

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



November 28, 2017

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
Mayor's Correspondence Unit  
The John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 316  
Washington, D.C. 20004

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

Dear Mayor Bowser and Chairman Mendelson:

This letter is to inform you that the Office of the Inspector General has completed the *Follow-Up Review of OIG Recommendations* (OIG Project No. 17-1-19MA). As an independent auditing entity of the Government of the District of Columbia, one of the OIG's roles is to follow-up on recommendations. Such monitoring ensures District agencies implement corrective actions to address weaknesses identified in our audit reports.

Our objectives were to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG reports; and (3) whether agencies realized monetary benefits (if applicable). The audit was included in our *Fiscal Year 2017 Audit and Inspection Plan*.

Nine agencies implemented 64 of 72 recommendations the OIG issued to them between October 1, 2015, and April 15, 2017. Remediation of eight recommendations was incomplete, so we classified them as "work in process" as of the end of fiscal year (FY) 2017. Additionally, our review did not identify any District agencies that realized monetary benefits.

Table 1, below, displays the number of audit recommendations issued to each District agency, implemented recommendations, and open recommendations.

<b>Table 1. Status of OIG Audit Recommendations</b>						
	<b>Agency</b>	<b>Total</b>	<b>Closed</b>	<b>Open</b>	<b>Percentage Completion</b>	<b>Follow-up in FY 2018</b>
1	Department of Human Services	9	8	1	89 %	1
2	D.C. Housing Authority	2	2	0	100 %	-
3	District of Columbia Public Schools	3	3	0	100 %	-
4	Department of For-Hire Vehicles	5	5	0	100 %	-
5	Office of Risk Management	4	4	0	100 %	-
6	Department of Child and Family Services-FACES.NET	29	25	4	86 %	4
7	Department of Public Works	4	1	3	25 %	3
8	Department of Health Care Finance	5	5	0	100 %	-
9	Department of Child and Family Services-Financial Operations	11	11	0	100 %	-

Source: OIG analysis

The Department of Human Services (DHS), Child and Family Services Agency (CFSA), and Department of Public Works (DPW) did not implement all their recommendations. These agencies also did not provide acceptable explanations for the delay in implementing the recommendations. Therefore, these recommendations will remain open until the OIG verifies their completion in FY 2018. See the enclosed Appendix A for our scope and methodology. Appendix B lists the open recommendations.

The primary benefit of this follow-up review is assurance that agencies have strengthened their internal controls or improved their compliance with laws and regulations through adequate attention to OIG's audit recommendations.

Failure to strengthen internal controls may result in conditions conducive to fraud, waste, and abuse. Non-compliance with laws and regulations may open agencies or the District to legal penalties and may result in reduced performance standards.

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We appreciate the cooperation and courtesies extended to our staff during this review. If you have any questions concerning this report, please contact me or Benjamin Huddle, Assistant Inspector General for Audits, at (202) 727-7721.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/tda

cc: See Distribution List  
See Attachments (Appendices)

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## **Appendix A – Objectives, Scope, and Methodology**

Our objectives were to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG reports; and (3) whether agencies realized monetary benefits (if applicable).

We selected to review audits issued between October 1, 2015, and April 15, 2017. Accordingly, our scope was limited to the 72 recommendations that were open in the final reports of the following audits:

- Child and Family Services Agency: Financial Controls Audit, OIG-11-1-01MA, October 2015;
- D.C. Housing Authority: Local Rent Supplement Program, OIG 15-2-06HY, September 2016;
- D.C. Public Schools: Chartwells Food Services Contracts, OIG 15-2-20GA, October 2016.
- Office of Risk Management: Workers' Compensation Fund Management, OIG 14-1-27RK, October 2016;
- Department of Human Services: Permanent Supportive Housing Program, OIG 15-1-02JA, November 2016;
- DC Taxicab Commission: Controls Over Revenue Collection, Record Maintenance, and Vehicle Registration are not Adequate, OIG 15-1-01TC, November 2016.
- Child and Family Services Agency: Systems Review of the FACES Application, OIG 13-1-22MA, March 2017;
- Department of Public Works: Oversight of District Fleet Vehicles, OIG 14-1-25KT, March 2017; and
- Department of Health Care Finance: Controls over Record Maintenance for Providers and Personal Care Aides are not Adequate, OIG-14-1-21HT, April 2017.

To assess whether District agencies have implemented OIG recommendations, we interviewed agency officials responsible for implementing OIG recommendations; determined the status of open recommendations using questionnaires; and performed analysis of open recommendations to determine if the agency's corrective actions remedied OIG findings.

When agencies implemented controls different from OIG recommendations, we obtained data to determine if the corrective actions met the intent of our recommendations. We also evaluated whether the implemented recommendations realized any unexpected benefits from remediating weaknesses revealed in the original audit.

## **Appendix B – Detailed Discussion of Open Recommendations**

### **DEPARTMENT OF HUMAN SERVICES, PERMANENT SUPPORTIVE HOUSING PROGRAM (DHS/PSHP)—*Department of Human Services: Contracted Services for the Permanent Supportive Housing Program Were Not Adequately Monitored.***

The following recommendation remains open as of the date of this report:

#### **Recommendation # 8**

Develop and implement procedures to ensure monthly rental subsidy payments reports are reviewed and reconciled to the HtH database of participants.

#### **DHS Response**

The HSP worked with OIS representatives to develop a system that would compile all payments to be made the following month and compare it to the monthly reports provided by DCHA. Due to limitations of the HSP-Housing the Homeless (HtH) system, this approach did not work. DHS is currently working with DCHA to revise their reports to include unique identifiers for all clients to be matched in both databases. This process will allow DHS to accurately review and reconcile payments. Target development date is September 2017. Target test date, early October 2017. Target implementation date will be late October 2017.

### **CHILD AND FAMILY SERVICES AGENCY (CFSA)—*Child and Family Services Agency: FACES Information System Did Not Ensure Control Objectives Were Consistently Met.***

The following recommendations remain open as of September 30, 2017:

#### **Recommendation # 3**

Implement and monitor policies, procedures, and standards for correcting exception reports generated by FACES. Establish standard timeframes, based on risk, for clearing individual exception reports.

#### **CFSA Response:**

CFSA officials indicated during discussions they are working on recommendation 3, and agreed on its classification as “work-in-process” as of the end of FY 2017.

### Recommendation # 9

Implement an application control that prevents supervisors from approving their own work or editing and approving subordinates' work. Alternatively, if more cost effective, implement a monitoring control for approvals to detect and investigate managers approving their own work.

#### **CFSA Response:**

In almost all cases, the FACES.NET application does not allow supervisors to directly enter and approve their work. CFSA policy and business practice requires that the assigned supervisor or administrator review and approve information entered into the system, which reduces the possibility of fraudulent case management practices or transactions. Based on the findings outlined in the report, there are two instances where we would like to provide further clarity.

With regard to preserving the integrity of financial and procurement processes, our Fiscal/Contracts staff does not have the ability to enter a provider into the FACES.NET application and approve any financial transaction for that provider. This was resolved utilizing the Separation of Duty Standards.

Second, accepted deviance from this practice rests with the Child Protective Services Administration (CPS). Based on this time sensitive nature of alleged child maltreatment, the activities required to initiate and complete an investigation by CPS must retain the ability to have supervisory staff enter, amend, or approve requests. This allows CFSA to respond promptly and efficiently to child maltreatment reports.

FACES displays the approval process within the application as well as on some documentation. If and when misuse is identified, we have the ability to track and report such abuse. These efforts allow us to track this process and protect the integrity of all transactions while also permitting workers to effectively investigate all reported abuse and neglect.

### Recommendation # 26

Limit the number of concurrent FACES sessions for each user to one, unless there is a business need for additional sessions, or document in agency security policy the accounts that require concurrent access, their business needs, and number of sessions permitted.

#### **CFSA Response:**

CFSA officials indicated during discussions they are working on a software solution to this recommendation and agreed for its classification as "work-in-process" as of the end of FY 2017.

### Recommendation # 28

Adopt an industry-recognized IT governance and management framework to accommodate the development and maintenance of an IT strategic plan, and integrate and institutionalize good business practices that ensure IT resources are appropriately used to support CFSA's business objectives. Develop and maintain an IT strategic plan aligned with CFSA's strategic objectives and budgetary resources.

#### **CFSA Response**

CFSA officials describe during discussions that the agency is taking steps to prepare an IT Strategic Plan. Accordingly, CFSA agreed that the status of this recommendation is "work-in-process" as of the end of FY 2017.

### **DEPARTMENT OF PUBLIC WORKS (DPW)—*Department Of Public Works: Oversight of District Fleet Vehicle Usage and Inventory Is Not Adequate.***

The following recommendations remain open as of the date of this report:

#### Recommendation #1

Establish mechanisms to ensure annual utilization reviews are performed in compliance with Mayor's Orders 2000-75 and 2009-210, and FMA Manual.

#### **DPW Response**

DPW's new Fleet Management Administration (FMA) team is in the process of revising the FMA policies and procedures, which will address annual utilization review, and [DPW] anticipates these will be approved and implemented by December 2017.

#### Recommendation #3

Document specific procedures in the FMA Manual for vehicle disposal, including a mechanism to ensure timely reclassification of disposed vehicles.

#### **DPW Response**

DPW's new FMA team is in the process of revising the FMA policies and procedures and anticipates the new procedures will be approved and implemented by December 2017.



**Recommendation #4**

Establish procedures for divisions to coordinate in order to retain and update all required vehicle master file documents.

**DPW Response**

It is not clear which of the 29 vehicles were sampled; however, vehicles transferred to DPW from agencies that formally had purchasing authority may not have provided all documents through their maintenance employees that were later deemed required under the FMA policy. Further, not all documents listed in the FMA manual will appear in every file. For example, relinquishment control forms will only be included in a file if a vehicle has been relinquished. Similarly, conformance inspection reports are not required, as the acquisitions division began to utilize the vehicle specification sheet to inspect production and delivery of procured vehicles. Work order information is now maintained in the FASTER system. DPW is revising the FMA policies and procedures, which will include updated requirements for vehicle master files.