



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

FISCAL YEAR 2011 AUDIT AND INSPECTION PLAN

**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

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

Inspector General



August 31, 2010

The Honorable Adrian M. Fenty
Mayor
Mayor's Correspondence Unit
John A. Wilson Building, 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 2011 Audit and Inspection Plan

Dear Mayor Fenty and Chairman Gray:

This letter transmits the Office of the Inspector General's (OIG) *Fiscal Year 2011 Audit and Inspection Plan* (Plan). This Plan has been prepared pursuant to D.C. Code § 2-302.08 (a)(3)(I) (2006), which states, in part, that the Inspector General shall "[n]ot later than 30 days before the beginning of each fiscal year . . . and in consultation with the Mayor . . . [and] the Council. . . establish an annual plan for audits to be conducted under this paragraph. . . ." For your convenience, as we did last year, we have incorporated our strategy for inspections into the Plan.

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

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

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

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

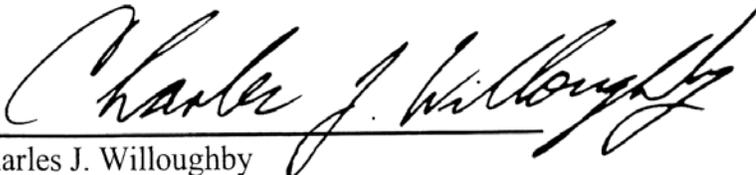
- I. Revenue Enhancement
- II. Spending and Efficient Use of Resources
- III. Delivery of Citizen Services
- IV. Support Services
- V. Audits Required by Law
- VI. District of Columbia Education Programs
- VII. Stimulus Spending

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

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

Copies of the enclosed Plan and our published audit and inspection reports are available at <http://oig.dc.gov>. If you have questions or desire additional information, please contact Ronald King, 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/lw

cc: See Distribution List

DISTRIBUTION:

Mr. Neil O. Albert, City Administrator and Deputy Mayor, District of Columbia (1 copy)
Ms. Valerie Santos, Deputy Mayor for Planning and Economic Development, District of Columbia (1 copy)
The Honorable Mary M. Cheh, Chairperson, Committee on Government Operations and the Environment, Council of the District of Columbia (1 copy)
Ms. Kai A. Blissett, Interim General Counsel to the Mayor (1 copy)
Ms. Carrie Kohns, Chief of Staff, Office of the Mayor (1 copy)
Ms. Bridget Davis, Director, Office of Policy and Legislative Affairs (1 copy)
Ms. Mafara Hobson, Director, Office of Communications (1 copy)
Ms. Merav Bushlin, Chief of Budget Development and Execution, Office of the City Administrator (1 copy)
Ms. Cynthia Brock-Smith, Secretary to the Council (13 copies)
Mr. Peter Nickles, Attorney General for the District of Columbia (1 copy)
Dr. Natwar M. Gandhi, Chief Financial Officer (4 copies)
Mr. William DiVello, Executive Director, Office of Integrity and Oversight, Office of the Chief Financial Officer (1 copy)
Ms. Deborah K. Nichols, D.C. Auditor (1 copy)
Mr. Andrew T. Richardson, III, Interim Director and Chief Risk Officer, Office of Risk Management (1 copy)
Ms. Jeanette M. Franzel, Managing Director, FMA, GAO,
Attention: Norma J. Samuel (1 copy via email)
The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives
Attention: Bradley Truding (1 copy)
The Honorable Edolphus Towns, Chairman, House Committee on Oversight and Government Reform, Attention: Ron Stroman (1 copy)
The Honorable Darrell Issa, Ranking Member, House Committee on Oversight and Government Reform (1 copy)
The Honorable Stephen F. Lynch, Chairman, House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia, Attention: William Miles (1 copy)
The Honorable Jason Chaffetz, Ranking Member, House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia (1 copy)
The Honorable Joseph Lieberman, Chairman, Senate Committee on Homeland Security and Governmental Affairs, Attention: Holly Idelson (1 copy)
The Honorable Susan Collins, Ranking Member, Senate Committee on Homeland Security and Governmental Affairs (1 copy)
The Honorable Daniel K. Akaka, Chairman, Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia (1 copy)
The Honorable George Voinovich, Ranking Member, Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia (1 copy)
The Honorable David Obey, Chairman, House Committee on Appropriations
Attention: Beverly Pheto (1 copy)
The Honorable Jerry Lewis, Ranking Member, House Committee on Appropriations (1 copy)

The Honorable José E. Serrano, Chairman, House Subcommittee on Financial Services and General Government, Attention: Dale Oak (1 copy)

The Honorable Jo Ann Emerson, Ranking Member, House Subcommittee on Financial Services and General Government (1 copy)

The Honorable Daniel K. Inouye, Chairman, Senate Committee on Appropriations
Attention: Charles Houy (1 copy)

The Honorable Thad Cochran, Ranking Member, Senate Committee on Appropriations (1 copy)

The Honorable Richard Durbin, Chairman, Senate Subcommittee on Financial Services and General Government (1 copy)

The Honorable Susan Collins, Ranking Member, Senate Subcommittee on Financial Services and General Government (1 copy)

Agency Directors, District Government (1 copy)

**FISCAL YEAR 2011
AUDIT AND INSPECTION PLAN**

TABLE OF CONTENTS

INTRODUCTION	1
THE AUDIT PROCESS.....	5
ADDITIONAL REPORTING MECHANISMS.....	11
AUDIT THEME/AGENCY INDEX	15
PLANNED AND ONGOING AUDITS.....	23
I. REVENUE ENHANCEMENT	25
II. SPENDING AND EFFICIENT USE OF RESOURCES	42
III. DELIVERY OF CITIZEN SERVICES	59
IV. SUPPORT SERVICES	66
V. AUDITS REQUIRED BY LAW	76
VI. DISTRICT OF COLUMBIA EDUCATION PROGRAMS.....	80
VII. STIMULUS SPENDING.....	89
THE INSPECTION AND EVALUATION PROCESS	93
INSPECTIONS AND EVALUATIONS THEME/AGENCY INDEX	97
PLANNED AND ONGOING INSPECTIONS, RE-INSPECTIONS, AND SPECIAL EVALUATIONS	101

Fiscal Year 2011 Audit and Inspection Plan

INTRODUCTION

INTRODUCTION

The Office of the Inspector General (OIG) is pleased to present the Fiscal Year 2011 Audit and Inspection Plan (Plan) for the Government of the District of Columbia. Pursuant to D.C. Code § 2-302.08(a)(3)(I) (2006), the OIG, in consultation with the Mayor and the District of Columbia Council (Council), is required to establish an audit plan 30 days prior to the commencement of the new fiscal year.

The Plan includes descriptions of mandated and discretionary audits and inspections to be conducted in the upcoming fiscal year based on risk assessments of vulnerable programs and issues; input from the District's executive and legislative leadership, agency officials, and other stakeholders; and the requirements of federal law. We have also included audits and inspections ongoing as of September 1, 2010.

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

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

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

We have undertaken an ambitious Plan, shaped in part by concerns raised by District leadership. Accordingly, our Plan reflects ideas and suggestions from the Mayor's office, Councilmembers, District agency officials, and others. Additionally, recognizing the sizeable investment the federal government has undertaken for national economic recovery, the Plan continues to include the seventh strategic initiative, stimulus spending theme. According to the Office of the Chief Financial Officer (OCFO), approximately \$900 million was to be provided to the District under the American Recovery and Reinvestment Act of 2009 (ARRA). Therefore, it is important that we focus efforts on some of the major spending issues/programs receiving ARRA funding such as education, transportation, and Medicaid. To the extent made possible by our limited resources, we plan to work with the Government Accountability Office (GAO) and the applicable federal OIG offices, providing oversight of these ARRA-impacted programs as a complement to oversight efforts taken at the federal level.

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

The following is a brief explanation of the audit and inspection process and a short summary of each audit and inspection, ongoing as of September 1, 2010, or planned for fiscal year (FY) 2011. 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 any concerns, ideas, or special circumstances concerning the matters to be audited.

Fieldwork

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

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

Keeping Agency Officials Informed

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

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

This early communication serves three purposes:

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

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

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

Final Report. After carefully analyzing management's response to the draft report, we incorporate management's response into the body of the report and include the full text of the reply in an appendix to the report. We then send copies of the final report to the official responsible for taking corrective action. This usually is the head of the agency. Copies of the final report are also provided to the Mayor, City Administrator, D.C. Council, and other officials, as appropriate. OIG audit reports may also be provided to congressional committees, individual members of Congress, and the press. 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. 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 ¹	S T A T U S ²	P A G E
I. Revenue Enhancement			
A. Medicaid			
1. Medicaid Claims at Department of Health Care Finance	HT	O	26
2. Human Care Agreements	MA	P	27
3. Medicaid Eligibility	JA/HT	O	27
4. Rate Setting for Healthcare Providers	HT	P	28
5. Executive Pay for Nursing Homes	HT	P	29
6. District-Owned Nursing Homes	BY/HT	O	30
7. Existence of Durable Medical Equipment/Prosthetics, Orthotics, and Supplies (DME/POS) Providers	HT	P	30
8. Medicaid Non-Direct Services Contracts	HT/PO	P	31
9. Alliance Eligibility	JA/HT	O	32
B. Grant Management			
10. Review of Grant Allegations at the Department of Health	HC	O	33
11. Lapsed Grant Funding	MA	P	34
12. Grants Awarded by the District of Columbia Public Library	CE	P	34
C. Tax Collections			
13. Tax Collection Efforts at the Office of Tax and Revenue	AT	P	35
14. Collection of Business Franchise Taxes	AT	P	36
15. Delinquent Tax Collections/Offers in Compromise	AT	P	36

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

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

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
D. Other Revenue Issues			
16. Condominium Conversion Fees	CR	O	37
17. Building Permit and Certificate of Occupancy Fees	CR	P	37
18. Parking/Traffic Enforcement and Adjudication	KV/KT	P	38
19. Disposal of Surplus Information Technology Equipment	MA	P	39
20. D.C. Lottery and Charitable Games Control Board Operations	DC	P	40
21. Fire and Emergency Medical Services Special Event Fees	FB	P	40
22. Use of District Government Bank Accounts	MA	P	41
II. Spending and Efficient Use of Resources			
A. Procurement			
23. City-Wide Security Contract Award and Administration	AM	O	42
24. Qualifications and Background Checks for Contracting Officials	PO	O	43
25. Standard Operating Procedures for Contracting and Procurement by District Agencies	MA	P	43
26. Contracting and Procurement Operations at the Office of the Chief Financial Officer	AT	O	44
27. Billing Procedures Used for Security Contracts Awarded to Hawk One Security	PO	O	45
28. Post-Award Audits of Contracts for Construction Management	PO	P	45
29. The Information Technology Staff Augmentation Contract	TO	O	46
30. Use of Qualified Certified Business Enterprises (CBEs)	MA	P	47
31. Vendor/Provider Payment Process	MA	P	48
32. Forecast and Allocation of Fixed Costs – Phase II	AM	P	48
33. DC Water Contracting and Procurement Practices	LA	P	49
34. Consolidated Forensics Laboratory	MA	P	49

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
35. Agency Contracting Officer Program	PO	P	50
36. Expert and Consulting Services	MA	P	51
37. Construction Contracts	MA	P	51
38. District of Columbia Supply Schedule Discount Revenue	PO	P	52
B. Social Service Spending			
39. Energy Assistance Program	KG	P	53
40. Department on Disability Services	MA	P	53
41. Addiction Prevention and Recovery Administration	HC	P	54
42. Supplemental Nutritional Assistance Program	JA	P	54
C. Other Spending Programs			
43. Alcoholic Beverage Regulation Administration	LQ	P	55
44. Department of Corrections	FL	P	56
45. Asset Management Program	AT	P	56
46. Workers Disability Compensation Benefits	BG	P	57
47. District Leases	AM	P	58
III. Delivery of Citizens Services			
Core Services			
48. Workers' Compensation Program	CF	P	59
49. Food Safety and Hygiene Inspections	HC	O	60
50. DCRA Inspection of Residential Properties	CR	P	61
51. HSEMA's Emergency Plans and Strategies	BN	P	61
52. District Department of Transportation	KA	P	62
53. D.C. Taxicab Commission	TC	P	63
54. DC Water Residential Meters	LA	P	63

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
55. Management Operations at the D.C. Fire and Emergency Medical Services Department	FB	P	64
56. Triennial Follow-up of Agency Implementation of Recommendations	MA	P	64
IV. Support Services			
A. Information Systems			
57. Governance and Control over the District's Information Technology Resources	TO	O	67
58. District Data Facility Reviews	MA	P	67
59. Systems Development Life Cycle Reviews	MA	P	68
60. District Agencies' Efforts to Protect Sensitive Information	MA	P	68
61. Application Control Review of the Integrated Tax System	AT	P	69
62. Application Control Review of the DMV Online Services System	KV	P	70
63. District's Internet/Intranet Applications Security	MA	P	70
64. Administration of Information Technology Contracts	MA	P	71
B. Human Capital			
65. District's Strategic Planning and Performance Measurement	MA	P	71
66. Contracting Officer Technical Representative Qualifications and Training	MA	P	72
67. Employee Qualifications and Background Checks	MA	P	73
68. Controls of Overtime at the Department of Public Works	KT	P	73
69. Ethics Awareness and Training for District Employees and Prospective Contractors	MA	P	74
70. Metropolitan Police Department Overtime Expenditures Resulting from Mandated Court Appearances	FA	P	74

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
V. Audits Required by Law			
Financial Integrity			
71. Comprehensive Annual Financial Report (CAFR) for FY 2010	MA	O/P	76
72. Home Purchase Assistance Fund	DB	O/P	77
73. Professional Engineers' Fund	CR	O/P	78
74. District of Columbia Antifraud Fund	CB	O/P	78
75. District of Columbia Highway Trust Fund and 5-Year Forecast	KT	O/P	79
76. Special Education Attorney Certifications	TO	P	79
VI. District of Columbia Education Programs			
77. Procurement Activities at the Office of Public Education Facilities Modernization	GM	O	80
78. Management of Truancy at DCPS	GA	O	81
79. Special Education Transportation	GO	P	81
80. Consulting Services Contracts	GA	P	82
81. DCPS Athletics Program	GA	P	83
82. Management of Administrative Pay	GA	P	83
83. Evaluation of the Process for Transitioning Special Education Students Out of the Special Education Program	GA	P	84
84. Student Activity Funds	GA	P	84
85. The Non-Public Tuition Program	GD	O	85
86. Maintenance and Repairs of DCPS Buildings	GM	P	86
87. Special Education Programs	GD	P	87
88. Office of the State Superintendent of Education	GD	P	88

Theme/Issue Area/Review Title	A G E N C Y	S T A T U S	P A G E
VII. Stimulus Spending			
89. Stimulus Funds Appropriated for the Individuals with Disabilities Education Act	MA	P	89
90. The Federal Medical Assistance Percentage Increase under the American Recovery and Reinvestment Act of 2009	MA	P	90
91. Construction Contracts Awarded under the American Recovery and Reinvestment Act of 2009	MA	O	91

PLANNED AND ONGOING AUDITS

Revenue Enhancement

As the nation's capital, the District's taxable property base is reduced by about 42 percent for expressly exempted real property (i.e., federal buildings, foreign embassies, national monuments, and museums). This severely limits the District's ability to generate additional revenue, making it increasingly difficult to meet planned spending levels. For FY 2011, 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 2011, the gross funds operating budget is about \$10 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 over \$2 billion on healthcare in FY 2011. The Medicaid Program has been of continuing concern to the District for some time and has been identified in recent Management Reports related to the Comprehensive Annual Financial Report as a significant deficiency affecting the District's financial management infrastructure. Past Congressional committees, as well as the Mayor and the Council, have recognized that Medicaid is a serious problem for the District that has threatened the solvency of some District agencies. For these reasons, the OIG has designated the Medicaid Program as a major issue area until the risk to the District is more manageable. Additionally, D.C. Law 17-0109 established the Department of Health Care Finance (DHCF) effective February 27, 2008, to finance healthcare services associated with the Medicaid and Alliance Programs. Accordingly, our plan for Medicaid coverage is citywide and comprehensive. Medicaid audit topics include: payment of claims; eligibility of recipients; provider rates; durable medical equipment/prosthetics, orthotics, and supplies; contracts; third party liability; and human care agreements.

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

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

NO. 4 **Department of Health Care Finance** **STATUS: Start FY 2011**

TITLE: **RATE SETTING FOR HEALTHCARE PROVIDERS**

OBJECTIVES: Our audit objectives are to evaluate the DHCF methodology for setting rates for healthcare providers, and determine if the methodology resulted in allowable, reasonable, and adequately supported rates.

JUSTIFICATION: The District uses different methodologies to set rates of healthcare providers based on the type of service provided. Accordingly, we plan to conduct a series of rate setting audits that will cover, in part, nursing homes, hospitals, home and community-based services waiver providers, and Alliance Managed Care Organizations.

The Alliance program is a District-funded program designed to provide medical assistance to needy District residents who are not eligible for federally-funded Medicaid benefits. The DHCF FY 2010 proposed budget for the Alliance program is about \$107 million. The District began using Managed Care Organizations (MCOs) that coordinate medical services for Medicaid recipients through a network of physicians and other healthcare providers to coordinate medical services for Alliance program recipients. In 2007, we issued an audit report of the District's MCOs where we found that the District paid about \$90 million in excess profits because of a flawed rate setting methodology.

This audit will be conducted as part of our oversight role relative to the American Recovery and Reinvestment Act of 2009 because DHCF plans to use a portion of the stimulus funds to offset budget deficits that could impact rate increases that were approved before the economic downturn.

NO. 5 **Department of Health Care Finance** **STATUS: Start FY 2011**

TITLE: **EXECUTIVE PAY FOR NURSING HOMES**

OBJECTIVES: Our audit objective is to determine whether compensation to nursing home executives is fair and reasonable.

JUSTIFICATION: DHCF is the District of Columbia’s state Medicaid agency whose mission is to improve health outcomes by providing access to comprehensive, cost-effective, and quality healthcare services for residents. DHCF had a proposed budget for FY 2008 in the amount of \$1.6 billion, of which an estimated \$180 million was earmarked for nursing home facilities. About 11.25% of the proposed budget will be paid to nursing home facilities, which represents the third highest Medicaid services payment. DHCF spent \$1.7 billion during FY 2009 and had an approved budget of \$2 billion for FY 2010.

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

Prosthetics are devices that replace all or part of any internal body organ and orthotics are devices that support or align movable parts of the body, prevent or correct deformities, or improve functioning.

Many DME/POS suppliers are reputable businesses but this area has been prone to fraud and abuse across the United States. CNN News reported as recent as October 22, 2009, and DHHS audits have exposed, that suppliers do not need professional education or licenses and that perpetrating fraud can be as simple as opening a post office box, submitting claim forms using actual or stolen Medicaid beneficiary numbers, and/or shipping supplies to a false address. Although the DHCF started requiring separate applications for DME/POS providers in 2008, responsible officials indicated that they did not conduct site visits to confirm addresses during the provider enrollment process.

NO. 8 **Department of Health Care Finance/ STATUS: Start FY 2011**
Office of Contracting and Procurement

TITLE: **MEDICAID NON-DIRECT SERVICES CONTRACTS**

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

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

B. Grant Management

The District depends on federal grant funds 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 reimbursement, and inadequate supporting documentation for related expenditures. These deficiencies have cost the District millions of dollars, in addition to the use of funds and lost interest. Poor controls over these areas may result in unused grant funds, termination of fund availability, misuse of grant funds, and potential fines and/or penalties. Grant management has emerged as a persistent problem area as indicated by findings and recommendations of past OIG audits.

NO. 10	Department of Health	STATUS: Ongoing
TITLE:	REVIEW OF GRANT ALLEGATIONS AT THE DEPARTMENT OF HEALTH	
OBJECTIVES:	The audit objectives are to review the allegations of improprieties related to the award of grants to sub-recipients. We will also examine the Department of Health's (DOH's) internal controls relative to the management of these grants.	
JUSTIFICATION:	This review is being conducted in response to allegations of waste and mismanagement in the administration of four grants awarded by the DOH's Community Health Administration. The allegations centered on the ability of the four sub-recipients to perform the requirements of the grants within the specified time periods, apparent waste of District funds for unallowable costs charged to the grants, and lack of effective oversight of these grant awards.	

NO. 11 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **LAPSED GRANT FUNDING**

OBJECTIVES: The audit objectives are to: (1) identify the dollar amount of lapsed grants awarded to District agencies; and (2) determine whether policies and procedures exist for optimizing the usage of federal grants.

JUSTIFICATION: Federal grants are economic aid issued by the federal government to state governments for various projects. Each year the District receives a sizable amount of federal grants. The FY 2009 District budget of \$10.02 billion consisted of \$2.29 billion (or 22.9 percent) in federal grants. For the FY 2010 and 2011 budgets, federal grants totaled \$3.09 billion and \$2.76 billion, respectively.

An OIG report entitled “*Audit of Federal Grant Management Practices*” issued May 10, 2001, found that the District was losing interest revenue because the District failed to request reimbursement for expenditures paid for with federal grants in a timely manner. The Office of the Chief Financial Officer (OCFO) responded to the findings by stating that it would include new responsibilities on the Office of Finance and Treasury (OFT) to review and monitor cash management activities.

However, OFT may not have a clearly deployed mechanism to optimize the use of grant monies. An audit report issued in June 2005 by the federal Health and Human Services (HHS) OIG on the previous 4 years of grants awarded to the District’s DOH by the Centers for Disease Control and Prevention (CDC) found that 48 percent of the funds were un-obligated as of the end of the grant year. HHS OIG’s second audit found 46.5 percent of the funds were un-obligated for grants awarded by Health Resources and Services Administrations (HRSA) as of the end of the grant year.

NO. 12 **District of Columbia Public Library** **STATUS: Start FY 2011**

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

OBJECTIVES: The overall objectives of the audit are to determine whether the D.C. Public Library: (1) awarded grants in an efficient, effective, and economical manner; (2) complied with requirements of all applicable

laws, rules, regulations, policies, and procedures; and (3) established internal controls to safeguard against waste, fraud, and abuse.

JUSTIFICATION: A January 29, 2010, investigation by the Office of Inspector General at the National Archives and Record Administration (National Archives) revealed that the Historical Society of Washington D.C. (HSW) misused and mismanaged the federal grant fund from the National Archives. The investigation also revealed that HSW has received a \$1 million grant from the D.C. Public Library, and this audit will address the management and use of these District of Columbia grant funds.

C. Tax Collections

Tax collections generate the bulk of revenue to finance District operations paid from the General Fund. For FY 2011, District local source revenue is forecasted to be \$4.6 billion. Further, the Government Accountability Office, as well as District officials, have drawn attention to the structural imbalance in the District's revenue system, which limits the District's ability to generate additional revenue. Thus, the efficiency of tax collection automated systems and the effectiveness of policies, procedures, and internal controls play a pivotal role in enabling the District to maximize collection of taxes due to the city.

NO. 13 **Office of the Chief Financial Officer** **STATUS: Start FY 2011**

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

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

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

period delinquency investigation module to generate a letter or a note if a taxpayer does not file the required tax return on time.

NO. 14 **Office of the Chief Financial Officer** **STATUS: Start FY 2011**

TITLE: **COLLECTION OF BUSINESS FRANCHISE TAXES**

OBJECTIVES: The objective is to determine whether OTR has procedures and systems in place to properly identify entities earning D.C. source income for the purpose of assessing franchise taxes, and whether a system has been established to accurately track and account for franchise tax collections.

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

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

NO. 15 **Office of the Chief Financial Officer** **Status: Start FY 2011**

TITLE: **DELINQUENT TAX COLLECTIONS/OFFERS IN COMPROMISE**

OBJECTIVES: The audit objectives are to determine whether OTR processes delinquent tax accounts in accordance with District laws and regulations; has effective and efficient policies and procedures in place to collect delinquent taxes; and administers tax abatement policies, such as “offers in compromise,” in accordance with laws and regulations.

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 FY 2011,

surveyor, and zoning violation fees; and (3) review and report on compliance with laws and regulations.

JUSTIFICATION: Included in DCRA's mission is the responsibility for issuing licenses and permits; conducting inspections; enforcing building, housing, and safety codes; and regulating land use and development. Building permits and certificates of occupancy are important revenue sources for the District and provide a basis for assuring that housing and building safety codes are met and enforced. Revenues for permits for FY 2007 were approximately \$21,809,591, and for certificates of occupancy were \$336,144. There is concern that because DCRA and OCFO do not reconcile revenue collected for housing and construction permits, certificates of occupancy, and surveyor and zoning violations with the actual number of permits and certificates issued, revenue may be less than should be maximized and health and safety risks may increase.

NO. 18 **Department of Motor Vehicles (DMV) STATUS: Start FY 2011**
Department of Public Works (DPW)

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

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

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

DPW's meter enforcement is to promote turnover at the meters so motorists can conduct their business. By enforcing residential parking regulations, DPW increases residents' access to parking spaces near their homes. DPW parking officers write parking tickets for various infractions such as: expired meters and vehicle registrations; missing tags; residential permit parking and rush hour violations; double parking; failure to register a vehicle in the District; and blocking snow emergency routes, loading zones, driveways, crosswalks, hospital entrances, and bus stops. DMV develops, administers, provides

NO. 20 **D. C. Lottery and Charitable Games Control Board** **STATUS: Start FY 2011**

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

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

NO. 21 **Fire and Emergency Medical Services** **STATUS: Start FY 2011**

TITLE: **FIRE AND EMERGENCY MEDICAL SERVICES SPECIAL EVENT FEES**

OBJECTIVES: The audit objectives are to evaluate the adequacy of the Fire and Emergency Medical Services’ (FEMS) internal controls for collecting, handling, and safeguarding revenue generated from special events. We will also determine if FEMS properly managed revenue in accordance with applicable District laws and regulations, particularly D.C. Code §§ 47-2823 and 47-2826.

JUSTIFICATION: FEMS is an all-hazards agency providing emergency medical care and transportation (EMS), fire prevention, fire suppression, hazardous

material response, and technical rescue services to residents and visitors in the District of Columbia. FEMS also provides protection for special events that are unique to the nation's capital, such as major demonstrations and the Presidential Inauguration. Additionally, FEMS collects fees for providing fire and EMS safety for special events such as parades, professional and non-professional sporting events, marches, walkathons, etc. Information obtained found that FEMS has collected as much as \$875,000 in 1 year for providing FEMS safety services for special events.

NO. 22 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **USE OF DISTRICT OF COLUMBIA
GOVERNMENT BANK ACCOUNTS**

OBJECTIVES: The audit objectives are to evaluate unauthorized bank accounts in the name of the District of Columbia government and determine whether any District agency has violated Financial Management and Control Order No. 01-001.

JUSTIFICATION: No agency or component unit shall establish and operate a stand-alone bank account without the express written approval of the Deputy Chief Financial Officer, Office of the Finance and Treasury. Research of government agencies from other states and local municipalities has found this condition to be problematic. Audits have found that unauthorized bank accounts had been opened in a government's name, providing an avenue for possible unscrupulous activities to take place.

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 2011, we plan to review various programs related to the Office of the Chief Financial Officer, 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.

NO. 23 **Office of Contracting and Procurement** **STATUS: Start FY 2011**
Department of Real Estate Services

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

OBJECTIVES: Our audit objectives are to determine the effectiveness of contract award and administration for the city-wide security contract, and to evaluate the effectiveness of internal controls established and implemented to adequately safeguard against fraud, waste, and abuse.

JUSTIFICATION: On June 5, 2009, the OCP, on behalf of the Department of Real Estate Services (DRES), Protective Services Police Department Division

(PSPD) and the Metropolitan Police Department (MPD) issued solicitation DCPO-2009-B-0008 seeking contractors to provide security services to DRES and the District of Columbia Public Schools. The solicitation states that DRES requirements were clustered into three sectors (i.e., sectors 1, 2, and 3).

On August 5, 2009, OCP awarded a \$17.7 million, 1-year payment based fixed labor hour rates, requirements type contract with 4 option years to U.S. Security Associates, Inc. for city-wide security guard services. PSPD is identified as the Contracting Officer Technical Representative (COTR) and responsible for the general administration of the contract, advising the Contracting Officer regarding contractor's compliance, day-to-day monitoring and supervision of the contractor's performance, and certifying monthly invoices for payment.

NO. 24 **Office of Contracting and Procurement** **STATUS: Ongoing**

TITLE: **QUALIFICATIONS AND BACKGROUND CHECKS FOR CONTRACTING OFFICIALS**

OBJECTIVES: Our audit objectives are to determine whether controls are in place to ensure that contracting officials are: (1) qualified to hold such positions; (2) properly trained to perform in such positions; and (3) subjected to adequate background checks to provide a measure of assurance that selected individuals do not abuse any position of trust.

JUSTIFICATION: Over the past several years, the OIG has repeatedly issued reports about contracting and procurement irregularities traced to poor contracting officer decisions, a lack of training, or questionable business acumen. We are performing this audit as part of our continuing audit coverage of procurement and contract administration in the District, and as part of our oversight role relative to the American Recovery and Reinvestment Act of 2009.

NO. 25 **Office of Contracting and Procurement** **STATUS: Start FY 2011**

TITLE: **STANDARD OPERATING PROCEDURES FOR CONTRACTING AND PROCUREMENT BY DISTRICT AGENCIES**

OBJECTIVES: The audit objectives are to determine whether: (1) OCP issued Standard Operating Procedures (SOP) for agency representatives;

NO. 27 **Office of Contracting and Procurement/** **STATUS: Ongoing**
Office of the Chief Financial Officer

TITLE: **BILLING PROCEDURES USED FOR SECURITY**
CONTRACTS AWARDED TO HAWK ONE SECURITY

OBJECTIVES: Our audit objectives are to determine the effectiveness of contract administration for Hawk One Security contracts during fiscal years 2006, 2007, and 2008, and to evaluate the effectiveness of internal controls established and implemented to adequately safeguard against fraud, waste, and abuse.

JUSTIFICATION: On May 16, 2005, the District awarded a 1-year contract with 4 option years to Hawk One Security, Inc. for city-wide security guard services (excluding services for the District of Columbia Public Schools). The District spent more than \$94 million over the 4-year period of the contract for these services. DRES monitored the contractor's performance and had responsibility for reviewing and certifying monthly invoices for payment.

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

NO. 28 **Office of Contracting and Procurement** **STATUS: Start FY 2011**

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

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

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

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

Construction management services is one of the areas where the District can realize significant benefits. Thus far in FY 2010, the District has multiple ongoing construction projects with an aggregate value of more than \$100 million. Five construction management services contracts are included in this group and they have a combined contract value of almost \$13 million.

NO. 29 **Office of Contracting and Procurement/
Office of the Chief Technology Officer** **STATUS: Ongoing**

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

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

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

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

NO. 30 **Office of Contracting and Procurement** **STATUS: Start FY 2011**

TITLE: **USE OF QUALIFIED CERTIFIED BUSINESS ENTERPRISES (CBEs)**

OBJECTIVES: The audit objectives are to determine whether (1) CBEs have current applications and certifications for doing business with the District; (2) contract performance has been performed in compliance with laws, rules, and regulations; and (3) goods and/or services received by the District were cost-effective, efficient, and professionally delivered.

JUSTIFICATION: There are approximately 1,185 CBEs in the database maintained by OCP. Contracting opportunities range from several thousand dollars to possible multi-million dollar contracts. Services requested can include Information Technology, Marketing, Media and Public Information Services, Construction, Promotional and Specialty Products, Cost Estimating Services and TANF – Job Placement and Retention Services. The dollar value awarded to CBEs could easily exceed \$100,000,000, which is just short of 10% of the annual \$1.2 billion the District spends for goods and services.

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

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

NO. 33 **DC Water** **STATUS: Start FY 2011**

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

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

JUSTIFICATION: For FY 2010, DC Water will spend approximately \$77 million to procure a variety of goods and services to support its mission objectives. The manner by which DC Water procures goods and services could have a direct effect on water and sewage rates, which in turn affects all District residents.

NO. 34 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **CONSOLIDATED FORENSICS LABORATORY**

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

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

NO. 35 **Office of Contracting and Procurement** **STATUS: Start FY 2011**
(OCP)/Multi-Agency

TITLE: **AGENCY CONTRACTING OFFICER PROGRAM**

OBJECTIVES: The overall objectives of the audit are to determine whether (1) procurements made by agency contracting officers (ACOs) are in compliance with the District's procurement regulations, (2) goods and services procured by ACOs are obtained at a fair and reasonable price, and (3) decentralization is the most cost effective and efficient means of making small purchases.

JUSTIFICATION: In September 2009, OCP initiated the ACO program. The program is designed to educate, train, and qualify District employees as warranted contracting officials of the District of Columbia. Each independent agency head nominates a candidate for participation in the program. The Director of OCP makes the final determination of which candidates will be accepted into the program. Once accepted into the program, the candidate must successfully complete the 7-week ACO Training and Certification Program. The program includes classroom instruction partnered with an on-site detail to OCP. Program participants will be partnered with a capable mentor within OCP and be given live work assignments that will expose them to real life procedures of the procurement process. Upon successful completion of the program, the participant will be delegated a warrant with contracting authority up to \$25,000.

OCP determined that small purchase acquisitions would be more streamlined if individual agencies processed their own purchases. This would allow OCP to focus its resources on oversight, integrity, and more complex procurements. However, quantities of scale purchases very often result in lower prices and this leveraging tool may no longer be available by decentralizing small purchases. In addition, decentralized procurement of small purchases may increase the risk of waste and abuse. The audit will attempt to determine if this program is adversely affecting the District through duplication of effort and higher prices for small purchases.

NO. 36 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **EXPERT AND CONSULTING SERVICES**

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

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

NO. 37 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **CONSTRUCTION CONTRACTS**

OBJECTIVES: The audit objectives are to determine whether: (1) District agencies used the competitive bidding process when soliciting construction contracts; and (2) each District agency monitored its construction contracts to ensure satisfactory deliverables.

JUSTIFICATION: The Capital Construction Services Administration, which operates under the Department of Real Estate Services (formerly the Office of Property Management), ensures timely and cost-effective delivery of quality engineering design, construction, and other technical services for capital development projects. The total proposed appropriation request for the FY 2010 – 2015 Capital Improvement Program is \$3.3 billion from all sources (excluding the Highway Trust Fund).

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

NO. 38 **Office of Contracting and Procurement** **STATUS: Start FY 2011**

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

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

JUSTIFICATION: Based on a recent audit OCP did not maintain quarterly sales reports submitted by vendors for FY 07 and 08. Also, OCP did not provide evidence that quarterly reconciliations were performed for quarterly sales reports submitted by vendors to ensure that the completeness of sales discount revenue generated from the District of Columbia Supply Schedule (DCSS) program.

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

B. Social Service Spending

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

NO. 39 **District Department of the Environment** **STATUS: Start FY 2011**

TITLE: **ENERGY ASSISTANCE PROGRAM**

OBJECTIVES: Our audit objectives will determine whether the District Department of the Environment (DDOE): (1) managed and used resources of the Energy Assistance Program (EAP) in an effective and economical manner; (2) complied with requirements of applicable laws, rules, regulations, policies and procedures; (3) established internal controls to prevent fraud, waste, and abuse, and to safeguard the assets of the EAP; (4) ensured that all EAP beneficiaries meet residency, income, and other eligibility criteria; and (5) maintained separate accountability of \$8.1 million in American Reinvestment and Recovery Act (ARRA) funds from other program funds.

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

Through ARRA, the District of Columbia received \$8.1 million to support its energy assistance program. An audit of the monies used to fund the Reliable Energy Trust Fund Program would ensure monies are being used for purposes intended by the Public Service Commission.

NO. 40 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **DEPARTMENT ON DISABILITY SERVICES**

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

JUSTIFICATION: The Department of Human Services, DDS and the 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.

NO. 41 **Department of Health** **STATUS: Start FY 2011**

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 development and promulgation of rules, regulations and certification standards for prevention and treatment services related to the abuse of alcohol, tobacco and other drugs in the District in accordance with 29 DCMR § 2300.1.

NO. 42 **Department of Human Services** **STATUS: Start FY 2011**

TITLE: **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

OBJECTIVES: The audit objectives are to determine whether the Department of Human Services (1) has criteria for determining District residents' eligibility to receive food stamps, (2) only provides benefits to eligible citizens, (3) has policies and procedures to manage the program, and (4) has policies and procedures to monitor eligibility of recipients.

JUSTIFICATION: The Supplemental Nutrition Assistance Program (SNAP) is administered at the federal level by the U.S. Department of Agriculture's Food and Nutrition Service (FNS). The District's SNAP is housed within the Department of Human Services' Income Maintenance Administration (IMA). The mission of the IMA is to determine the eligibility of applicants, to recertify the eligibility of recipients for federal and District-funded assistance programs, and to

help heads of households receiving TANF benefits to become employed and move toward financial independence. The District's SNAP program helps low-income residents and families buy the food they need for good health.

Approximately 110,914 District residents receive SNAP benefits. The average benefit amounts to approximately \$138 per District resident, which totals \$15,306,132 in SNAP benefits per year. Potential issues are able-bodied individuals with no dependents receiving benefits and ineligible individuals receiving benefits.

C. Other Spending Programs

This Issue Area includes 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.

NO. 43 **Alcoholic Beverage Regulation Administration** **STATUS: Start FY 2011**

TITLE: **ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION**

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

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

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

NO. 44 **Department of Corrections (DOC)** **STATUS: Start FY 2011**

TITLE: **DEPARTMENT OF CORRECTIONS**

OBJECTIVES: To determine whether: (1) established procedures for handling inmates are followed and efforts made are consistent with the Department's mission of protecting the public by providing a safe, secure, orderly, and humane corrections system; (2) contracts are monitored to ensure that contract terms are met, deliverables received, and supporting documentation has been maintained; and (3) information management systems provide accurate and timely documentation of each inmate's security risk and legal status.

JUSTIFICATION: The DOC's operating budget for FY 2008 was \$158 million. According to the Mayor's Proposed Budget for FY 2011, the DOC's budget will be reduced to \$126 million, with approximately \$49 million allocated for the contractual services.

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

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

NO. 45 **Office of the Chief Financial Officer** **STATUS: Start FY 2011**

TITLE: **ASSET MANAGEMENT PROGRAM**

OBJECTIVES: The audit objectives are to determine whether the Office of Finance and Treasury (OFT) Asset Management Program: (1) managed and

used resources in 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, fraud, abuse, and mismanagement of unclaimed property.

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

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

NO. 46 **Office of Risk Management (ORM)** **STATUS: Start FY 2011**

TITLE: **WORKERS DISABILITY COMPENSATION BENEFITS**

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

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

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

NO. 47 **Department of Real Estate Services** **STATUS: Start FY 2011**
(DRES)

TITLE: **DISTRICT LEASES**

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

JUSTIFICATION: DRES is the agency that oversees the District's leasing activities. According to the District Facilities Plan for fiscal years 2009-2013, the District leased 2.4 million square feet of office space vs. 2 million square feet owned by the District. In FY 2009, the District's rental expenses for land and structure were \$126 million. The approved budget for DRES for FY 2010 is \$81.5 million.

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

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 2011, we plan to provide audit and inspection coverage for many of the large District service organizations. The common goal of these reviews will be to improve the efficiency and effectiveness of municipal services to District residents.

Core Services

District leaders frequently have expressed concern about whether taxpayer dollars are used optimally to serve citizens' best interests in a number of areas. We share these concerns and have completed audits on housing issues, child support services (accounting for foster children), community development (Department of Housing and Community Development), and mental health (St. Elizabeths Hospital). For FY 2011, we have planned audits of several service-based organizations, including the Department of Consumer and Regulatory Affairs; the Office of the Chief Technology Officer; the Department of Health; the Department of Employment Services; the District Department of Transportation; and the D.C. Taxicab Commission.

NO. 48 **Department of Employment Services** **STATUS: Start FY 2011**

TITLE: **WORKERS' COMPENSATION PROGRAM**

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

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

The Program also administers the special/second injury fund, which provides benefits in cases of uninsured employers or in instances where

an injury combined with a pre-existing disability cause a substantially greater disability. The Workers' Compensation Office also approves lump-sum settlements, and assesses penalties. Administrators of the Program estimate that fraud accounts for up to 10 percent of the cost of workers' compensation premiums. In the past, there have been allegations that over 2,000 District employees received both bi-weekly paychecks and workers' compensation checks. Therefore, conducting this audit will ensure that District employees receiving workers' compensation benefits are eligible and that DOES has proper internal controls to prevent processing fraudulent claims.

NO. 49 **Department of Health** **STATUS: Start Ongoing**

TITLE: **FOOD SAFETY AND HYGIENE INSPECTIONS**

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

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

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

NO. 50 **Department of Consumer and Regulatory Affairs (DCRA)** **STATUS: Start FY 2011**

TITLE: **DCRA INSPECTION OF RESIDENTIAL PROPERTIES**

OBJECTIVES: Our audit objectives are to determine whether: (1) electrical, plumbing, and engineering inspectors properly inspect residential properties in accordance with the District Construction Codes and Zoning Regulations; (2) adequate monitoring and supervision of inspectors exist in order to prevent incidents of impropriety; (3) DCRA inspectors and third-party inspectors are properly certified and qualified; and (4) DCRA appropriately responded to consumer complaints surrounding the activities of their inspectors.

JUSTIFICATION: DCRA’s mission is to protect the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia by insuring code compliance. The Inspection and Compliance Division conducts inspections of residential properties under construction to ensure code and regulatory compliance.

DCRA’s Third-Party Inspector Program allows construction, plumbing, and electrical companies to obtain services from inspectors not employed by DCRA to conduct inspections of residential and commercial properties. We are concerned that: inspectors may not be licensed and qualified, thus endangering the lives of citizens of the District; DCRA may not monitor the work of third-party inspectors sufficiently to determine if the work was adequately performed; and inspectors may authorize electrical, construction, or plumbing work to be in compliance with D.C. Code provisions, even though the work is not up to electrical, construction, or plumbing codes and standards.

NO. 51 **Homeland Security and Emergency Management Agency (HSEMA)** **STATUS: Start FY 2011**

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

OBJECTIVES: The objective is to evaluate the effectiveness of the agency’s operations in providing 24-hour emergency assistance to the public in order to save lives and protect property in the District of Columbia by: (1) mobilizing and deploying emergency services personnel and resources; (2) updating emergency operation plans and strategies; (3) training emergency

personnel; (4) informing the public of impending emergencies and disasters; and (5) testing its own recovery plans.

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

NO. 52 **District Department of Transportation** **STATUS: Start FY 2011**
(DDOT)

TITLE: **DISTRICT DEPARTMENT OF TRANSPORTATION**

OBJECTIVES: The audit objectives are to determine: (1) effectiveness and efficiency of operations; (2) compliance with applicable laws and regulations; (3) relevance and reliability of information; and (4) accomplishment of established mission objectives.

JUSTIFICATION: The mission of DDOT is to enhance the quality of life for District residents and visitors by ensuring that the mobility needs of people and goods are met safely, with minimal adverse impact on residents and the environment. This audit will determine whether the agency is carrying out its mission by establishing and implementing priorities that are consistent with the legitimate needs of District residents. This is particularly important because the DDOT was recently criticized for developing its list of top priorities based on the volume of complaints received by the Mayor's community relations team, rather than the real needs of residents.

This kind of performance audit can help uncover existing or potential internal control deficiencies that do not allow DDOT management or employees, in the normal course of performing their assigned functions, to prevent, detect, or correct: (1) impairments of effectiveness or efficiency in operations; (2) misstatements in financial and operational information; (3) violations of laws and regulations; or (4) establishment of improper performance measures on a timely basis. Results of the

audit may help enhance the effectiveness, efficiency, and economy of DDOT's programs, including infrastructure development, planning and research, transportation, management, and financial operations.

NO. 53 **D.C. Taxicab Commission** **STATUS: Start FY 2011**

TITLE: **D.C. TAXICAB COMMISSION**

OBJECTIVES: Our audit objectives are to determine whether: (1) internal controls at the D.C. Taxicab Commission were adequate to ensure that licenses were issued in accordance with applicable District laws, rules, and regulations governing the operation of taxicabs; (2) correct fees were collected, deposited, and recorded; and (3) background checks for drivers and 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 advisory panels; a nine-member commission and the Office of Taxicabs. The proposed FY 2010 budget for the D.C. Taxicab Commission is \$2.1 million. The commission is budgeted at 18 full time employees.

NO. 54 **DC Water** **STATUS: Start FY 2011**

TITLE: **DC WATER RESIDENTIAL METERS**

OBJECTIVES: The audit objectives are to: (1) determine the accuracy of water meters; (2) assess whether DC Water appropriately responded to consumer complaints surrounding incorrect water meter readings and billing errors; and (3) determine whether internal control processes are in place to prevent and detect fraud, waste, and abuse.

JUSTIFICATION: In 2010, District of Columbia Water and Sewer Authority (DC WASA) initiated a rebranding campaign and is now known as DC Water. DC Water provides retail water and wastewater (sewer) service to nearly 600,000 residents, 16.6 million annual visitors, and 700,000 employees in the District of Columbia. DC Water's service area is approximately 725 square miles. DC Water pumped 110 million gallons of water per day on average in FY 2009. For FY 09 DC Water's revenue for cash receipts totaled \$378.2 million.

NO. 55 **D.C. Fire and Emergency Medical Services (FEMS)** **STATUS: Start FY 2011**

TITLE: **MANAGEMENT OPERATIONS AT THE OF D.C. FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT (FEMS)**

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

JUSTIFICATION: The FEMS FY 2010 approved budget was \$189,455,000, which included 2,247 FTEs. While preparing each annual audit plan, input is sought from District agencies. Officials from FEMS provided the following suggestions for review: (1) review the feasibility of allowing collected fees to be input in the operating budget and disbursed to meet operating needs; (2) review fees charged for personal services and non-personal services; (3) review memorandum of understanding (MOU) processes between intra agency fund transfers; and (4) verify monies collected for services is properly handled.

NO. 56 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **TRIENNIAL FOLLOW-UP OF AGENCY IMPLEMENTATION OF RECOMMENDATIONS**

OBJECTIVES: The audit objectives are to determine whether District agencies have: (1) implemented agreed-to recommendations for corrective actions on reported control deficiencies; and (2) actually corrected reported deficiencies.

JUSTIFICATION: 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 is conducted on a triennial basis to cover fiscal years 2008, 2009, and 2010.

Our 2005 triennial follow-up audit identified that District agency officials reported to the OIG that actions had been completed to address 259 of 337 (77 percent) recommendations reviewed. Our 2008 audit had agency officials reporting that actions had been completed to address 321 of 363 (88 percent) recommendations reviewed.

IV. SUPPORT SERVICES

A. Information Systems

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

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

NO. 57 **Office of the Chief Technology Officer** **STATUS: Ongoing**
(OCTO)

TITLE: **GOVERNANCE AND CONTROL OVER THE DISTRICT'S**
INFORMATION TECHNOLOGY RESOURCES

OBJECTIVES: The overall objective of the audit is to determine the adequacy of OCTO's governance and control structures over existing and planned IT resources and infrastructures. Specifically, we will survey the District's: (1) existing IT resources and infrastructures; (2) planned future IT systems and infrastructures; and (3) management controls over the various IT resources and IT-related issues.

JUSTIFICATION: The OIG is committed to conducting IT and IT-related audits; however, the Office has not developed or assessed the breadth of the District's existing or planned IT resources and infrastructure. Currently, in the absence of a comprehensive IT resource listing, the OIG Audit Division utilizes an ad hoc methodology of selecting IT and IT-related audits, which limits the division's ability to perform risk assessments and priority matrixes. This review will detail deficiencies and gaps in the District's governance and control over its IT and IT-related resources. Additionally, this review will provide us with a comprehensive listing or database of the District's IT resources in order to more efficiently and effectively select, plan, and execute IT and IT-related audits.

NO. 58 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **DISTRICT DATA FACILITY REVIEWS**

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

JUSTIFICATION: Data centers are the hub of many of the District's IT services and houses many of the District's critical business and program applications. These reviews would provide the District with some

assurances the critical business applications, data, and services are adequately administered and protected

NO. 59 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **SYSTEMS DEVELOPMENT LIFE CYCLE REVIEWS**

OBJECTIVES: The audit objectives are to determine whether the District is utilizing a structured systems development life cycle (SDLC) management process to develop and implement information technology (IT). The District needs to employ a SDLC methodology to ensure that a structured process is utilized and controls are in place and observed to increase the success that the project will be delivered on time and within budget. We will select IT projects based on our review of the District's planned or existing development and implementation projects, and a risk-based selection methodology.

JUSTIFICATION: The Office of the Chief Technology Officer (OCTO) is responsible for providing the District agencies with IT expertise. However, OCTO's oversight and control have not always yielded the optimal results when the District has had to implement IT solutions. To further complicate the District's IT environment, some agencies have the autonomy to acquire and implement IT solutions as well as operate their own IT departments without OCTO's oversight and control. Lapses and gaps in OCTO's authority and agency autonomy increases the opportunity and risk that IT implementation activities will not be managed properly and oversight will not be conducted.

NO. 60 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **DISTRICT AGENCIES' EFFORTS TO PROTECT SENSITIVE INFORMATION**

OBJECTIVES: The objective is to determine whether the District government and selected District agencies have developed and implemented adequate controls to ensure personally identifiable information and other sensitive data (such as social security numbers, credit card numbers, bank account numbers, and healthcare information) are safeguarded in accordance with applicable privacy regulations and sound internal control procedures.

JUSTIFICATION: Identity theft has been one of the fastest growing crimes in the United States. District agencies maintain personally identifiable information for over 30,000 District employees, and they are required to safeguard such sensitive information. This audit will help agencies to: (1) proactively assess sensitive information in order to determine whether it is necessary to obtain it; (2) conduct an inventory of where sensitive data is stored; (3) adopt or refine organizational policies that are actionable and enforceable; (4) and effectively train responsible employees in handling sensitive data. These outcomes minimize both legal and reputational risks associated with breaches of District employees' privacy rights.

NO. 61 **Office of the Chief Financial Officer** **STATUS: Start FY 2011**

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

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

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

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

NO. 62 **Department of Motor Vehicles (DMV)** **STATUS: Start FY 2011**

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

OBJECTIVES: Determine whether adequate operational and application controls exist over the DMV system and whether the system is performing as intended.

JUSTIFICATION: DMV online services allow motorists to perform several driver and vehicle transactions online. Using these online services, D.C. residents can avoid a trip to DMV offices and conduct their DMV business wherever and whenever necessary. DMV provides four online services including driver licenses, learner permits, and driver records; non-driver identification cards; senior driver information; information on driver medical requirements; and automobile dealer and agency information. These services are designed to give District residents an easier avenue to handle all of their vehicle and driver needs without standing in line at DMV offices.

NO. 63 **Multi-Agency** **STATUS: Start FY 2011**

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

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

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

NO. 64 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **ADMINISTRATION OF INFORMATION
TECHNOLOGY CONTRACTS**

OBJECTIVES: The audit objectives are to determine whether: (1) information technology (IT) contracts are awarded based on full and open competition; (2) services are obtained in the most cost-effective manner; (3) contractors perform according to contract terms and conditions; (4) actual or potential conflicts of interest are identified and avoided; and (6) the management control system for measuring, reporting, and monitoring contracts is adequate.

JUSTIFICATION: District agencies are becoming increasingly dependent on IT. Key agency processes are automated, or enabled by technology. The Office of the Chief Technology Officer (OCTO) has been outsourcing a significant portion of its systems development, IT operations, and maintenance workload. Under this new organizational strategy, OCTO retains inherently government functions such as strategic and tactical planning, management, and oversight, while contractors perform most of the day-to-day IT support services, including system design, development, testing, deployment, and operations and maintenance support. Major IT contracts, including interagency agreements, are potentially handled without sound return on investment (ROI) analyses. As a result, the administration of IT contracts is a critical management control area that requires aggressive monitoring and management within OCTO.

B. Human Capital

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

NO. 65 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **DISTRICT’S STRATEGIC PLANNING AND
PERFORMANCE MEASUREMENT**

OBJECTIVES: The audit objectives are to determine whether selected District agencies have established strategic plans to use performance

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

NO. 69 **Multi-Agency** **STATUS: Start FY 2011**

TITLE: **ETHICS AWARENESS AND TRAINING FOR DISTRICT EMPLOYEES AND PROSPECTIVE CONTRACTORS**

OBJECTIVES: The objectives are to evaluate: (1) the awareness and adherence to ethics laws governing District employees, former employees, and agencies that contract for goods and services; and (2) the sufficiency of ethics training provided to city employees and other controls designed to ensure District employees are sufficiently aware of their ethical responsibilities and prohibitions in District business relationships.

JUSTIFICATION: A recent audit of a DCPS development arrangement/contract with a non-profit corporation identified a lack of awareness by DCPS educators, former educators, and contracting professionals with regard to District ethics laws and regulations. Further, several other audits have also disclosed questionable ethical practices by District employees. We believe a review of District ethics policies and a survey of ethics awareness practices within the District may disclose a need to tighten controls/rules governing employee activities and demonstrate the need to heighten ethics awareness and training.

NO. 70 **Metropolitan Police Department** **STATUS: Start FY 2011**

TITLE: **METROPOLITAN POLICE DEPARTMENT (MPD) OVERTIME EXPENDITURES RESULTING FROM MANDATED COURT APPEARANCES**

OBJECTIVES: The audit objectives are to determine whether: (1) large overtime expenditures are the result of the Court Automated Notification System (CANS); (2) requests from the United States Attorney's Office

for MPD officers to appear in court were necessary; and (3) the CANS is operating in an efficient and economical manner.

JUSTIFICATION: One of the 10 largest local police agencies in the United States, the MPD is the primary law enforcement agency for the District of Columbia. During FY 2010, MPD had an approved budget of \$510,650,565. Within that budget, \$25,814,000 was approved for overtime. There are concerns that often times CANS requests for officers to appear in court were merely for administrative matters, which resulted in officers earning overtime, yet being unavailable to provide police protection for the residents of and visitors to the District.

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 other annual audits.

A. Financial Integrity

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

NO. 71	Multi-Agency	STATUS: Ongoing/ Start FY 2011
TITLE:	COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FY 2010	
OBJECTIVES:	<p>The objective of this engagement is to secure services of an independent CPA firm to perform the annual audit of the District government's financial statements. Once a contractor is selected, the OIG provides oversight of the progress of the audit and addresses any issues that may arise from the audit or that may prevent the audit from timely completion. The OIG chairs the audit oversight committee, conducting regular meetings with committee members and interacting with the CFO and CPA firm throughout the audit engagement.</p> <p>In fulfilling its oversight role, the OIG is responsible for: (1) monitoring the reliability and integrity of 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.</p>	

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.

NO. 73 **Department of Consumer and Regulatory Affairs** **STATUS: Ongoing/
Start FY 2011**

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) (2005). 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."

NO. 74 **Office of the Attorney General** **STATUS: Ongoing/
Start FY 2011**

TITLE: **DISTRICT OF COLUMBIA ANTIFRAUD FUND**

OBJECTIVES: The objectives of the audit are to: (1) express an opinion on the 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 conducted pursuant to D.C. Code § 2-308.20(c) (2006), 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.

NO. 75 **Department of Public Works** **STATUS: Ongoing/
Start FY 2011**

TITLE: **DISTRICT OF COLUMBIA HIGHWAY TRUST
FUND AND 5-YEAR FORECAST**

OBJECTIVES: The objectives of this audit are to express an opinion on the financial statements of the District of Columbia Highway Trust Fund (Fund) for the fiscal year, and to perform an examination of the forecasted statements of the Fund's expected conditions and operations for the next 5 years.

JUSTIFICATION: D.C. Code § 9-109.02(e) (2008) requires the OIG to submit a report on the results of its audit of the financial statements of the Fund. The report is due to Congress on February 1st of each year for the preceding fiscal year. The Highway Trust Fund Pro Forma (Forecast) has a statutory due date of May 31st. The Forecast includes the actual revenues and expenditures for the preceding fiscal year and the forecast for the current fiscal year and the next 4 fiscal years.

NO. 76 **Office of the Chief Financial Officer** **STATUS: Start FY 2011
(OCFO)**

TITLE: **SPECIAL EDUCATION ATTORNEY CERTIFICATIONS**

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

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

D.C. Code § 2-302.08(a)(3)(J) (2006) requires the OIG to review and determine the accuracy of certifications made to OCFO from attorneys in special education cases brought under the IDEA. These audits are to be conducted during each fiscal year.

VI. DISTRICT OF COLUMBIA EDUCATION PROGRAMS

The cost of operating the District of Columbia Public Education System for FY 2011 will exceed \$2 billion. Included in this budget authority is about \$757 million for the District of Columbia Public Schools (DCPS) public education, \$179 million for non-public tuition programs managed by the Office of the State Superintendent of Education (OSSE), \$28 million for facilities maintenance and repair, \$262 million in capital budget funding for the Office of Public Education Facilities Modernization (OPEFM), and \$89 million for special education student transportation. The audits of District of Columbia Education Programs (DCEP) included in our Plan for FY 2011 represent suggestions made by elected officials, DCPS officials, and audit research based on previous audits of various education issues. In evaluating a variety of school issues, our plan is not to merely arrive at the technical solutions to complex problems, but to provide DCEP officials and educators with the tools to make sufficiently sound decisions and effect positive improvements.

NO. 77 **Office of Public Education Facilities Modernization** **STATUS: Ongoing**

TITLE: **PROCUREMENT ACTIVITIES AT THE OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION (OPEFM)**

OBJECTIVES: The overall objectives of the audit are to determine whether contracting actions at OPEFM were: (1) in compliance with requirements of applicable laws, and procurement rules, regulations, policies and procedures; (2) awarded and administered in an efficient, effective, and economical manner; and (3) conducted in a manner where internal controls were in place to safeguard against fraud, waste, and abuse.

JUSTIFICATION: As part of the District of Columbia Public Education Reform Amendment Act of 2007, D.C. Law 17-9, effective June 12, 2007, the Mayor established the OPEFM, which is independent of DCPS. Pursuant to the § 703 of the Act, OPEFM has independent procurement authority.

The approved FY 2010 operating budget for OPEFM is \$32.2 million and the proposed capital budget is \$236.4 million. OPEFM contracts have never undergone an OIG audit, and given OPEFM's independent procurement authority and large capital budget expenditures, we believe that OPEFM's procurement activities warrant audit oversight.

NO. 78 **District of Columbia Public Schools** **STATUS: Ongoing**

TITLE: **MANAGEMENT OF TRUANCY AT DCPS**

OBJECTIVES: Our audit objective is to evaluate the effectiveness of DCPS' program for managing unauthorized student absences (truancies). As part of our evaluation, we will assess the policies and procedures for recording and reporting student absences; policies and procedures for remedial/punitive actions for repetitive or abusive truants; community/policing programs for reducing truancies; and the data collection process for accurate accumulation and reporting of truancy statistics.

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

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

NO. 79 **Office of the State Superintendent of Education/ DCPS Division of Transportation** **STATUS: Start FY 2011**

TITLE: **SPECIAL EDUCATION TRANSPORTATION**

OBJECTIVES: Our overall audit objectives are to determine whether the District: (1) operated the special education transportation program in an efficient, effective, and economical manner; (2) complied with applicable laws, regulations, polices, and procedures for transporting special education students; and (3) implemented internal controls to safeguard against fraud, waste, and abuse.

JUSTIFICATION: The Individuals with Disabilities Education Act (IDEA) requires each state to ensure that a free appropriate public education is available to all eligible children with disabilities residing in that state. IDEA also

requires states to provide related services for the children, such as transportation to and from school.

In January 1995, the families of special education students filed a class action lawsuit against the District (*Petties et al. v. D.C. et al.*) because the District failed to provide educational opportunities to students with disabilities, as required under the IDEA. In 2003, the federal court appointed a Transportation Administrator to oversee the operations of DCPS Division of Transportation. The Transportation Administrator, who is independent of DCPS and the Office of the State Superintendent of Education (OSSE), is responsible for implementing long-term institutional improvements to ensure students are safely and timely transported to and from school. OSSE currently provides auxiliary support to the Transportation Administrator. When the federal court decides that the Transportation Administrator is no longer necessary, OSSE will assume oversight responsibility for special education transportation. The approved FY 2010 budget for special education transportation was \$77.4 million, and the proposed budget for FY 2011 is \$89.2 million.

NO. 80 **District of Columbia Public Schools** **STATUS: Start FY 2011**

TITLE: **CONSULTING SERVICES CONTRACTS**

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

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

Due to a recent audit, several concerns have been raised as to whether DCPS is contracting for consulting services in the most efficient and

effective manner. For FY 2011, DCPS plans to spend over \$96.3 million for contractual services.

NO. 81 **District of Columbia Public Schools** **STATUS: Start FY 2011**

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 schedule of athletic events with security and game officials; (2) providing athletic health care services; (3) providing safe athletic equipment and supplies; (4) providing sports clinics for student-athletes and coaches to refine their skills and techniques; and (5) providing safe transportation to and from games. The budget for the athletics program has doubled in the last few years. The FY 2010 approved budget for the athletics program was \$4.9 million and the FY 2011 proposed budget is \$4.6 million.

NO. 82 **District of Columbia Public Schools** **STATUS: Start FY 2011**

TITLE: **MANAGEMENT OF ADMINISTRATIVE PAY**

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

JUSTIFICATION: DCPS employees are placed on administrative leave with pay for a variety of reasons. The length of time an employee is in this status varies depending on the circumstances surrounding the incident.

When we conducted a series of audits of school security in FYs 2004 and 2005, we observed that DCPS employees were in administrative leave with pay status for prolonged periods. The process for reviewing and resolving incidents may have systemic problems that can be addressed through an audit. Costs associated with placing employees in an administrative leave with pay status include the cost of downtime to the agency, the cost to employ a temporary employee, and the possibility of incurring overtime for other staff.

NO. 83 **District of Columbia Public Schools** **STATUS: Start FY 2011**

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

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

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

NO. 84 **District of Columbia Public Schools/
Office of the Chief Financial Officer** **STATUS: Start FY 2011**

TITLE: **STUDENT ACTIVITY FUNDS**

OBJECTIVES: Our overall audit objectives are to determine whether: (1) there are adequate policies and procedures for accounting for the student activity funds (SAFs); and (2) school officials are complying with the established policies and procedures for administering the SAFs.

JUSTIFICATION: The SAFs include monies raised in the name of a school or for school organizations, monies collected from students, and monies collected at school-sponsored activities. The purpose of the fund is to promote the general welfare, education, and morale of the students, and to finance the recognized extra-curricular activities of the student body.

The Office of the Chief Financial Officer established the policies and procedures for administering the SAFs. The SAF Policy Manual lists the items that school officials are allowed to purchase with the SAFs, along with the recordkeeping and reporting requirements. There are currently 127 SAFs within DCPS. Each school manages its own fund. The school principals are responsible for ensuring that the funds are administered in accordance with the established policies and procedures.

Several years ago, we conducted a series of SAF audits at several schools, including Ballou Senior High School and Margaret Murray Washington Career High School. During our audits, we found that school officials did not adhere to the established policies and procedures and school officials used their SAFs to pay disallowed costs (such as paying salaries to volunteers and catering parties for their staff). Since our review, allegations of improper use and mismanagement of the SAFs have continued.

NO. 85 **Office of the State Superintendent of Education** **STATUS: Ongoing**

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

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

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

reimbursement for certain expenses, such as special equipment and tutoring.

There are approximately 2,200 special education students enrolled in non-public day schools and residential treatment facilities. These students receive specialized services pursuant to their Individual Education Plans developed under the Individuals with Disabilities Education Act. The FY 2009 actual budget for non-public tuition was \$165.9 million and the FY 2010 approved budget is \$149.1 million.

NO. 86 **Office of Public Education Facilities** **STATUS: FY 2011**
Modernization

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

OBJECTIVES: The audit objectives are to determine the: (1) status of maintenance and repairs performed by OPEFM 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 over 100 schools with an average building age exceeding 60 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.

The OPEFM is responsible for overseeing the preventative maintenance schedule for various systems associated with the operation of DCPS schools and facilities, and managing routine maintenance, repairs, and small capital projects on DCPS schools and facilities that are beyond the scope of the janitorial and custodial staff. The cost for providing routine maintenance and repairs is included in OPEFM's operating budget.

NO. 88 **Office of the State Superintendent of Education** **STATUS: Start FY 2011**

TITLE: **OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION**

OBJECTIVES: The audit objective is to determine whether adequate management controls are in place for OSSE to effectively and efficiently exercise its oversight responsibility over all federal education programs and related grants administered in the District of Columbia.

JUSTIFICATION: OSSE serves as the District’s State Education Agency (SEA) with the mission of setting high expectations, providing resources and support, and exercising accountability to ensure that all residents receive an excellent education. This role grants OSSE oversight responsibility for all federal education programs and related grants administered in the District of Columbia. OSSE is responsible for developing state-level standards aligned with school, college, and workforce readiness expectations; providing the resources and supports to assist childcare, pre-kindergarten, and adult education providers and Local Education Agencies (LEAs) in achieving these objectives; ensuring that the District collects and makes available accurate and reliable data; and for administering meaningful state-level sanctions and interventions to ensure quality and compliance with both District and federal laws.

OSSE will operate with an FY 2011 proposed budget of \$393 million, down 15.3% percent from its approved FY 2010 budget of \$464 million. Federal funds account for \$238 million (60.6 percent) of OSSE’s FY 2011 budget, while the General and Intra-District funds account for \$117 million (29.8 percent) and \$37 million (9.6 percent) of the budget, respectively. Given the size of OSSE’s operating budget from local and federal sources, this audit is critical to carrying out the OIG's mission of promoting economy, efficiency, and effectiveness, as well as detecting and deterring fraud, waste, and mismanagement throughout the government.

VII. STIMULUS SPENDING

The American Recovery and Reinvestment Act of 2009 (Recovery Act) is estimated to cost about \$787 billion over the next several years, of which about \$280 billion will be administered through states and localities. The Recovery Act is an unprecedented effort to jumpstart our economy, save and create millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. With much at stake, the Act provides for unprecedented levels of transparency and accountability so that you will be able to know how, when, and where your tax dollars are being spent. The Act contains built-in measures to root out waste, inefficiency, and unnecessary spending.

The Recovery Act requires the Government Accountability Office (GAO) to perform reviews of the use of funds by selected states and localities. GAO's work is focused on 16 states and the District of Columbia—representing about 65 percent of the U.S. population and two-thirds of the intergovernmental federal assistance available through the Recovery Act. *See www.recovery.gov/?q=content/gao-findings* (last visited August 18, 2009).

To assist the District of Columbia (District) government by helping to promote accountability and transparency for the use of funding under the Recovery Act and to provide oversight of funds and ensure compliance with laws and accounting standards, we believe it is necessary to audit this effort.

NO. 89 **Office of the State Superintendent of Education/District of Columbia Public Schools** **STATUS: Start FY 2011**

TITLE: **STIMULUS FUNDS APPROPRIATED FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT**

OBJECTIVES: The audit objectives are to determine whether: (1) the Office of the State Superintendent of Education (OSSE) properly managed and distributed stimulus funds to the local education agencies (LEAs); and (2) the District of Columbia Public Schools (DCPS) used stimulus funds for intended purposes. As part of our review, we will also determine whether there is an appropriate level of accountability and transparency of stimulus funds received and expended in the District.

JUSTIFICATION: The American Recovery and Reinvestment Act (ARRA) of 2009 appropriated funding for programs under Parts B and C of the Individuals with Disabilities Education Act (IDEA). The funding will provide an opportunity for states to implement strategies for improving outcomes for infants, toddlers, children, and youth with disabilities. Under the ARRA, the IDEA funds are provided under three establishments: (1) \$11.3 billion is available for Part B - Grants to States; (2) \$400 million is available for Part B - Preschool Grants; and (3) \$500 million is available under Part C - Grants for Infants and Families. Of the IDEA funds provided under the three establishments, it is estimated that the District of Columbia will receive: (1) \$16.4 million for Part B - Grants to States; (2) \$260,486 for Part B - Preschool Grants; and (3) \$2.4 million for Part C - Grants for Infants and Families. See <http://www.ed.gov/policy/gen/leg/recovery/factsheet/idea.html> (last visited Aug. 13, 2010).

As the state education agency for the District, OSSE will receive all stimulus funds made available for IDEA and will be responsible for distributing these funds to the District's LEAs, such as DCPS. Further, OSSE will be responsible for tracking and monitoring the use of these funds and ensuring they are spent for their intended purposes consistent with both the ARRA and other applicable federal laws. Our review will assess OSSE and DCPS' compliance with the applicable guidelines, as well as protect the District from incurring disallowed cost and reimbursing the federal government for such cost.

NO. 90 **Department of Health Care Finance/ STATUS: Start FY 2011**
Office of the Chief Financial Officer

TITLE: **THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE**
INCREASE UNDER THE AMERICAN RECOVERY AND
REINVESTMENT ACT OF 2009

OBJECTIVES: The audit objectives are to determine if the Department of Health Care Finance (DHCF) and Office of the Chief Financial Officer officials developed the necessary guidelines to direct the use of the funding increase and used the funds for the reported purposes.

JUSTIFICATION: The American Recovery and Reinvestment Act of 2009 is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. As of June, 2009, more than 90 percent of the \$29 billion in federal outlays has been provided through the increased Medicaid Federal Medical

Assistance Percentage (FMAP) and the State Fiscal Stabilization Fund (SFSF) administered by the Department of Education.

Of the total amount awarded to the District through FMAP, \$74 million has been drawn as of June 3, 2009. While the increased FMAP available under the Recovery Act is for state expenditures for Medicaid services, the receipt of these funds may reduce the state share for their Medicaid programs. DHCF has reported through its website (and the latest GAO report) that the freed-up money through increased FMAP is being used to fund anticipated growth in Medicaid enrollment, to prevent increases in beneficiary copayments, increase provider rates, and maintain current Medicaid eligibility levels. DHCF is responsible for tracking and reporting on the use of the increase FMAP. Considering the risks identified through prior OIG reports on the Medicaid program and the single audits, this Office could play a major role in assisting the District in providing proper oversight of these funds.

NO. 91 **District Department of Transportation** **STATUS: Ongoing**

TITLE: **CONSTRUCTION CONTRACTS AWARDED UNDER
THE AMERICAN RECOVERY AND REINVESTMENT
ACT OF 2009**

OBJECTIVES: The audit objectives are to determine whether construction contracts were fairly and properly awarded and whether construction contracts awarded by DDOT for maintenance of highway projects are in compliance with Section 1511 of the American Recovery and Reinvestment Act of 2009.

JUSTIFICATION: The American Recovery and Reinvestment Act (ARRA) makes funds available to state and local governments for infrastructure investments. The U.S. Department of Transportation awarded the District Department of Transportation (DDOT) \$123.5 million for its highway infrastructure needs. DDOT, in turn, awarded fifteen construction contracts totaling \$65.9 million.

The Mayor of the District of Columbia certified that these “shovel ready” projects met requirements under Section 1511 of the ARRA. We need to determine whether DDOT met the federal requirements under Section 1511 of the Act and the contract awards complied with District procurement regulations.

THE INSPECTION AND EVALUATION PROCESS

THE INSPECTION AND EVALUATION PROCESS

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

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

The Federal Model

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

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

OIG Inspections and Reports

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

Follow-up, Compliance, and Re-Inspections

The Inspections and Evaluations Division tracks agency compliance with recommendations resulting from an inspection. A *Findings and Recommendations Compliance Form* is issued for each finding and recommendation, along with the Report of Inspection, so agencies can record and report to the OIG actions taken on I&E recommendations. Agencies are asked to provide target dates for completion of required actions, document when recommendations have been complied with, describe the action taken, and ensure that the forms are validated by the signature of the responsible agency official. In some instances, re-inspections are conducted after an agency has 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

Project Title	A G E N C Y	S T A T U S ³	P A G E
I. Delivery of Citizen Services			
Core Services			
1. Special Evaluation of the Department on Disability Services – Developmental Disabilities Administration	JM	P	104
2. Special Evaluation of the Metropolitan Police Department – Automated Traffic Enforcement System	FA	P	104
3. Follow-up to OIG Report <i>Conditions in Fire and Emergency Medical Services Department (FEMS) Fire Stations (07-I-027 FEMS)</i>	FB	P	105
4. Inspection of the District Department of Transportation – Transportation Operations Administration	KA	P	106
5. Inspection of the Department of Health – Community Health Administration	HC	P	106
6. Special Evaluation of the Department of Health –HIV/AIDS, Hepatitis, STD, and TB Administration	HC	P	107
7. Inspection of the District of Columbia Animal Care and Control Facility	HC	P	107
8. Inspection of the Department on Disability Services – Rehabilitation Services Administration	JM	O	108
9. Special Evaluation of the Metropolitan Police Department – Youth Investigations Division	FA	O	108
10. Special Evaluation of the Department of Employment Services – Unemployment Compensation Program	CF	O	109
11. Special Evaluation of the Department of Health’s Addiction Prevention and Recovery Administration – Detoxification and Stabilization Center	HC	O	109
12. Inspection of the Department of Human Services – Adult Protective Services	JA	O	110

³ “O” indicates the review is ongoing as of September 1, 2010. “P” indicates the review is planned to start in FY 2011.

Project Title		A G E N C Y	S T A T U S³	P A G E
13.	Inspection of the Child and Family Services Agency – Child Protective Services	RL	O	110
14.	Special Evaluation of the Office of Unified Communications	UC	O	111
15.	Re-inspection of the Department of Health – Health Regulation and Licensing Administration	HC	O	111

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

I. DELIVERY OF CITIZEN SERVICES

In FY 2011, 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, as well as services aimed at supporting the more vulnerable segments of the District's population (e.g., children, seniors)

Core Services

The FY 2011 Inspection Plan includes OIG initiatives for inspection coverage that are consistent with our objective 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 on Disability Services; the Metropolitan Police Department; Fire and Emergency Medical Services Department; Department of Transportation; and Department of Health.

The Division will complete ongoing special evaluations of the Metropolitan Police Department's Youth Investigations Division; the Department of Employment Services' Unemployment Compensation Program; the Department of Health's Addiction Prevention and Recovery Administration; and the Office of Unified Communications. The Division will also complete ongoing inspections of the Department on Disability Services' Rehabilitative Services Administration; the Department of Human Services' Adult Protective Services; and the Child and Family Services Agency's Child Protective Services. The Division will complete an ongoing re-inspection of the Department of Health's Health Regulation and Licensing Administration.

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

OBJECTIVES: The objectives of the special evaluation are to identify and assess contract terms/stipulations and quality assurance practices employed by MPD and the ATE system contractor to (1) ensure that ATE system equipment functions consistently and accurately and images and data captured by the system are properly and correctly analyzed, and (2) minimize the issuance of erroneous notices of infraction.

NO. 3 **Fire and Emergency Medical Services Department** **STATUS: Start FY 2011**

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

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

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

NO. 6	Department of Health	STATUS: Start FY 2011
TITLE:	SPECIAL EVALUATION OF THE DEPARTMENT OF HEALTH (DOH) – HIV/AIDS, HEPATITIS, STD, AND TB ADMINISTRATION	
AGENCY MISSION:	DOH’s HIV/AIDS, Hepatitis, Sexually Transmitted Disease (STD), and Tuberculosis (TB) Administration (HAHSTA) works to prevent and reduce the transmission of diseases, and provide care and treatment to infected persons. HAHSTA collaborates with health and community-based organizations to offer: disease testing and counseling; prevention education; prophylactics and medication; medical support and insurance; housing; and nutrition services. HAHSTA also provides direct services at its STD and TB clinics to residents of the District and the metropolitan area.	
OBJECTIVES:	The objectives of the project are to evaluate the goals, plans, procedures, and internal control mechanisms related to HAHSTA’s implementation of the 2007-2010 Youth and HIV/AIDS Prevention Initiative. The inspection team will assess operational capacity and effectiveness; program monitoring and evaluation; and the degree to which initiative goals were met.	

NO. 7	Department of Health	STATUS: Start FY 2011
TITLE:	INSPECTION OF THE DISTRICT OF COLUMBIA ANIMAL CARE AND CONTROL FACILITY	
AGENCY MISSION:	Located at 1201 New York Avenue, N.E., the animal care and control facility (shelter) is operated by the Washington Humane Society under a contract with the Department of Health. The shelter cares for homeless, stray, unwanted, and abused animals, and accepts animals 24-hours a day. Dogs, cats, and other pets are available for adoption at the facility.	
OBJECTIVES:	The inspection objectives are to evaluate the efficiency and effectiveness of the shelter’s operations and compliance with applicable laws, standards, and best practices related to animal shelter operations and the humane treatment of animals.	

NO. 10	Department of Employment Services	STATUS: Ongoing
TITLE:	SPECIAL EVALUATION OF THE DEPARTMENT OF EMPLOYMENT SERVICES (DOES) – UNEMPLOYMENT COMPENSATION PROGRAM	
AGENCY MISSION:	The mission of DOES is to plan, develop and administer employment-related services to various segments of the District metropolitan population. Its Unemployment Compensation Program provides temporary income support to workers who lose their jobs through no fault of their own. It is responsible for reviewing and processing applications and providing temporary unemployment compensation benefits.	
OBJECTIVES:	The special evaluation objectives are to evaluate (1) DOES' efficiency and timeliness in issuing unemployment compensation benefits, and (2) the sufficiency of DOES' policies and procedures, internal quality assurance controls and management systems.	

NO. 11	Department of Health	STATUS: Ongoing
TITLE:	SPECIAL EVALUATION OF THE DEPARTMENT OF HEALTH'S ADDICTION PREVENTION AND RECOVERY ADMINISTRATION (APRA) – DETOXIFICATION AND STABILIZATION CENTER	
MISSION:	APRA's mission is to "develop and enforce the highest quality regulatory standards for delivering services related to alcohol, tobacco and other drug (ATOD) addictions; to prevent ATOD addiction; and to identify, treat and rehabilitate persons, giving priority to residents of the District of Columbia." It operated an 80-bed, 24-hour inpatient Detoxification and Stabilization Center (Center) on the campus of D.C. General that facilitated medical detoxification services for a variety of abused substances, including heroin, cocaine, alcohol, and PCP.	
OBJECTIVES:	The objectives of the inspection are to evaluate the Center's policies and procedures, staff qualifications, compliance with statutory requirements and applicable best practices, quality assurance mechanisms in critical areas such as client care and confidentiality, and other important elements of facility operations such as security and sanitation.	

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, visitors, and residents.

The original inspection report noted, among other things, that: criminal background checks of childcare employees were not being conducted; childcare facility regulations were inadequate; complaints and unusual incidents were not being investigated timely; and nursing homes were not being re-inspected to determine whether deficiencies previously noted had been corrected.