



WSSC WATER

DELIVERING THE ESSENTIAL

Office of the Inspector General
Quarterly Audit Committee Meeting

May 20, 2020

Agenda

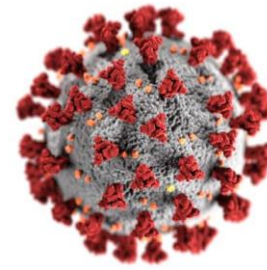
- Approval of Agenda
- Briefing Materials
 - Covid-19 Impact on OIG Audit Operations
 - Audit Reports
 - Status Updates
- Adjournment



COVID-19 IMPACT ON OIG AUDIT OPERATIONS



COVID-19 IMPACT



OIG Information Requests

- Case-by-case basis
- Risk-based approach

OIG Fiscal Year 2020 Audit Plan

- 30-day projected completion date extensions (where warranted)

OIG Follow-Up on Management Action Plans

- 30-day implementation due date extensions (including specified delinquent items)
- Required ongoing management updates

Picture source: CDC Newsroom, PHIL ID# 23312

OIG AUDIT REPORTS



DC Water's Blue Plains Operations and Maintenance(O&M) Billing Audit for FY 2017



Executive Summary

The District of Columbia (DC), Montgomery and Prince George's Counties in Maryland, and Fairfax and Loudoun Counties in Virginia are parties to the Blue Plains Intermunicipal Agreement (IMA). The agreement defines the rights, obligations and responsibilities of the parties regarding the capacity at Blue Plains, management of facilities for wastewater transmission and treatment, and biosolids management.

Each year the members of the agreement are billed their share of O&M costs based on their flow for the year. This year in addition to the O&M Settlement bill IMA parties received a bill for the operation and maintenance of jointly used sewer system facilities, known as Multi-Jurisdictional Use Facilities (MJUFs).

Executive Summary (Cont'd.)

Background

We performed an audit of DC Water's Blue Plains Operations and Maintenance Settlement Bill and the new Multi-Jurisdictional Use Facility (MJUF) Billings for FY 2017.

- Blue Plains Inter-Municipal Agreement (IMA) of 2012
- Right to Audit
- Blue Plains O&M Settlement Bill
- MJUF Settlement Bill

Audit Team:

Angela Makle Fortune – (former Senior Auditor)

Janice Hicks – Auditor

Digdum (Dee) Tok - Auditor

Executive Summary (Cont'd.)

Objective

To ensure WSSC is billed accurately for its share of the operations and maintenance costs in accordance with the IMA.

Scope

- Transactions, processes, costs and payments effective during DC Water's FY 2017.
- Each Blue Plains O&M settlement bill is a workbook of approximately 90 worksheets.
- Each MJUF settlement bill is a workbook of approximately 20 worksheets.
- Includes systems access to DC Water's documents and transactions.

Adjustments for Blue Plains O&M Settlement Bill

#	Title	FY 2017 Adjustments
1	Adjustment of Excess Accruals	\$(602,788.00)
2	Adjustment of Indirect Cost Statistics	\$(78,952.00)
3	Adjustment of Bureau of Maintenance Services (BMS)	\$(25,442.00)
4	Adjustment of Waste Water Treatment Plant (WWTP) Rev	\$(278,358.00)
5	Adjustment of Job share %	\$76,720.00
6	Adjustment of Finance & Risk Management Costs	\$(17,789.00)
7	Adjustment of Blue Drop	\$(4,398.00)

Adjustments for Blue Plains O&M Settlement Bill, Cont'd.

#	Title	FY 2017 Adjustments
8	Litigation Costs	\$(15,158.00)
9	Emergency Management Costs	\$ 192,619.00
10	Adjustment of Flow	\$(2,151,936.00)
11	Indirect Costs allocation	\$299,394.04
	Interest	\$(136,077.63)
	Total Refund to WSSC:	\$(2,742,165.59)

DC Water's Multi-Jurisdictional Use Facility Billing Audit FY 2017



According to the 2015 MJUF Conveyance System O&M Cost Allocation User Guide, O&M cost shares for user jurisdictions will be calculated using a combination of each jurisdiction's average flow quantity and length of the MJUF pipe through which its flow passes. In essence, the new bill captures the additional costs incurred by DC Water to move wastewater from Prince George's and Montgomery Counties to the Blue Plains processing facility.

The Multi-Jurisdictional Use Facility (MJUF) Bill captures the costs related to the Conveyance System. As stated earlier, we performed an audit of the first annual MJUF Bill.

Adjustments for MJUF Bill

#	Title	FY 2017 Adjustments
1	Align SCADA costs with SCADA account	\$(21,893.00)
2	Management Direct Cost from MJUF Bill	\$(152,808.00)
3	Revision of Flow based – Mojica, Planning Division	\$(217,839.12)
4	Removal of Security Direct Costs	\$(79,839.73)
5	Removal or re-align miscellaneous costs	\$(28,309.75)
6	Revised affected MJUF costs based on O&M Bill Adjustments	\$119,106.15
	Interest	\$(19,924.46)
	Total Refund to WSSC:	\$ (401,507.91)

Conclusion

- Adjustments plus interest O&M Settlement Bill **\$2,742,165.59.**
- Adjustments plus interest MJUF Bill **\$401,507.91.**
- Total refund to WSSC is **\$3,143,673.50**

We received agreement with DC Water for all adjustments plus interest.

Thank You

- Carol Mojica, WSSC Water's Planning Division
- WSSC Water's Accounting Division
- DC Water staff

Status Updates



Follow-up on Management Action Plans

Department	Corrective Actions		
	Implemented Pending OIG Verification	Open	Total
Human Resources Department	1		1
Police & Homeland Security		2	2
Information Technology Department	8		8
General Services Department	3	4	7
Procurement Department	1		1
Production Department	2	2	4
TOTAL	15	8	23

Color Key

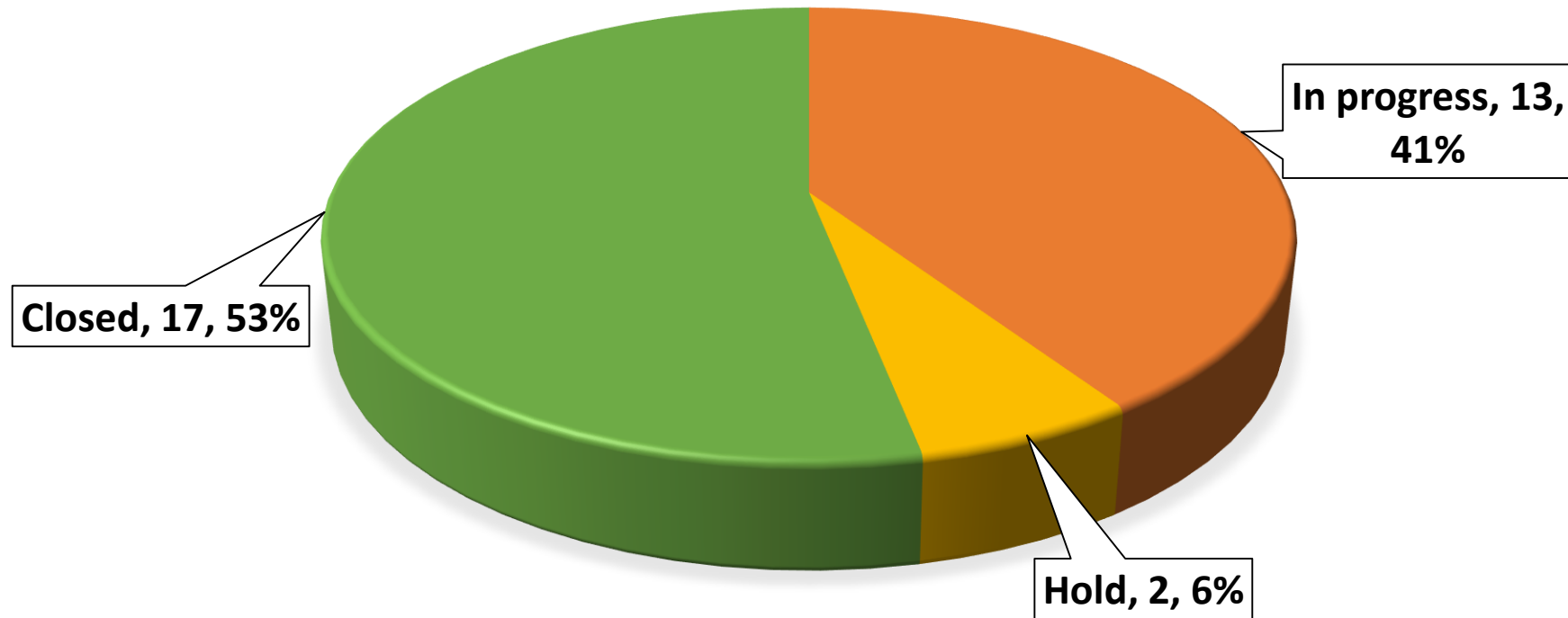
Remediation is due within 31-60 days for at least 1 issue.

3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report



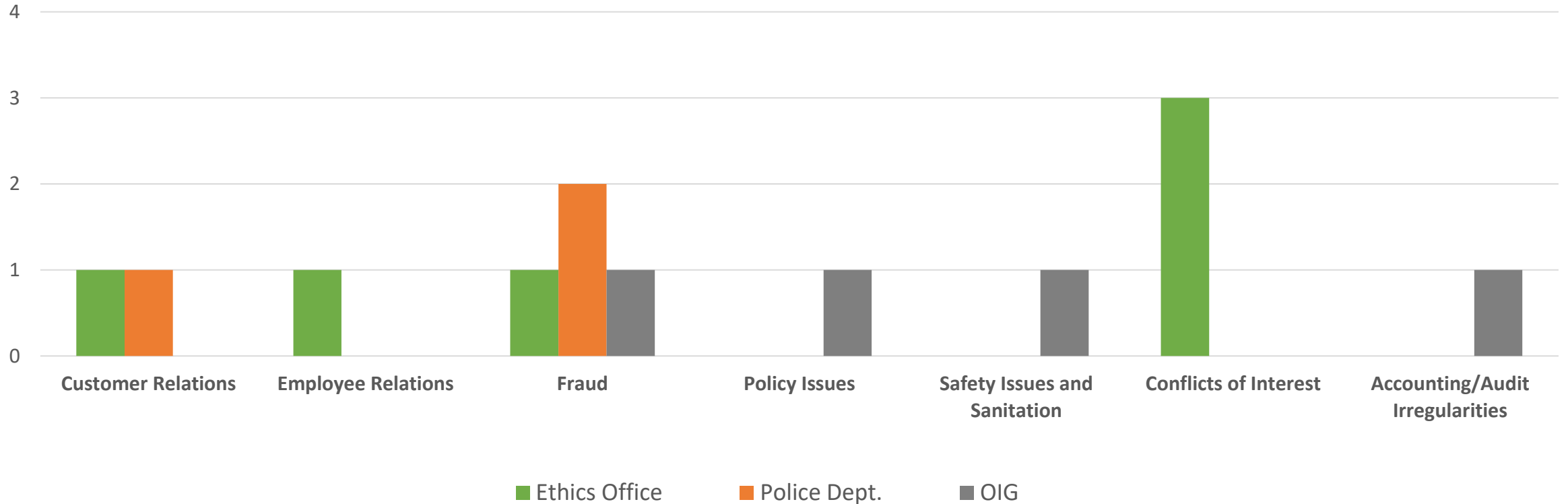
3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report

Case Status (as of 3/31/20):



3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

In Progress Cases (as of 3/31/2020):



3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

Closed Cases Outcomes (as of 3/31/20):

ISSUE TYPE	NUMBER	ALLEGATION/INQUIRY	DISPOSITION
Customer Relations	6	<u>Inquiries</u> – Unexplained balance due, claims process challenge, length of period for estimated bill charges, and higher than expected water/sewer bills.	Referred to Customer Services and Utility Services. All issues are resolved.
Customer Relations	1	<u>Allegation</u> – A WSSC customer claims to be receiving discolored water after WSSC drained a nearby fire hydrant, and that a water main also near the property remains unrepaired.	Referred to Utility Services and Customer Services, whereby WSSC had a technician to flush the hydrant and the customer was provided with schedule for repair of water main. All matters are resolved.

3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

Closed Cases Outcomes (as of 03/31/20):

ISSUE TYPE	NUMBER	ALLEGATION/INQUIRY	DISPOSITION
Employee Relations	4	<u>Allegations</u> – Preferential treatment by supervisor or manager; and supervisor and/or manager’s conduct towards employees in the workplace.	OIG has no jurisdiction. Referred matters to the appropriate departments for resolution. All matters have been resolved.
Sexual Harassment	2	<u>Allegation</u> – Distribution of a company wide e-mail that contained an image with an embedded link to pornographic content.	OIG has no jurisdiction. Referred to the Ethics Office, and the matter has been resolved.

3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

Closed Cases Outcomes (as of 03/31/20):

ISSUE TYPE	NUMBER	ALLEGATION/INQUIRY	DISPOSITION
Fraud	1	<u>Allegation</u> – Contract steering of a WSSC contract to an acquaintance by an employee.	OIG has no jurisdiction. Referred matter to the Ethics Office. Accordingly, the matter was dismissed without action.
Wage/Hour	1	<u>Allegation</u> – Questionable use of Compensation Study Funds, and the one study that WSSC's Human Resources Department conducted did not include union jobs.	OIG has no jurisdiction, as the budgetary language permits for management's discretion. The matter has been resolved.

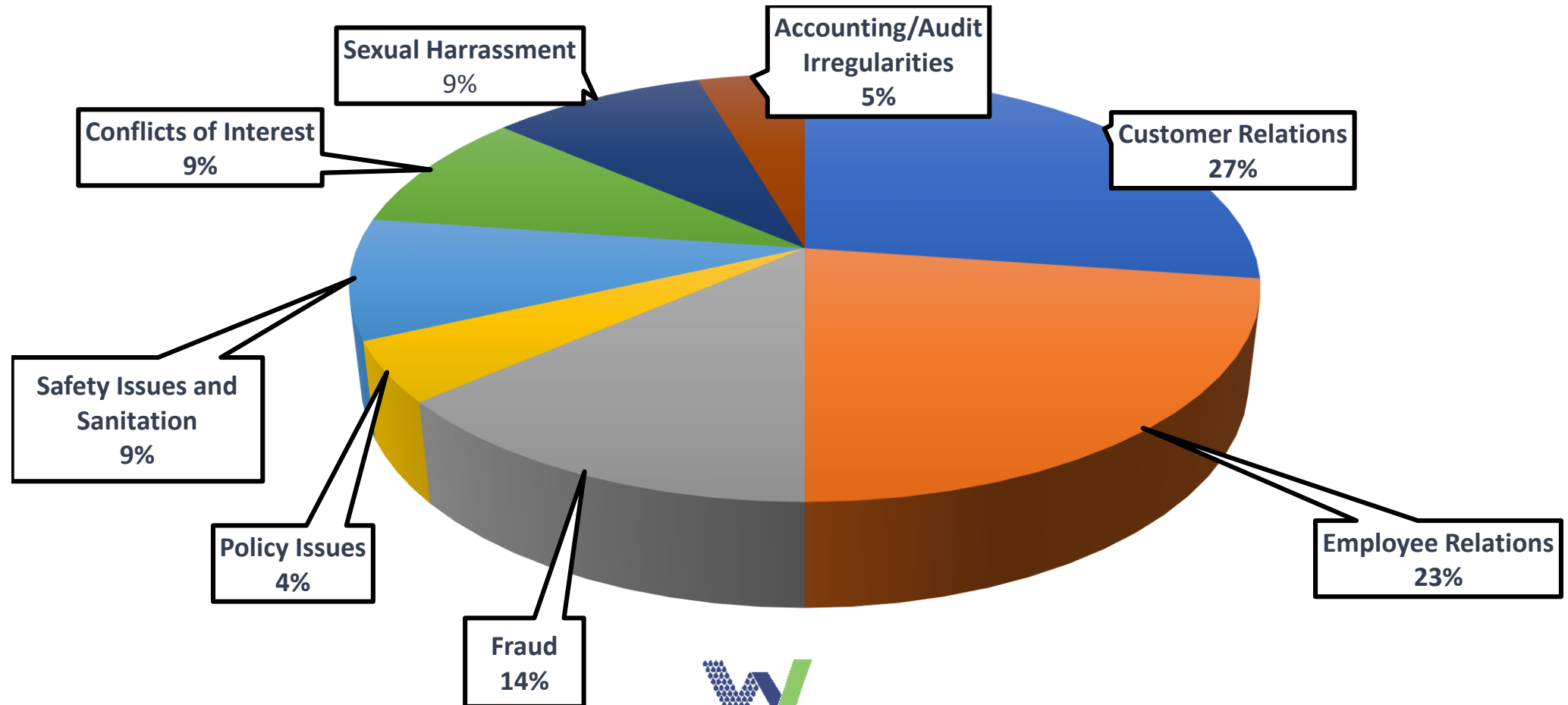
3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

Closed Cases Outcomes (as of 03/31/20):

ISSUE TYPE	NUMBER	ALLEGATION/INQUIRY	DISPOSITION
Policy Issue	1	<u>Allegation</u> – Preferential treatment in the hiring and salary negotiation practices pursuant to current compensation policy.	OIG has no jurisdiction. Referred to the Ethics Office, and the matter has been resolved.
Safety & Sanitation	1	<u>Allegation</u> – Customer alleges that nearby sewer line was emitting gas after work was performed on nearby manhole.	Referred to Utility Services and Customer Services. The matter has been resolved.

3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

Top Hotline Allegations Reported:



3rd Quarter FY'20 Fraud, Waste and Abuse Hotline Report (Cont'd.)

QUARTERLY COMPARISON ANALYSIS:

