

January 15, 2015

The Hon. Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, D.C. 20004

By e-mail and hand

Dear Chairman Mendelson and Councilmembers:

I write in advance of the 2015 performance hearings to share information from recent Office of the District of Columbia Auditor (ODCA) reports that may be useful to Council Committees in their important work of assessing the performance of District of Columbia agencies. It is my hope that this office and our work can be of increasing value to Councilmembers and members of the Council staff. I welcome any suggestions on how we can be a resource.

The findings that follow come from a sampling of ODCA reports issued in calendar year 2014 and one from calendar year 2013. The reports are organized according by Council committee and agency, based on the committee areas of jurisdiction that were recently approved. Audits that pertain to more than one agency are mentioned by agency, i.e. more than one time.

Committee of the Whole

Deputy Mayor for Planning and Economic Development and Department of Employment Services

Audit of the District's Workforce Development Programs

This February 22, 2013 audit addresses what have been longstanding weaknesses in the District's job training and workforce development efforts and includes recommendations for the Deputy Mayor for Economic Development, the Department of Employment Services, and the public-private Workforce Investment Council. It summarizes program background including the District's failure to receive federal Workforce Investment Act funds between FY 2007 and FY 2011. The agency's response to the draft audit details steps taken to improve performance and notes that the performance management system put in place in 2012 "is able to report on measures such as training completion dates, number of participants enrolled by funding source, and skill set attainment through assessment tools." This is information the Council may wish to request. While the underlying data is several years old, the audit provides Council with context for seeking updated information on District workforce efforts.

Committee on Business, Consumer and Regulatory Affairs

Alcohol Beverage Regulation Administration

District Special Events Processes Can Be Improved

In its response to this September 17, 2014 audit, ABRA commits to drafting and implementing new policies and procedures by October 6, 2014, to ensure “that special events organizers are charged the correct fees and that payment is received in a timely manner.” The letter notes that ABRA is working with the **Department of Consumer and Regulatory Affairs** on the new procedures. ABRA also committed to improving internal controls and to provide after-action reports to HSEMA (ABRA letter).

The Committee on Education

District of Columbia Public Schools

District of Columbia Public Schools’ Budget Development and Execution Processes Were Not Sufficient to Avoid Divisional Over- and Under-Spending

Released September 10, 2014, this audit found that DCPS’s School System Management division overspent its \$60 million budget by roughly \$5 million and recommended additional monitoring and alignment of budget and operations. While DCPS leadership responded that actions taken to date would address the findings, Council may want to review the report for background on DCPS budget development.

Committee on Finance and Revenue

The D.C. Lottery and Charitable Games Board

The D.C. Lottery and Charitable Games Control Board was Substantially in Compliance with the D.C. Official Code for Fiscal Year 2013 but Action is Required for Full Compliance

This September 29, 2014 audit recommended several steps to strengthen the board’s operations. In response, the DC Lottery Board pledged to conduct fingerprint checks on specified contractors and that there will be a new Standard Operating Procedure in place by the end of the first quarter of FY 2015 (December 31, 2014). The board agreed to implement two other ODCA recommendations concerning unclaimed prize money and the Quick Payment Act. Council may wish to inquire the status of those steps.

Committee on Health and Human Services

Department of Health Care Finance

Nursing Facility Quality of Care Fund is Improving the Lives of District Residents but Additional Oversight is Necessary.

This audit was requested by Councilmember Yvette Alexander, to assess whether funds were spent on “Quality of Care Initiatives” consistent with District law. The September 23, 2014 report concludes funds were spent consistent with law, operations and oversight could be improved, and a required annual audit had not been conducted since the fund was created. In response, the agency wrote: “beginning with Fiscal Year 2014, DHCF will ensure that an annual audit of the NFQCF is conducted, and the final report submitted to the Council.”

Department of Human Services

[Outcomes of the Temporary Assistance to Needy Families Employment Program](#)

This November 4, 2014 letter report, to Councilmember Jim Graham, assessed the outcomes of the Temporary Assistance to Needy Families (TANF) Employment Program (TEP) for customers receiving TANF for more than 60 months. ODCA found that from FY 2012 to FY 2014, DHS made 12,463 placements of TANF recipients with job placement or work readiness vendors at a total cost of \$38 million. Customers completed education and training programs 742 times and vendors placed customers into jobs 1,685 times. Only 770 customers retained a job for more than six months. Councilmembers may want to use the DHS statistics to seek additional information on job retention and potential program modifications.

Committee on the Judiciary

Homeland Security and Emergency Management Agency

[District Special Events Processes Can Be Improved](#)

The September 17, 2014 report calls for improved internal controls over the special events process and a means of assuring that the proper fees are assessed. In responding to the audit, HSEMA pledged to establish “a formal tracking process of after-action reporting by agencies” and indicated the new process would be initiated by October 1, 2014. Individual agencies serving on the Mayor’s Special Events Task Group (DPW, FEMS, DDOT, and ABRA) made additional commitments in response to the audit and that information is included under their respective oversight committees.

Fire and Emergency Medical Services Department

[District Special Events Processes Can Be Improved](#)

In responding to this audit cited above, the FEMS leadership said: “Starting in October 2014, DCFEMS will partner with the District of Columbia Office of Chief Technology Officer to develop and improve online special events application and fee processing for the Special Operations Section” (page 2, FEMS letter). Council may want to request an update on that process.

Office of Unified Communications

[Management Letter Regarding the Office of Unified Communications’ 311 Operations Division](#)

This 7-page, September 11, 2014 letter report to the OUC, notes that ODCA found adequate internal controls in place in the division, but also noted a high number of open and overdue service requests across the range of D.C. agencies. In its response, OUC indicated it was implementing a new customer service request system which would address ODCA’s concern with open and overdue service requests. Council may wish to seek further information on the new service request system.

Committee on Transportation and the Environment

Department of Motor Vehicles (DMV) and Department of the Environment (DDOE)

Audit of the Anacostia River Clean Up and Protection Fund

The October 30, 2014 report reviews implementation of provisions of the Anacostia River Clean Up and Protection Act of 2009 and recommends that the two agencies develop a written protocol concerning the required transfer of Anacostia license plate renewal fees from DMV to DDOE. In their respective written responses to the draft report, leaders of both agencies committed to developing a Memorandum of Agreement stipulating quarterly transfer of funds. Councilmembers may want to ask whether the MOA has been completed and is being complied with.

Department of the Environment

Audit of the Anacostia River Clean Up and Protection Fund

In responding to the audit cited above, DDOE also responded to an ODCA recommendation concerning strategic planning under the Act and pledged to “make this multi-year spending plan process more robust and better document how Fund-supported projects and initiatives advance the multiple priorities in the Act” (DDOE letter, page 5). Additionally, given the great amount of public interest with the public contributing directly to the Fund through bag fees, income tax contributions and the purchase/renewal of the Anacostia River commemorative license plates, we suggested that DDOE make this plan and progress toward meeting its goals and objectives and making the information publicly available on an annual basis. Councilmembers may want to ask what progress has been made on the plan and efforts to share it with the public.

Department of Public Works

District Special Events Processes Can Be Improved

In responding to this September 17, 2014 audit, DPW pledged to “initiate new internal controls to have a separation in duties between the entity that generates the invoice and the entity that collects the fee. In addition, we are seeking the capability to accept credit cards which would relieve most of the late payments” (DPW letter).

Department of Transportation

District Special Events Processes Can Be Improved

In responding to this September 17, 2014, audit, DDOT notes the agency “does not have standard operating procedures (SOP) for public space permitted or traffic control plan review for special events” and commits to working on such an SOP to be in place for calendar 2015 and that the SOP will address the report’s concerns with internal policies and procedures (DDOT letter, page 3).

Department of Transportation

Contractor Selection and Quality Assurance for Selected DDOT Road Projects

This August 5, 2014 audit, requested by then-Councilmember Muriel Bowser, identifies weaknesses in DDOT’s contractor selection process in terms of capacity to meet deadlines, consistency of selection processes, and notes: “Although DDOT’s Standard Specifications call for these penalties to be assessed whenever contractors are late, in an interview with DDOT

officials we were told that the agency has almost never assessed liquidated damages penalties” (page 13). The Council may wish to review this report and seek agency response.

The full text of each of these recent reports is available on the ODCA website, dcauditor.org and via links within the electronic version of this letter. Please let me know if my staff and I can be of further assistance as you prepare for performance and budget hearings, particularly if there is an agency or program on which you would like additional information that may be included in reports published in 2013 or earlier. I am available at (202) 727-3600 or Kathy.Patterson@dc.gov. Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Kathleen Patterson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kathleen Patterson
District of Columbia Auditor

cc: Councilmembers