

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

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**TO:** All Councilmembers

**FROM:** Chairman Phil Mendelson  
Committee of the Whole

**DATE:** November 15, 2022

**SUBJECT:** Report on Bill 24-939, “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022”

The Committee of the Whole, to which Bill 24-939, the “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022” was referred, reports favorably thereon with technical amendments, and recommends approval by the Council.

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**I. BACKGROUND AND NEED**

On July 13, 2022, Bill 24-939, the “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022” was introduced by Chairman Phil Mendelson. The purpose of the legislation is to repeal outdated or unnecessary mandates for audits and other reports required of the Office of the District of Columbia Auditor. The Council last repealed a number of audit mandates in similar legislation in 2016.<sup>1</sup> Notwithstanding this legislation, the Auditor’s broad authority to audit and investigate remains unaffected.

The Office of the District of Columbia Auditor (ODCA) was established by the United States Congress in section 455 of the Home Rule Act, approved December 24, 1973 (87 Stat. 803; DC Official Code § 1-204.55). ODCA’s mission is to “support the Council of the District of Columbia by conducting audits that improve the economy, efficiency, and accountability of

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<sup>1</sup> D.C. Law 21-143, Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2016

District government.”<sup>2</sup> The District of Columbia Auditor, whose term of appointment is six years, is required to “each year conduct a thorough audit of the accounts and operations of the government of the District.” Additionally, D.C. Official Code §1-204.55(c) states: “(t)he District of Columbia Auditor shall have access to all books, accounts, records, reports, findings, and all other papers, things, or property belonging to or in use by any department, agency, or instrumentality of the District government and necessary to facilitate the audit.” This access is necessarily broad so as to afford maximum capability to the Auditor to conduct her or his operations with minimal constraint.

Bill 24-939 would repeal or modify a number of statutory audits currently required of the Auditor even though they may no longer be necessary, or the requirement has expired. By repealing these statutory audits, the Auditor will have more capacity to perform useful oversight which will benefit both the Council and the public. The modification or repeal of any mandate does not affect the Auditor’s broad authority to examine or audit any agency or program in the District. A description of each of the audits or reports to be repealed or modified is provided below.

### **Agency Performance Audits**

The Government Managers Accountability Amendment Act of 1995<sup>3</sup> required in the law that all District agencies must develop annual Performance Plans and Performance reports in consultation with ODCA. It also requires that the Auditor conduct an audit of selected performance measures each year. In practice, the Auditor has not consulted with agencies in the development of the plans and reports. Moreover, the Auditor already conducts audits of selected performance measures as part of every audit it does. Thus, this provision is not necessary.

### **Fair Elections Audit**

The Campaign Finance Reform Amendment Act of 2018<sup>4</sup> established the Fair Elections Program to provide for publicly funded political campaigns in the District. The law provides for the Office of Campaign Finance to publish information on its website and submit reports to the Mayor and Council. It also had a one-time requirement for the Auditor to submit a report on the Fair Election Programs’ operations to the Mayor and Council which was submitted on August 2, 2021.<sup>5</sup> Thus, this mandate is no longer necessary.

### **DSLBD Certification Audit**

The Department of Small and Local Business Development Amendment Act of 2009<sup>6</sup> authorized the District of Columbia Auditor to conduct random audits of the compliance, review, and enforcement efforts of Department of Small and Local Business Development (DSLBD)

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<sup>2</sup> About ODCA, The Office of the District of Columbia Auditor (Nov. 18, 2014), <http://dcauditor.org/about-odca>

<sup>3</sup> D.C. Law 11-16, effective May 16, 1995.

<sup>4</sup> D.C. Law 22-250, effective March 13, 2019.

<sup>5</sup> Office of the District of Columbia Auditor: Fair Elections Program Amplifies Voices of Everyday Voters”

<sup>6</sup> D.C. Law 18-141, effective April 20, 2010.

with respect to its Certified Business Enterprise program. As noted above, ODCA already has broad general authority under the Home Rule Act. Thus, this mandate is not necessary.

### **Government Contractor's Records**

The Auditor requested that the Procurement Practices Reform Act of 2010<sup>7</sup> be amended to give the ODCA and the Inspector General access to the books and records of District government contractors or subcontractors for all contracts. Currently, the law precludes this access for firm fixed-price contracts. The legislative history does not explain why firm fixed-price contracts were excluded from ODCA and Inspector General access, and arguably the ODCA has this access anyway under its broad authority. The Committee Print includes this amendment.

However, the Auditor also requested that record retention be increased: that the period during which District government contractors and subcontractors must maintain records be increased from three to seven years. The Committee Print does not include this provision – not because it is a bad idea but because it should receive more consideration. The Committee has not looked at, for instance, the procurement laws of the federal government and other states, or how long the IRS requires records retention. Nor did the Committee receive any testimony on this issue from either the District's Chief Procurement Officer or from the District government contractors and subcontractors.

### **Auditor and Inspector General Access to Contractor Records**

The Procurement Practices Reform Act of 2010<sup>8</sup> authorized the District of Columbia Auditor and the Inspector General access to all contract information held by a contractor. Such records must be maintained by the contractor for a period of 3 years. However, firm-fixed price contracts are not subject to the authorization. This legislation would increase the retention schedule to 7 years and would rescind the limitation on access to firm-fixed price contracts. The Auditor notes that access to these documents is important and arguably ODCA already has access to the books and records of a District contractor under the Auditor's Home Rule Act authority. In addition, increasing the contract documents requirement for private entities for seven years would reflect the District government's current record retention schedule.

### **Out of School Time Grants and Youth Outcomes**

D.C. Law 21-216<sup>9</sup> established an Office of Out of School Time Grants and Youth Outcomes to support the equitable distribution of high-quality, out-of-school-time (OST) programs to District of Columbia youth through coordination among government agencies, grant-making, data collection and evaluation, and the provision of technical assistance to service providers. The law required that the Auditor conduct an audit of the Office within two years of the Office's issuance of its first grant and then every 5 years thereafter. The initial requirement

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<sup>7</sup> D.C. Law 18-317, effective April 8, 2010.

<sup>8</sup> D.C. Law 18-317, effective April 8, 2010.

<sup>9</sup> The Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016, effective April 7, 2017.

was completed by the Auditor and the report<sup>10</sup> contained a number of recommendations. The Auditor already issues an annual follow-up report tracking the status of audit recommendations. Additionally, the Office of Out of School Time implemented recommended changes in response to a Management Alert in 2019. As with everything else, the Auditor can audit OST anytime without this specific mandate. Thus, this mandate is no longer necessary.

### **Report on Effect of Reduced Public Assistance**

The Public Assistance Human Impact Amendment Act of 2013<sup>11</sup> required the Auditor to conduct an assessment of the impact of reductions in assistance adopted as part of the Fiscal Year 2013 budget. A report with this assessment was completed by the Auditor on May 28, 2014.<sup>12</sup> Thus, this mandate is no longer necessary.

### **Audit of MPD 1st Amendment Activities**

The First Amendment Rights and Police Standards Act of 2004<sup>13</sup> established that the ODCA serve as auditor of the Metropolitan Police Department's (MPD) investigations and preliminary inquiries involving First Amendment activities in order to assess compliance with the underlying law. ODCA has found that most recent audits have not identified compliance issues. The provision was originally intended to cover undercover surveillance of political groups, but this monitoring now is handled utilizing social media. It also appears that many investigations are coded as counterterrorism and thus beyond the intent of this mandate. In addition, the Council has approved funding in the Fiscal Year 2023 budget and financial plan for a new Deputy Auditor for Public Safety who will have authority for public safety-focused audits under ODCA's already broad general authority. Thus, this mandate is not necessary.

### **Health Care Ombudsman Audit**

The Health Care Ombudsman Program Establishment Act of 2004<sup>14</sup> established a Health Care Ombudsman Program within the Department of Health to assist consumers with health care plan issues. The law requires that the Department of Health obtain a biennial independent evaluation of the Ombudsman program and authorized the Department to use an independent organization, including either the DC Auditor or the Inspector General. The Department has never partnered with the Auditor to perform this function. Moreover, if the Auditor were to be selected by the Department to do the evaluation, the Auditor could be limited in its ability due to Generally Accepted Government Auditing Standards. Thus, this authorization is not necessary, and there are other routes, including a memorandum of agreement that could be better suited to effect such a partnership.

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<sup>10</sup> Office of the District of Columbia Auditor: "OST Provides Programs for D.C. Youths But Grant Oversight Needs Improvement" May 26, 2020.

<sup>11</sup> § 5142 of D.C. Law 20-250, effective December 24, 2013.

<sup>12</sup> Office of the District of Columbia Auditor: Assessment of Reductions in Federally or Locally Funded Temporary Assistance to Needy Families (TANF) Benefits on Families or their Children, May 28, 2014

<sup>13</sup> D.C. Law 15-352, effective April 13, 2005.

<sup>14</sup> D.C. Law 15-331, effective April 12, 2005.

### **Summer Youth Employment Program Audit**

The Youth Employment and Work Readiness Training Amendment Act of 2015<sup>15</sup> required the Auditor to conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program met program objectives. A report with this assessment was completed by the Auditor on June 2, 2016.<sup>16</sup> Thus, this mandate is no longer necessary.

### **Fair Criminal Record Screening Audit**

The Fair Criminal Record Screening Act of 2014<sup>17</sup> required the Auditor to provide the Council with a report, using information that the ODCA may request from relevant government agencies, nonprofit organizations, and employers that are willing to voluntarily provide data, on the hiring of applicants with criminal backgrounds by employers and the impact of changes in the criminal record screening law on employers. A report with this assessment was completed by the Auditor on May 24, 2016.<sup>18</sup> Thus, this mandate is no longer necessary.

### **Office of Lottery and Gaming Audit**

The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia<sup>19</sup> requires the Auditor to conduct a regular post audit of all accounts and transactions of the Chief Financial Officer with respect to the operation of lottery games, daily numbers games, and sports wagering. However, the law already requires the Chief Financial Officer to make an annual report<sup>20</sup> of financial statements of the lottery program. Thus, this mandate is duplicative and unnecessary.

### **Public Education Reform Audit**

The Department of Education Establishment Act of 2007<sup>21</sup> required the Auditor to contract with the National Academy of Sciences to conduct an initial evaluation of District of Columbia Public Schools (“DCPS”) and of any affiliated education reform efforts related to the transfer of education functions to the Mayor. A series of reports was completed by the Auditor culminating in a summative report issued on June 3, 2015.<sup>22</sup> Thus, this mandate is no longer necessary.

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<sup>15</sup> § 2031 of D.C. Law 21-36, effective October 22, 2015.

<sup>16</sup> Office of the District of Columbia Auditor: Review of Marion S. Barry Summer Youth Employment Program Data and Activities, June 2, 2016.

<sup>17</sup> D.C. Law 20-152, effective December 17, 2014.

<sup>18</sup> Office of the District of Columbia Auditor:

The Impact of "Ban the Box" in the District of Columbia, examining the District's Fair Criminal Record Screening Amendment Act of 2014 (FCRSA), May 24, 2016.

<sup>19</sup> D.C. Law 3-172, effective March 10, 1981.

<sup>20</sup> D.C. Official Code § 36-601.07.

<sup>21</sup> § 4051 of D.C. Law 18-111, effective March 3, 2010.

<sup>22</sup> Office of the District of Columbia Auditor: An Evaluation of the Public Schools of the District of Columbia: Reform in a Changing Landscape, June 3, 2015.

### **School Modernization Audits**

The School Modernization Financing Act of 2006<sup>23</sup> and subsequent amendments thereto require the Auditor to conduct annual audits of school modernization projects. The provision was originally intended to validate whether the District is meeting process, quality, schedule, and cost objectives with regard to school modernizations. Since 2015, the Auditor has issued at least six reports regarding various school modernizations with similar findings that implicate poor oversight and management by the District in its school modernization program. Given that the Auditor consistently finds similar themes in its audits, an ongoing audit mandate is of limited value. Instead, the ODCA already has broad general authority under the Home Rule Act, and the Council may also request audits of specific projects. Thus, this annual mandate is no longer necessary and the Auditor retains the ability to conduct school modernization audits at any time.

### **Real Property Tax Appeals Commission Audit**

The Real Property Tax Appeals Commission Establishment Act of 2010<sup>24</sup> requires the Auditor to perform a management audit of the activities of the Commission at least once every 3 fiscal years and report the findings to the Council. However, the Office of the Inspector General is already required to produce an independent valuation of commercial real property assessments every three years. Thus, this mandate is not necessary and the Auditor retains the ability to conduct an audit of the RPTAC at any time.

### **Public Vehicles-for-Hire Fund Audit**

The Taxicab Service Improvement Amendment Act of 2012<sup>25</sup> requires the Auditor to conduct an audit of the Public Vehicles-for-Hire Consumer Service Fund at least once every 3 fiscal years. This mandate is not necessary and the Auditor retains the ability to conduct an audit at any time.

### **Other Issues**

In her testimony the Auditor asked that Bill 24-939 include an amendment to D.C. Code Title 47 to ensure that the ODCA continue to hire and supervise its agency fiscal officer (AFO) rather than have the AFO under the jurisdiction of the District's Chief Financial Officer (CFO). The Committee does not include this in the Committee Print. The CFO has informed the Committee that currently the AFO in every agency is under the jurisdiction of the CFO, and the reason is to ensure the independence of the financial functions of the government. The Committee has not seen this as a problem with any of the agencies (except ODCA's complaint). The ODCA maintains that having lost jurisdiction over its AFO will jeopardize its (ODCA's) independence. But the Committee does not see how this is true. For instance, the Committee checked with the Council's chief administrative officer who reported a very positive relationship with the Council's AFO – who is under the jurisdiction of the CFO. Further, the Committee is concerned that making an exception for one agency may over time lead to requests for more

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<sup>23</sup> D.C. Law 16-123, effective June 8, 2006.

<sup>24</sup> D.C. Law 18-317, effective April 8, 2010.

<sup>25</sup> D.C. Law 19-184, effective October 22, 2012.

exceptions. The extent that the Auditor wants to use the agency's AFO for insights into budgeting and other CFO functions, the Committee is supportive, but believes this can be accomplished without the legislative change the Auditor has requested.

### Summary

Bill 24-939 will the Auditor to free up important resources to provide better and more useful work for the Council and the public. Reducing the burden of unnecessary or outdated mandates will allow the Auditor to achieve this goal. Importantly, this repeal does not reduce the Auditor's broad authority and discretion to audit any account – including those affected by Bill 24-939. The Committee therefore recommends approval of Bill 24-939 as reflected in the Committee Print.

## II. LEGISLATIVE CHRONOLOGY

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|--------------------|--|
| July 13, 2022      | Bill 24-939, "Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022" is introduced by Chairman Mendelson.          |
| July 22 2022       | Notice of Intent to Act on Bill 24-939 is published in the <i>District of Columbia Register</i> .                                    |
| September 2, 2022  | Notice of a Public Hearing on Bill 24-939 is published in the <i>District of Columbia Register</i> .                                 |
| September 20, 2022 | Bill 24-939 is "read" at a regular meeting of the Committee of the Whole and the referral to the Committee of the Whole is official. |
| October 27, 2022   | The Committee of the Whole holds a public hearing on Bill 24-939.  |
| November 15, 2022  | The Committee of the Whole marks-up Bill 24-939.   |

## III. POSITION OF THE EXECUTIVE

The Committee received no testimony or comments from the Executive.

## IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The Committee received no comments from Advisory Neighborhood Commissions.

## V. SUMMARY OF TESTIMONY

The Committee of the Whole held a public hearing on Bill 24-939 on Monday, February 8, 2016. The testimony summarized below is from that hearing. Copies of written testimony are attached to this report.

*Kathleen Patterson, Auditor of the District of Columbia*, testified in support of the legislation. She highlighted the positive effect of the legislation which would improve her office's flexibility to devote attention to Council priorities.

The Committee received no other testimony or comments in opposition to Bill 24-939.

## VI. IMPACT ON EXISTING LAW

Bill 24-939 amends 15 sections of the D.C. Official Code to repeal or alter mandated audits and reports required of the District of Columbia Auditor.

## VII. RACIAL EQUITY IMPACT ANALYSIS

According to the November 15, 2022 Racial Equity Impact Assessment from the Council Office on Racial Equity, Bill 24-939 will have a negligible impact on the lives of Black residents, Indigenous residents, and other residents of color.

## VIII. FISCAL IMPACT

The attached November 15, 2022 fiscal impact statement from the District's Chief Financial Officer (CFO) states that funds are sufficient in the FY 2023 through FY 2026 budget and financial plan to implement Bill 24-939.

## IX. SECTION-BY-SECTION ANALYSIS

<u>Section 1</u>	States the short title of Bill 24-939.
<u>Section 2</u>	Amends the Government Managers Accountability Act of 1995 to remove the Auditor's involvement in performance plans.
<u>Section 3</u>	Amends Fair Elections Implementation Amendment Act of 2018 to repeal a completed audit.
<u>Section 4</u>	Amends the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005 to remove and audit authorization.
<u>Section 5</u>	Amends the Procurement Practices Reform Act of 2010 to repeal an audit mandate on privatization contracts and expands review authority to firm fixed-price contracts.
<u>Section 6</u>	Amends the Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016 to repeal an audit.
<u>Section 7</u>	Amends the Fiscal Year 2014 Budget Support Act of 2013 to repeal a completed audit.



- Section 8 Amends the Police Investigations Concerning First Amendment Activities Act of 2004 to repeal an audit.
- Section 9 Amends the Health Care Ombudsman Program Establishment Act of 2004 to rescind authorization for a partnership with the Auditor.
- Section 10 Amends the Youth Employment Act of 1979 to repeal a completed audit.
- Section 11 Amends the Fair Criminal Record Screening Act of 2014 to repeal a completed audit.
- Section 12 Amends the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to repeal a duplicative audit.
- Section 13 Amends the Public Education Reform Amendment Act of 2007 to repeal a completed audit.
- Section 14 Amends the School Modernization Financing Act of 2006 to repeal an annual audit.
- Section 15 Amends the D.C. Official Code to repeal a duplicative audit.
- Section 16 Amends the District of Columbia Taxicab Service Improvement Amendment Act of 2012 to repeal an unnecessary audit.
- Section 17 Adopts the Fiscal Impact Statement.
- Section 18 Establishes the effective date by stating the standard 30-day Congressional review language.

## **X. COMMITTEE ACTION**

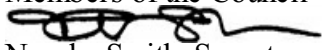
## **XI. ATTACHMENTS**

1. Bill 24-939 as introduced.
2. Written Testimony.
3. Racial Equity Impact Analysis for Bill 24-939.
4. Fiscal Impact Statement for Bill 24-939.
5. Legal Sufficiency Determination for Bill 24-939.
6. Comparative Print for Bill 24-939.
7. Committee Print for Bill 24-939.

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Thursday, July 14, 2022  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Wednesday, July 13, 2022. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022", B24-0939

INTRODUCED BY: Chairman Mendelson

The Chairman is referring this legislation to Committee of the Whole.

Attachment  
cc: General Counsel  
Budget Director  
Legislative Services

  
Chairman Phil Mendelson

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To repeal outdated and unnecessary mandates for audits and other reports required of the Office of the District of Columbia Auditor.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022”.

Sec. 2. Section 6 of Government Managers Accountability Act of 1995, effective May 16, 1995 (D.C. Law 11-16; D.C. Official Code § 1-614.14), is amended as follows:

(a) Subsection (a) is amended by striking the phrase “, and succeeding years in consultation with the Office of the District of Columbia Auditor”.

(b) Subsection (c) is repealed.

Sec 3. Section 102(b) of Fair Elections Implementation Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 1-1163.32j(b)) is repealed

Sec 4. Section 2365 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.65), is repealed.

33           Sec 5. Section 205(g) of the Procurement Integrity, Transparency, and Accountability  
34 Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-158; D.C. Official Code § 2-  
35 352.05(g)), is repealed.

36           Sec. 6. Section 418 of the Omnibus Procurement Reform Amendment Act of 2010,  
37 effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-354.18) is amended as  
38 follows:

39           (a) Subsection (a) is amended to read as follows:

40           “(a) The District may, at reasonable times and places, audit the books and records of any  
41 person who has submitted data to substantiate offered prices pursuant to § 2-354.19 to the extent  
42 that the books and records relate to that data. A person who receives a contract, change order, or  
43 contract modification for which the data is required, shall maintain books and records that relate  
44 to the cost or pricing data for 7 years from the date of final payment under the contract, unless a  
45 shorter period is otherwise authorized in writing.”

46           (b) Subsection (b) is amended to read as follows:

47           “(b) The Inspector General, District of Columbia Auditor, or District shall be entitled to  
48 audit the books and records of a contractor or any subcontractor under any negotiated contract or  
49 subcontract to the extent that the books and records relate to the performance of the contract or  
50 subcontract. Books and records shall be maintained by the contractor for a period of 7 years from  
51 the date of final payment under the prime contract and by the subcontractor for a period of 7  
52 years from the date of final payment under the subcontract, unless a shorter period is otherwise  
53 authorized in writing.”

54           Sec. 7. Section 4(d) of the Office of Out of School Time Grants and Youth Outcomes,  
55 effective April 7, 2017 (D.C. Law 21-261; D.C. Official Code § 2-1555.03(d)) is repealed.

56           Sec 8. Section 5142 of the Fiscal Year 2014 Budget Support Act of 2013, effective  
57 December 24, 2013 (D.C. Law 20-0061; D.C. Official Code § 4-205.11c) is repealed.

58           Sec. 9. Section 212(d) of Police Investigations Concerning First Amendment Activities  
59 Act of 2004, effective April 13, 2005 (D.C. Law 15-352; D.C. Official Code § 5-333.12) is  
60 repealed.

61           Sec 10. Section of 4(b)(1) of the Health Care Ombudsman Program Establishment Act of  
62 2004, effective April 12, 2005 (D.C. Law 15-331; D.C. Official Code § 7-2071.03 (b)(1)) is  
63 amended by striking the phrase “the Office of the Inspector General, or the Office of the District  
64 of Columbia Auditor” and inserting the phrase “or the Office of the Inspector General” in its  
65 place.

66           Sec 11. Section 2(g)(5) of the Youth Employment Act of 1979, effective January 5, 1980  
67 (D.C. Law 3-46; D.C. Official Code § 32-242(g)(5)) is repealed.

68           Sec 12. Section 6(c) of the Fair Criminal Record Screening Act of 2014, effective  
69 December 17, 2014 (D.C. Law 20-152; D.C. Official Code § 32-1345(c)) is repealed.

70           Sec 13. Section 4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and  
71 Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law  
72 3-172; D.C. Official Code § 36-601.19) is repealed.

73           Sec 14. Section 204(d) of the Public Education Reform Amendment Act of 2007,  
74 effective June 12, 2007 (D.C. Law 17-9; D.C. Code § 38-193(d)) is repealed.

75           Sec 15. Section 205 of the School Modernization Financing Act of 2006, effective June  
76 8, 2006 (D.C. Law 16-123; D.C. Official Code § 38-2973.05), is repealed.

77           Sec. 16 Section 47-825.01a(j)(2) District of Columbia Official Code D.C. Official Code  
78 § 47-825.01a), is repealed.

79           Sec. 17. Section 20a(j) of the District of Columbia Taxicab Service Improvement  
80 Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; D.C. Official Code §  
81 50-301.20), is repealed.

82           Sec. 18. Fiscal impact statement.

83           The Council adopts the fiscal impact statement in the committee report as the fiscal  
84 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
85 approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

86           Sec. 19. Effective date.

87           This act shall take effect following approval by the Mayor (or in the event of veto by the  
88 Mayor, action by the Council to override the veto), a 60-day period of congressional review as  
89 provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December  
90 24, 1973 (87 Stat. 788; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of  
91 Columbia Register.

Testimony of

The Hon. Kathy Patterson

D.C. Auditor

Before the

Council of the District of Columbia  
Committee of the Whole

Hearing on Bill 24-939, The Repeal of Outdated and  
Unnecessary Audit Mandates Amendment Act of 2022

October 27, 2022  
10 a.m.

Zoom Virtual Platform  
The John A. Wilson Building  
1350 Pennsylvania Avenue N.W.  
Washington, DC 20004



Good morning, Mr. Chairman and members of the Committee of the Whole (COW). I am Kathy Patterson, and I am pleased to be completing my eighth year as the District of Columbia Auditor. I greatly appreciate the opportunity to appear before you to discuss Bill 24-939, ***The Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022*** and I thank you for introducing the legislation.

When I was confirmed for this position in November 2014 the Committee's report on the confirmation resolution described the agency's original mission, challenges then facing the Office of the D.C. Auditor (ODCA), and the evolving role of our national counterpart, the U.S. Government Accountability Office (GAO). "If anything," the report noted, "the Auditor's Office has fallen short of both its original mandate and the expanded mission of its model, the GAO," expansion that has included "program evaluations, policy analyses, and opinions and decisions on a broad range of government programs and activities." The COW report cited a 2010 transition team report for then-incoming Council Chairman Kwame Brown on shortcomings of the office including failure to focus on the most important issues facing the District. That failure was attributed in part to statutory requirements that no longer represented the Council's policy priorities.

Since that time this Committee and the full Council have taken action to support the Office of the D.C. Auditor in eliminating low-priority mandated responsibilities that were not consistent with the original and evolving mission of the agency as the legislative auditor and one of the District's two accountability bodies. In 2016 the Council enacted Bill 21-697, the ***Advisory Neighborhood Commissions Omnibus Amendment Act of 2016*** to give significantly greater authority to the Office of the Advisory Neighborhood Commissions, removing from ODCA's responsibilities a range of administrative and ministerial tasks that were not consistent with the role of an audit agency. That same year the Council enacted Bill 21-377, ***The Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2015*** which eliminated or amended several mandatory audits, with much the same approach as the legislation now before the Committee: recognizing topics that were no longer considered high priority.

As a result of these steps taken by the Council, ODCA has had the opportunity to focus our resources on such high priority matters as the performance of the Housing Production Trust Fund, shortcoming in the Office of Unified Communications 911 operations, lead mitigation efforts at properties of the D.C. Housing Authority, and the Metropolitan Police Department's internal review of officer-involved fatalities. In the last two and a half years we have had sufficient resources and flexibility to research and publish eight reports to assist the District in understanding and mitigating the effects of the COVID-19 pandemic.

The bill before you today will continue the Council's effort to assist ODCA in focusing on the highest-priority issues. I will review the bill as introduced and then touch on additional provisions that would also assist us in meeting the priorities of the Council.

## Outdated requirements

Several provisions in the legislation would remove from the D.C. Code requirements for audits that have already been completed. These include:

- A requirement that ODCA report on the Fair Elections Program operations during the election cycle ending on November 3, 2020. We published a series of three reports on the administration of elections including [Fair Elections Program Was Well-Run but Program Controls Can Be Improved](#) on January 31, 2022.
- A requirement that ODCA audit the Office of Out-of-Schooltime Grants and Youth Outcomes within two years of the office's issuance of its first grants, which was completed with the publication of [OST Provides Programs for D.C. Youths But Grant Oversight Needs Improvement](#) in May 2020. The law also requires audits every five years and we are recommending eliminating that requirement leaving ODCA with discretion to conduct such an audit on an as-needed basis.
- A one-time requirement to audit the impact of cuts in public assistance within 120 days of October 1, 2013, which was met with the May 2014 publication of [Assessment of Reductions in Federally or Locally Funded Temporary Assistance to Needy Families \(TANF\) Benefits on Families or their Children.](#)
- A one-time requirement for evaluations of the Marion S. Barry Summer Youth Employment Program was met with the publication of four reports in 2016 and 2017:
  - [Review of Summer Youth Employment Programs in Eight Major Cities and the District of Columbia](#) (April 2016)
  - [Review of Marion S. Barry Summer Youth Employment Program Data and Activities](#) (June 2016)
  - [Site Visit Observations: 2016 Marion S. Barry Summer Youth Employment Program](#) (December 2016)
  - [Internal Weaknesses Found in Marion S. Barry Summer Youth Employment Program](#) (March 2017)
- A required audit of the hiring of applicants with criminal backgrounds and the program impact, met with the June 2016 publication of [The Impact of "Ban the Box" in the District of Columbia.](#)
- A requirement that ODCA contract with the National Research Council (NRC) of the National Academy of Sciences for evaluation of education reform efforts following the 2007 legislation transferring management of D.C. Public Schools (DCPS) to the Mayor. The NRC completed a series of reports culminating in the publication of [An Evaluation of the Public Schools of the District of Columbia: Reform in a Changing Landscape](#) in June 2015. ODCA has fulfilled the law's requirement to contract for "the initial evaluation

required by this section.” I would note that there remains in the Code a more general requirement for an annual evaluation of DCPS “and of any affiliated education reform efforts.” To my knowledge no subsequent evaluation has been conducted since ODCA fulfilled its responsibility with the publication of the NRC report in 2015.

### **Unnecessary or low-priority requirements**

The following provisions in the legislation would eliminate what we have determined are unnecessary or low-priority audit requirements.

- The Code currently requires ODCA to audit select performance measures each year but assessing agency performance represents the majority of the work that we do as a matter of course, so a specific audit of performance measures is unnecessary. The provision also requires that District government agencies “consult with ODCA” in developing performance plans and reports, a requirement that has never been met to my knowledge and may come as a surprise to the Office of the City Administrator which manages the Executive Branch’s annual performance planning process. If this requirement were to be honored it would require a significant increase in ODCA resources to be of assistance to all agencies and would also raise separation of powers issues and pose independence issues to ODCA in continuing to meet General Accepted Government Auditing Standards.
- A permissive provision that states that ODCA “may” conduct random audits of Department of Small and Local Business Development certification files which is unnecessary because by other provisions of the Code ODCA has authority and discretion to conduct any such audits.
- A requirement that ODCA annually review a selection of privatization contracts is also unnecessary since we have authority and discretion to conduct such audits without the mandate. In addition, to the best of our knowledge, the Office of Contracting and Procurement has not entered into any privatization contracts since the enactment of this requirement.
- A Code provision requires the Department of Health (DOH) to obtain regular evaluations of the Health Care Ombudsman program and states that DOH “may” select ODCA to perform the evaluation. This has never occurred. It would also compromise ODCA’s independence to be selected by an Executive Branch agency to conduct an audit. At the same time, ODCA does have sufficient authority to choose to undertake such an audit at its discretion.
- The Code’s current requirement that ODCA conduct an audit of all accounts and transactions of the Office of the Chief Financial Officer with respect to the operations of the lottery is unnecessary and duplicative in that the Office of Lottery and Gaming is

separately required to conduct its own comprehensive independent financial audit on an annual basis.

- ODCA is currently required to audit the Real Property Tax Appeals Commission (RPTAC) every three years and we believe this is unnecessary and should be left to the discretion of the agency to determine when RPTAC should be audited. (I would add that the RPTAC audits ODCA has conducted under this requirement during my tenure have served to show that what had been a troubled District government operation has improved its operations significantly, and recommendations made by our audits have largely been adopted.)
- Similarly, the Code now requires ODCA to audit the Public Vehicles-for-Hire Consumer Service Fund every three years, which appears to be a fairly low-priority issue and a topic that ODCA should have the discretion to return to if and when there appears to be a substantial reason for such an audit.

### **Additional provisions**

Several provisions in the bill do not fit neatly into either the outdated or unnecessary categories so will be addressed separately.

#### Contracting

Section 2-354.18 makes it clear that ODCA (and the Office of the Inspector General) have access to the books and records of a District government contractor or any subcontractor where those books and records related to the performance of the contract. But it precludes this access for firm fixed-price contracts. The current Code section also requires the contractors to maintain the records for three years. We're recommending deleting the exclusion of firm fixed-price contracts and increasing the duration of record maintenance from three to seven years to be consistent with District records retention practices.

#### Police surveillance

The District's landmark First Amendment Rights and Police Standards Act of 2004 (Law 15-352) included a requirement that ODCA review Metropolitan Police Department investigations of First Amendment activities, a provision designed to ensure appropriate authorization of any undercover surveillance of political organizations. Today the department follows the activities of organizations planning events in the District primarily through social media rather than more intrusive undercover surveillance which had been identified as a concern in the 2004 legislation. MPD has reported that there have been no First Amendment investigations between 2018 and 2020. For these reasons we recommend repeal of this mandate.

## School modernization audits

We are again recommending repeal of the mandate for annual audits of the District's school modernization program. Since 2014 ODCA has issued seven school modernization audit reports and we have two additional reports nearing completion, both focused on the final stages of the modernization program when projects are turned over to the District government and the Department of General Services (DGS) begins its maintenance operations.

While ODCA has devoted extensive resources to school modernization audits and we have aimed to meet the intent and purpose of the law, in all candor we have never met the full statutory requirement. As we have noted in our reports, the program itself does not operate in a manner consistent with the audit requirement. The Code states that ODCA is to conduct "a school- and project-specific audit of all expenditures for school facility capital improvements, maintenance, repairs, and operating costs, and an assessment of whether the District has met the process, quality, schedule and cost objectives of the Capital Improvement Plan (CIP) and Budget." Since the modernization program was authorized and funded in 2006 the school system has never determined or provided school-specific costs for capital improvements. Each year the Council approves the CIP and does so with sections devoted to "roof repairs" and "HVAC repairs" that are not allocated by individual school. Nor does the District or its CIP actually provide "cost objectives" for modernization programs: the guaranteed maximum price is frequently one of the last pieces of information provided on a construction project as we have repeatedly noted in our audit reports. And if ODCA audited "all expenditures..." as described in the Code section I just read and did so on an annual basis, it would be the only work we undertook.

If it is the Council's collective view that a school modernization audit mandate continue into the future, I would suggest the following: repeal the current Code provision as the legislation before you will do. Then in the new Council period permit the committee leaders with oversight for public education and the DGS to work with me and my team on an audit requirement that would reflect lessons yet to be learned from school construction audits, current Council priorities, and a more realistic scope for the actual work.

### **Additional provisions**

Mr. Chairman, I'd like to mention one additional provision I would request be added to the legislation, and two other issues you might want to consider now or in the future. The additional provision concerns ODCA's agency fiscal officer. Another issue I want to share but note we are not prepared to recommend specific language at this time concerns exempting audit workpapers from public disclosure requirements, and the final issue is your own proposal to require creation of a new position, the Deputy Auditor for Public Safety

### Agency Fiscal Officer

I addressed the issue of ODCA having our own Agency Fiscal Officer in correspondence to the full Council dated September 30, 2022. Today I am asking the Committee to include the recommended amendment to D.C. Code Title 47 in the legislation now before you in order to ensure that the D.C. Auditor retains the ability to hire and supervise our Agency Fiscal Officer. This is necessary because the Office of the Chief Financial Officer has indicated it intends to transfer functions now performed by ODCA Agency Fiscal Officer Hussein Aden to an individual on the OCFO staff to be determined not by me but by the Chief Financial Officer. This had been planned for October 1, 2022, but following the meeting with you, Mr. Chairman, it was my hope that the change was delayed for further consideration.

This same change and loss of a degree of ODCA independence was proposed some 15 years ago when Deborah Nichols was D.C. Auditor. Auditor Nichols made her case to then-CFO Natwar M. Gandhi, who agreed to leave the position and status as is. I have not received an explanation as to why this change is deemed to be necessary now, other than the implementation of a new financial system and the OCFO team's awareness that ODCA is said to be the sole District agency with its own Agency Fiscal Officer. For most of the time since the Home Rule Charter was enacted in the mid-1970s ODCA, the Office of the Inspector General, and the Council of the District of Columbia had their own Agency Fiscal Officer. For different reasons, neither the Council nor the OIG continues to hire their own AFO. It is wholly appropriate for the District's Auditor to have that distinction as the District's independent legislative accountability agency. No other agency has the responsibilities with which we are entrusted. Please consider including this important provision in the bill before you. I believe this will enhance our ability to promote government efficiency, effectiveness, and accountability across the District government.

### Exempt audit workpapers from FOIA

A significant number of state audit offices exempt audit workpapers from documents that are subject to state public disclosure laws, including state versions of the federal Freedom of Information Act. In some instances, the documents are exempt on a permanent basis and in other state policies they are exempt for the duration of the audit. We are interested in an exemption in order to provide greater protection for those individuals who come to us as whistleblowers and provide information but also seek confidentiality. It is my goal to provide a recommendation along these lines to the Council in the next Council period. Two members of my leadership team had a very useful discussion of the issue last week with the D.C. Open Government Coalition and it is my hope to draft a legislative proposal that would be considered by the Committee and the Council and also have the support of the open government organization.

### Deputy Auditor for Public Safety

ODCA has provided recommendations to the Committee on the Judiciary and Public Safety on language to authorize a Deputy Auditor for Public Safety. I mention this in today's context since

the provision you proposed in Bill 24-036, ***the Strengthening Oversight and Accountability of Police Amendment Act of 2021***, would amend D.C. Code Section 1-301.171 pertaining to ODCA subpoena authority so could conceivably be made a part of the pending COW legislation. The Council has already provided funding in support of the Deputy Auditor position, and we are in the process of moving into new leased space that includes office space for the anticipated new ODCA unit.

Finally, Mr. Chairman, to assist the Committee in its important work I am including with this testimony a chart outlining each provision in the bill as introduced, and a red-line version of the legislation that includes two corrections and the additional provision I have described. This concludes my statement Mr. Chairman, and I am happy to respond to questions. Thank you.

**Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
 “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022”  
 October 27, 2022**

<b>Bill Section</b>	<b>Code section</b>	<b>Audit subject</b>	<b>Mandatory</b>	<b>Frequency</b>	<b>Required ODCA activity</b>	<b>Reason to repeal/amend</b>
Sec. 2	§ 1-614.14	Agency performance plans	Yes	annual	(a) states that agencies shall develop performance plans and performance reports “in consultation” with ODCA.  (b) States that ODCA shall audit selected performance measures each FY.  The legislation removes ODCA from (a) and repeals (b)	In practice, (a) does not happen.  Re (b) – we already do this as a part of most of our audits.
Sec. 3	§ 1-1163.32j(b)	Fair elections	Yes	One-time	This requirement has already been met.  The legislation repeals (b)	Requirement completed
Sec. 4	§ 2-218.65	DSLBD certification files	No	n/a	This section allows for ODCA to conduct random audits of certification files.  The legislation repeals the section.	This repeals a non-mandatory “requirement” – our general authorities allow for this without this Code section.
Sec. 5	§ 2-352.05(g)	Privatization contracts	Yes	annual	(g) requires ODCA to review selection of privatization contracts each year and issue a report.  The legislation repeals (g).	Low priority; should be discretionary



**Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
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<b>Bill Section</b>	<b>Code section</b>	<b>Audit subject</b>	<b>Mandatory</b>	<b>Frequency</b>	<b>Required ODCA activity</b>	<b>Reason to repeal/amend</b>
Sec. 6	§ 2-354.18	ODCA/OIG access to contractor records	n/a	n/a	The proposed amendment to this section removes the access limitation for firm fixed-price contracts; and increases the records retention period to 7 years (from 3 years) to align with records retention requirements.	This allows ODCA and OIG to access books and records of District contractors regardless of the type of contract.  Increases retention of books and records from 3 to 7 years.
Sec. 7	§ 2-1555.03(d)	Out of School Time Grants and Youth Outcomes	Yes	One-time and then every 5 years	Repeals (d) which required initial audit (completed) and audit at least every 5 years.	Initial requirement completed. No need for required audit every 5 years. Our annual recommendation follow-up report tracks status of audit recommendations and we don’t need a mandate to audit the program in the future. Additionally, in response to a Management Alert

**Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
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 October 27, 2022**

Bill Section	Code section	Audit subject	Mandatory	Frequency	Required ODCA activity	Reason to repeal/amend
						issue in 2019, the OST office implemented changes we recommended.
Sec. 8	§ 4-205.11c	Impact of reduced public assistance	Yes	One-time	Repeals required assessment of impact of reductions in assistance that has already been completed.	Requirement completed.
Sec. 9	§ 5-333.12(d)	MPD 1 <sup>st</sup> Amendment activities	Yes	annual	<b>The draft legislation repeals the entire section. However, we only want to repeal (d)</b> which is the requirement for ODCA annual audit	Our most recent audits have not found issues with compliance. Originally intended for undercover surveillance of political groups, monitoring now handled through social media. It also appears that many investigations are coded as counter-terrorism and beyond the requirements of this mandate.

**Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
 “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022”  
 October 27, 2022**

Bill Section	Code section	Audit subject	Mandatory	Frequency	Required ODCA activity	Reason to repeal/amend
Sec. 10	§ 7-2071.03 (b)(1)	Evaluation of Health Care Ombudsman program	No (not for ODCA)	biannual	DOH must obtain biannual evaluation of Ombudsman Program – they <u>may</u> choose ODCA to perform the evaluation.	ODCA has never been selected by DOH to perform this evaluation.
Sec. 11	§ 32-242(g)(5)	Summer youth employment program	Yes	One-time	(g)(5) requires an evaluation to be completed in FY16. This was done.  The legislation repeals (g)(5).	Requirement completed.
Sec. 12	§ 32-1345(c)	Fair Criminal Record Screening reporting	Yes	One-time	(c) requires ODCA report on hiring and impact. This report has been completed.  The legislation repeals (c).	Requirement completed
Sec. 13	§ 36-601.19	Audit of CFO re operation of lottery	Yes	“regular”ly	This section requires ODCA to conduct a post audit of all accounts and transactions of the CFO w/respect to the operation of the lottery	The Office of Lottery and Gaming has an independent financial statement audit conducted.
Sec. 14	§ 38-193(d)	PERAA report	Yes	One-time	(d) requires OCFO to transfer funds from DCSP to ODCA to contract with NRC for evaluation.  (e)	Requirement completed.
Sec. 15	§ 38-2973.05	School modernization	Yes	annual	Current (a) requires report on use of capital funds every 3 years. (b) requires reports on sample of projects on years other than for (a).	ODCA has completed numerous reports on school

Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
 “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022”  
 October 27, 2022

Bill Section	Code section	Audit subject	Mandatory	Frequency	Required ODCA activity	Reason to repeal/amend
					Legislation repeals entire section.	modernizations, including the one currently underway. Removal of this mandate does not impact ODCA’s ability to perform audits in the future and would allow us to tailor the audits to whatever is necessary at the time, not what is prescribed in the Code.
Sec. 16	§ 47-825.01a	RPTAC	Yes	Every 3 years	<b>The current legislation repeals the entire RPTAC section – should only repeal (j)(2)</b> – which requires ODCA to conduct a management audit of RPTAC once every 3 years.	Low priority; should be discretionary. There is also a requirement for OIG/OCFO to audit the commercial process every three years.
Sec. 17	§ 50-301.20	Public Vehicles-for-Hire Consumer Service Fund	Yes	Every 3 years	<b>The current legislation repeals the entire Consumer Service Fund section – should only repeal (j)</b> – which	Low priority; should be discretionary

**Reference chart of Office of the D.C. Auditor repeals and amendments included in Bill 24-939  
 "Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2022"  
 October 27, 2022**

Bill Section	Code section	Audit subject	Mandatory	Frequency	Required ODCA activity	Reason to repeal/amend
					requires an audit of the Fund every 3 years.	

**REPEAL OF OUTDATED AND UNNECESSARY AUDIT MANDATES  
AMENDMENT ACT OF 2022**

**§ 1-614.14. Development of plans and reports.**

(a) Agencies of the District of Columbia shall develop the performance plans and performance reports that are submitted by January 1, 1996, January 1, 1997, ~~and succeeding years in consultation with the Office of the District of Columbia Auditor.~~

\* \* \*

**§ 1-1163.32j. Reporting.**

~~(b) No later than December 31, 2021, the District of Columbia Auditor shall prepare and submit to the Mayor and Council a report on the Fair Elections Program's operations during the election cycle beginning on November 7, 2018, and ending on November 3, 2020. The report shall include:~~

~~(1) An evaluation of the extent to which the Fair Elections Program and participating candidates met the requirements of the Fair Elections Amendment Act of 2018, effective May 5, 2018 (D.C. Law 22-94; 65 DCR 2847);~~

~~(2) A financial audit of the Fair Elections Program; and~~

~~(3) Recommendations for improving the Fair Elections Program.~~

\* \* \*

**§ 2-218.65. Certification audits.**

~~The District of Columbia Auditor may conduct random audits of certification files to determine whether the Department followed the requirements set forth in § 2-218.61. The District of Columbia Auditor shall submit findings and recommendations to the Department and the Council.~~

\* \* \*

**§ 2-352.05. Privatization contracts.**

~~(g)(1) Each year the District of Columbia Auditor shall review a selection of privatization contracts, which shall be chosen by the Auditor based on the dollar value and scope of the contracts, their potential impact on the health and safety of District residents, their potential impact on economic development and employment opportunities in the District, and other factors deemed appropriate by the Auditor.~~

~~(2) The Auditor shall issue an annual report to the Mayor and the Council on the contracts reviewed pursuant to paragraph (1) of this subsection, analyzing for each contract whether it is achieving:~~

~~(A) The minimum 5% cost savings requirement set forth in subsection (b)(1) of this section; and~~

~~(B) The performance standards and targets incorporated into the contracts as required under subsection (e) of this section.~~

~~(3) The Auditor may report that the cost and performance data for the selected contracts are inconclusive, but if the District has failed to collect, maintain, or provide cost or performance data, the Auditor reasonably may conclude that the cost savings or performance standards and targets are not being met.~~

~~(4) If the Auditor finds in the report issued pursuant to paragraph (2) of this subsection that a privatization contract has not met the cost savings or performance standards and targets, the Mayor or instrumentality or independent agency head shall review the merits of canceling the privatization contract and performing the work with District employees and shall report to the Council on the results of the review.~~

\* \* \*

**§ 2-354.18. Right to audit records; right to inspect.**

(a) The District may, at reasonable times and places, audit the books and records of any person who has submitted data to substantiate offered prices pursuant to § 2-354.19 to the extent that the books and records relate to that data. A person who receives a contract, change order, or contract modification for which the data is required, shall maintain books and records that relate to the cost or pricing data for ~~3~~ 7 years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing.

(b) The Inspector General, District of Columbia Auditor, or District shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract, ~~other than a firm fixed price contract,~~ to the extent that the books and records relate to the performance of the contract or subcontract. Books and records shall be maintained by the contractor for a period of 3 years from the date of final payment under the prime contract and by the subcontractor for a period of 3 years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing.

(c) The Inspector General, District of Columbia Auditor, or District may, at reasonable times, inspect the part of the place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the District.

\* \* \*

**§ 2-1555.03. Office of Out of School Time Grants and Youth Outcomes; duties and authority.**

~~(d) The D.C. Auditor shall conduct an audit of the Office within 2 years of the issuance of the first grant by the Office, and shall conduct subsequent audits of the Office at least every 5 years thereafter.~~

\* \* \*

**§ 4-205.11c. Human impact statement.**

~~Within 120 days of October 1, 2013, the Auditor shall conduct an assessment of the impact of reductions in assistance pursuant to this chapter on families and their children and issue a human impact statement, which shall include:~~

~~(1) The number of families affected;~~

~~(2) The number of children affected in the following age categories;~~

~~(A) Infant — 3 years old;~~

~~(B) 4-9 years old;~~

~~(C) 10-13 years old; and~~

~~(D) 14-18 years old;~~

~~(3) A sample of at least 100 families, including a consideration of the children regarding:~~

~~(A) Changes in school performance;~~

~~(B) Changes in after-school performance;~~



~~(C) Changes in health status; and~~

~~(D) New interactions with Child and Family Services Agency, Department of Human Services, Court Social Services, or Department of Youth Rehabilitation Services; and~~

~~(4) The number of service providers providing training programs based on specific performance-based measures, including:~~

~~(A) A description of programs being offered; and~~

~~(B) The enrollment figures in each program.~~

\* \* \*

**§ 5-333.12. Monitoring and auditing of investigations and preliminary inquiries.**

~~(d)(1) The Office of the District of Columbia Auditor (“ODCA”) shall serve as auditor of MPD’s investigations and preliminary inquiries involving First Amendment activities in order to assess compliance with this subchapter.~~

~~(2) On an annual basis, the ODCA shall audit MPD files and records relating to investigations and preliminary inquiries involving First Amendment activities. In conducting the audit, the ODCA shall review each authorization granted pursuant to §§ 5-333.05 and 5-333.06, requests for authorization that were denied, and investigative files associated with the authorizations. The ODCA shall prepare a public report of its audit that shall contain a general description of the files and records reviewed, and a discussion of any substantive violation of this subchapter discovered during the audit. A preliminary report of the audit shall be provided by the ODCA to the Chief of Police for review and comment at least 30 days prior to issuance of a final audit.~~

~~(3) The ODCA shall have access to MPD files and records for purposes of its audit of investigations and preliminary inquiries involving First Amendment activities.~~

~~(4) In discharging its responsibilities, the ODCA shall protect the confidentiality of MPD files and records.~~

\* \* \*

**§ 7-2071.03. Program evaluation.**

(b)(1) The Department shall obtain, biannually, an independent evaluation of the Ombudsman Program through an academic group or other independent, private-sector

organization, or the Office of the Inspector General, ~~or the Office of the District of Columbia Auditor~~. The evaluation shall take into account:

\* \* \*

**§ 32-242. Programs for employment and training of young District domiciliaries.**

~~(g)(5) In Fiscal Year 2016, the District of Columbia Auditor shall conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives.~~

\* \* \*

**§ 32-1345. Reporting requirements.**

~~(e) Eighteen months after December 17, 2014, the Office of the District of Columbia Auditor (“ODCA”) shall provide the Council with a report, using information that ODCA may request from relevant government agencies, nonprofit organizations, and employers that are willing to voluntarily provide data, on the hiring of applicants with criminal backgrounds by employers and the impact of this subchapter on employers.~~

\* \* \*

**§ 36-601.19. Audit.**

~~The Auditor of the District of Columbia shall cause to be conducted a regular post audit of all accounts and transactions of the Chief Financial Officer with respect to the operation of lottery [games], daily numbers games, and sports wagering.~~

\* \* \*

**§ 38-193. Evaluation and re-authorization.**

~~(d) The Office of the Chief Financial Officer shall transfer by October 5, 2009, an amount of \$325,000 in local funds through an intra-District transfer from DCPS to the Office of the District of Columbia Auditor to contract with NRC to conduct the initial evaluation required by this section.~~

\* \* \*

**§ 38-2973.05. Audit of capital improvement projects.**

~~(a) No later than September 30, 2020, and every 3 years thereafter until the completion of all school modernization projects in the Capital Improvement Plan, the District of Columbia Auditor shall prepare a report to the public on the use of the capital funds by the District of Columbia Public Schools during the preceding fiscal years. The~~

~~report shall include a school- and project-specific audit of all expenditures for school facility capital improvements, maintenance, repairs, and operating costs, and an assessment of whether the District has met the process, quality, schedule, and cost objectives of the Capital Improvement Plan and Budget.~~

~~(b) No later than September 30, 2017, and each year thereafter until the completion of all school modernization projects in the Capital Improvement Plan, except in a year where a report is issued pursuant to subsection (a) of this section, the District of Columbia Auditor shall examine not less than a sample of capital projects related to school modernizations and shall determine whether the District has met the process, quality, schedule and cost objectives of sampled projects, and provide a report to the Council and the public on the findings.~~

\* \* \*

**§ 47-825.01a. Real Property Tax Appeals**

~~(j)(2) The District of Columbia Auditor shall perform a management audit of the activities of the Commission at least once every 3 fiscal years (or sooner as considered appropriate by the Auditor) or upon request of a Councilmember, and report the findings to the Council.~~

\* \* \*

**§ 50-301.20. Public Vehicles-for-Hire Consumer Service Fund.**

(a) There is established within the District of Columbia Treasury a fiduciary fund to be known as the Public Vehicles-for-Hire Consumer Service Fund. The Fund shall be a revolving, segregated, nonlapsing fund administered by the DFHV. The Fund shall consist of the following:

~~(j) The District of Columbia Auditor shall conduct an audit of the Fund at least once every 3 fiscal years.~~

\* \* \*

1 **DRAFT COMMITTEE PRINT**  
2 **Committee of the Whole**  
3 **November 15, 2022**

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7 A BILL

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10 24-939

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13 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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17  
18 To repeal outdated and unnecessary mandates for audits and other reports required of the Office  
19 of the District of Columbia Auditor.

20  
21 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
22 act may be cited as the “Repeal of Outdated and Unnecessary Audit Mandates Amendment Act  
23 of 2022”.

24 Sec. 2. Section 6 of Government Managers Accountability Act of 1995, effective May  
25 16, 1995 (D.C. Law 11-16; D.C. Official Code § 1-614.14), is amended as follows:

26 (a) Subsection (a) is amended by striking the phrase “, and succeeding years in  
27 consultation with the Office of the District of Columbia Auditor”.

28 (b) Subsection (c) is repealed.

29 Sec 3. Section 102(b) of Fair Elections Implementation Amendment Act of 2018,  
30 effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 1-1163.32j(b)) is repealed

31 Sec 4. Section 2365 of the Small, Local, and Disadvantaged Business Enterprise  
32 Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C.  
33 Official Code § 2-218.65), is repealed.

34           Sec 5. The Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law  
35 18-371; D.C. Official Code § 2-352.01 *et seq.*) is amended as follows:

36           (a) Section 205(g) (D.C. Official Code § 2-352.05) is repealed.

37           (b) Section 418(b) (D.C. Official Code § 2-354.18(b)) is amended by striking the phrase  
38 “, other than a firm fixed-price contract,”.

39           Sec. 6. Section 4(d) of the Office of Out of School Time Grants and Youth Outcomes  
40 Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-261; D.C. Official Code § 2-  
41 1555.03(d)) is repealed.

42           Sec 7. Section 5142 of the Fiscal Year 2014 Budget Support Act of 2013, effective  
43 December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 4-205.11c) is repealed.

44           Sec. 8. Section 212(d) of Police Investigations Concerning First Amendment Activities  
45 Act of 2004, effective April 13, 2005 (D.C. Law 15-352; D.C. Official Code § 5-333.12(d)) is  
46 repealed.

47           Sec 9. Section of 4(b)(1) of the Health Care Ombudsman Program Establishment Act of  
48 2004, effective April 12, 2005 (D.C. Law 15-331; D.C. Official Code § 7-2071.03(b)(1)) is  
49 amended by striking the phrase “the Office of the Inspector General, or the Office of the District  
50 of Columbia Auditor” and inserting the phrase “or the Office of the Inspector General” in its  
51 place.

52           Sec 10. Section 2(g)(5) of the Youth Employment Act of 1979, effective January 5, 1980  
53 (D.C. Law 3-46; D.C. Official Code § 32-242(g)(5)) is repealed.

54           Sec 11. Section 6(c) of the Fair Criminal Record Screening Act of 2014, effective  
55 December 17, 2014 (D.C. Law 20-152; D.C. Official Code § 32-1345(c)) is repealed.

56           Sec 12. Section 4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and  
57 Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law  
58 3-172; D.C. Official Code § 36-601.19) is repealed.

59           Sec 13. Section 204(d) of the Public Education Reform Amendment Act of 2007,  
60 effective June 12, 2007 (D.C. Law 17-9; D.C. Code § 38-193(d) is repealed.

61           Sec 14. Section 205 of the School Modernization Financing Act of 2006, effective June  
62 8, 2006 (D.C. Law 16-123; D.C. Official Code § 38-2973.05), is repealed.

63           Sec. 15 Section 47-825.01a(j)(2) District of Columbia Official Code is repealed.

64           Sec. 16. Section 20a(j) of the District of Columbia Taxicab Service Improvement  
65 Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; D.C. Official Code §  
66 50-301.20(j)), is repealed.

67           Sec. 17. Fiscal impact statement.

68           The Council adopts the fiscal impact statement in the committee report as the fiscal  
69 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
70 approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

71           Sec. 18. Effective date.

72           This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor,  
73 action by the Council to override the veto), a 60-day period of congressional review as provided  
74 in section 602(c)(2) of the District of Columbia Home Rule Act, approved December 24, 1973  
75 (87 Stat. 788; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of Columbia  
76 Register.