



Office of Integrity & Oversight

**Government of the District
of Columbia, Office of the
Chief Financial Officer**

**FISCAL YEAR
2020 AUDIT
WORK PLAN**

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**Abbreviations and
Acronyms**

ACFO	Associate Chief Financial Officer
CAFR	Comprehensive Annual Financial Report
CFO	Chief Financial Officer
CID	Criminal Investigations Division
COTR	Contracting Officer's Technical Representa- tive
DCFO	Deputy Chief Financial Officer
District	Government of the District of Columbia
DOES	Department of Employment Services
EDRC	Economic Development and Regulation Cluster
FY	Fiscal Year
IAD	Internal Audit Division
IWF	Inmate Welfare Fund
MITS	Modernized Integrated Tax System
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCRO	Office of the Chief Risk Officer
ODCA	Office of the DC Auditor
OFOS	Office of Financial Operations and Systems
OFT	Office of Finance and Treasury
OIO	Office of Integrity and Oversight
OLG	Office of the Lottery and Gaming
OPCSFS	Office of Public Charter School Financing and Support
OMA	Office of Management and Administration
OTR	Office of Tax and Revenue
Plan	Work Plan
POC	Point of Contact
PSJC	Public Safety and Justice Cluster
QRDT	Questionable Refund Detection Team
SEFA	Schedule of Expenditures of Federal Awards
SOAR	System of Accounting and Reporting

FOREWORD

This is the Office of Integrity and Oversight's (OIO) Fiscal Year 2020 (FY 2020) Internal Audit Work Plan (*Plan*), which includes planned and ongoing audits as well as non-audit projects. The planned and ongoing projects are designed to provide a reasonable assurance on the adequacy of established policies and procedures, economy and efficiency of operations, and internal controls for agencies under the purview of the independent Office of the Chief Financial Officer (OCFO).

FY 2020's *Plan* is appropriately focused on high-risk areas and is closely aligned with the OCFO Strategic Plan. I believe our audit engagements and projects will enhance the integrity and reliability of the District's financial management and reporting systems. The OIO is staffed with professional and technically skilled auditors who continually meet the challenges of assessing, monitoring, and improving financial controls and accountability within the District.

I express special thanks to our Chief Financial Officer Jeff DeWitt, Deputy Chief Financial Officer and Chief of Staff Angell Jacobs, Deputy Chief Financial Officers (DCFOs), Associate Chief Financial Officers (ACFOs), Deputy Chief Financial Officers (DCFOs) and the Chief Risk Officer for their confidence and support of OIO's work.

Respectfully,



Timothy Barry
Executive Director

September 24, 2019

INTRODUCTION

OIO is pleased to present its FY 2020 Work Plan (*Plan*). The *Plan* includes descriptions of planned audits and non-audit projects to be conducted during the coming fiscal year. We selected these projects based on risk assessments of programs and issues; input from the OCFO executive staff, agency officials, and other stakeholders.

OIO supports the mission of the OCFO and the *Strategic Plan* issued in FY 2017. The *Strategic Plan* focuses on seven (7) strategic objectives:

- Improve Customer Service;
- Create a Culture of Continuous Improvement;
- Improve Transparency and Quality of Information;
- Manage Risk and Prevent Fraud;
- Implement Quality Financial Systems;
- Develop, Attract and Retain High Quality Employees; and
- Manage a Fair and Equitable System to Fully Collect District Revenues.

As part of our *Plan*, we have incorporated these seven (7) objectives into our on-going and planned projects. Within the description of each of the audit and non-audit engagements, we included the applicable strategic objective(s). The list of the objectives for each project is not intended to be all inclusive, but we believe, highlight the objectives that best align with OIO's overall Internal Audit objectives.

In assessing the risks facing the OCFO and the District, our work plan has been designed around strategic segments/agencies within the OCFO. In FY 2019, OIO sent risk questionnaires to the Deputy CFO's, Associate CFO's and Executive Directors within the OCFO to get feedback on areas of risk in their respective organizations. We also met with key stakeholders to get their input on the plan. Internally, the OIO Internal Audit Division (IAD) developed audit topics based on our own understanding of risk areas within the OCFO. Based on the feedback we received, and audit topics developed by the IAD, we assessed the responses to determine the risk, impact, and value that the audit would add to the OCFO. Based on this assessment, we developed our risk-based *Plan*. The *Plan* is organized by segments/agencies, which are:

- I. Office of Tax and Revenue (OTR)
- II. Office of Finance and Treasury (OFT)
- III. Office of Lottery and Gaming (OLG)
- IV. Office of Financial Operations and Systems (OFOS)
- V. Regulatory Audits
- VI. Cluster
- VII. District-Wide
- VIII. Office of Management and Administration (OMA)
- IX. Office of the Chief Information Officer (OCIO)
- X. Non-Audit Services

The listing of a project in the FY 2020 *Plan* does not necessarily mean that problems exist or guarantee that the engagement will be undertaken. During the year it is not possible to plan for all the potential audits and/or projects that OIO may be requested to perform. For example, during the year OCFO executives may request an audit be initiated within their area of responsibility, or the City Council may request an audit be initiated in a specific area of government operations. To accommodate the special requests and other critical issues, OIO may find it necessary to delay or suspend an audit until the resources are available to start or recommence the project. Should OIO consider the modifications to the *Plan* to be significant, we will modify the *Plan* to reflect the additional requests and changed priorities.

THE AUDIT PROCESS

OIO's audit process includes several integrated steps that assist us in accomplishing our objectives. These include the announcement of the audit (Engagement Memorandum), an Entrance Conference, the Planning and Fieldwork Stage, an Exit Conference with the agency officials impacted by the audit results, the Audit Report process, and the Audit Follow-up process. We have provided a brief explanation of each of these processes in the following paragraphs.

Engagement Memorandum

Prior to the start of an audit, OIO generally sends an Engagement Memorandum to the agency head(s) involved with the project. The memorandum includes the audit title, a project number, an outline of the planned objectives, the period covered by the audit, and the planned start date. Additionally, the Memorandum also explains that OIO will hold an Entrance Conference to provide the appropriate OCFO managers with information about the audit. In some instances, OIO will not send an Engagement Memorandum. This is done when the audit is on a surprise basis. In those instances, we will send an Engagement Memorandum to the impacted OCFO officials after the start of the audit.

Entrance Conference

OIO holds an Entrance Conference with the OCFO senior managers and agency officials of the program whose operations will be audited. At the Entrance Conference, the auditors will provide detailed explanations of the audit planned objectives, the period that will be covered by the audit, the audit methodologies that will be used, and the formal reporting process. If management requested the audit, we discuss the specific areas of interest or problems they have noted. During this meeting OIO encourages the agency officials to bring to the audit team's attention any concerns, ideas, or special circumstances that may impact the audit. Also, we request that the agency provide us with an official Point of Contact (POC) for the audit. The POC is the individual that OIO will: (1) contact to request audit documentation, arrange interviews and meetings with agency officials and staff, and (2) provide briefings on the progress of the audit, findings requiring immediate attention, and other issues that need management's attention.

Planning and Fieldwork

The audit begins with the Planning and Audit Survey Stage which allows us to gain an understanding of the program, activity or function that is the subject of the audit. We perform an initial walkthrough of the process, determined by the audit objectives, to identify areas that we should focus in our audit. Subsequent to the completion of the Audit Survey, we will determine whether a sufficient basis exists, for additional work. If such a determination is made, OIO will continue its Fieldwork, focusing on the areas that we determine warrant additional testing. The bulk of the audit's Fieldwork is performed in this stage. We may request additional and more extensive records and documents from the agency. During the Fieldwork Stage, we perform detailed examinations and testing, based on our objectives, to determine whether: (1) the program, activity, or function is operating efficiently and effectively; (2) the internal controls are functioning as intended; and (3) the agency is compliant with the applicable laws and regulations. In this stage, the auditors will develop their findings, recommendations, and audit results that form the basis for the written Audit Report.

The Planning and Fieldwork Stages require the cooperation of the OCFO officials and staff. The auditors may need OCFO officials and staff to: answer questions; provide access to records, documentation, and files; and to prepare data (spreadsheets, flowcharts, documents). Keeping in mind that the officials and staff of OCFO agencies need to carry out their regular functions and workload, OIO auditors will conduct its work in a mutually agreed upon manor that will cause minimal disruption to agency operations.

Keeping OCFO Officials Informed

During the audit, OIO will keep the agency officials advised of any deficiencies or weaknesses we identify. OIO will, through the POC, keep the officials informed of the progress of the audit, and any issues that require the officials' immediate attention.

Audit Exit Conference. After all the audit Fieldwork is completed, OIO conducts a formal Exit Conference with the agency officials. At the Exit Conference, we summarize the issues, and findings previously provided to the officials through the agency POC, and any additional findings and recommendations we may have subsequently developed. We provide the agency officials with the opportunity to discuss any corrective actions necessary to initiate the recommendations and resolve the findings. This is done with the audit team present at the Exit Conference. We will encourage the agency to take immediate action, if possible, on any recommendations. OIO will include the substantiated actions taken on the recommendations in the Draft and Final Audit Report.

Draft Audit Report. OIO prepares the Draft Audit Report which includes any comments or concerns raised at the Exit Conference by the agency officials. OIO will send the Draft Audit Report to the agency head responsible for implementation of the recommendations. Usually, we request the agency official to whom the Draft Audit Report is addressed, to provide us with a written response to the draft document within two (2) weeks from the date of the Draft

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Audit Report. OIO requests that the response to the draft report's recommendations include: the actions taken or planned by the agency and the projected dates for completion of any uncompleted actions. When appropriate, alternative solutions can be proposed by the agency.

Final Report. After receipt of the agency's written response, OIO will analyze the response and consider the impact of any alternative solutions presented by the agency. OIO will summarize the response to the individual recommendations in the body of the Final Report. The agency's full response is included as an appendix to the Final Report. The Final Report is distributed to the CFO, the DCFO/Chief of Staff, Chief Risk Officer, and the agency head, to whom the recommendations are addressed. OIO's Final Reports are also published on the OCFO's website.

Audit Follow-up. The agency officials are responsible for taking the corrective actions that they have agreed to in their responses to individual Final Reports. Periodically, OIO will conduct an Audit Follow-up or incorporate a Follow-up of prior year recommendations in the Final Report to verify that the agreed upon corrective actions have been taken, and the recommendations implemented are effective in correcting the cause of the finding in the Final Report.

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PLANNED PROJECTS**

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AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of the Questionable Refund Detection Program
OBJECTIVES:	The objectives of this audit are to determine whether: (1) the Questionable Refund Detection Program is operating efficiently and effectively; (2) internal controls are adequate.
JUSTIFICATION:	The Questionable Refund Detection Team (QRDT) within the Office of Tax and Revenue Compliance Administration was established to identify fraudulent tax returns and schemes, aggressively protect the revenue of the District and pursue criminal charges against willful violators, both preparers and taxpayers. The QRDT interacts with taxpayers through correspondence and in-person contact, handles large amounts of Personally Identifiable Information (PII) and may approve or deny refunds. This area was suggested by the OTR DCFO and has not been previously audited.
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Collections Case Management: In-House Program
OBJECTIVES:	The overall objective of the audit is to determine whether the In-House collection program is operating efficiently and effectively.
JUSTIFICATION:	<p>As part of their collection efforts, The Office of Tax and Revenue (OTR) Compliance Administration Collections Division is responsible for collecting delinquent and deficient individual income and business-related taxes from District taxpayers. Per the September 30, 2018 Comprehensive Annual Financial Report (CAFR) audit, the District reported a net tax receivable balance, including real property taxes, of \$462,762, 000¹. OTR uses internal and external collectors to collect the amounts due to the District.</p> <p>OTR recently converted to a new tax system that includes a Case Management tool. This area has not been previously audited and is deemed a high-risk area.</p>
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

¹ FY18 CAFR – Statement of Financial Position - Taxes receivable, net. Pg. 46

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AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Internal Controls over the City Clean Hands Tax Certification Process
OBJECTIVES:	The objectives of the audit are to determine whether: (1) the internal controls over the certification process are adequate and effective; (2) the certifications are granted in accordance with the applicable laws and regulations; and (3) prior audit recommendations were implemented.
JUSTIFICATION:	The City Clean Hands mandate, DC Code §47-2862, prohibits the issuance or reissuance of licenses or permits to applicants who owe the District more than \$100 in outstanding fines, penalties or interest. OIO previously audited the Clean Hands Process in FY 2016 and identified internal control deficiencies and non-compliance with the City Clean Hands Legislation. We directed six (6) recommendations to OTR management to address the deficiencies identified.
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Collections Enforcement Action: Garnishments
OBJECTIVES:	The overall objective of the audit is to determine whether the Collections Division properly administers the garnishment enforcement action in accordance with District laws and regulations.
JUSTIFICATION:	A garnishment is a legal means of procuring funds from a customer's wages or bank accounts to satisfy unpaid debt. The Collections Division administers the wage garnishment program through the new Modernized Integrated Tax System (MITS). This audit was requested by the Deputy Chief Financial Officer to ensure the program is functioning as intended. This process has not been previously audited and is deemed a high-risk program.
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Internal Controls Over the Automated Refund Process
OBJECTIVES:	The objectives of this audit are to determine whether: 1) internal controls over the processing of automatic refunds under a certain threshold are effective; 2) comprehensive policies and procedures for refunds are established and adhered to; and 3) refunds issued under a certain threshold are accurately processed and properly authorized.
JUSTIFICATION:	In FY 2019, OTR completed the conversion of all tax types except Real Property to the Modernized Income Tax System (MITS). OIO audits the

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	refund process periodically due to the inherent risk associated with re-funds.
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of Internal Controls over the Office of Lottery and Gaming Claim Processing/Prize Disbursement at Selected "Retailer Plus" Locations
OBJECTIVES:	The objectives are to determine whether: (1) the Office of Lottery and Gaming (OLG) has designed adequate policies and procedures over the internal controls of Claims Processing at "Retailer Plus" locations; and (2) "Retailer Plus" Claims Processing policies and procedures have been effectively and efficiently implemented.
JUSTIFICATION:	This audit was requested by the Executive Director, OLG. "Retailer Plus" locations are authorized to make prize disbursement greater than \$600 but less than \$5,000. The disbursement process is manual and involves multiple OLG departments including: Sales, Customer Service and the Finance Department.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of Internal Controls for Non-Cash Prizes at the Office of Lottery and Gaming
OBJECTIVES:	The objectives are to determine whether effective internal controls are in place to: (1) ensure that non-cash prizes being held at the Office of Lottery and Gaming (OLG) headquarters are properly and accurately inventoried; and (2) accurately report the market value of non-cash prizes in accordance with applicable laws, regulations, policies and procedures.
JUSTIFICATION:	In discussions with OLG during a separate engagement, it was noted that there is an inventory of non-cash prizes maintained in the office and non-cash prize awards were not properly reported to the Internal Revenue Service. This area has not been audited previously; therefore, OIO has deemed this a high-risk area.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

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AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of Internal Controls over Purchase Card Usage at the Office of Lottery and Gaming
OBJECTIVES:	The audit objectives are to: (1) determine whether effective internal controls are in place to ensure the Office of Lottery and Gaming's purchase card program is properly established, maintained, and operating in accordance with applicable laws, regulations, policies and procedures; and (2) ensure effective and adequate oversight exists over purchase card transactions.
JUSTIFICATION:	Purchase Cards can be used to make unauthorized purchases or split purchases to bypass authorization limits. To ensure that the purchase card is used in accordance with OCFO guidelines, the agency has requested an audit of their program.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Financial Operations and Systems (OFOS)
TITLE:	Agreed-Upon Procedures between the Office of Financial Operations and Systems (OFOS) and the Office of Integrity and Oversight (OIO) Regarding the Quarterly Independent Monitoring of SOAR Journal Entries
OBJECTIVES:	The objectives of the agreed-upon procedures engagement are to determine whether: (1) journal entries posted and approved by the same OCFO employees are valid and correct; and (2) effective internal controls are in place to compensate for the risk posed by lack of separation of duties.
JUSTIFICATION:	This quarterly agreed-upon procedure engagement was requested by OFOS as a result of internal control deficiencies reported by the external auditor in FYs 2013 and 2014. The external auditor recommended that management should implement an ongoing independent monitoring over the journal entries posted and approved by the same OCFO employees.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

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AGENCY/AREA:	Regulatory Audit
TITLE:	Audit of the Inmate Welfare Fund Financial Statements for the Fiscal Year Ended September 30, 2019
OBJECTIVES:	The objectives of the audit are to: (1) express an opinion on the financial statements of the Fund; (2) determine whether expenditures/costs charged to the Fund were proper; (3) determine whether internal controls over Fund transactions and financial reporting were adequate; and (4) determine whether the Fund is administered in accordance with laws and regulations.
JUSTIFICATION:	This audit is required pursuant to D.C. Code §24-282. D.C. Code §24-282 (e) states, in pertinent part: The Fund shall be subject to annual audits scheduled by the Office of the Chief Financial Officer, which shall be submitted to the Council no later than February 1 of each year. The scope of audit shall include an examination of the Department's use of Fund profits, including stocking the commissaries, low bond releases, providing inmate clothing upon release, and funding transportation costs for the inmate after release. The audit reports shall be submitted to the Council and the Mayor.
STRATEGIC OBJECTIVES	Improve Transparency and Quality of Information

AGENCY/AREA:	Regulatory Audit
TITLE:	Audit of the New Columbia Statehood Fund Statement of Revenues and Expenditures for the Fiscal Year Ended September 30, 2019
OBJECTIVES:	The objectives of the audit are to: (1) express an opinion on the Statement of Revenues and Expenditures; (2) determine whether expenditures/costs charged to the Fund were proper; (3) determine whether internal controls over Fund transactions and financial reporting were adequate; and (4) determine whether the Fund is administered in accordance with laws and regulations.
JUSTIFICATION:	This audit is required pursuant to D.C. Law 20-271, which states: "All revenues and expenses of the New Columbia Statehood Fund shall be audited annually by the Chief Financial Officer, who shall transmit the audit to the Mayor and the Council. The expenses of the annual audit shall be defrayed by the New Columbia Statehood Fund."
STRATEGIC OBJECTIVES	Improve the Transparency and Quality of Information

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AGENCY/AREA:	Regulatory Audit
TITLE:	Audit of the Office of Public Charter School Financing and Support (OPCSFS) Statement of Revenues and Expenditures for the Fiscal Year Ended September 30, 2019
OBJECTIVES:	The objectives of the audit are to: (1) express an opinion on the Statement of Revenues and Expenditures of the Fund; and (2) determine whether the Fund is administered in accordance with laws and regulations.
JUSTIFICATION:	Pursuant to Public Law 108-335 which states: "The Office of the Chief Financial Officer shall conduct an annual audit of the funds expended by the Office and provide an annual financial report to the Mayor, the Council of the District of Columbia, the Office of the District of Columbia Treasurer and the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose thereof.
STRATEGIC OBJECTIVES:	Improve the Transparency and Quality of Information

AGENCY/AREA:	Cluster
TITLE:	Assessment of the Public Safety and Justice Cluster's Emergency Planning and Security Fund (EPSF)
OBJECTIVES:	The objectives of the assessment are to: (1) evaluate whether the Public Safety and Justice Cluster (PSJC) has designed adequate policies, procedures and controls over the EPSF to ensure only allowable expenditures are charged to the Fund; and (2) assess whether the District's reimbursement process previously developed by the Office of Budget and Planning is acceptable.
JUSTIFICATION:	The EPSF is a Federal Payment received by the District annually. The appropriation legislation provides that the \$13 million remain available until expended. The EPSF may be used to provide support for public safety events related to the presence of the National Capital in the District, support requested by the United States Secret Service in carrying out protective duties; and for the cost of providing support to respond to immediate and specific terrorist threats or attacks in the District or surrounding jurisdictions. This project was requested by the PSJC ACFO in response to our FY 2020 Audit Planning Survey. The EPSF was not reviewed previously.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

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AGENCY/AREA:	Cluster
TITLE:	Audit of Internal Controls over Selected Public Safety and Justice Cluster Imprest Funds
OBJECTIVES:	The objectives of the audit are to determine whether: (1) the Public Safety and Justice Cluster (PSJC) has evaluated the necessity for maintaining the selected OCFO Imprest Funds; and (2) PSJC has adequately designed policies and procedures over the selected Imprest Funds and whether proper internal controls have been implemented over those funds
JUSTIFICATION:	The PSJC maintains Imprest funds at various agencies and departments ranging from \$200 to \$125,000. The Metropolitan Police Department (MPD) maintains a Confidential Fund of \$125,000 which is comprised of \$49,400 in replenishment funds, and \$75,600 for use for the policing activities across twelve (12) MPD divisions. This audit was requested by the PSJC Associate Chief Financial Officer (ACFO) in response to our FY 2020 Audit Planning Questionnaire.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement

AGENCY/AREA:	Cluster
TITLE:	Audit of Gift Card Operations at the Department of Employment Services (DOES)
OBJECTIVES:	The objective of this audit is to determine if the DOES gift card program is administered in accordance with policies and procedures.
JUSTIFICATION:	Gift cards are an alternative method of disbursing program services, which may include, but is not limited to; retail store cards, fare cards, and/or WMATA Smartrip cards. The DOES uses gift cards in five (5) programs for the delivery of specific program services. This audit was requested by the ACFO.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	District-Wide
TITLE:	Audit of the OCFO Travel Advances and Related Payment Process
OBJECTIVES:	The objective of this audit is to determine whether the OCFO has updated the travel policy and procedures to ensure standardized practices of processing travel advances and related payments across the District OCFO offices.
JUSTIFICATION:	The DC Auditor issued a report: <i>Accuracy and Consistency Needed in Travel Advances and Reconciliations in FY 2019</i> . The DC Auditor

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	directed one (1) recommendation to the OCFO. To address this issue, the OCFO created a remediation task force. The purpose of this audit is to ensure that corrective actions were implemented and met the intent of the recommendation.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement

AGENCY/AREA:	Office of the Chief Information Officer
TITLE:	Proactive Survey of the OCIO's Compliance with Policies related to Disaster Recovery/Continuity of Business Plan
OBJECTIVES:	The proactive survey objective is to assess the OCIO's Disaster Recovery/Continuity Business Plan compliance with existing policies and procedures and whether the Disaster Recovery Plan properly addresses current up-to-date risks.
JUSTIFICATION:	Information Technology systems are critical to the OCFO; therefore, it is imperative that there is a plan in place to ensure business continuity is maintained in the event of a disaster. This is a high-risk and impact area therefore; it is critical that the CIO stay up-to-date especially due to increased cybersecurity threats as it relates to Ransomware attacks against other local governments.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Non-Audit Services
TITLE:	Follow-up Procedures of the FY 2019 Independent Auditor's Report on Internal Control over Financial Reporting and the Comprehensive Annual Financial Report (CAFR) Management Letter
OBJECTIVES:	The objectives of this follow-up are to: (1) monitor the agencies progress in addressing problems noted in the Management Letter and Internal Control Compliance reports issued by the external auditors; (2) determine whether findings have been satisfactorily resolved or are still outstanding; and (3) perform test work to ensure that the agency is actually addressing those findings.
JUSTIFICATION:	The Office of Financial Operations and Systems obtains corrective action plans from effected agencies to mitigate the deficiencies identified by external auditors. The OIO provides an independent verification that actions were implemented as stated.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

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AGENCY/AREA:	Non-Audit Services
TITLE:	Quarterly Verification of the Business Self-Assessment Process at the Office of Tax and Revenue
OBJECTIVES:	The overall objective of this verification is to determine whether the tests conducted by the OTR personnel are performed in accordance with the program guidance and to identify opportunities for additional training on internal controls.
JUSTIFICATION:	The Office of the Chief Risk Officer (OCRO) established the self-assessment internal control program at the Office of Tax and Revenue to test controls on a monthly/quarterly basis to ensure that controls are functioning as designed. The verification by OIO will provide additional assurance, that the conclusions reached in testing are proper and adequately supported.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Improve Transparency and Quality of Information; Manage Risk and Prevent Fraud

ONGOING PROJECTS

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Cluster	24. Audit of Reprogramming Process within the Economic Development Cluster [Job No. 19-01-22 EDRC]	24
	25. Interim Audit of the Inmate Welfare Fund Financial Statement for FY 2019 [Job No. 19-03-24 IWF]	25
Office of Management Administration	26. Audit of Procurement Practices at the Office of Management and Administration [Job No. 19-01-28 OMA]	25
Non-Audit Services	27. Follow-up Procedures of the FY 2018 Independent Auditor's Report on Internal Control over Financial Reporting and the Comprehensive Annual Financial Report (CAFR) Management Letter [Job No. 19-01-12 OFOS]	26
	28. Quarterly Verification of the Business Self-Assessment Process at the Office of Tax and Revenue 3 rd Quarter FY 2019 [Job No. 19-03-26 OCRO]	26

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AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Internal Controls over the Office of Tax and Revenue Collections Division Enforcement Actions: Liens [Job No. 18-01-10 OTR]
OBJECTIVES:	The overall objectives of the audit are to determine whether: (1) the Collections Division complies with Federal and District Government statutes and regulations related to the collection of debts; and (2) adequate internal controls exist over the enforcement action process.
JUSTIFICATION:	Maintaining an effective and efficient collection process for delinquent taxpayers is critical to ensuring that all possible revenues are collected. As of September 30, 2017, the District reported that it had tax receivables of \$458,442,000 (net). ² The Collection Division is tasked with the responsibility of ensuring that all of the District Government's taxpayers file timely returns and pay the proper amount of tax, regardless of the amount owed. Collections Division has the authority to use certain enforcement actions such as enforcement actions such as levies, liens, seizures/sales, trust fund recovery assessments and liability offsets to collect the taxes due. This area was deemed high risk by the Treasury Inspector General for Tax Administration (TIGTA) due to its inherent risk.
STATUS	A Management Alert was issued to address deficiencies identified. The audit will resume in FY 2020.
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Assessment of the Compliance Administration Criminal Investigation Division [Job No. 19-01-21 OTR]
OBJECTIVES:	The objectives of this assessment are to determine whether: 1) the Division is operating efficiently and effectively and 2) utilizing best practices to administer its program.
JUSTIFICATION:	The Compliance Administration Criminal Investigations Division (CID) is responsible for investigating tax related misconduct by external parties. The CID works collaboratively with federal organizations such as: Alcohol, Tobacco and Firearms, the Internal Revenue Service, and the Federal Bureau of Investigation on tax related criminal activity that may have an impact on the District. OIO has never reviewed Criminal Investigation Division as part of oversight of the OTR.
STATUS	The assessment is in the Fieldwork Phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage a Fair and Equitable System to Fully Collect District Revenues

² This amount is from the FY 2017 Comprehensive Annual Financial Report and is composed of real property taxes in addition to business and individual tax debts. The Collections Division is not responsible for the collection of delinquent real property taxes.

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AGENCY/AREA:	Office of Finance and Treasury
TITLE:	Audit of Internal Controls over Cashiering Operations [Job No. 19-01-13 OTR]
OBJECTIVES:	The objectives of the proposed audit are to: (1) determine whether OFT has adequate internal controls in place over cashiering operations; and (2) follow-up on internal controls deficiencies identified in our previous report and by the Independent Public Accountant, Regis & Company.
JUSTIFICATION:	OIO reviews cashiering operations on an annual basis to provide reasonable assurance that proper internal control policy and procedures are in place to prevent and detect misappropriation of the District's funds.
STATUS	The engagement is in the Draft Reporting Phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Financial Operations and Systems
TITLE:	Agreed-Upon Procedures between the Office of Financial Operations and Systems (OFOS) and the Office of Integrity and Oversight (OIO) Regarding the FY 2019 Quarterly Independent Monitoring of SOAR Journal Entries, 3 rd Quarter [Job No. 19-01-27 OFOS]
OBJECTIVES:	The objectives of the agreed-upon procedures engagement are to determine whether: (1) journal entries posted and approved by the same OCFO employees are valid and correct; and (2) effective internal controls are in place to compensate for the risk posed by lack of separation of duties.
JUSTIFICATION:	This quarterly agreed-upon procedure engagement was requested by the Office of Financial Operations and Systems (OFOS) as a result of internal control deficiencies reported by the external auditor in FYs 2013 and 2014. The external auditor recommended that management should implement an ongoing independent monitoring over the journal entries posted and approved by the same OCFO employees.
STATUS	The engagement is in the Fieldwork Phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud; and Create a Culture of Continuous Improvement

AGENCY/AREA:	Cluster/EDRC
TITLE:	Audit of the Reprogramming Process within the Economic Development Cluster [Job Code 19-01-22 EDRC]
OBJECTIVES:	The objectives are to determine whether: (1) the reprogramming of funds were conducted in accordance with District regulations; and (2) appropriate funding sources were used in the reprogramming.
JUSTIFICATION:	The Office of the DC Auditor (ODCA) conducted an audit of the Housing Production Trust Fund (HPTF) for the years 2001 through FY

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	<p>2016 and found that due to DHCD's improper spending of federal funds, DHCD and the OCFO used the HPTF to repay HUD over multiple years (2009, 2011, 2012, 2013, and 2014). The ODCA review did not include FY 2017 and FY 2018; therefore, OIO will review these fiscal years to ensure Economic Development and Regulation Cluster used appropriate funding sources for reprogramming, and specifically to determine if the Cluster should use more appropriate funds (such as the General Fund surplus or the reserve fund).</p>
STATUS	The engagement is in the Fieldwork phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Improve the Transparency and Quality of Information

AGENCY/AREA:	Cluster/PSJC
TITLE:	Interim Audit of the Inmate Welfare Fund Financial Statement for FY 2019 [Job No. 19-03-24 IWF]
OBJECTIVES:	The objectives of the audit are to determine whether: (1) internal controls over revenue recognition are adequate; and (2) internal controls over expenditures are adequate.
JUSTIFICATION:	This interim audit was requested by the Associate Chief Financial Officer, PSJC to ensure that observations identified by OIO in the FY 2018 financial statement audit have been remediated.
STATUS	The engagement is in the Fieldwork Phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Improve the Transparency and Quality of Information

AGENCY/AREA:	Office of Management and Administration (OMA)
TITLE:	Audit of Procurement Practices at the Office of Management and Administration [Job No. 19-01-28 OTR]
OBJECTIVES:	The objectives of the proposed audit are to: (1) determine whether OMA/Office of Contracts' contract files are in compliance with the applicable District's Procurement Laws and Regulations; (2) determine whether OMA/Office of Contracts' Procurement and Payments policies and procedures are adequately designed, documented, and communicated to the users; and (3) evaluate whether OMA's procurement and payments practices are effective and efficient.
JUSTIFICATION:	Procurement is deemed a high-risk area and was requested by OMA in OIO's FY 2019 and FY 2020 audit planning survey. Procurement is deemed a high-risk area and was requested by OMA in response to our FY 2019 Audit Planning Survey Questionnaire. OMA was cited for non-compliance with District Procurement Laws and Regulations

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	by the external auditors in the FY 2014 CAFR Audit. Additionally, OIO has not reviewed OMA procurement practices since FY 2003.
STATUS	The engagement is in the Planning Phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement

AGENCY/AREA:	Non-Audit Services
TITLE:	Follow-up Procedures of the FY 2018 Independent Auditor's Report on Internal Control over Financial Reporting and the Comprehensive Annual Financial Report (CAFR) Management Letter [Job No. 19-01-12 OFOS]
OBJECTIVES:	The objectives of this follow-up are to: (1) monitor the agencies progress in addressing problems noted in the Management Letter and Internal Control Compliance reports issued by the external auditors; (2) determine whether findings have been satisfactorily resolved or are still outstanding; and (3) perform test work to ensure that the agency is actually addressing those findings.
JUSTIFICATION:	The Office of Financial Operations and Systems obtains corrective action plans from effected agencies to mitigate the deficiencies identified by external auditors. The OIO provides an independent verification that actions were implemented as stated.
STATUS	The engagement is in the Reporting Phase at September 30, 2019.
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement

AGENCY/AREA:	Non-Audit Services
TITLE:	Quarterly Verification of the Business Self-Assessment Process at the Office of Tax and Revenue 3 rd Quarter FY 2019 [Job No. 19-01-26 OCRO]
OBJECTIVES:	The overall objective of this verification is to determine whether the tests conducted by the OTR personnel are performed in accordance with the program guidance and to identify opportunities for additional training on internal controls.
JUSTIFICATION:	The Office of the Chief Risk Officer (OCRO) established the self-assessment internal control program at the Office of Tax and Revenue to test controls on a monthly/quarterly basis to ensure that controls are functioning as designed. The verification by OIO will provide additional assurance, that the conclusions reached in testing are proper and adequately supported.
STATUS	The engagement is in the Fieldwork phase at September 30, 2019.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Improve Transparency and Quality of Information; Manage Risk and Prevent Fraud

**CONTRACT
ADMINISTRATION**

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CONTRACT NO.:	CFOPD- 16-C-014: Single Audi ServicesFY2015-FY2019
TITLE:	Single Audit Coordination of the District's FY 2015- FY 2019 Single Audit Contract
OBJECTIVES:	The objectives of this project are to: (1) prepare the FY 2018 Schedule of Expenditures of Federal Awards (SEFA) for submission to the external auditors in accordance with the requirements as outlined in the Uniform Grant Guidance and the Federal Audit Clearinghouse Data Collection Form for Single Audit Submission; (2) prepare the Summary Schedule of Prior Audit Findings and Management Corrective Action Plan for submission to the external auditors; (3) follow-up on Single Audit issues, including alerting agencies on the consequences for not providing the requested documentation to the external auditors; (4) follow-up on Cognizant Federal Agency and other Federal Grantor Agencies communications on the Single Audit findings; (5) prepare for the Single Audit reporting phase close-out, including submission of the Federal Form – SF-SAC (Data Collection Form) to the Federal Audit Clearinghouse; and (6) fulfill the functions of the COTR for the Single Audit contract including: (a) monitoring the independent accountants conducting the audit; (b) assisting in resolution of the issues impacting the Single Audit with the contactors, Single Audit Committee, and the agencies who are recipients of the grant funding. This project does not produce a specific report for the oversight function. It is critical to the management of the contract.
JUSTIFICATION:	The Single Audit is mandated by law for agencies that receive federal financial assistance. The OCFO is responsible for the contracting of the required Single Audit of the District's Federal grant funds. OIO was tasked with the responsibility of acting as the COTR for this contract.
STRATEGIC OBJECTIVES:	Improve Transparency and Quality of Information; Create a Culture of Continuous Improvement

FY 2020 WORK PLAN

**Summary of Planned and Ongoing Projects
Fiscal Year 2020**

Segment/Agency	Ongoing Projects	FY 2020 Projects		
		Mandatory	Planned	Total
Office of Tax and Revenue	2		5	7
Office of Finance and Treasury	1		0	1
Office of Lottery and Gaming	-		3	3
Office of Financial Operations and Systems	1		1	2
Regulatory Audits	-	3		3
Cluster	2		3	5
District-Wide	-		1	1
Office of Management and Administration	1		-	1
Office of the Chief Information Officer	-		1	1
Non-Audit Services	2		2	4
Total	9	3	16	28

Note: Mandatory Audits are required by statute or regulation.