



**Internal Audit Office  
Summary of Activities  
(12/05/17 – 1/05/18)**

**OUR VISION:**

Oversight that inspires stakeholders' confidence...ALWAYS

**OUR MISSION:**

To help WSSC meet its objectives in a fiscally and ethically responsible manner, by striving to provide an independent and objective appraisal of WSSC's internal controls, risk management system, and compliance with laws, regulations, policies, and procedures.

**ACHIEVE BUSINESS PROCESS EXCELLENCE AND MAINTAIN FINANCIAL STABILITY:**

**AUDIT PLAN:**

**FY 2018 Audit Projects:**

- 1. Unbilled Revenue Operations**
  - Report phase.
- 2. Basic Ordering Agreement (BOA) Audit**
  - Fieldwork phase.
- 3. Fleet Services Operational Audit**
  - Report phase. Addressing IA Management Discussion Draft comments.
- 4. Retiree Benefits Operational Audit**
  - Fieldwork phase.
- 5. FY's 2015 and 2016 Blue Plains WWTP O&M Audit**
  - Fieldwork phase.
- 6. FY 2017 Payroll Annual Review**
  - Preliminary review phase.

**Carryover Audit Projects:**

- 1. Payroll Operational Audit**
  - Report phase.
- 2. Right-to-Audit Specified Procurement Contracts**
  - Report phase.

**Internal Audit Follow-Up:**

As of January 9, 2018, no management action items were closed since the last status report (December 4, 2017). The Finance, General Services, and Human Resources Offices implemented three (3) management action items requiring Internal Audit verification during this timeframe. There are two delinquent management plans of action. The Customer Service Team (193 days), and the Human Resources Office (70 days) have delinquent items. The Commissioners (serving as the Audit Committee) received a memorandum detailing the Customer Service Team delinquent action plan and the steps, if any, that have been taken to resolve the issue. The other management plan of action relates to the Year-End Payroll Review audit. We will send the Deputy General Manager of Strategic Partnerships a memorandum outlining the Human Resources outstanding item. We will continue to work with management to track the status of all outstanding issues; however, implementation responsibility rests with WSSC's executive management, not the Internal Audit Office as such responsibility would impair our independence from the operations we audit.



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**Continuous Audits:**

- P-Card Reviews – 1<sup>st</sup> Quarter Report finalized. Findings and action plans, if any, will be discussed with the Audit Committee at the next quarterly meeting.
- Accounts Payable Reviews – 1<sup>st</sup> Quarter Report finalized. Findings and action plans, if any, will be discussed with the Audit Committee at the next quarterly meeting.
- Bi-weekly Payroll Reviews – in progress. Findings and action plans, if any, will be discussed with the Audit Committee at the next quarterly meeting.

**EXTERNAL AUDITING SERVICES:**

External Auditor Solicitation finalized. The firm awarded the contract is Clifton Larson Allen, LLP.

**PROFESSIONAL DEVELOPMENT:**

- WSSC, 2017 Annual Ethics Training, Maxene Bardwell, 12/13/17
- WSSC, Cyber Security Training, Jane Lewis, 12/14/17
- ISACA, Improving Security Governance for Better Business Outcomes, Angela Makle Fortune, 12/28/17
- ISACA, 2020 Vision for the 2020 CISO, Angela Makle Fortune, 12/28/17
- ISACA, Top 5 Reasons for Moving Security to the Cloud, Angela Makle Fortune and Maxene Bardwell, 12/28/17
- ISACA, Eliminate the IoT Security Blind Spot, Maxene Bardwell, 12/28/17

**MEETINGS**

The Director, Internal Audit attended the Executive Leadership Team meeting, 12/27/17

**IMPROVE INFRASTRUCTURE:**

**SYSTEM DEVELOPMENT CHARGES AUDITS:**

- Total fiscal-year-to-date actual financial adjustments are \$843,105.76.
- One report (Cabin Branch Subdivision, Pt. 4 – DA3326H02) was issued during this reporting period.
- We currently have twenty-two (22) SDC audit requests in our possession for processing.
- Nineteen of the twenty-two (22) SDC audit requests are active.
- Several SDCs are awaiting developer proof of administrative costs.
- Three (3) of the twenty-two (22) SDC audit requests are inactive. (*Inactive classification is attributable to lack of developer response after a full fiscal year of quarterly requests for supporting documentation.*) Also note, in accordance with Standard Procedure ENG 04-01, SDC Credit or reimbursements for costs are limited to SDC transactions for Qualified Properties served by the Qualified Project within a twenty-year period, or until the sum of credits and reimbursements equals the total approved SDC Credit.



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**PROTECT OUR PEOPLE, INFRASTRUCTURE, SYSTEMS AND RESOURCES:  
FRAUD, WASTE & ABUSE (FWA) HOTLINE ACTIVITIES**

**Quarterly Hotline Status Report:**

The Internal Audit Office will present the quarterly hotline status report with graphics at the next Audit Committee Meeting.

**ETHICS ACTIVITIES:**

**1. Board of Ethics:**

- Held its regularly scheduled meeting on 12/14/17.
- Entertained four (4) Open Session items: 1) Open Session minutes from the November meeting; 2) Fraud, Waste and Abuse Hotline Activity Report for November; 3) Ethics Office Monthly Report for November; 4) and proposed changes to the Code of Ethics.
- Entertained two (2) closed session items: 1) Complaint No. 17-02; 2) Complaint No. 17-05.

***Note: Open meeting minutes are available on the WSSC's Internet site. Copies are provided to the Commissioners as requested and attached herein.***

**2. Code of Ethics Training:**

Ethics Officer, Angelique Dorsey, provided Code of Ethics and Fraud, Waste and Abuse training to fourteen (14) new employees on December 18, 2017 during the New Employee Orientation (NEO).

**3. Ethics Office Activities:**

- Updated the form certifying that new employees received ethics training and a copy of the Code of Ethics.
- Met with Equal Employment Opportunity Officer Donald King regarding use of the ethics training vendor for harassment prevention training.
- Met with Acting Police Chief Joseph Bergstrom and David McDonough (Division Manager for Police and Homeland Security Services) regarding the proposed Outside Employment policy as it relates to members of the WSSC police force.
- Monitored the progress of Commission employees completing the annual mandatory ethics training course. Ninety-six percent (96%) of employees who were required to take the training and were not on a leave status completed the course by the December 21, 2017 deadline.

**4. Ethics Office Advisory Services:**

- Gifts – 3
- Employment Restrictions – 1
- Training – 9
- Fraud – 1
- Financial Disclosure Statements – 14
- General Inquiries - 2

**5. Professional Development:**

The EO participated in the Ethics and Compliance Initiative's monthly Utilities Interest Group teleconference.

**6. Ethics Office Staffing and Board of Ethics Appointments:**

Retained temporary contract administrative professional services to staff the Ethics Office while continuing the search to fill the part-time Ethics Office Administrative Assistant II position.



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***INSPIRE EMPLOYEE ENGAGEMENT:***

**ADVISORY SERVICES:**

- Automatic Meter Installation (AMI) – Janice Hicks, ongoing
- Capital Asset Management Implementation – James Wall, Jr., ongoing
- Customer Care Billing Project (C2M) – Angela Makle Fortune, ongoing
- Disaster Recovery Meeting – Janice Hicks and Dee Tok, ongoing.
- Document Management – Janice Hicks, ongoing
- ITSF Monthly Meeting – Angela Makle Fortune, ongoing
- Oracle Accounts Payable – Janice Hicks; James Wall, Jr., ongoing
- Oracle Utilities Customer to Meter (C2M) Billing System – Angela Makle Fortune, ongoing
- Procurement Card Steering Committee – Angela Makle Fortune, ongoing
- Procurement Phase II & Intake Implementation – Jane Lewis, ongoing

***ENHANCE CUSTOMER EXPERIENCE AND COMMUNITY ENGAGEMENT:***

**COMMUNITY SERVICES:**

- Internal Audit and Ethics Office staff volunteered at the Laurel Advocacy & Referral Services (LARS), December 21, 2017.

**Respectfully submitted by Maxene Bardwell, Director, Internal Audit**