



**Internal Audit Office  
Summary of Activities  
(04/09/18 – 06/01/18)**

**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 Risk-Based Audit Projects:**

- 1. Basic Ordering Agreement (BOA) Compliance Audit**
  - Fieldwork phase. (83% Complete)
- 2. Fleet Services Operational Efficiency and Effectiveness Audit**
  - Discussion Draft issued 05/08/18. (95% Complete)
- 3. Retiree Benefits Operational Efficiency and Effectiveness Audit**
  - Fieldwork phase. (49% Complete)
- 4. FY's 2015 and 2016 Blue Plains WWTP O&M Audit**
  - Fieldwork phase. (73% Complete)
- 5. FY 2016 Payroll Annual Compliance Review**
  - Final audit report issued 05/16/18. (100% Complete)
- 6. FY 2017 Payroll Annual Compliance Review**
  - Fieldwork phase. (25% Complete)

**Carryover Audit Projects:**

- 1. Right-to-Audit Specified Procurement Contracts Compliance Audit (92% complete)**
  - Issued the Final Audit Memorandum No.1 for Less Significant Items on **May 9, 2018**.
  - Issued the Final Audit Memorandum No. 2 to the Chief Engineer on **May 30, 2018**.
  - IAO transmitted to the Chief Engineer the Draft Audit Memorandum of Less Significant Items on **May 29, 2018**.

**Internal Audit Follow-Up:**

During this period, no management action items were closed. No new action plans were implemented requiring Internal Audit verification during this timeframe. One action plan's implementation (General Services) was rejected by Internal Audit and is delinquent. That action plan is 151 days delinquent. We have communicated the reason(s) for the rejection, which management is working to rectify. We issued a 120-day delinquent memorandum to the Audit Committee/Commissioners. 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.



**Internal Audit Office  
Summary of Activities  
(04/09/18 – 06/01/18)**

**Continuous Compliance Audits:**

- P-Card Reviews – 2<sup>nd</sup> Quarter Report issued 03/16/18. The 3<sup>rd</sup> Quarter Report period ending 03/30/18 issued 06/08/18. Findings (medium- to high-risk) and action plans, if any, will be discussed with the Audit Committee at the Quarterly meeting on 07/18/18.
- Accounts Payable Reviews – 2<sup>nd</sup> Quarter Report issued 03/05/18. The 3<sup>rd</sup> Quarter Report period ending 03/30/18 issued 05/29/18. Findings (medium- to high-risk) and action plans, if any, will be discussed with the Audit Committee at the Quarterly meeting on 07/18/18.
- Bi-weekly Payroll Reviews – memo issued 05/09/18. Additional reviews are in progress. Findings (medium- to high-risk) and action plans, if any, will be discussed with the Audit Committee at the quarterly meeting on 07/18/18.

**EXTERNAL AUDITING SERVICES:**

- External Auditors, Clifton Larson Allen, LLP began auditing WSSC's Financials on 04/23/18.

**PROFESSIONAL DEVELOPMENT:**

- WSSC – Procure-2-Pay [P2P] Approver Training, Maxene Bardwell, 04/18/18
- ISACA Central Maryland Chapter – How to Prevent, Detect and Recover from Cyberattack, 04/23-24/18
- ISACA Central Maryland Chapter – Risk Management and Control, Maxene Bardwell, 04/25-26/18
- Maryland Association of Certified Public Accountants (MACPA) – The MACPA Conference, Maxene Bardwell, 04/27/18
- Association of Certified Fraud Examiners (ACFE) – ACFE 2018 Annual Fraud Conference, Maxene Bardwell, 04/30/18 & 05/01/18
- WSSC Security Mentor Training Module – Public WiFi: Be Careful Out There, Lucretia Morris, 05/02/18
- Navexglobal – Webinar – Conducting & Closing Effective Workplace Investigations, Janice Hicks, 05/10/18
- WSSC Security Mentor Training – Public WiFi: Be Careful Out There, Maxene Bardwell, 05/21/18
- Association of Certified Fraud Examiners (ACFE) – Webinar – The Growing Threat of Application Fraud in a Digital World, Janice Hicks, 05/22/18
- The Rise of Virtual Currencies: Innovative Technology and Novel Schemes, Dana Whiting, 05/31/18
- WSSC Security Mentor Training Module – Recognize and Report Security Incidents, Jane Lewis, 06/01/18

**MEETINGS**

- IT Partner's Meeting, Angela Makle Fortune, 04/19/18
- Internal Auditors Angela Makle Fortune & James A. Wall, Jr. met with Development Services Division representatives and the Developer regarding SDC documentation submission for auditing, 04/27/18
- The Director, Internal Audit, attended a Hotline Case Status meeting with the Acting, WSSC Police Chief, 05/03/18
- Internal Auditor, Janice Hicks, attended the Customer to Meter (C2M) Users Meeting, 05/03/18
- The Director, Internal Audit, attended the Executive Leadership Meeting, 05/21/18



**Internal Audit Office  
Summary of Activities  
(04/09/18 – 06/01/18)**

**IMPROVE INFRASTRUCTURE:**

**SYSTEM DEVELOPMENT CHARGES COMPLIANCE/FINANCIAL AUDITS:**

- Total fiscal-year-to-date actual financial adjustments are \$1,724,294.06.
- Internal Audit completed four SDC audit reports during this reporting period for Mid-Pike Plaza, Pt. 3 [DA5238C11]; Rodenhauer WWPS, Part 1 [CP4100A05]; Rodenhauer WWPS, Phase 1 [DA4100B05]; and Rodenhauer WWPS, Phase 1, [DA4100C05]
- We currently have 14 SDC audit requests in our possession for processing.
- Eleven of the 14 SDC audit requests are active.
- Several SDCs are awaiting developer proof of administrative costs.
- Three of the 14 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.

**PROTECT OUR PEOPLE, INFRASTRUCTURE, SYSTEMS AND RESOURCES:**

**FRAUD, WASTE & ABUSE (FWA) HOTLINE ACTIVITIES**

**FWA Training:**

- The Division Manager, Internal Audit provided Fraud, Waste and Abuse training to 15 new employees on 05/21/18, during the New Employee Orientation (NEO).
- The Internal Audit Office will present the quarterly status report with graphics at the July 2018 Commission and Audit Committee meeting.

**ETHICS ACTIVITIES:**

**1. Board of Ethics:**

- Held its regularly scheduled meeting on **04/12/18**.
- Entertained five Open Session items: 1) Open Session minutes from the March meeting; 2) Ethics Office Monthly Report for February; 3) Draft Ethics Program Annual Report; 4) Draft Outside Employment Policy; and 5) Fraud, Waste and Abuse Hotline Activity Reports.
- Entertained four closed session items: 1) Open Session minutes from the April meeting; 2) Complaint No. 16-03; 3) Waiver Request No. 18-03; and 4) Complaint No. 17-05.
- Held its regularly scheduled meeting on **05/10/18**.
- Entertained four Open Session items: 1) Executive Leadership Meeting with the Chief Information Officer, Vennard Wright; 2) Open Session minutes from the April meeting; 3) Ethics Office Monthly Report; and 4) CY 2017 Annual Disclosure Process Review.
- Entertained five closed session items: 1) Open Session minutes from the April meeting; 2) Complaint No. 16-03; 3) Waiver Request No. 18-03; 4) Potential Matter #1, and 5) Potential Matter #2.

**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 & Abuse (FWA) training to 17 new employees on **04/23/18** during the New Employee Orientation (NEO).
- Ethics Officer, Angelique Dorsey, provided Code of Ethics training to 15 new employees on **05/21/18** during the New Employee Orientation (NEO).

**3. Ethics Office Activities:**

- Monitored the Annual Disclosure request process for the CY 2017 disclosure statements and worked with IT to address issues filers and reviewers encountered.
- Finalized the CY 2017 Ethics Program Annual Report as required by Code of Ethics § 2-10 and submitted it to the Commissioners 04/13/18.
- Continue to monitor the reviews of annual disclosures submitted by employees.
- Initiated steps to revise the Code of Conduct with Human Resources.

**4. Ethics Office Advisory Services:**

- General Inquiries – 5
- Employment Restrictions (Current and/or Post) – 5
- Financial Disclosure/Conflicts of Interest Statements – 5

**5. Professional Development:**

- Participated in the MD Association for Environmental and Outdoor Education Youth Summit at Sandy Point Park, 05/31/18

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

- Utilizing WSSC's temporary contract for administrative professional services to staff the Ethics Office while continuing the search to fill the full-time Ethics Office Administrative Assistant II position.

**INSPIRE EMPLOYEE ENGAGEMENT:**

**ADVISORY SERVICES:**

- Automatic Meter Installation (AMI) – Janice Hicks, (received no response from management)
- Customer Care Billing Project (C2M) – Angela Makle Fortune, 04/06/18, 04/30/18, 05/14/18 and 05/21/18
- Disaster Recovery Meeting – Janice Hicks and Dee Tok, Final report to be issued on 04/10/18.
- Enterprise Resource Planning (ERP) Cross Function Meeting – Jane Lewis, ongoing
- ITSF Monthly Meeting – Angela Makle Fortune, ongoing
- Oracle E-Business Suite (EBS) Meeting – Digidem (Dee) Tok, 04/19/18
- Procure to Pay (P2P) [formerly Procurement Phase II & Intake] Implementation **[went live 05/16/18]** – Jane Lewis, ongoing
- Mobile Workforce Management/Work and Asset Management (MWM/WAM) Weekly meeting, Dana Whiting, 05/25/18
- Internal Auditor, Janice Hicks, attended the Customer to Meter (C2M) Audit Logs, 05/29/18
- Customer Care Billing Project (C2M) Audit Logs – Angela Makle Fortune, 05/29/18

**MEETINGS:**

- The Director, Internal Audit, attended the Special Recognition of Former Commissioners and General Managers, 05/16/18
- The Internal Audit Division Manager, Dana Whiting, attended the WSSC Centennial Weekly Planning Committee meeting



**Internal Audit Office  
Summary of Activities  
(04/09/18 – 06/01/18)**

**ENHANCE CUSTOMER EXPERIENCE AND COMMUNITY ENGAGEMENT:**

**COMMUNITY SERVICES:**

- Senior Internal Auditor, Jane Lewis and Administrative Professional, Lucretia Morris, attended the WSSC General Manager's Office Silent Auction, 04/09/18
- WSSC's Office of Communications - Sunfish and Students Training, Janice Hicks, 04/12/18
- Internal Audit and Ethics offices participate in the Office of Communications and Community Relations toiletry drive for the displaced families from the February 2<sup>nd</sup> Fireside Apartment Fire, 04/26/18
- Internal Audit and Ethics offices participated in the 100<sup>th</sup> Centennial celebration at the ballfield on Sweitzer Lane, 05/01/18.
- Junior Achievement of Greater Washington, Junior Achievement Finance Park, Maxene Bardwell, 05/02/18
- Senior Internal Auditor, Jane Lewis participated in the Azalea Work Day organized by the WSSC's Office of Communications, 05/03/18
- The Director, Internal Audit, was inducted into the Bridgeton High School Distinguished Alumni Hall of Fame for her dedication to community service, career as an Internal Auditor, and credentials earned in her profession, 05/10/18
- Senior Internal Auditor, Jane Lewis and Administrative Professional, Lucretia Morris, participated in the Office of Communications "Sorting" of food and toiletries for displaced families in Prince George's and Montgomery Counties, 05/22/18
- Internal Auditor, Janice Hicks, participated in the Office of Communication's Sunfish Release Program, 05/24/18
- Internal Audit staff members participated in the WSSC/Inova Blood Donations, 05/24/18

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