



Office of Integrity & Oversight

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

**FISCAL YEAR
2021 AUDIT
WORK PLAN**

Table of Contents

Contents

Abbreviations and Acronyms Used	3
Foreword	4
Introduction	5
The Audit Process	6
Planned Projects Index	9
Ongoing Projects Index	23
Contract Administration	29
Summary of Planned and Ongoing Projects – Fiscal Year 2020	31

**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 Representative
DCFO	Deputy Chief Financial Officer
District	Government of the District of Columbia
DOES	Department of Employment Services
EMS	Emergency Medical Services
FOIA	Freedom of Information Act
FY	Fiscal Year
HSSC	Human Support and Services Cluster
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
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OIO	Office of Integrity and Oversight
OLG	Office of Lottery and Gaming
OPCSFS	Office of Public Charter School Financing and Support
OMA	Office of Management and Administration
ORA	Office of Revenue and Analysis
OTR	Office of Tax and Revenue
<i>Plan</i>	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 2021 (FY 2021) 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).

The FY 2021's *Plan* relied on input from our stakeholders through their response to our annual questionnaire. This year's questionnaire focused on known and perceived risks, as the result of the organization's remote teleworking status. Based on their input and our internal assessment, the FY 2021 *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 30, 2020

INTRODUCTION

OIO is pleased to present its FY 2021 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 2020, 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. Regulatory Audits
- V. Cluster
- VI. Central Financial Operations (OFOS, ORA)
- VII. Executive Support Agencies (OCIO, OGC, OMA)
- VIII. Non-Audit Services

The listing of a project in the FY 2021 *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 manner 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 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 send agencies a Follow-up survey to determine the status of open recommendations or conduct a Follow-up audit and incorporate the follow-up of prior year recommendations in our review. The status of the prior recommendations will be verified and included in our Final Report.

**FY 2021
PLANNED PROJECTS**

FY 2021 WORK PLAN

PLANNED PROJECTS BY AGENCY INDEX

Agency/Area	Title	Page
Office of Tax and Revenue (OTR)	1. Audit of the Questionable Refund Detection Program	12
	2. Audit of Internal Controls over the Automated Refund Process	12
	3. Audit of Internal Controls over the City Clean Hands Tax Certification Process	13
	4. Audit of Internal Controls at the Recorder of Deeds	13
Office of Finance and Treasury (OFT)	5. Survey of OFT Asset Management Systems	14
	6. Audit of Internal Controls over Unclaimed Property	14
	7. Assessment of OFT's Service Organization Controls (SOC) Reports	15
Office of Lottery and Gaming (OLG)	8. Audit of the OLG Fleet Management Program	15
	9. Audit of Advertising Contract Expenditures	16
	10. Audit of the Retail and Charitable Game Licensing Process	16
Regulatory Audits	11. Audit of the Inmate Welfare Fund Financial Statements for the Fiscal Year Ended September 30, 2020	17
	12. Audit of the New Columbia Statehood Fund Statement of Revenues and Expenditures for the Fiscal Year Ended September 30, 2020	17
	13. Audit of the Office of Public Charter School Financing and Support (OPCSFS) Statement of Revenues and Expenditures for the Fiscal Year Ended September 30, 2020	18
Clusters	14. Audit of the Public Safety and Justice Cluster (PSJC) Ambulance Billing Process	18
	15. Follow-up Audit of the Internal Controls over the Human Support Service Cluster (HSSC) Gift Card Program	19

FY 2021 WORK PLAN

PLANNED PROJECTS BY AGENCY INDEX

Agency/Area	Title	Page
Central Financial Operations	16. Agreed Upon Procedures between the Office of Financial Operation and Systems (OFOS) and the Office of Integrity and Oversight (OIO) Regarding the Quarterly Independent Monitoring of SOAR Journal Entries	19
	17. Audit of Internal Controls over the Safeguarding of Federal Tax Information at the Office of Revenue and Analysis	20
<hr/>		
Executive Support Agencies	18. Audit of the OCFO Cell Phone Program at the Office of the Chief Information Officer (OCIO)	20
	19. Audit of the General Counsel's (OGC) Compliance with the Freedom of Information Act (FOIA)	21
	20. Audit of the OCFO Fleet Management Program	21
<hr/>		
Non-Audit Services	21. Follow-up Procedures of the FY 2020 Independent Auditor's Report on Internal Control over Financial Reporting and the Comprehensive Annual Financial Report (CAFR) Management Letter	22
	22. Quarterly Verification of the Business Self-Assessment Process at the Office of Tax and Revenue	22

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of the Questionable Refund Detection Team (QRDT) Program
OBJECTIVES:	The objectives of this audit are to determine whether: (1) the Questionable Refund Detection Team is operating efficiently and effectively; and (2) internal controls over the review and approval of refunds are adequate.
JUSTIFICATION:	The Questionable Refund Detection Team (QRDT) within the OTR Audit and Criminal Investigation Administration, formerly the 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; 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). Refunds under a certain threshold are sent automatically. OIO audits the refund process periodically due to the inherent risk associated with refunds.
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

FY 2021 WORK PLAN

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. There was a revision to the clean hands automated system; therefore, we will determine if the program complies with regulations.
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud; Improve Transparency and Quality of Information

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Internal Controls at the Recorder of Deeds
OBJECTIVES:	The objectives of the audit are to determine whether the Recorder of Deeds: 1) records documents timely; 2) collects and transfers monies accurately and timely; and 3) complies with applicable laws and regulations and policies and procedures.
JUSTIFICATION:	The Recorder of Deeds, an administration of the Office of Tax and Revenue, is the official repository of all land records and general public instruments for the District of Columbia. The office is responsible for the collection of all recordation and transfer tax and filing fees on instruments being recorded and maintains these records for public inspection. Our previous audit of this area was in FY 2013. Since that time, the process has become more automated. With the change in process, this audit was requested by the OTR Deputy CFO in our FY 2021 audit questionnaire.
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud; Improve Transparency and Quality of Information

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Finance and Treasury (OFT)
TITLE:	Survey of the OFT Asset Management Systems
OBJECTIVES:	The objective of the survey is to assess whether the systems are operating as required and with adequate system controls.
JUSTIFICATION:	OFT recently implemented an Asset Management System (Kyriba) and other related systems. A review of the systems will assist us in gaining an understanding of the new systems, determine the risks associated with the new systems, how they will impact the OCFO, and to determine if there are any risks that may need further action.
STRATEGIC OBJECTIVES:	Implement Quality Financial Systems; Create a Culture of Continuous Improvement; and Effectively Manage Risk and Prevent Fraud and Losses

AGENCY/AREA:	Office of Finance and Treasury (OFT)
TITLE:	Audit of Internal Controls over Unclaimed Property
OBJECTIVES:	The objectives of the audit are to: 1) determine the effectiveness of controls in place over the issuance and custody of unclaimed property, and 2) ensure all prior audit recommendations were fully implemented.
JUSTIFICATION:	<p>The Unclaimed Property Unit is within the Office of Finance and Treasury. Per their website, one of their top priorities is reuniting owners with their lost or misplaced property. This includes items such as bank accounts, contents of safe deposit boxes, wages, insurance benefits, security deposits, stock dividends and other funds that remain unclaimed for three (3) years or more. Unclaimed property does not include real estate, boats or cars.</p> <p>In FY 2019, the OIO sent a questionnaire to follow-up on our previous audit conducted in FY 2016, and the unit stated they fully addressed two (2) of the recommendations and one (1) recommendation was partially addressed. To ensure the recommendations were fully implemented, we will conduct an audit of the area.</p>
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud; Improve Transparency and Quality of Information

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Finance and Treasury (OFT)
TITLE:	Assessment of OFT's Service Organization Controls (SOC) Reports
OBJECTIVES:	The objective is to assess OFT's SOC 1 Review Process to ensure that OFT's complementary user entity controls are suitably designed and operating effectively.
JUSTIFICATION:	<p>OFT receives several Service Organization Controls (SOC, formerly SSAE 16) reports from its contracted financial institutions. Typically, The Vendor's External Auditor performs the SOC 1/SSAE 16 Type 2 (Financial Information System Service Auditor Report) attestation and issues the report on the Vendor's system and the suitability of the design and operating effectiveness of controls. As the User Entity, OFT should review these reports and ensure that adequate complementary user entity controls are in place.</p> <p>Previously, external auditors raised the issue of the lack of adequate policies and procedures in place to ensure the timely analysis and documented consideration of the complementary user entity controls. Therefore, the risk and impact of not keeping up-to-date current cybersecurity threats are high.</p>
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of the OLG Fleet Management Program
OBJECTIVES:	The objectives are to determine whether: 1) whether effective internal controls are in place to ensure that the DC Lottery Fleet Management process and staff use are compliant with the current SOP and the related DC laws and regulation for maintaining and operating a government vehicle; and 2) the DC Lottery is keeping accurate records of Fleet utilization.
JUSTIFICATION:	This audit was requested by the Executive Director, OLG. The DC Lottery maintains a fleet of 15 vehicles (14 vans and one 1 sales truck). A Fleet Tracking System is installed on all DC Lottery vehicles. This audit will ensure compliance with the procedures governing staff's use of the fleet of vehicles and ensure the accuracy of the records.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of Advertising Contract Expenditures
OBJECTIVES:	The overall objective of the audit is to ensure that expenditures adhere to procurement policies and are compliant with the terms of the contract, including direct costs, production costs and pass-through costs.
JUSTIFICATION:	The Office of Lottery and Gaming (OLG) relies extensively on advertising to increase sales of lottery products and contracts with an external firm for advertising services. Advertising Expenditures related to this contract should comply with contract terms. This audit topic was requested by the OLG's Executive Director in response to our FY 2021 Audit Planning Questionnaire and has not been previously audited by OIO.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of the Retail and Charitable Game Licensing Process
OBJECTIVES:	The objectives for this audit are to determine whether: 1) effective internal controls are in place to ensure that the Retail Agents Licensing process are compliant with the current SOP and the related DC laws and regulation; and 2) the Charitable Games Licensing approval process are in compliance with the current OLG's SOP and the related DC laws and regulation.
JUSTIFICATION:	<p>This audit topic was requested by the OLG's Executive Director in response to our FY 2021 Audit Planning Questionnaire. The last OIO review on OLG's Retail Agents Licensing was in our FY 2017 – <i>Audit of Office of Lottery and Charitable Games Implementation of the Best Practices Recommendations</i> (17-01-11 OLCG) where we noted internal control deficiencies in the Retail Agents Licensing process.</p> <p>The Retail Agents and Charitable Games Licensing Unit was transferred from the Sales Department to the Security and Compliance Department. Beginning in FY 2018, OLG planned to implement a new electronic process in which the agents applying for new or renewed licenses are required to upload their application and related documents. We have not reviewed this process since the changes were implemented.</p>
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement

FY 2021 WORK PLAN

AGENCY/AREA:	Regulatory Audit
TITLE:	Audit of the Inmate Welfare Fund Financial Statements for the Fiscal Year Ended September 30, 2020
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, 2020
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

FY 2021 WORK PLAN

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, 2020
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:	Clusters
TITLE:	Audit of the Public Safety and Justice Cluster (PSJC) Ambulance Billing Process
OBJECTIVES:	The objectives of the audit are to: 1) determine whether PSJC billed for emergency medical services (EMS) in accordance with regulations; and 2) revenues were billed and collected accurately and timely.
JUSTIFICATION:	To reduce the tax cost of emergency medical services (EMS) for DC residents, the Fire and EMS Department charges ambulance fees. The District awarded a contract to Advance Data Processing, (dba Intermedix) to supply patient account management services, including ambulance billing and collection. The Public Safety and Justice Cluster (PSJC) OCFO is responsible for ensuring that the invoices as submitted by the contractor are correct, making payments through the accounts payable system for invoices, and issuing refunds as approved by FEMS program management. Further, PSJC/OCFO must ensure that the financial systems of the District properly reflect the Ambulance Billing year-end revenue and accounts receivable balances.
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud; and Improve the Transparency and Quality of Information

FY 2021 WORK PLAN

AGENCY/AREA:	Clusters
TITLE:	Follow-up Audit of the Internal Controls over the Human Support Service Cluster (HSSC) Gift Card Program
OBJECTIVES:	The objectives of the audit are to determine whether: (1) HSSC agencies complied with policies and procedures; and 2) prior audit recommendations were implemented.
JUSTIFICATION:	<p>HSSC uses gift cards as an alternative method of disbursing program services, which may include, but is not limited to retail store cards, and Metro Smart-trip cards (WMATA). This follow-up audit was requested by the Associate Chief Financial Officer of the Human Support Service Cluster.</p> <p>OIO previously conducted an Audit of the HSSC gift card program in FY 2018-Fy 2019 and focused on the following agencies: Department of Behavioral Health; Department of Health; Child and Family Services Administration; Department of Youth and Rehabilitation Services; and the Department of Human Services. This audit identified internal control deficiencies related to compliance with procedures, recordkeeping and monitoring.</p>
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud; Improve the Transparency and Quality of Information

AGENCY/AREA:	Central Financial Operations
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

FY 2021 WORK PLAN

AGENCY/AREA:	Central Financial Operations
TITLE:	Audit of Internal Controls over the Safeguarding of Federal Tax Information at the Office of Revenue and Analysis
OBJECTIVES:	The objectives of the audit are to: (1) ensure adherence to the safeguards of Federal Tax Information (FTI) guidelines
JUSTIFICATION:	This audit was requested by the Executive Director of the Office of Revenue and Analysis (ORA) in response to our FY 2021 questionnaire. The Internal Revenue Service conducts a Safeguard review tri-annually. This audit will ensure that the ORA is complying with IRS regulations to minimize accidental or deliberate disclosure of confidential taxpayer information.
STRATEGIC OBJECTIVES:	Improve the Transparency and Quality of Information

AGENCY/AREA:	Executive Support Agencies
TITLE:	Audit of Internal Controls over Communication Equipment at the OCIO
OBJECTIVES:	The overall objective of this audit is to assess whether the internal controls over the procurement, inventory and deployment of communication equipment are efficient and effective.
JUSTIFICATION:	<p>The Chief Information Officer included this topic in response to the 2021 Audit Planning Questionnaire and suggested OIO conduct an audit of OCFO's communication (Cell Phone, Desk Phone etc.) equipment procurement, inventory and deployment processes and practices.</p> <p>During our last Proactive Survey at the OCIO in 2018, we learned that cell phone devices are monitored and controlled by OCTO through Fixed Cost Management System (FCMS) system and monitored for compliance by Air Watch, which is part of FCMS. The system also controls the inventory of the mobile devices and ensures that device users update their Operating Systems. All non-compliant devices are flagged, and reports sent to OCIO. All agencies with devices are required to be 95% compliant, otherwise they are not allowed to request for any more devices. With the move to remote operations, more cell phones were recently procured as more employees use cell phones to conduct business.</p>
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

FY 2021 WORK PLAN

AGENCY/AREA:	Executive Support Agencies
TITLE:	Audit of the General Counsel’s (OGC) Compliance with the Freedom of Information Act (FOIA)
OBJECTIVES:	The objective of the audit is to determine the Office of General Counsels’ compliance with FOIA laws and regulations.
JUSTIFICATION:	<p>The Office of General Counsel (OGC) directs the legal resources of the OCFO and provides legal guidance on a variety of complex matters related to employment, labor relations, ethics, contracts, procurement, and the Freedom of Information Act.</p> <p>The District of Columbia Freedom of Information Act, under DC Code §§ 2-531-539, provides that any person has the right to request access to records. All public bodies of the District government are required to disclose public records, except for those records, or portions of records, that are protected from disclosure by the exemptions found at DC Code § 2-534. Our office has not previously audited OGC’s compliance with the Act.</p>
STRATEGIC OBJECTIVES:	Improve the Transparency and Quality of Information

AGENCY/AREA:	Executive Support Agencies
TITLE:	Audit of the OCFO Fleet Management Program
OBJECTIVES:	The objectives of the audit are to determine whether: 1) effective internal controls are in place to ensure that OCFO staff are in compliance with the current SOP and the related DC laws and regulation for maintaining and operating a government vehicle; and 2) the OMA Logistics maintains accurate records of Fleet utilization.
JUSTIFICATION:	<p>The OCFO maintains a fleet of cars as well as contracts with Enterprise Rental and Zip Cars to facilitate OCFO employees in their needs for transportation to carry out official duties of the District. To obtain a car, employees must have a valid Driver’s License and complete a form with the Office of Logistics & Support.</p> <p>To obtain a fleet vehicle, the staff goes through the Office of Logistics & Support. If a fleet vehicle is not available, they may obtain a vehicle through Zip or Enterprise Rental Car. The employee is allowed to obtain the vehicle independently using the account code, and the OCFO is billed for the services used.</p>
STRATEGIC OBJECTIVES:	Manage Risk and Prevent Fraud

FY 2021 WORK PLAN

AGENCY/AREA:	Non-Audit Services
TITLE:	Follow-up Procedures of the FY 2020 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

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

FY 2021 WORK PLAN

ONGOING PROJECTS BY AGENCY INDEX

Agency/Area	Title	Page
Office of Tax and Revenue	23. Audit of Internal Controls over the Office of Tax and Revenue Collections Enforcement Actions: Garnishments [Job No. 20-01-05 OTR]	25
	24. Audit of the Automated Lien Process at the Office of Tax and Revenue [Job No. 20-01-16 OTR]	25
Office of Lottery and Gaming	25. Audit of Internal Controls over Purchase Card Usage at the Office of Lottery and Gaming [Job No. 20-01-14 OLG]	26
Cluster	26. Audit of Internal Controls over the DOES Gift Card Program [Job No. 20-01-01 DOES]	26
	27. Audit of Internal Controls over Selected Public Safety and Justice Cluster Imprest Funds [Job No. 20-01-13 PSJC]	27
	28. Assessment of the Public Safety and Justice Cluster's Emergency Planning and Security Fund [Job No. 20-03-18 PSJC]	27
Non-Audit Services	29. 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 [Job No. 20-01-15 OFOS]	28

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Tax and Revenue
TITLE:	Audit of Internal Controls over the Office of Tax and Revenue Collections Enforcement Actions: Garnishments [Job No. 20-01-05 OTR]
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.
STATUS	Reporting Phase
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 the Automated Lien Process at the Office of Tax and Revenue [Job No. 20-01-16 OTR]
OBJECTIVES:	The overall objectives of the audit are to determine whether: (1) the Collection and Enforcement 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. The Collection and Enforcement 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. Collection and Enforcement Division has the authority to use certain 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	Reporting Phase
STRATEGIC OBJECTIVES:	Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

FY 2021 WORK PLAN

AGENCY/AREA:	Office of Lottery and Gaming
TITLE:	Audit of Internal Controls over Purchase Card Usage at the Office of Lottery and Gaming [Job No. 20-01-14 OLG]
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.
STATUS:	Reporting Phase
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

AGENCY/AREA:	Cluster
TITLE:	Audit of Internal Controls over the DOES Gift Card Program [Job No. 20-01-01 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.
STATUS:	Reporting Phase
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

FY 2021 WORK PLAN

AGENCY/AREA:	Cluster
TITLE:	Audit of Internal Controls over Selected Public Safety and Justice Cluster Imprest Funds [Job No. 20-01-13 PSJC]
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.
STATUS:	Fieldwork Phase
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement

AGENCY/AREA:	Cluster
TITLE:	Assessment of the Public Safety and Justice Cluster's Emergency Planning and Security Fund (EPSF) [Job No. 20-03-18 PSJC]
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.
STATUS:	Reporting Phase
STRATEGIC OBJECTIVES:	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

FY 2021 WORK PLAN

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 [Job No. 20-01-15 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:	Reporting Phase
STRATEGIC OBJECTIVES	Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

CONTRACT ADMINISTRATION

FY 2021 WORK PLAN

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 2021 WORK PLAN

**Summary of Planned and Ongoing Projects
Fiscal Year 2021**

Segment/Agency	Ongoing as of Oct. 1, 2020	FY 2021 Projects		
		Mandatory	Planned	Total
Office of Tax and Revenue	2		4	6
Office of Finance and Treasury	-		3	3
Office of Lottery and Gaming	1		3	4
Regulatory Audits	-	3		3
Cluster	3		2	5
Central Financial Operations			2	2
Executive Support Agencies	-		3	3
Non-Audit Services	1		2	3
Total	7	3	19	29

Note: Mandatory Audits are required by statute or regulation.