

Testimony of

The Hon. Kathy Patterson
D.C. Auditor

Before the

Council of the District of Columbia
Committee of the Whole

Hearing on

PR 22-66
"District of Columbia Auditor Kathleen Patterson
Reappointment Resolution of 2017"

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The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington DC 20004

Good afternoon. I am Kathy Patterson, and I have served as the D.C. Auditor since mid-December, 2014, completing the term of my predecessor.

Mr. Chairman, thank you very much for nominating me for a full 6-year term as the District of Columbia Auditor. Thank you, also – both you and the Committee of the Whole staff director, Evan Cash – for your leadership on legislation over the last two years that will serve to enhance the work undertaken by my office.

I refer specifically to the legislation that eliminated some of our outdated audit mandates, and Councilmember Bonds' legislation that is in motion now to transfer some of our administrative responsibilities with Advisory Neighborhood Commissions to the Office of ANCs. Both steps will help us enormously as ODCA strives to meet the challenge you and the Committee set out for us in the fiscal year 2017 budget report, as follows, to "aggressively monitor, evaluate, audit, and report on issues related to programs and budgets at agencies throughout the District, utilizing the Auditor's broad authority."

I would also like to thank you for protecting that broad authority. As you know, the draft state Constitution for the District of Columbia included language that would have seriously eroded the Auditor's authority and independence. I appreciate your action, and the Council's support, that restored the office's considerable authority, which includes the ability to undertake audits at the Auditor's sole discretion. ODCA's authority and independence, originating in the Home Rule Charter, are critical to our ability to meet the challenge set out in the budget report language and the mandate to strengthen the office that was part of my original nomination.

In my testimony today I would like to share what I believe has been accomplished since I became the D.C. Auditor in addressing Council priorities, producing work that has impact, fostering a broader range of work products, and developing a better, closer working relationship with the Council.

Supporting Council priorities

As you know and as we discussed when I served with you on the Council, the Office of the D.C. Auditor has sufficient independence under the Charter to actually ignore requests made by Councilmembers. While believing in that independence, I have not and will not ever fail to address any request from a Councilmember. I may propose alternatives to meet a Councilmember's needs, but I will never put it on a back burner. ODCA is a *legislative* audit office and, in addition, by being responsive to Council priorities, we also reflect the public's priorities.

In the two-plus years I have served, my office has worked on audits on the Marion S. Barry Summer Youth Employment Program based on a request that was included, along with funding,

in the Budget Support Act. We have completed three of four reports on the subject and the fourth and final will be published within the next month. It is my hope and expectation that our findings and recommendations will assist the Council, and the Department of Employment Services, strengthen a program that has been a priority for decades.

We have also undertaken:

- An evaluation requested by Councilmember Cheh of the decision by D.C. Public Schools to contract out food services and the implementation of that decision, including the recommendation that the Council consider bringing the program back within D.C. government.
- A review, also requested by Councilmember Cheh, of the expenditures for snow removal following Winter Storm Jonas a year ago;
- An evaluation of two development projects in response to a request by Councilmember Bonds which looked at the requirements of private developers and how those requirements were overseen by a series of D.C. executive branch agencies;
- An analysis requested by Councilmember Evans of the costs that are expected to face the District when and if the Congress repeals the Affordable Care Act and/or restructures the Medicaid program as a block grant or a per capita grant.

And, we are close to publishing a major audit of the Housing Production Trust Fund requested by Mr. Evans and I am in conversation with several current and former officials concerning a request that you made, Mr. Chairman, to look at the Department of Consumer and Regulatory Affairs and its relationship with the city's business community. We also will soon undertake a review of early childhood services requested by Councilmember David Grosso.

Making an impact, adding value

The perspective that I bring to the position of D.C. Auditor is that of a former Councilmember. The 12 years I spent on this body give me both experience and in some cases policy and program expertise that have value for our audits. Two reports, in particular, that I initiated on my arrival harked back to my own experience as Judiciary Committee Chairman.

First, I contracted for a "look back" at the Metropolitan Police Department's eight years under a Memorandum of Agreement with the Department of Justice on use of force. That report, by The Bromwich Group, garnered significant press attention on its release a year ago and has been reviewed by departments across the country. It provided some reassurance to this body and our community that MPD continues to be best in class, or close to it, on the use of force, while also providing constructive criticism on several areas where the Department could and should seek improvements. I have discussed this with the incoming chairman of the Committee

on Judiciary and Public Safety, and am confident that Councilmember Allen will be pursuing those recommendations in his committee oversight.

The other Judiciary-related report that I initiated was a compliance review on The Rosenbaum Task Force, to assess where the District stood on the recommendations to reform emergency medical services in the wake of the death of NY Times reporter David Rosenbaum. That compliance report was published very early on in the tenure of Fire and Emergency Medical Services Chief Gregory Dean and I believe our report was useful to him in setting out his strategic plan for the Department.

There are other areas in which my office's work has had a major impact, including school modernization. In the wake of a total of four reports issued that looked at various aspects of school construction during my tenure, the Bowser Administration has significantly increased in-house resources devoted to overseeing the construction projects, with a larger role taken on by DCPS officials in concert with the Department of General Services. In addition the long-standing and very costly project management contract with D.C. PEP has been permitted to lapse, to be replaced, as we recommended, by several project management firms.

I will mention one final audit that I believe will add value over time, and that is the report on personally identifiable information. An earlier audit on Department of Youth Rehabilitation Services community-based programs resulted in a finding on lack of controls on PII within a DYRS database. This prompted us to look at three other sample agencies and we found a dearth of consistent policies and procedures as well as a fractured leadership structure when it comes to information technology.

Although the Office of the Chief Technology Officer was created by the Council in 1998 to be the District's overarching leader on these kinds of issues, it has devolved into a service agency that has not consistently provided direction to sister agencies. In their comments on our report, the administration said they are working on these issues, including hiring two additional senior technologists, which is a hopeful sign. I look forward to the Council using my office's findings in performance hearings and other oversight going forward.

Expanding ODCA's Capacity

One point made in the committee's report on my confirmation in 2014 was that the Office of the D.C. Auditor was modeled on the Government Accountability Office, and that our federal counterpart had changed over time to conduct a wide range of reviews including program and policy evaluations and not solely financial audits. I have fostered an approach to our work that explores a variety of types of audit reports conducted in-house and through contracting.

I hired a Director of Program Evaluation to oversee reviews that are not the more formal "Yellow Book" audits. And, we have partnered with organizations including the Council for Court Excellence and D.C. Action for Children on program reviews that take advantage of these organizations and specific areas of expertise.

We have begun issuing “Management Alerts” when we learn in our research of issues that should be addressed well before we complete our research and draft our reports. We issued such an alert as part of our food services evaluation, notifying the leadership of D.C. Public Schools of the apparent absence of a comprehensive inventory of kitchen equipment.

And we used the same kind of reporting to inform the leadership at the Department of Housing and Community Development about the unmet requirement of an independent financial audit of the Housing Production Trust Fund. In each case the agency was able to take steps to address the findings well before we issued a final report.

Partnering with the Council

As I mentioned in my performance hearing last year, one of the recommendations the COW made in my confirmation report was that the ODCA serve as “a true partner of the Council, assisting its committees with program evaluations, policy analyses, and decisions on a broad range of government programs and activities.” I am proud to say that we have built a strong working relationship between my office and the Council – including our work with your committee, Mr. Chairman, and with the officers of the Council, as well as with other individual Councilmembers.

I came to the Council’s administrative meeting two weeks ago at your invitation to provide an update on our reports and this was the fourth such briefing I have had the privilege of providing. I have met many times with individual Councilmembers on specific topics – reports we were working on, or oversight hearings members were planning.

Working with Secretary Nyasha Smith, I have participated in orientation for new members, which has given me an opportunity to introduce my office and share our work with newly elected Councilmembers. We put together a 3-day management training a year or so ago, and partnered with the Council in paying for, and participating in, that training which was attended by central staff and also staff members who work for individual Councilmembers. My staff now works with the Council’s human resources director, and I greatly appreciate that assistance.

Council Budget Director Jennifer Budoff initiated monthly “reports and research” briefings for Council staff to hear from me and my staff, and OCFO’s Office of Revenue Analysis. Those interactions give us an opportunity for deeper dives into the subjects of our reports, but also enable me and my staff to learn what specific questions and concerns Council staff might have and how we can better fulfill our mission.

I look forward to continuing to strengthen the relationship between Councilmembers and Committees and my office so we may do as much as we can to assist in legislation as well as oversight.

Mr. Chairman, there are many challenges ahead for the District, not least the way in which we address potential federal funding cuts under the new presidential administration. This makes it even more important that the Office of the D.C. Auditor work in tandem not just with the Council but also with the executive branch agencies whose work we review.

While we will continue to provide constructive criticism when that is where our research takes us, we also seek to reach consensus conclusions in our audit reports and will continue to do our best to be seen as more of a partner than a critic of District agencies.

This concludes my prepared testimony, Mr. Chairman. I greatly appreciate the opportunity to continue to serve the D.C. Council and the residents of the District of Columbia, and I would be happy to respond to any questions.

Thank you.