the rejection of bids received under bid solicitations, request 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 Office of Contracting and Procurement (OCP) and at the agencies sponsoring the procurements are sufficient to ensure fairness in the bidding process, and preclude costly and abusive practices.

**JUSTIFICATION:**          D.C. Code §2-303.07 requires that the information, concerning a cancellation of or rejection of bids under an invitation for bids, request for proposals, or other solicitation be forwarded to the OIG for review within 72 hours of the action. Although the law does not specify that the OIG issues reports on these solicitation cancellations or bid rejection submissions, we believe the issue requires audit evaluation on a periodic basis. From 2005 through 2007, more than 65 solicitation cancellations or bid rejections were submitted to the OIG. We plan to review these submissions on a triennial basis, beginning in FY 2008, to ensure that the decision to cancel solicitations or reject bids was 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.

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**NO. 35**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **HOME HEALTHCARE AGENCY COMPLIANCE WITH LEGAL REQUIREMENTS FOR PAYING FIXED-HOURLY LABOR RATES TO PERSONAL CARE ASSISTANTS**

**OBJECTIVES:**              Our objectives will be to follow up on the Department of Health's actions to develop written policies to provide guidance on conducting

reviews of home healthcare agencies to include steps to ensure healthcare workers are paid in accordance with the applicable living wage rate. In addition, we will determine whether the Department of Health initiated appropriate action to detect errors and oversee corrections related to the \$10.50 an hour wage requirement at selected home healthcare agencies not visited during the original audit.

**JUSTIFICATION:** The OIG received a request from the Coordinator of the D.C. Coalition on Long Term Care to conduct a new audit of the \$10.50 an hour 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 Department of Health Medical Assistance Administration in fiscal year 2006.

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 to the \$10.50 an hour wage requirement for all home healthcare agencies (when funds become available in fiscal year 2009 to pay the proper wage for fiscal year 2008).

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**NO. 36**                      **Multi-Agency**    **STATUS: Start FY 2008**

**TITLE:**                      **FOLLOW-UP AUDIT OF THE DEPARTMENT OF DISABILITY SERVICES (DDS)**

**OBJECTIVES:**              The audit objectives will evaluate the adequacy of contract planning, management, and administrative practices relative to services provided to the 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 MRDDP client bank accounts.

**JUSTIFICATION:**              The Department of Human Services (DHS), the Department of Disability Services, and the Department of Health 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.

MAA's audits of annual cost reports of group home providers showed that providers were paid for disallowed costs. MAA did not perform audits of group home providers' annual cost reports for years 1991 through 1996 until 1996. Consequently, these overpayments were not

identified until fiscal year 1996, and actions taken to recover the disallowed costs did not begin until fiscal year 1997.

**NO. 37**                      **Department of Parks and Recreation**                      **STATUS: Start FY 2008**

**TITLE:**                      **DEPARTMENT OF PARKS AND RECREATION BEFORE AND AFTER SCHOOL CARE PROGRAM**

**OBJECTIVES:**                      Our audit objectives are to determine if the Department of Parks and Recreation (DPR) Before and After School Care Program (BASCP) have the necessary internal controls in place to ensure that monies for BASCP programs are used for intended purposes. We will also determine whether the DPR-BASCP program is operating cost effectively and efficiently to maximize recreation and social activities for children, and that the fee schedule for after school programs are equitably distributed.

**JUSTIFICATION:**                      DPR coordinates a wide variety of recreational and educational programs. One such program is the Before and After School Care Program. This year-round program provides tutorial, cultural, recreational, and creative arts programming and nutritional support services to children ages 4 to 12, special needs children ages 5 to 18, and their working parents. The goal is to enlarge the quality of life and nurture opportunities for children and parents. The fiscal year 2008 proposed budget for DPR's Recreational Programs is \$31.9 million.

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**NO. 38**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **ADDICTION PREVENTION AND RECOVERY ADMINISTRATION**

**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.

**JUSTIFICATION:**                      The Department of Health 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 certification of District substance abuse treatment facilities and programs in accordance with Title 29 DCMR, Chapter 23.

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The APRA actual FY 2006 budget was \$36.5 million while the approved FY 2007 and proposed FY 2008 budgets were \$43.7 and \$41.8 million respectively. FY 2007 budget documents indicate that APRA has or will receive at least \$9 million in federal grants. The District is at risk of awarding contracts that were not authorized by grant agreements, spending grant funds on acquisitions and services that were not approved by grantors, and accepting deficient goods or services. A December 7, 2006, news article indicated that a computer software system to track detailed data concerning clients and contractors was delayed up to two years and still was not fully operable.

### C. Other Spending Programs

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

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**NO. 39**                      **Alcoholic Beverage Regulation Administration**                      **STATUS: Start FY 2008**

**TITLE:**                      **ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION (ABRA)**

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

**JUSTIFICATION:**          The Alcoholic Beverage Regulation Administration (ABRA) regulates alcoholic beverage wholesalers, retailers, and manufactures 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. The board members are appointed by the Mayor and confirmed by the DC Council. The ABRA operating budgets for 2006 and 2007 are \$4,701,623 and \$4,533,239, respectively.

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**NO. 40**                      **Office of the Attorney General**                      **STATUS: Start FY 2008**

**TITLE:**                      **DISTRICT OF COLUMBIA CHILD SUPPORT CUSTOMER SERVICE UNIT**

**OBJECTIVES:**              Our audit objectives are to: (1) determine whether the District of Columbia Child Support Customer Service Unit is efficiently and effectively assisting residents with child support concerns; and (2) evaluate internal controls over the customer service process.

**JUSTIFICATION:**          The Child Support Services Division (CSSD) of the Office of the Attorney General (OAG) performs all legal and programmatic functions associated with the District government's child support program. The Child Support Customer Service Unit is a division within the CSSD. This Division provides services to assist District families by establishing paternity, locating absent parents, establishing child and medical support orders, reviewing and modifying child support orders, and enforcing delinquent child support orders. In addition, the CSSD recoups Temporary Assistance for Needy Family, Title IV-D foster care, or Medicaid payments made to families when a non-custodial parent is not paying child support. CSSD has a budget of \$1,307,842 and 13 FTEs for FY 2007. Past audits have reported problems in customer services. As a result of poor customer service, District custodial parents and children can suffer economic and emotional hardships. In addition, poor customer service could lead to public criticism and loss of confidence in the District child support program. Further, frustrated parents may not indicate the non-custodial parent or apply for assistance programs such as TANF, Medicaid, and Food Stamps resulting in the District supporting families that have options to other resources.

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**NO. 41**                      **Office of Finance and Treasury**                      **STATUS: Start FY 2008**

**TITLE:**                      **ASSET MANAGEMENT PROGRAM**

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

**JUSTIFICATION:**        The Office of Finance and Treasury, which under the Office of the Chief Financial Officer is responsible for managing the financial assets and liabilities of the District government. The OFT budget for FY 2007 was \$18.56 million, and it has proposed for FY 2008 a budget of \$19.3 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, and over-payments, gift certificates, paid-up 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 is safeguarding until the rightful owners of the property can be located. There have not been any recent audits of this office's business processes, practices, and oversight responsibilities for unclaimed property.

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**NO. 42**                      **Multi-Agency**                      **STATUS: Start FY 2008**

**TITLE:**                      **MANAGEMENT OF THE CAPITAL IMPROVEMENTS FUND**

**OBJECTIVES:**            Our audit objectives are to: (1) review the Capital Improvements Fund to determine the efficiency and appropriateness of the expenditures; (2) examine Capital Improvements Fund criteria that govern usage;

and (3) evaluate internal controls over the application of criteria and fund expenditures.

**JUSTIFICATION:** Capital Improvements Fund criteria allow these monies to be used for more than just construction. Major renovations, equipment, and personnel services can be procured using Capital Improvements Funds but no distinction or limitations are imposed. Governing policy is vague and internal controls, principally in the form of checks and balances, do not appear evident or effective. There are no limitations on the amount of funds spent for renovations, equipment, or personnel. This is a major financial program of the District with very little recent exposure to audit or oversight of an internal or external nature. The Capital Improvements Fund currently has \$539.3 million budgeted for FY 2008 and \$3 billion budgeted for the 6-year period FYs 2007 through 2012.

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**NO. 43**                      **Office of Property Management**                      **STATUS: Start FY 2008**

**TITLE:**                      **DEFERRED MAINTENANCE**

**OBJECTIVES:** Our audit objectives are to review the efficiency and effectiveness of District programs for maintaining and repairing the District's real property assets. We will also assess the management of deferred maintenance projects (backlog of maintenance and repair), taking into account the planning, prioritization, and funding needs for executing an effective real property maintenance and repair program. In addition, we will determine if internal controls are adequate to safeguard resources used in accomplishing program objectives.

**JUSTIFICATION:** Given the large capital outlays and public works expenditures for maintaining the District's real property, there is concern over whether these expenditures are properly classified and resources are adequately managed to accomplish efficient and effective replacement, maintenance, and repair of the District's real property assets. The cost of maintaining a healthy and vibrant city continues to escalate, with repair costs for aging infrastructures estimated to be several billion dollars. The ability to meet this challenge depends on how well a city directs scarce resources for maintaining and repairing its real property.

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**NO. 44**                      **Office of Planning and Economic Development**                      **STATUS: Start FY 2008**

**TITLE:**                      **VACANT AND ABANDONED PROPERTY**

**OBJECTIVES:**              Our audit objective is to determine if the Office of Planning and Economic Development provided proper oversight to ensure that developers complied with requirements of applicable laws, regulations, and contract requirements concerning the rehabilitation of vacant and abandoned property.

**JUSTIFICATION:**          In January 2002, the Mayor introduced the Home Again Initiative to transform vacant and abandoned residential properties into single-family homeownership opportunities for residents. The goals of the Home Again Initiative are to encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property and acquire, dispose of, and rehabilitate properties when owners fail to maintain them. Qualified developers submit bids for the purchase and development of a bundle of properties controlled by the District. The bids are evaluated based on several factors and once the bundle is awarded, the developer selected must complete the proposed rehabilitation within 1 year of purchase.

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**NO. 45**                      **Child and Family Services Agency**                      **STATUS: Start FY 2008**

**TITLE:**                      **IMPLEMENTATION OF THE CHILD IN NEED OF PROTECTION AMENDMENT ACT OF 2004**

**OBJECTIVES:**              Our audit objective will be to evaluate the Child and Family Services Agency's (CFSA's) implementation of the Child in Need of Protection Amendment Act (the Act). Specifically, we will determine whether: (1) a guardian ad litem was appointed to represent the child's best interest within the first 24 hours of a child's removal from the home; (2) the percentage of family team meetings that resulted in approved safety plans and whether supports and services identified in approved safety plans were actually provided; (3) placement outcomes for children who were the subject of the family team meetings; and (4) the percentage of children who were the subject of subsequent reports to the CFSA abuse and neglect reporting hotline.

**JUSTIFICATION:**          The District of Columbia City Council enacted the "Child in Need of Protection Amendment Act of 2004," D.C. Law 15-341, on April 12, 2005. This act consolidates and updates the District's child

welfare statutes, such as the Prevention of Child Abuse and Neglect Act of 1977. The Act was codified into Title 4 of the D.C. Code § 1301.02 et. seq.

The law requires the appointment of a guardian ad litem within the first 24 hours of a child's removal from the home. A guardian ad litem is an attorney appointed by the Superior Court of the District of Columbia to represent the child's best interests in neglect proceedings. During the 72-hour period, the CFSA may convene a family team meeting and the law requires CFSA to invite, at a minimum, parents, relatives, caregivers, community representatives, service providers, and the guardian ad litem. The goal of the family team meeting is to develop a safety plan for the child that could avert a petition to the D.C. Family Court to remove the child from the home.

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**NO. 46**                      **Multi-Agency**    **STATUS: Start FY 2008**

**TITLE:**                      **GREAT STREETS**

**OBJECTIVES:**            The overall objectives are to determine whether funds identified to transform under-invested corridors into thriving and inviting neighborhood centers are used in accordance with planned objectives and accounted for properly.

**JUSTIFICATION:**        The Great Streets project is an initiative launched in FY 2006 by the Office of the Mayor. Great Streets aims to create thriving and inviting neighborhood centers through physical improvements and new business development using public actions and tools to leverage private investments. The total corridor distance is 22.5 miles and the corridors pass through over 50 neighborhoods. Approximately 5,000 individual parcels front onto Great Streets corridors and approximately 35 percent (1,750) are commercial properties.

Over \$100 million in local and federal funds for transportation, streetscape, and transit improvements have been allocated in the FY 2005 – FY 2009 spending plans.

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### 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 2008, 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.

#### A. 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 (HOPE VI programs at D.C. Housing Authority), child support services (payment systems), community development (Department of Housing and Community Development), and mental health (St. Elizabeths Hospital). For FY 2008, we plan to conduct audits of several service-based organizations, including the D.C. Department of Parks and Recreation, CFSA, the Department of Motor Vehicles, and the D.C. Taxicab Commission.

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<b>NO. 47</b>	<b>Multi-Agency</b>	<b>STATUS: Start FY 2008</b>
<b>TITLE:</b>	<b>TRIENNIAL FOLLOW-UP OF AGENCY RECOMMENDATIONS</b>	
<b>OBJECTIVES:</b>	The overall objectives of the audit were to determine whether agencies have: (1) implemented agreed-to recommendations that were intended to correct reported deficiencies; and (2) actually corrected reported deficiencies.	
<b>JUSTIFICATION:</b>	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 audit will be conducted on a triennial basis.	

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**NO. 49**                      **Department of Employment Services**        **STATUS: Start FY 2008**

**TITLE:**                      **WORKFORCE INVESTMENT PROGRAMS**

**OBJECTIVES:**            The audit objectives are to determine whether: (1) the Department of Employment Services (DOES), in relation to the Workforce Development 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 Development Program in accordance with agency goals and program objectives.

**JUSTIFICATION:**        The DOES proposed budget for FY 2008 was \$99 million, which consisted of local, special purpose, federal, private, and District funds. In particular, DOES budgeted \$13.1 million for unemployment insurance in FY 2008. The audit will seek to identify whether District residents are benefiting from the Workforce Development Program.

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**NO. 50**                      **District of Columbia Public Libraries**        **STATUS: Start FY 2008**

**TITLE:**                      **CLOSURE AND CONSTRUCTION OF  
D.C. PUBLIC LIBRARIES**

**OBJECTIVES:**            The audit objectives are to determine whether the District of Columbia Public Libraries (DCPL) adequately planned and managed the closure and construction of libraries; and established and implemented internal controls designed to guard against fraud, waste, and abuse.

**JUSTIFICATION:**        The DCPL serves District residents operating 27 facilities and three mobile service units, commonly known as bookmobiles. The 27 libraries differ in size, architecture, collections and level of service. The older libraries were built as far back as 1911 and the newest was built in 1988. Like the Martin Luther King Jr. Memorial Library (MLK), many of these branch libraries suffer from basic design flaws and years of deferred maintenance that take their toll on users, collections, staff and services. Examples of deferred maintenance problems include inadequate space and infrastructure to support modern technology needs, leaking roofs, heating and cooling problems, and facilities difficult to secure because of design problems.

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**NO. 51**                      **Department of Health**                      **STATUS: Ongoing**

**TITLE:**                      **EMERGENCY HEALTH AND MEDICAL SERVICES  
ADMINISTRATION (EHMSA) CONTRACTS AWARDED TO  
IMPROVE BIOTERRORISM PREPAREDNESS IN THE  
DISTRICT OF COLUMBIA**

**OBJECTIVES:**              The audit objectives are to determine whether: (1) the Office of Contracts and Procurement awarded bioterrorism contracts in compliance with applicable laws, rules, regulations, policies and procedures; and (2) the Emergency Health and Medical Services Administration (EHMSA) adequately monitored the contracts to ensure that the District received the services for which it paid.

**JUSTIFICATION:**          The EHMSA plans and coordinates the timely delivery of emergency medical health services and provides an all-hazards response to public health emergencies within the District. The EHMSA ensures timely and appropriate emergency medical services and information to District residents, healthcare providers, visitors, and other stakeholders so that they can be prepared for pre-and post-emergency events, and receive standard of-care public health interventions.

The D.C. Appropriations Acts for 2004 through 2006 provided for federal payments of \$10 million to support hospital bioterrorism preparedness and \$13.2 million for the construction of a bioterrorism and forensics laboratory in the District.

A District councilmember expressed interest in this area because of the length of time needed to issue a solicitation for the bioterrorism lab and because of the potential loss of federal funds.

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**NO. 52**                      **Department of Employment Services**                      **STATUS: Start FY 2008**

**TITLE:**                      **UNEMPLOYMENT COMPENSATION PROGRAM**

**OBJECTIVE:**              The audit objective is to evaluate the DOES unemployment compensation program's policies and procedures to ensure sufficient controls are in place to prevent fraud, waste, and abuse in the disbursement of unemployment compensation payments.

**JUSTIFICATION:**          On September 10, 1999, the OIG released an audit report on the Audit of Unemployment Compensation Payments to District of Columbia Government Employees. This audit was initiated in response to a

Councilmember's concern of possible mismanagement of the District Unemployment Compensation Fund. The audit found that summer unemployment benefits were paid to District Public School Employees who were still employed with the District.

The FY 2008 audit of the Unemployment Compensation Program for District Employees will be a follow-up audit to the 1999 audit to ensure controls have been put in place to prevent fraud, waste, and abuse in the Unemployment Compensation Program.

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**NO. 53**                      **Department of Parks and Recreation**                      **STATUS: Ongoing**

**TITLE:**                      **DEPARTMENT OF PARKS AND RECREATION CAPITAL PLANNING PROJECTS**

**OBJECTIVES:**              Our audit objectives are to evaluate the effectiveness of the DPR's programs for awarding and monitoring capital repair and maintenance contracts. Specifically, we will assess DPR's processes for: (1) overseeing the quality of work performed; (2) controlling costs; and (3) ensuring that contract deliverables adhere to contract specifications. Finally, we will assess the adequacy of internal controls over the DPR contracting program.

**JUSTIFICATION:**          Concerns have been expressed about DPR's process for awarding repair and maintenance contracts, the quality of workmanship provided, and problems encountered on completed contracts. It has been noted that during the past several years, DPR has contracted most of its capital project work to two firms; however, problems with the quality of the work cast doubt that the contracts have been adequately monitored or that costs have been effectively controlled.

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**NO. 54**                      **Department of Health**                      **STATUS: Start FY 2008**

**TITLE:**                      **FAMILY AND MATERNAL HEALTH ADMINISTRATION**

**OBJECTIVES:**              Our audit objectives are to determine whether the Family and Maternal Health Administration Office: (1) managed and used resources in an efficient, effective, and economical manner; and (2) complied with requirements of applicable laws, rules, regulations, policies, and procedures.

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**JUSTIFICATION:** The Maternal and Family Health Administration (MFHA) program provides a variety of services to include: health assessments, wellness promotion, nutrition and fitness education, health screenings, outreach, interventions, referrals, and support services to District of Columbia women, infants, children, adolescents, families, senior citizen residents, and visitors so that they can minimize their chances of illness and live healthier lives.

During FY 2005, Maternal and Family Health was a service area under the Health Promotion program. Beginning FY 2006, the Health Promotion program was renamed MFHA and now includes the following six program activities: Prenatal and Infant Care Services, Child Health Services, Nutrition and Physical Fitness Services, MFHA Support Services, School and Adolescent Health Services, and Adult and Family Health Services.

The FY 2008 proposed gross funds budget for the MFHA program is \$38,935,240, which is an increase of 6.5 percent over the FY 2006 approved budget. There are 191.5 proposed FTEs for this program.

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**NO. 55**                      **D.C. Taxicab Commission**                      **STATUS: Start FY 2008**

**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; (3) complaints and civil infractions involving public vehicles for hire were properly adjudicated; and (4) background checks for drivers and operating 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

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advisory panels, a nine-member commission, and the Office of Taxicabs. The proposed FY 2008 budget for the D.C. Taxicab Commission is \$1.5 million. There are 16 FTE's employed.

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**NO. 56**                      **Department of Corrections**                      **STATUS: Start FY 2008**

**TITLE:**                      **DISTRICT OF COLUMBIA JAIL**

**OBJECTIVES:**            The audit objectives are to determine: (1) the status of electronic and fiscal inmate records at the D.C. Jail, (Jail) focusing on efficiency and accuracy of inmate discharge; (2) the number and effect of lawsuits placed on the D.C. Jail for wrongfully releasing or delaying inmates; and (3) the cost allocation and expenses per inmate from state and federal funding.

**JUSTIFICATION:**        The D.C. Jail opened in 1976 and is a maximum-security facility for males and females. The Jail is managed and operated by the District's Department of Corrections (DOC). In fiscal year 2003, the average daily inmate population was 2,328. The DOC's policies state that the Jail should be environmentally safe and that equipment should be maintained in good working order and meet all applicable codes, standards, and sound detention practices.

The District of Columbia Jail Improvement Amendment Act of 2003, D.C. Law 15-62, effective January 30, 2004, requires DOC to obtain accreditation by the American Correctional Association for the Jail by January 30, 2008. The Jail has operated under court-ordered supervision for much of the past 28 years, largely because of class action lawsuits challenging the constitutionality of conditions at the facility.

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**NO. 57**                      **Metropolitan Police Department**                      **STATUS: Ongoing**

**TITLE:**                      **SEIZED PROPERTY INTAKE, CUSTODY, AND DISPOSAL**

**OBJECTIVES:**            The audit objectives are to: (1) evaluate the adequacy of the Metropolitan Police Department's (MPD) internal controls for the intake and custody of seized property/evidence that is safeguarded for use in criminal or civil prosecutable actions; (2) determine whether law enforcement personnel followed applicable laws and procedures related to the handling, disposal, accountability for, and sale of seized

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and forfeited property; and (3) evaluate the internal controls over the proceeds generated from the sale of such property.

**JUSTIFICATION:** The management of property MPD seizes or acquires through forfeiture requires strong internal controls to avoid the loss of criminal evidence, valuable property, or property that has significant “street value” such as illegal drugs. By focusing on the process for recording property at intake, securing property in controlled-access areas, and handling and disposal procedures, this audit will address whether MPD is adequately protecting these items. A breakdown in the internal controls at any one point in the handling process jeopardizes the security of evidence, and could result in the loss of property that has significant value or which may significantly impact the outcome of prosecutable actions.

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**NO. 58**                      **Metropolitan Police Department**                      **STATUS: Start FY 2008**

**TITLE:**                      **COMMUNITY POLICING**

**OBJECTIVES:**              Our audit objectives are to determine whether: (1) MPD interacts with members of the community while patrolling neighborhoods; (2) MPD’s presence has reduced crime in Police Service Areas (PSAs); and (3) MPD’s presence in the community has reduced response times.

**JUSTIFICATION:** Community policing was one of several issues District officials addressed as interest items in our annual planning conference. The MPD implemented a major restructuring of its PSAs, a basic building block for community policing in the District of Columbia. The goal of the restructuring is to ensure better police services for D.C. neighborhoods by providing greater flexibility in neighborhood patrols.

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**NO. 59**                      **Department of Consumer and**                      **STATUS: Start 2008**  
**Regulatory Affairs**

**TITLE:**                      **CONSTRUCTION AND BUILDING PERMITS AT THE**  
**DEPARTMENT OF CONSUMER AND REGULATORY**  
**AFFAIRS**

**OBJECTIVES:**              Our audit objectives will be to determine whether: (1) written policies and procedures on inspections exist and are followed as prescribed;

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**OBJECTIVES:** This audit will evaluate the efficiency and effectiveness of internal affairs/investigative functions in the Metropolitan Police Department (MPD), the Fire and Emergency Medical Services Agency (FEMS), and the Department of Corrections (DOC). We will also be evaluating other methods/organizational designs for conducting internal affairs operations based on benchmarking with similarly-sized local jurisdictions.

**JUSTIFICATION:** The MPD spends about \$4.2 million annually on its internal affairs function. The unit employs 54 personnel. It is our understanding the FEMS and the DOC also operate similar internal affairs functions. Internal affairs is an essential agency oversight function for maintaining the highest level of professionalism and integrity among law enforcement, fire and emergency services, and correctional personnel. With similar functions spread among multiple District agencies, an evaluation as to the most efficient methods for providing the internal affairs function may identify a means for the District to save money and still provide the needed level of oversight.

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**NO. 62**                      **University of the District of Columbia**      **STATUS: Start FY 2008**

**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; and (3) 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, specialized employment opportunities, and to promote life-long learning.

UDC annual operating expenditures approximate \$100 million. UDC enrolls a cross-section of more than 20,000 students per year. Over 5,000 students are enrolled in credit courses and more than 15,000

students are enrolled in noncredit courses through UDC's Division of Community Outreach and Extension Services.

**NO. 63**                      **Multi-Agency**                                      **STATUS: Start FY 2008**

**TITLE:**                      **EDUCATIONAL REQUIREMENTS FOR DISTRICT JOBS/POSITIONS**

**OBJECTIVES:**              The audit objectives will be to evaluate currently advertised District job vacancies to determine whether the level of education and experience required are defined and whether the advertised job reflects the requirements stated in the official position description.

**JUSTIFICATION:**          It is essential that the District hire individuals who possess the requisite education, training, experience, and skills for the myriad of administrative, technical, and professional positions filled each year under the auspices of the D.C. Department of Human Resources (DCHR). All positions to be filled are listed on DCHR's website and should specify the position's minimum requirements for experience and education. A preliminary review of randomly evaluated open positions revealed that few of the District's advertised positions identified an educational requirement. We believe a thorough review of the requisites for each advertised position will provide insight into whether DCHR is acquiring the best qualified people in terms of experience and education.



2001. It is essential that the data entered into the MMIS is accurate, and that effective and functional controls are in place to ensure that the District can obtain maximum reimbursement for Medicaid-covered services.

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**NO. 65**                      **Multi-Agency**                      **STATUS: Start FY 2008**

**TITLE:**                      **PROTECTION OF PERSONAL DATA**

**OBJECTIVES:**              Our audit objective is to determine whether the District government has adequate polices, procedures, and internal controls for protecting sensitive identifying information (such as social security, credit card, and bank account numbers) to prevent identity theft.

**JUSTIFICATION:**          Identity theft is one of the fastest growing crimes in the United States. It involves stealing an individual's personal identifying information, and then using the information to fraudulently establish credit, gain access to financial accounts, and obtain benefits and services. Identity theft can cause tremendous harm to individuals. Identity theft victims often spend a significant amount of time and money restoring their good name and credit record. The U.S. Federal Trade Commission has reported that the District had 922 identity theft victims in calendar year 2004.

Recently, consumer information has been stolen from several commercial databases. These recent thefts have raised concerns about the District government's efforts to protect its employees and residents against identity theft. Numerous District government agencies - most notably, the Department of Motor Vehicles and the Department of Human Resources - have databases that include sensitive identifying information. District employees and residents must have some assurances that city agencies are protecting their personal information. There are over 25,000 government employees and over 500,000 residents in the District.

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**NO. 66**                      **Department of Motor Vehicles (DMV)**              **STATUS: Start FY 2008**

**TITLE:**                      **DMV ONLINE SERVICES**

**OBJECTIVES:**              Our audit objectives are to evaluate the efficiency of DMV's online services by testing one of the four DMV online services. We will

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**NO. 68**                      **Office of the Chief Technology Officer**      **STATUS: Start FY 2008**

**TITLE:**                      **PROTECTION OF NETWORK AND INTERNET SERVICES**

**OBJECTIVE:**              To select one of the 68 District agencies governed by OCTO's IT network and services; to audit and review OCTO's general and preventive controls which protect network, business processes, and internet usage in the District.

**JUSTIFICATION:**      The Office of the Chief Technology Officer (OCTO) develops and enforces policies and standards for information technology in the District government. OCTO identifies where and how technology can systematically support the business processes of the District's 68 agencies. Agencies can draw on OCTO's expertise to get the most out of their technological investments.

OCTO also assesses new and emerging technologies to determine their potential application to District programs and services. Finally, OCTO promotes the compatibility of computer and communications systems throughout the District government.

Information technology is the most powerful tool for achieving the District's business goals. Simply acquiring equipment and launching websites, however, will not solve the problems facing the city. OCTO's task is to determine the strategies that will make Washington, DC, the technological pacesetter for cities in the 21st century.

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**NO. 69**                      **Multi-Agency**                                      **STATUS: Start FY 2008**

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

**OBJECTIVES:**              The audit objectives will be 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 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 if the plan has been periodically tested and revised or adjusted based on the results of those tests.

**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 and operational systems and processes. This audit will evaluate how well the District is prepared to maintain continuity of business operations and citizen services should a significant event occur.

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**NO. 70**                      **D.C. Public Schools (DCPS)**                      **STATUS: Start FY 2008**

**TITLE:**                      **DCPS PERSONNEL AND PAYROLL SYSTEM**

**OBJECTIVES:** Our audit objectives will be to determine whether DCPS, in the acquisition and implementation of a new personnel and payroll system called PeopleSoft, is using a System Development Life Cycle/Project Management Framework that includes:

- adequate pre-acquisition planning;
- formulation of a master project plan,
- aggressive tracking and approval of project deliverables;
- testing;
- project closeout and approval;
- post implementation quality assurance; and
- training.

**JUSTIFICATION:** When the conversion to the CAPPS personnel and payroll system failed, many agencies reverted to the old UPPS system. The DCPS chose not to revert to UPPS, and sought to acquire a new system called PeopleSoft. As of August 2002, none of the six modules in the PeopleSoft system are operational, and full operational capability is not envisioned until April 2003. Two issues warrant audit attention. The first addresses the effectiveness of the PeopleSoft system to provide DCPS with a working personnel and payroll system. The

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these functions. The UCC facility will be designed to improve the overall quality of life for residents, businesses, and visitors by increasing responsiveness to calls for emergency assistance and non-emergency inquiries.

In addition to routine public safety initiatives, the UCC is also responsible for ensuring the security of large-scale events that often take place in the District of Columbia area. UCC's proposed operating budget for FY 2006 is \$31.6 million. There are 382 proposed FTEs for the center.

## 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.

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**NO. 73**

**Multi-Agency**

**STATUS: Start FY 2008**

**TITLE:**

**EMPLOYEE QUALIFICATIONS AND BACKGROUND CHECKS**

**OBJECTIVES:**

Our audit objectives are to determine whether controls are in place to ensure that applicants selected for executive and managerial positions: (1) are qualified for the position; and (2) are subjected to adequate background investigations with appropriate adjudication that provides a measure of assurance that selected individuals do not abuse any potential position of trust.

**JUSTIFICATION:**

Independent District agencies and the District of Columbia Department of Human Resources (DCHR), (in conjunction with subordinate agencies), hire executive and managerial employees based on the submission of resumes, employment applications, and other information. Collectively, this information is synthesized with interviews of prospective candidates, and a decision is then made to hire an individual. Some positions, such as those for police, fire and emergency services personnel, as well as some critical information technology positions, require that the agency conduct background verifications of the prospective employee's education, experience, and credentials, as well as other relevant information.

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**No. 74**                      **Multi-Agency**                                      **STATUS: Start FY 2008**

**TITLE:**                      **DISTRICT EMPLOYEE SUSPENSIONS WITH PAY**

**OBJECTIVES:**              Our audit objectives are to determine the effectiveness of the payroll internal control system by evaluating the processes and procedures under which suspended employees get paid during the suspension time. In addition, we will evaluate effectiveness of the internal controls over the administrative leave process.

**JUSTIFICATION:** In the recent past, media reports indicated that some teachers/employees in the District of Columbia Public School (DCPS) were suspended from their duties and placed on administrative leave with pay pending an administrative hearing which may be pending for months or years. Employees on administrative leave get full pay but perform no work. Some employees on extended administrative leave may be working elsewhere. The audit will explore the administrative leave process to ensure it is efficient and effective and that the process for administrative leave is not being abused or mismanaged.

## 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 Comprehensive Annual Financial Report (CAFR). The OIG contracts for, monitors, and provides oversight of the 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 one-time 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 regarding several funds, which are required by District and federal laws.

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**NO. 75**                      **Multi-Agency**    **STATUS: Ongoing/  
Start FY 2008**

**TITLE:**                      **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)  
FOR FY 2008**

**OBJECTIVES:**                      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 of the progress of the audit and addresses any issues that may arise from the audit or that may prevent the audit from being completed timely. The OIG chairs the audit oversight committee, conducting regular meetings with committee members and interacting with the CFO and CPA firm throughout the audit engagement.

In fulfilling our oversight role, the OIG is responsible for: (1) monitoring the reliability and integrity of the CFO'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, the CFO, and other District management officials.

**JUSTIFICATION:** The CAFR must be submitted to 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 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. 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 Authority (Financial Statements)
- University of the District of Columbia/D.C. Law School (Financial Statements)
- D.C. Water and Sewer Authority (Financial Statements)\*
- D.C. Retirement Board (Financial Statements and Actuarial Study)\*
- D.C. Housing Finance Agency (Financial Statements)\*

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

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**NO. 76**                      **Department of Housing and Community Development**                      **STATUS: Ongoing/ Start FY 2008**

**TITLE:**                      **HOME PURCHASE ASSISTANCE FUND**

**OBJECTIVES:**              The objectives of this financial statement audit 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 § 42-2605 (2001) requires the OIG to conduct an annual audit of this fund. The Mayor is required to report on the financial condition of this fund to Congress and the Council within 6 months after the end of the preceding fiscal year.

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**NO. 77**                      **Department of Consumer and Regulatory Affairs**                      **STATUS: Ongoing/ Start FY 2008**

**TITLE:**                      **PROFESSIONAL ENGINEERS' FUND**

**OBJECTIVES:**              The overall audit objectives are to determine whether: (1) the Professional Engineers' Fund was maintained in accordance with the D.C. Code; and (2) engineer fees were properly accounted for and expended during the fiscal year.

**JUSTIFICATION:**              This audit is required pursuant to D.C. Code §§ 47-2886.02(6) and 47-2886.13(d) (2001). Section 47-2886.13(d) states, in pertinent part: "[i]t 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 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."

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**NO. 78**                      **Office of the Attorney General**                      **STATUS: Ongoing/ Start FY 2008**

**TITLE:**                      **DISTRICT OF COLUMBIA ANTIFRAUD FUND**

**OBJECTIVES:**              The objectives of the audit are to: (1) express an opinion on the FY 2006 financial statements of the Fund; (2) determine whether fines, penalties, and monetary damages collected pursuant to antifraud cases are properly deposited and accounted for in the Fund; (3) determine whether expenditures/costs charged to the Fund were proper; (4) whether internal controls over fund transactions and financial reporting were adequate; and (5) determine whether the Fund is administered in accordance with laws and regulations.

**JUSTIFICATION:**              The audit is being conducted pursuant to D.C. Code § 2- 308.20(c) (2001), which requires the OIG to conduct an annual audit of the Fund. The fund is comprised of deposits resulting from criminal fines, civil penalties, and damages collected from false claim recoveries.

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**NO. 79**                      **Department of Public Works**                      **STATUS: Ongoing/  
Start FY 2008**

**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) (2001), 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 May 31<sup>st</sup>. The Forecast includes the actual revenues and expenditures for the preceding fiscal year and the forecast for the current fiscal year and the next four fiscal years.

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**NO. 80**                      **Washington Metropolitan**                      **STATUS: Start FY 2008**  
**Area Transit Commission (WMATC)**

**TITLE:**                      **WASHINGTON METROPOLITAN AREA TRANSIT  
COMMISSION**

**OBJECTIVES:**              Our audit objective is to perform a financial statement audit of the Washington Metropolitan Area Transit Commission for the year ended June 30, 2006.

**JUSTIFICATION:**          Pursuant to an agreement among the District, Maryland, and Virginia, the District is required to perform an audit of the WMATC every three years, alternating with Maryland and Virginia.

**VI. DISTRICT OF COLUMBIA PUBLIC SCHOOLS PROGRAMS**

The cost of operating the District of Columbia Public Schools (DCPS) for FY 2008 is projected to exceed \$1 billion, nearly one-fifth of the District's budget authority. Recognizing that an efficient and effective public educational system is of paramount interest and concern to the entire District community (residents, elected officials, and educators), we added a sixth theme to our Annual Audit and Inspection Plan - to address public school issues. Accordingly, in July 2006, the OIG opened a full-time resident audit site at DCPS to conduct audits, interact with school officials for prompt resolution, and recommend corrective action. Our resident audit site provides aggressive follow-up on past recommendations and advises school officials of the actions needed to resolve recurrent deficiencies. The DCPS audits we have included in our Plan for FY 2008 represent suggestions made by elected officials, the DCPS Superintendent of Schools, and our research based on previous audits of DCPS. However, we recognize that these efforts will extend beyond this fiscal year. In evaluating a variety of school issues, our plan is not to merely arrive at the technical solutions to complex problems, but to provide DCPS officials and educators with the tools to make sufficiently sound decisions to effect positive improvements.

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**NO. 81**                      **District of Columbia Public Schools**                      **STATUS: Ongoing**

**TITLE:**                      **MAINTENANCE AND REPAIRS OF DCPS BUILDINGS**

**OBJECTIVES:**              The audit objectives are to determine the: (1) status of maintenance and repairs performed by DCPS through in-house personnel and contractors; (2) extent of maintenance and repairs being performed; (3) effectiveness of the maintenance and repairs; and (4) impact that maintenance and repairs have on DCPS buildings.

**JUSTIFICATION:**          DCPS currently operates 144 schools with an average building age of 63 years. The combination of aging structures and deferred maintenance of the District's public school facilities has created many emergencies such as failing boilers, deteriorating walls, inoperable windows, and leaking roofs, during the last several years. Facility condition is important not only from a safety standpoint, but well-designed and maintained facilities can improve employee morale and provide students with an environment conducive for learning.

DCPS Office of Facilities Management (OFM) is charged with providing resources to manage and maintain a safe educational environment through facility upkeep and maintenance. OFM's responsibilities include facility operations, maintenance, planning, design, and construction services. The maintenance of buildings, grounds, and equipment at DCPS addresses routine, preventative, and deferred maintenance needs in order to contribute to an atmosphere for effective learning. The FY 2007 budget for facilities and infrastructure is \$33.6 million.

As part of the Public Education Reform Amendment Act of 2007, D.C. Law 17-9, effective June 12, 2007, the Mayor established the Office of Public Education Facilities Modernization, which is independent of DCPS. The Office of Public Education Facilities Modernization is responsible for managing the modernization and new construction of DCPS facilities. The DCPS OFM previously managed modernization and new construction projects.

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**NO. 82**                      **District of Columbia Public Schools**                      **STATUS: Ongoing**

**TITLE:**                      **TUITION AND RESIDENCY REQUIREMENTS**

**OBJECTIVES:**              Our audit objective is to determine whether the DCPS tuition and residency policy is effectively implemented in all instances where tuition and residency issues occur.

**JUSTIFICATION:**          It is DCPS' policy to provide a free education to all children who are residents of the District. Non-resident children may enroll in DCPS provided that their parents or guardians pay tuition each semester. Tuition rates vary from \$2,500 to \$5,500 a semester. Because the District's before and after school care programs for children in elementary and middle schools are extensive and rated highly, working parents are particularly attracted to the District system. On occasion, non-resident parents have enrolled their children in a DCPS school without paying tuition and child care costs. When detected, these cases are subject to formal investigation and review by the Office of the Chancellor, DCPS.

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**NO. 83**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **NEGOTIATED SERVICES CONTRACTS**

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**OBJECTIVES:** The audit objectives are to determine whether DCPS is complying with the requirements of Title 27, District of Columbia Municipal Regulations, Chapter 19 “Contracting for Services”; and is receiving the contracted services.

**JUSTIFICATION:** The Office of Contracts and Acquisitions (OCA) mission is to consistently provide efficient and effective procurement services for the DCPS System. OCA oversees a wide range of acquisition from school supplies to multi-million dollar construction contracts. Negotiated Services Contracts, also known as Consulting Services Contracts, are included in the range of acquisitions that OCA oversees.

Several concerns have been raised as to whether DCPS is contracting for negotiated services in the most efficient and effective manner. For Fiscal Year 2007, DCPS proposed a budget expenditure of \$77.4 million for contractual services, which includes negotiated services contracts.

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**NO. 84**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **FREE AND REDUCED PRICED MEALS**

**OBJECTIVES:** The audit objectives are to evaluate DCPS’ efforts to ensure that only eligible students receive free and reduced priced meals and to determine if DCPS is adequately monitoring the contractors that provide prepared meals and uncooked food.

**JUSTIFICATION:** Students are eligible for free or reduced priced meals if their household incomes are within the income eligibility guidelines. The income eligibility guidelines are derived from the federal poverty guidelines and the guidelines are updated annually. In order for students to be considered for the benefits, their parents or guardians are required to submit an application each school year. When they submit their applications, parents or guardians are not required to provide documentation (such as pay stubs and W-2 forms) showing their households meet the income eligibility guidelines. However, each year, the Division of Food and Nutrition Services selects a sample of students receiving free and reduced priced meals and require their parents or guardians to provide documentation showing their households meet the income eligible guidelines.

Under current contractual arrangements, a contractor provides prepared meals to the elementary schools. Also, several contractors

provide uncooked food to the secondary schools and DCPS employees prepare the meals onsite. For school year 2006-2007, the contractor delivered approximately 13,000 prepared breakfast meals and 27,700 prepared lunch meals to the elementary schools. Personnel in the Division of Food and Nutrition Services serve as the Contracting Officer's Technical Representative for the contracts. The FY 2007 budget for the Division of Food and Nutrition Services is \$27.1 million.

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**NO. 85**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **GRANT REVENUE**

**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 the potential loss of funds.

**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 Office of Federal Grants Programs (OFGP) secures and administers grant funding to support local education agencies (LEAs). The funding is utilized to enable the State 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 the Office of the State Superintendent of Education. For SY 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 to be declared a "high risk" entity. This declaration has the potential for DCPS to lose or have severe restrictions imposed on its grant funding.

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**NO. 86**                      **District of Columbia public Schools**                      **STATUS: Start FY 2008**

**Title:**                      **NON-EMERGENCY TRANSPORTATION OF DCPS STUDENTS**

**OBJECTIVES:**              The audit objectives are to determine whether the District of Columbia Public Schools (DCPS): (1) operated the Non-Emergency

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Transportation Program (the Program) in an efficient, effective, and economical manner; complied with requirements of applicable laws, rules and regulations, and policies and procedures; (2) approved claims for payment when transportation was not provided; and (3) established and implemented internal controls to guard against fraud, waste and abuse.

**JUSTIFICATION:** The DCPS has overall responsibility for operating and managing the Non-Emergency Transportation program for students. The Department of Health, Medical Assistance Administration, Office of Program Operations (OPO) pays claims for non-emergency transportation of DCPS students. The OPO has responsibility for management of the contactor Affiliated Computer Services (ACS), who processes provider claims. The program cost is shared by the District government and Medicaid. The providers transport eligible Medicaid students to and from medical appointments. The DCPS Non-Emergency Transportation Program cost for Fiscal Year 2005 was \$5.5 million, and for Fiscal Year 2006 was \$6 million.

The audit would concentrate on claims paid for DCPS non-emergency transportation of students during Fiscal Year 2007. The review will include claims filed and paid through the Medicaid Management Information System. To confirm whether transportation was provided, we will visit the locations to which students were allegedly transported and review their records for the days the students received services. In addition, we will review payment for service rendered for the dates that transportation was paid. Further, we will determine whether claims were paid for days that treatment facilities were closed (weekends and holidays).

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**NO. 87**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **DCPS ATHLETICS PROGRAM**

**OBJECTIVES:**              The audit objectives are to: (1) determine whether funds appropriated for the athletics program were used for their intended purposes; and (2) evaluate the management controls in place to provide accountability and control over the funds.

**JUSTIFICATION:** DCPS encourages students to develop special interests and participate in extracurricular activities, such as sports, to supplement their academic experience. National studies and research indicate that

participation in athletics promotes citizenship and positively impacts academic performance and attendance.

The DCPS Department of Athletics is responsible for providing a comprehensive athletic program for students in grades 4 through 12. In addition, the department is responsible for: (1) coordinating the scheduling of athletic events with security and the proper game officials; (2) providing athletic health care services; (3) providing safe athletic equipment and supplies; (4) providing sport clinics for student-athletes and coaches to refine their skills and techniques; and (5) providing safe transportation to and from games.

The FY 2007 budget for the athletics program is \$3.2 million. Of this budgeted amount, a Department of Athletics official stated approximately \$1 million is used to pay for the coaches officiating over the games. School principals can also use additional funds to support the athletics program, such as funds obtained through fundraisers and ticket sales.

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**NO. 88**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **SPECIAL EDUCATION CAPACITY AND UTILIZATION**

**OBJECTIVES:**              Our audit will evaluate DCPS' capacity to serve children with special needs (such as disabled children, autistic children, emotionally disturbed children, or children with other impairments) at local schools. The audit will determine DCPS' special education capacity, verify the number of new special education slots created during school year 2006-2007, and determine the utilization of the DCPS special education slots and the reasons for any underutilized capacity.

**JUSTIFICATION:**              The District currently spends about \$120 million annually for nonpublic special education placements. Reducing the reliance on nonpublic special education programs and improving the quality of such programs may be realizable when additional slots are created and filled at local schools. For FY 2006, the DCPS Office of Special Education reportedly created 700 additional special education slots. Yet, a District council member indicated that many parents report that they cannot find appropriate educational placements for their children (with special education needs) within the DCPS system. At the same time, private school placements for children with special education needs have not declined. Because the special education program commands a substantial portion of DCPS' budget, an evaluation of the

special education program and its placement and management policies may result in program improvements and efficiencies as well as better service to the District residents who depend on this essential education service.

**NO. 89**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **NO CHILD LEFT BEHIND ACT IMPLEMENTATION**

**OBJECTIVES:**              Our audit objectives are to evaluate DCPS' progress in achieving compliance with the requirements of the No Child Left Behind Act of 2001 and DCPS' plans for achieving compliance with the Act in view of the time limits imposed by the U.S. Department of Education for compliance to avoid the potential loss of federal funding.

**JUSTIFICATION:**          The No Child Left Behind Act of 2001, 20 USCS §§6301-7941, effective June 8, 2002, contains many provisions for improving education requirements in each state and the District of Columbia. Part of the Act's provisions require each jurisdiction to create a plan to ensure that all teachers of core academic subjects are "highly qualified" by the end of the 2005-2006 school year. The U.S. Department of Education later provided a 1-year extension for jurisdictions to meet the "highly qualified" requirement if they could demonstrate progress in meeting the goals included in their plans. DCPS plans for meeting this deadline to achieve compliance with the Act and avoid the potential loss of federal funding needs to be assessed. In January 2007, it was reported that only 51 percent of the District teachers were "highly qualified."

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**NO. 90**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **BENCHMARKING REVIEWS OF KEY DISTRICT OF COLUMBIA PUBLIC SCHOOL ISSUES**

**OBJECTIVES:**              This audit will be performed as a series of benchmarking reviews of several key issues affecting DCPS programs. Issues to be addressed by these audits include: (1) the outsourcing of administrative functions, particularly procurement; (2) using outside vendors to obtain Medicaid reimbursements; (3) managing food service operations and use of contractors to support such services; and (4) the process used by other school jurisdictions to develop the student enrollment count used to establish local and federal funding levels. Each benchmarking review will examine the issue within the DCPS,

evaluating the program's content, and for comparative purposes, gather statistics, facts, and descriptive information about these programs in similarly sized municipalities. The goal is to provide DCPS school officials with decision-making tools based on the experiences of other school jurisdictions, with due consideration for the costs, benefits, and the potential advantages and disadvantages of modifying DCPS programs.

**JUSTIFICATION:** In FY 2005, the OIG performed a benchmarking review of school security by comparing the DCPS school security program with school security initiatives in five other municipalities. In the OIG Annual Audit Planning conference for FY 2008, the DCPS Superintendent attributed the OIG benchmarking report on school security as a major contributing factor for the DCPS decision to pursue a major change in how DCPS will provide for security services in the future. The Superintendent noted that benchmarking reviews provide insight into complex problems and valuable information on how other jurisdictions face and handle serious school issues. Comparative information is a useful tool for school officials entrusted with the responsibility to make decisions affecting educational and administrative school programs. The Superintendent proposed the issues included in the audit objectives listed above, and requested that a series of benchmarking reviews be conducted to provide DCPS with information needed to guide future decisions.

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**NO. 91**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **MATCHING EDUCATIONAL REQUIREMENTS WITH THE DISTRICT'S FUTURE ECONOMIC DEVELOPMENT NEEDS**

**OBJECTIVES:**              Our objective is to determine if DCPS is providing a curriculum to equip students with the knowledge and skill sets to fill jobs that are anticipated in future years based on the District's long-term economic growth. The audit will also explore the use of vocational school programs and technical/trade educational programs.

**JUSTIFICATION:**            The District has plans for the economic development in virtually all areas of the city. Hundreds of millions of dollars have been earmarked for engineering and construction projects which will require significant professional trade services to include construction workers, electricians, plumbers, and other technical skills. In order to ensure that competent, qualified, and properly trained persons are available, and to provide employment opportunities, the District should look into

ways to coordinate future needs with the education curriculum being provided so that students can take advantage of available jobs.

**NO. 92**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**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 truancies, and the data collection process for accurate accumulation and reporting of truancy statistics.

**JUSTIFICATION:**          The No Child Left Behind Act, 20 USCS §§6301-7941, effective June 8, 2002, requires states, including the District of Columbia, to report truancy rates. The District's approach to truancy is to use multiple agency partners to combat truancy and truancy-related problems. Accordingly, DCPS partners with the Metropolitan Police Department, the D.C. Superior Court, the Office of the Attorney General, and the Youth Services Administration to manage truancies in District public schools.

In 2005, DCPS reported that the DCPS truancy rate was 21.3 percent, and in 2006, DCPS reported that the DCPS truancy rate decreased to 16.6 percent. The significant rate of decrease in the reported truancy rate may be due to intensified efforts of DCPS to get truancy under control. The truancy rate for 2007 has not been published yet. An independent assessment of DCPS' truancy program will provide an objective look at the effectiveness of the program. The FY 2007 budget for truancy services is \$183,000.

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**NO. 93**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **FEDERAL COMMUNICATIONS COMMISSION GRANT FUNDS TO DCPS**

**OBJECTIVES:**              Our audit objectives are to determine: (1) the number of schools that were wired for the Internet with E-rate grants; (2) whether purchased equipment has been installed and meets requirements of the contract;

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(3) whether the contracting process was conducted according to applicable District procurement regulations; and (4) whether indicators of waste, fraud, and abuse exist. Specifically, we will focus on whether the District has taken advantage of these grant opportunities and used funds appropriately.

**JUSTIFICATION:** The Federal Communications Commission (FCC) is working to bring every school in America into the information age. The Schools and Libraries Universal Service program was established as part of the Telecommunications Act of 1996, Pub. Law 109-104, effective Feb 8, 1996, to provide affordable telecommunications services to all eligible schools and libraries, especially those in rural and economically disadvantaged areas.

The Universal Service Program for Schools and Libraries, also known as the E-Rate, is administered by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC).

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**NO. 94**                      **District of Columbia Public Schools**                      **STATUS: Start FY 2008**

**TITLE:**                      **EVALUATION OF THE PROGRESS FOR THE TRANSITION OF 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 on grade-level school work; and (2) students who no longer need special education services are timely and seamlessly folded back into their normal school level placements.

**JUSTIFICATION:**              The District spends millions of dollars annually for costs associated with the Special Education Program. The total enrollment of special education students in DCPS is 12,135. Of the total enrollment, 76 percent are in DC Public Schools, 24 percent are in non-public, residential and interagency programs, 46 percent of the students have learning disabilities, 18 percent have emotional disabilities, and 13 percent are students with mental retardation.



# **THE INSPECTION AND EVALUATION PROCESS**



## **THE INSPECTION AND EVALUATION PROCESS**

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 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 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 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 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 are of concern to management and where the parameters of the inspection are defined; surveys and focus groups, where appropriate; fieldwork, 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 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 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 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. Re-inspections are conducted after an agency has had 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**



Theme/Issue Area/Review Title	A G E N C Y	S T A T U S <sup>3</sup>	P A G E
<b>I. Delivery of Citizen Services</b>			
<b>A. Core Services</b>			
1. <b>Inspection of the D.C. Department of Human Resources – Part II: Benefits and Retirement Administration</b>	BE	P	102
2. <b>Inspection of the Child and Family Services Agency</b>	RL	P	102
3. <b>Re-Inspection of the Department of Parks and Recreation</b>	HA	P	103
4. <b>Inspection of the Department of Consumer and Regulatory Affairs – Part III: Building Permits, Plans Review, Zoning, and Commercial Inspections</b>	CR	O	104
5. <b>Inspection of the Office of Administrative Hearings</b>	HD	O	104
6. <b>Inspection of the D.C. Department of Human Resources – Personnel Operations</b>	HD	O	105
7. <b>Inspection of the Department of Mental Health – DCPS-Based Services and Special Education Centers</b>	MA	O	106
8. <b>Inspection of the D.C. Emergency Management Agency</b>	BN	O	106
9. <b>Inspection of the Public Service Commission</b>	DH	O	107
10. <b>Re-Inspection of the Fire and Emergency Medical Services Department</b>	FB	O	107
11. <b>Re-Inspection of the Department of Corrections, Central Detention Facility</b>	FL	O	108
12. <b>Re-Inspection of the Office of the Chief Medical Examiner</b>	FX	O	108

<sup>3</sup> “O” indicates the review is ongoing as of September 1, 2007. “P” indicates the review is planned to start in FY 2008.



**PLANNED AND ONGOING  
INSPECTIONS  
AND RE-INSPECTIONS**



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## I. DELIVERY OF CITIZEN SERVICES

In the last few years, we have increased inspection and evaluation coverage of agencies responsible for delivery of essential citizen services. In FY 2008, we plan to continue inspections and evaluation coverage for 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.

### A. Core Services

The FY 2008 Inspection Plan includes OIG initiatives for inspection coverage that are consistent with the Mayor's initiative to review, evaluate, and improve performance standards in all components of the District of Columbia government.

I&E plans to initiate and complete inspections of the management and operations of specific elements of the Department of Human Resources, and the Child and Family Services Agency. The Division will also initiate a re-inspection of the Department of Parks and Recreation (DPR). In addition to assessing DPR's compliance with our original recommendations, we will report on any current issues or problems that require the attention of agency management and other District stakeholders.

The Division will complete ongoing inspections of the Department of Consumer and Regulatory Affairs, the Office of Administrative Hearings, the Department of Human Resources, the Department of Mental Health, the Emergency Management Agency, and the Public Service Commission. The Division will also complete ongoing re-inspections of the Fire and Emergency Medical Services Department, the Department of Corrections/Central Detention Facility, and the Office of the Chief Medical Examiner.

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



public and private partnerships to preserve families through foster care, adoption, and child welfare services, and investigates reports of abuse and neglect. After six years of federal receivership, CFSA was reorganized as a cabinet-level agency in 2001.

**OBJECTIVES:**

The inspection objectives are to evaluate the overall sufficiency and quality of services delivered by CFSA's Child Protective Services division. The inspection will assess CFSA's policies, procedures, internal control, personnel management practices, and adherence to applicable laws and best practices. The inspection will also review CFSA's success in recruiting and retaining qualified social workers, and in investigating abuse and neglect reports to ensure each child's safety.

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**NO. 3**

**Department of Parks and Recreation**

**STATUS: Start FY 2008**

**TITLE:**

**RE-INSPECTION OF THE DEPARTMENT OF PARKS AND RECREATION (DPR)**

**OBJECTIVE:**

The re-inspection objective is to verify implementation of recommendations and actions taken by DPR in response to our initial inspection report (OIG No. 01-0002HA), issued in September 2001.

**JUSTIFICATION:**

The OIG re-inspection process includes follow-up with inspected agencies on findings and recommendations. Recommendations in each Report of Inspection focus on correcting noted deficiencies, monetary benefits, more efficient and effective program operations, and safer environments for city workers and residents.

Our original inspection of DPR found, among other things, facilities with significant health and safety risks, a lack of policies and procedures in key operational areas, and inadequate staffing. Recommendations were made in areas such as facility maintenance, the management of capital improvement projects, contracting and property accountability, and childcare services.



6, 2002, aimed to “modernize and improve administrative adjudication in the District of Columbia so that citizens and persons doing business in the District of Columbia consistently receive high-quality, fair, impartial, and efficient hearings in agency cases.” OAH hears cases for agencies including the Department of Health, Department of Mental Health, Department of Consumer and Regulatory Affairs, and Department of Public Works.

**OBJECTIVES:** The inspection objectives are to evaluate the overall sufficiency of OAH’s policies, procedures, and internal controls; assess operational effectiveness; and evaluate the quality of service delivery. The inspection team will review mechanisms designed to ensure the objectivity and impartiality of OAH processes and the timely resolution of cases.

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**NO. 6** **D.C. Department of Human Resources** **STATUS: Ongoing**

**TITLE:** **INSPECTION OF THE D.C. DEPARTMENT OF HUMAN RESOURCES (DCHR) - PERSONNEL OPERATIONS**

**AGENCY MISSION:** DCHR provides comprehensive human resource management services to client agencies so that they can strengthen individual and organizational performance and enable the government to attract, develop, and retain a highly qualified, diverse workforce. DCHR’s personnel operations staff members provide services and advice to client agencies in the areas of employee recruitment, selection, and placement. Processing and Information Management, another facet of personnel operations, refers to those services provided by DCHR to agencies so that they have timely, accurate, and up-to-date information for making human resource decisions.

**OBJECTIVES:** The inspection objectives are to evaluate the overall sufficiency of personnel operations’ policies, procedures, and internal control; assess operational effectiveness and accuracy; and evaluate the quality of service delivery. The inspection team will assess core hiring activities such as the solicitation, processing, and evaluation of job applications, and in particular, determine whether the introduction of Internet-based

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our initial inspection report (OIG No. 03-0011-CM), issued in September 2003.

**JUSTIFICATION:**

The OIG re-inspection process includes follow-up with inspection agencies on findings and recommendations. Recommendations in each ROI focus on correcting noted deficiencies, monetary benefits, more efficient and effective program operations, and safer environments for city workers and residents.

Our original inspection found, among other things, that: autopsy reports were significantly backlogged; autopsy policies and procedures were inadequate; and unidentified and unclaimed bodies were not disposed of in a timely manner. Recommendations were made in areas such as health and safety, mortuary services, and forensic investigations.

