

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General



Inspector General

September 20, 2023

Glen Lee
Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue NW, Suite 203
Washington, DC 20004

Dear Chief Financial Officer Lee:

This letter is to notify you of the result of the Office of the Inspector General (OIG) *Audit of the District Integrated Financial System* (OIG No. 22-1-28AT).¹ Our objectives were to determine whether (1) the District Integrated Financial System (DIFS) contract was awarded and administered in accordance with District laws, rules, and regulations; and (2) DIFS was implemented within scope, schedule, and budget. We initiated this audit to address high-risk areas KPMG, LLP, identified in the [Fiscal Year 2022 Information Technology Capital Projects Procurement Risk Assessment](#) (OIG No. 21-1-29MA(a)). KPMG concluded that:

The rise in [DIFS] project spending and significant subsequent procurement actions and award modifications confirm the risk that proposals received from all vendors during the solicitation process would not have incorporated a response to the additional needs and requirements and the original award to the successful vendor may not have been the best value for the District.²

We planned to conduct this audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS) issued by the U.S. Government Accountability Office (GAO). However, while we identified several reportable observations relevant to our audit objectives, we could not obtain sufficient and appropriate audit evidence to determine the root causes³ of the observations.

As GAGAS indicates:

Evidence is not sufficient or appropriate when (1) using the evidence carries an unacceptably high risk that it could lead auditors to reach an incorrect or improper conclusion; (2) the evidence has significant limitations, given the audit objectives and intended use of the evidence; or (3) the evidence does not provide

¹ This audit is in our [Fiscal Year 2023 Audit and Inspection Plan](#).

² OIG No. 21-1-29MA(a) at 15.

³ GAO defines “cause” as a “factor or factors responsible for the difference between the condition and the criteria and may also serve as a basis for recommendations for corrective actions.” U.S. GOV’T ACCOUNTABILITY OFFICE, GOV’T AUDITING STANDARDS 115, § 6.27, GAO-18-568G (2018 Rev.).

an adequate basis for addressing the audit objectives or supporting the findings and conclusions.⁴

Auditors should make recommendations that flow logically from the findings and conclusions, are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended.⁵

Consistent with this guidance, we conclude that completing the engagement as planned will not yield supportable findings and recommendations. Therefore, we will not issue a formal audit report on this engagement. Instead, we identify in his letter the reportable observations and opportunities for improvement as the Office of the Chief Financial Officer (OCFO) continues to implement DIFS. As this is not a formal audit report, OCFO is not required to provide a formal response.

OCFO did not provide sufficient and appropriate evidence to adequately address audit objectives.

In subsequent sections of this letter, we discuss six reportable observations for which we could not determine root causes to adequately address our audit objectives. A lack of evidence occurred primarily due to inaccurate and incomplete procurement and project management records, conflicting statements, or lack of corroborating evidence. The six reportable observations include the following:

OCFO did not:

- 1) Conduct market research as required to justify sole source selection of a solution from a single vendor.
- 2) Obtain competition to justify the business needs and impacts of an additional \$28.7 million for project execution and delivery changes.
- 3) Follow established procurement protocols and internal controls when developing statements of work (SOW) and independent government estimates (IGE).
- 4) Perform due diligence work to verify the accuracy and completeness of vendor billings.
- 5) Obtain resumes to verify vendor employee qualifications.
- 6) Timely address known vendor performance deficiencies and project management issues.

⁴ *Id.* at 186, § 8.113(b).

⁵ *Id.* at 200, § 9.23.

OFCO could not establish that it conducted required market research to support its sole source selection.

Procurement records did not include market research or a determination and findings (D&F) to justify the District's selection of a sole source single Enterprise Financial System (EFS) software solution from Oracle Corporation. We discussed the incomplete procurement records with OCFO contracting and program management officials and received conflicting statements. OCFO stated market research was conducted, but we could not corroborate this statement. According to the contracting officials, the EFS from Oracle Corporation was selected in 2010 as part of prior contracting actions. Alternatively, the program management official who initiated the procurement action told us the prior program sponsor made the selection in 2018. We were unable to corroborate and reconcile the conflicting statements due to a lack of documentary evidence.

When selecting a single EFS software solution from Oracle Corporation, competition was limited, and the District may not have implemented a product best suitable to governmental needs. The District's action to specify an Oracle solution in request for proposal (RFP) CFOPD-19-R-001 was consistent with the sole source⁶ selection requirements in the District regulations, and as such, should have followed the appropriate regulations:

(1) Title 27 District of Columbia Municipal Regulations (DCMR) § 1700.2 specifies that the contracting officer prepare a determination and findings (D&F) justifying the use of a sole source procurement, including...

(d) A description of the factors that establish the proposed vendor is the only source of the required goods or services;

(f) A specific citation to section 404 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (DC Law 18-371; DC Official Code § 2-354.04 (2011 Repl.)) (Act)[,] and applicable provisions of this chapter that provide legal authority for the sole source procurement; [and]

(g) A description of the market survey conducted and the results, including a list of the potential sources contacted by the contracting officer or which expressed, in writing, an interest in the procurement. If no market survey was done, a statement of the reasons why a market survey was not conducted[.]

⁶ Per DC Code § 2-351.04(59), a sole source procurement "means that a single source in a competitive marketplace can fulfill the specifications of a contract."

- (2) Title 27 DCMR § 1009.1 requires District agencies to perform procurement planning and conduct market surveys to promote and provide for full and open competition regarding the nature of the goods and services to be acquired.

Market research would have allowed the District to compare different solutions and select the solution that best fits District government business and the District's organizational needs with minimum need for customizations.

OCFO did not obtain competition to justify the business needs and impacts of an additional \$28.7 million for project execution and delivery changes.

Procurement and project management records did not justify the business needs and impacts of an additional \$28.7 million⁷ for project execution and delivery changes. We discussed the incomplete procurement records with OCFO contracting and program management officials and the vendor; we received conflicting statements. According to OCFO officials, the additional project execution and delivery changes were made to efficiently use District resources mobilized prior to COVID-19. Further, the District told the vendor the additional changes were needed to slow down the implementation phase of the project because of COVID-19. Alternatively, the vendor told us there was no business need and impact analysis performed to justify the expenditure. We were unable to corroborate and reconcile the conflicting statements due to a lack of documentary evidence.

While the OIG's audit was focused on the DIFS implementation contract, the DIFS project included at least five different contracts with four vendors (see [Table 1](#)). According to the program's governing structure (see [Figure 1](#)), the program sponsor⁸ and the Executive Steering Committee (ESC) were responsible for monitoring and controlling project execution and delivery to ensure alignment with strategy, scope, budget, and schedule. However, we observed several project execution and delivery changes that neither the program sponsor nor the ESC approved.

⁷ The original contract (CFOPD-19-C-001) for one base year and six option years was not to exceed \$48.2 million. Modifications were executed for \$28.7 million, and the contract was terminated after 4 years at a cost of \$48.9 million.

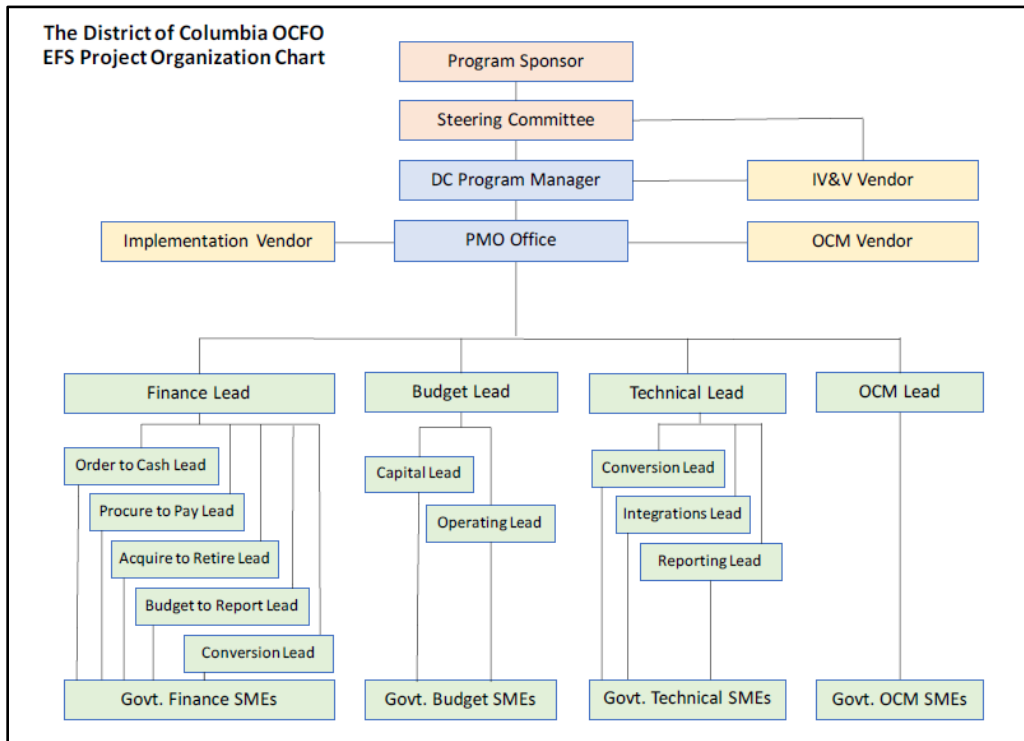
⁸ The District's Chief Financial Officer was identified as the program sponsor.

Table 1. DIFS contracts awarded and amounts paid as of July 11, 2023

Contract description and number	Contract award date	Type of service provided	Total awarded to date	Total amount paid to date
Statement of Work for Enterprise Financial System (DIFS) CFOPD-18-C-005	4/24/2018	Request for Proposal Development Services.	\$435,000.00	\$272,600.00
DIFS Implementation Contract CFOPD-19-C-001	6/3/2019	The contract required the contractor to provide services to scope, plan, and implement a new Enterprise Financial System (EFS).	\$56,565,246.82	\$48,900,097.88
DIFS Organization Change Management Contract CFOPD-19-C-015 ¹	7/15/2019	The contract required the contractor to provide Organization Change Management services to scope, plan, and implement the organization changes for EFS.	\$24,565,853.00	\$24,425,460.80
Amount DIFS Independent Verification & Validation (IV&V) CFOPD-20-C-011	12/2/2019	The contractor provided IV&V services for the implementation of DIFS.	\$10,889,644.50	\$9,884,243.92
DIFS Fit Gap Analysis and Remediation Services CFOPD-23-C-028	6/29/2023	The contractor will provide fit-gap analysis and remediation services for the DIFS implementation.	\$4,553,770.00	\$0.00
Total			\$97,009,514.32	\$83,482,402.60

¹ The same vendor provided services under Contracts CFOPD-19-C-001 and CFOPD-19-C-015
 Source: OIG analysis of procurement records.

Figure 1. DIFS project organization chart



Source: OCFO solicitation number CFOPD-19-R-001, page 16.

The decisions to add: (1) a sprint plan and test strategy to the blueprint phase at an additional cost of \$750,000; (2) preconstruction activities to the project life cycle at an additional cost of \$9.3 million; and (3) to increase implementation hours (\$8.2 million) due to the switch in the order in which work on the budget and financial modules was completed are examples that impacted the project’s strategy scope, budget, and schedule (the remaining items and amounts leading to the additional \$28.7 million are located in Table 2). Neither the program sponsor nor the ESC reviewed and approved the business needs and impacts of \$28.7 million for project execution and delivery changes. According to the vendor, these changes resulted in excessive and expensive customizations in the middle of the contract, which created integration and configuration issues.

Table 2. Sole source contract modifications without the required program sponsor or the ESC approval

Description of changes	Sole source contract modifications			Schedule change ¹
	Scope change	Increased contract value	Total change	
Sprint plan and test strategy	\$750,000	–	\$750,000	6 month delay
Preconstruction (business requirement analyses)	\$9,360,000	–	\$9,360,000	12 month delay
	–	\$992,526	\$992,526	No change
Increased implementation hours due to switching	–	\$8,152,000	\$8,152,000	3 month delay
Stabilization ²	–	\$9,460,000	\$9,460,000	8 month delay
Total	\$10,110,000	\$18,604,526	\$28,714,526	<i>n/a</i>

– Quantity is zero; *n/a* not applicable.

¹ Quantities in the 'Schedule change' column are not mutually exclusive, and thus cannot be summed.

² Although the ESC approved the stabilization approach, the ESC did not approve the \$9.46 million. After the ESC dissolved in March 2023, the CO created a purchase order to pay the vendor for stabilization efforts covering October 1, 2022, through June 2, 2023.

Source: OIG analysis of procurement records.

An official in OCFO's Program Management Office (PMO) acknowledged that the ESC did not decide on these project execution and delivery changes. Had the PMO taken ownership of project management execution, schedule, and delivery as planned and provided proper contract oversight, the District may have minimized the risks of financial losses, incomplete business requirement analyses, and insufficient testing and validation.

OCFO did not follow established procurement protocols and internal controls when developing statements of work and independent government estimates.

According to the OCFO procurement manual, the Program Office⁹ must develop at least one SOW and an IGE to initiate a procurement action using the Procurement Action Submission Form (PASF). Procurement officials use a PASF to solicit proposals from vendors independently. We found that the PMO did not develop an IGE as the OCFO procurement manual required. Instead, the PMO submitted the PASF to contracting officials based on the vendor proposal rather than an IGE.

For example, the vendor prepared an SOW and cost estimate, which the PMO used to prepare the PASF to initiate a contract modification. The OCFO-Office of Management and Administration Office of Contracts (OC) used the PASF to add a sprint plan and test strategy, through a contract modification, for \$750,000. Similarly, the vendor prepared an SOW and cost estimate for \$9,360,000 to add preconstruction activities, which the PMO used to prepare the PASF to

⁹ DC Office of the Chief Financial Officer, POLICY AND PROCEDURES MANUAL § IV(A)(2) at 21 (Undated) (OCFO Procurement Manual). The OCFO procurement manual states: "The Program Office is any office or department within the OCFO that requests or uses goods or services procured through the Office of Contracts." *Id.* § III(B)((2)(a) at 18.

execute another contract modification. As an inherent government function, OCFO cannot reasonably assure the integrity of procurement actions specified by vendors, nor can they assure that the District received the best value without following established procurement protocols and internal controls.

OCFO did not verify the accuracy and completeness of vendor billings.

Procurement and project management records did not include vendor timesheets or other documentation to support the accuracy and completeness of vendor billings. However, the responsibilities the contracting officer delegated to the Office of the Chief Information Officer (OCIO) specified that:

[f]or labor-hour and time-and-materials contracts, you must conduct adequate surveillance of the contractor's efforts, and review and evaluate the contractor's progress in relation to the billed labor hours.... For example, you are required to verify that the labor categories and labor rates included on the contractor's invoice are consistent with the contract and that the labor hours billed for the contractor and any subcontractor employees are commensurate with their actual performance.

When the OIG asked the employee how hours worked and the rates charged are validated, the employee stated, "The contractor is responsible for tracking hours and work and including the summary of hours by contractor on the invoice." We discussed the lack of labor hour review with a contracting official who stated it was not the OCIO employee's responsibility to review timesheets. We were unable to obtain evidence of contracting officials' or the PMO's review of billed labor hours, labor categories, and labor rates before payment.

There were at least 32 full-time OCFO employees within the PMO (see [Figure 1](#)) dedicated to managing and leading the DIFS project and overseeing the performance of more than 110 implementation vendor resources, comprising a total annual salary of about \$5 million. Given the number of full-time employees dedicated to leading the project, the OIG expected to see rigorous vendor performance management, including processes and procedures to ensure the accuracy of vendor billings. However, we observed several vendor billing improprieties District contracting and project management officials failed to address. For example, during option year two of the contract, the District paid \$21.9 million in full without verifying the accuracy and completeness of the vendor billings. In the absence of verifications, we independently compared the vendor's monthly invoices of \$21.9 million to the contract value and found \$3,828,430.87 that the vendor improperly billed and the District paid. Specifically, the District paid the vendor:

- \$2,746,230.28 for 14,377.50 hours above the authorized hours under the contract.
- \$408,611.39 above the authorized hourly rates under the contract.
- \$673,589.20 above the authorized tours of duty under the contract.

In addition, on July 31, 2020, the vendor proposed and the District agreed to an additional \$9.3 million or 64 full-time equivalent resources for preconstruction activities (see [Table 3](#)). The District paid in full without conducting any due diligence to verify the accuracy and completeness of vendor billings. When we contacted the vendor directly to obtain copies of timesheets and the list of on-site resources, the vendor declined to provide the OIG with the requested records and stated that the District decided to add the preconstruction phase to slow down the project timeline due to COVID-19. Neither the vendor nor the District could substantiate that the vendor completed the preconstruction activities.

Table 3. Sample of pricing schedule

Resource plan	Staffing level	On-site rate	On-site hours	Price
Budget and Planning Functional SME 1	Skilled	\$192.50	1,476.00	\$284,130.00
Budget and Planning Lead	Senior	\$310.00	1,224.00	\$379,440.00
Budget to Report SME	Senior	\$300.00	3,708.00	\$1,112,400.00
Conversion Lead	Manager	\$313.50	1,332.00	\$417,582.00
Finance Lead	Skilled	\$287.25	1,836.00	\$527,391.00
Functional Architect	Manager	\$283.50	2,382.00	\$675,297.00
OST - Order to Cash SME	Skilled	\$176.75	1,836.00	\$324,513.00
PMO Manager	Manager	\$195.00	1,836.00	\$358,020.00
PMO Support	Skilled	\$167.00	1,836.00	\$306,612.00
PMO Support 2	Junior	\$105.00	1,872.00	\$196,560.00
PMO Support 3	Manager	\$114.00	1,872.00	\$213,408.00
Procure to Pay Lead	Skilled	\$267.00	1,836.00	\$490,212.00
Project Executive	Manager	\$410.00	1,399.75	\$573,897.50
Projects/Grants SME	Skilled	\$200.00	3,672.00	\$734,400.00
Technical Architect	Senior	\$202.50	2,328.00	\$471,420.00
Technical SME 4	Manager	\$190.00	1,872.00	\$355,680.00
Technical SME 6	Senior	\$292.50	1,836.00	\$537,030.00
Testing Analyst 1	Junior	\$135.00	6,048.00	\$816,480.00
Testing Analyst 2	Junior	\$165.00	1,440.00	\$237,600.00
Testing Lead	Manager	\$225.00	1,224.00	\$275,400.00
Total preconstruction			42,865.75	\$9,287,472.50

Source: OIG analysis of the vendor's pricing schedule.

We note most of the deliverables listed as preconstruction activities were the same as the deliverables for which the vendor was paid under the project's blueprint phase between June 3, 2019, and May 7, 2020, which suggests the potential for double billings. Out of the total amount of \$48.9 million paid under the contract, there was approximately \$43.4 million¹⁰ in payments

¹⁰ The District maintained a pricing schedule for the vendor to bill the District and the District for inspection purposes, similar to the pricing schedule demonstrated in Table 3.

for which the District failed to inspect timesheets to validate whether the billed hours and rates are accurate and complete.

OCFO did not obtain resumes to verify vendor employee qualifications.

According to OCFO Solicitation No. CFOPD-19-R-001, § H.17.5, issued on October 10, 2018, “Before assigning an individual to any . . . positions, the Contractor shall notify the District of the proposed assignment . . . and shall provide to the District a resume and any other information about the individual reasonably requested by the District. The District reserves the right to interview the individual before granting approval.” The contract also requires experience at various staffing levels, similar to [Table 3](#): (1) a manager with at least 15 years of system implementation and a leadership position within the Offeror’s firm, (2) a senior-level employee with at least 10 years of system implementation, public sector, or market specialty, (3) a “skilled” employee with at least 5 years of system implementation, public sector or market specialty, and (4) a junior-level employee without an expectation of a minimum number of years.

We found that the OCFO employees assigned to lead the project failed to obtain and review resumes. Further, the District elected not to conduct interviews to ensure the staffing level for more than 110 vendor resources met the minimum qualifications required by Solicitation No. CFOPD-19-R-001.

OCFO did not timely address known vendor performance deficiencies and project management issues.

As part of the procurement and project management records, annual certifications of the contractor’s performance for quality of work/service are required. The annual certifications indicated that the vendor received consistently “Good” performance ratings (on a scale ranging from “Unacceptable” to “excellent”) from June 3, 2019, through June 2, 2022, as documented on the Contractor Performance Evaluation Form.

When inquiring about any known performance deficiencies from OCFO contracting, OCIO, and PMO officials, we received conflicting statements. According to OCFO contracting and PMO officials, there were no known vendor performance deficiencies. However, according to the OCIO, there were known significant vendor performance deficiencies communicated periodically to the OCFO leadership, to include six DIFS implementation risk areas. An OCFO official who received periodic concerns from the OCIO acknowledged the communications and provided a document for our review. However, another OCFO official identified as one of the recipients could not confirm the existence of such communications or the document. A document attached to an internal email dated March 29, 2021, following the departure of the former Chief Financial Officer (CFO), informed OCFO officials in writing¹¹ of six DIFS implementation risk areas. The March 29, 2021, document also provided 13 recommendations for immediate corrective action. The six risk areas included performance deficiencies related to both the

¹¹ For discussion purposes, we refer to the written document as “the March 29, 2021, document.”

independent verification and validation (IV&V) process and the DIFS implementation vendors. The same document stated that the IV&V vendor's team continued to play a limited role in spotlighting significant issues and risks to program success. The document also discussed that the DIFS implementation vendor's team appeared to lack experience in implementing a project of this size and complexity in the public sector, presenting to the District "several questionable solutions/recommendations that have turned out to be wrong and/or not well thought through beyond first-level thinking...." The document further noted that the vendor continued adding even more inexperienced staff members to the project team.

It is not clear to us why it took OCFO until January 2023 to address the concerns raised in March 2021.

- On January 11, 2023, the District notified its DIFS implementation vendor of performance deficiencies, stating in part, "[a]t this point, the District is far from reaching the level of stability needed to consider the system fully operational and functioning as expected []" and "the deficiencies as listed ... are **surprising to the District**, [emphasis added] as they suggest inadequate capture of the business requirements and/or insufficient testing during sprints, SIT [system integration testing] and UAT [user acceptance testing] coupled with inadequate or incomplete integration testing and validation prior to go-live."¹²
- On January 26, 2023, the District issued a cure notice to its IV&V vendor alleging the vendor's failure to: (1) confirm that the DIFS development and implementation efforts conformed to industry standards; (2) conduct effective quality assurance; and (3) identify and mitigate any risks and issues to assist in a successful stabilization of DIFS.

We commend OCFO officials' actions for: (1) issuing the January 2023 cure letters to hold contractors accountable for their responsibilities; (2) ultimately terminating its contractual relationship with the vendor; and (3) dissolving the PMO on June 3, 2023.

Some additional known contract and project management issues prior to January 2023 include:

- District modifications to the implementation contract to add (1) a sprint testing plan and strategy in December 2019 and (2) preconstruction activities to capture business requirements in July 2020 at an additional cost of \$11 million. The District should have detected insufficient testing and validation and incomplete business requirement analyses prior to paying the vendor in full in July 2021 for the added services.
- In February 2022, the District once more accepted incomplete business requirement analyses and insufficient testing and validation before the go-live implementation. During

¹² Letter from the DC Office of the Chief Financial Officer to District government vendor (Jan. 11, 2023) (on file with the OIG).

a progress report meeting on February 10, 2022, the District introduced a “minimally viable product” (MVP) approach instead of complete business requirements while the vendor was in the discussion. The District could have either held the vendor to the contract requirements rather than accept an MVP, or, if an MVP aligned with the District’s best interests, reduced the contract value.

- On August 22, 2022, during the first go-live implementation, the District was made aware of the system limitations due to incomplete business requirements, insufficient testing, and validation. Regardless, the District decided to accept the risk of the MVP and to stabilize the system in the first 4 months of fiscal year 2023 to address business needs gaps.

While the January 2023 and June 2023 actions are steps in the right direction, the District needs to identify the root causes of why the known vendors’ performance deficiencies were not addressed during the project implementation phases.

OCFO has opportunities for improvement.

We recommend that the CFO consider the following suggestions to improve the management of contracts and project implementations:

1. Determine why the Contracting Officer restricted the District’s options to a single solution without market research. Based on the cause of this failure, develop and implement a procedure to ensure that contracting officers consider different solutions and document sole source procurement actions as required by 27 DCMR § 1700.2.
2. Determine why the District PMO and OCFO contracting officials failed to follow established procurement protocols. Based on the cause of this failure, develop and implement procedures to establish procurement protocols, develop proper checks and balances, and ensure the integrity of procurement actions.
3. Determine why the evidence supporting the business needs and impacts of an additional \$28.7 million for project execution and delivery charges was not substantiated and documented. Based on the cause of this failure, develop and implement procedures for documentation maintenance designed to monitor, control, and substantiate project execution and delivery.
4. Develop a plan to recoup any payments made for hours and rates billed above those authorized by contract, including \$3,828,430.87 that was improperly billed.
5. Develop a plan and implement procedures to collect timesheets and independently validate the accuracy and completeness of vendor invoices valued at \$43.4 million.
6. Determine why contracting officials failed to obtain resumes to verify vendor employee qualifications. Based on the cause of this failure, develop a plan and implement

procedures to ensure that contracting officers receive and evaluate resumes to verify employee qualifications prior to the contract award.

7. Determine why contracting and project management officials failed to address vendor performance deficiencies and project management issues identified over the past two years. Based on the cause of this failure, develop a plan and implement procedures to ensure that vendor performance deficiencies and project management issues are addressed in a timely manner.

Conclusion

Although we determined that a lack of sufficient evidence prevented this audit from yielding supportable findings and recommendations, we identified several reportable observations and opportunities for improvement as OCFO continues to implement DIFS.

The District went live with DIFS on October 1, 2022, but did not inform the ESC of risks and known vendor deficiencies prior to making the go-live decision. This failure resulted in a fit-gap and remediation approach on the production system. The District's decision to restrict its options to a single solution without market research (1) resulted in excessive and expensive customizations in the middle of the contract; (2) created integration and configuration issues due to the excessive customizations; (3) allowed the vendor to alter its original proposal substantially and subsequently rebid multiple times at increased prices without competition; and (4) caused the District to lose leverage over the contractor's performance.

There were several vendor performance deficiencies, project management issues, vendor billing improprieties, and due diligence failures that the OCFO contractors and project management officials failed to address. The failure to timely act resulted in financial losses to the District. These outcomes occurred because of District officials' failure to: (1) provide significant information known before the go-live date that could have impacted the ESC voting outcomes; (2) conduct due diligence work to verify the accuracy and completeness of the vendor billings; (3) comply with District regulations; and (4) provide effective control over the project's procurement, management, and execution activities.

Implementing the seven opportunities for improvement listed above will strengthen contracting and project management processes and ensure the District's payments correspond to services received. Improvements in sole source execution and contract monitoring will safeguard District resources from waste and abuse. Proper due diligence in reviewing vendor staff qualifications, invoices, and payments will ensure that the District's resources are spent for approved and necessary contractual expenditures.

This letter constitutes the closeout of this project. We will consider revisiting additional aspects of the District's DIFS procurement activities as part of our planning and risk assessment process for our annual Audit and Inspection Plan.

Chief Financial Officer Lee
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Should you have questions regarding the issues discussed above, please contact me or Eileen Shanklin-Andrus, Deputy Inspector General for Audits, at 202-727-5052.

Sincerely,



Daniel W. Lucas
Inspector General

DWL/esa

cc:

The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish
Mr. Kevin Donahue, City Administrator for the District of Columbia
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
The Honorable Kenyan R. McDuffie, Chairperson, Committee on Business and
Economic Development, Council of the District of Columbia
The Honorable Anita Bonds, Chairperson, Committee on Executive Administration and
Labor, Council of the District of Columbia
The Honorable Kathy Patterson, DC Auditor, Office of the DC Auditor