Office of the Inspector General

Fiscal Year 2027 Work Plan

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Message from the Inspector General

This report presents the Washington Suburban Sanitary Commission's (WSSC Water) Office of the Inspector General's (OIG) FY 2027 Work Plan. The Work Plan identifies the audits, evaluations and investigations, and other oversight activities the OIG expects to undertake during FY 2027. It is intended to provide transparency regarding the Office's planned oversight priorities while maintaining the flexibility necessary to respond to emerging risks, allegations of fraud, waste, abuse, and misconduct, changes in Commission priorities, legislative mandates, resource availability, and other unforeseen circumstances.

Consistent with the OIG's commitment to strategic, risk-based oversight, the FY 2027 Work Plan reflects a multi-year planning approach that provides Commissioners, management, employees, and other stakeholders with greater visibility to anticipate audit coverage and oversight priorities. While this report primarily focuses on projects planned for FY 2027, it also identifies potential future oversight activities to support long-term planning. Because risk conditions and organizational priorities continually evolve, the Work Plan is reviewed throughout the year and remains subject to modification as circumstances warrant.

The OIG is an independent oversight office established under Maryland's *Inspector General Act of 2018 (Act)* and codified in the Public Utilities Article (PUA), Title 17, Subtitle 6. The Inspector General reports independently to the Commission and is responsible for promoting accountability, transparency, integrity, economy, efficiency, and effectiveness throughout WSSC Water's operations.

Maryland law requires the Work Plan as part of the Inspector General's statutory mission, which is to:

- Support the Commission by providing independent evaluations and recommendations to (1) protect the Commission's reputation and (2) improve the effectiveness, productivity, or efficiency of its programs, policies, practices, and operations;
- Promote public accountability by preventing, investigating, and reporting fraud, waste, and abuse involving Commission property or funds;
- Review, evaluate, and report on the adequacy and effectiveness of internal controls and related accounting, financial, technology, and operational policies;
- Recommend ways to improve employee compliance with applicable laws, policies, and ethical standards, and report any noncompliance;
- Conduct audits required under PUA, § 25-405; and
- Conduct other audits related to Commission operations.

The audits identified in this Work Plan support WSSC Water's mission to deliver ethical, safe, reliable, and sustainable water services to the communities it serves. The planned engagements also align with WSSC Water's eight strategic priorities:

- Workforce Development and Culture
- Affordable and Financial Viability
- Customer Engagement and Partnerships
- Sustainability and Resiliency
- Optimizing Operations
- Asset Management and Infrastructure Reliability
- Digital Transformation
- Justice, Equity, Diversity, and Inclusion.

The OIG's FY 2027 Work Plan was developed using a comprehensive, collaborative, risk-based planning process that incorporated multiple sources of information, and input from internal and external stakeholders. The OIG considered enterprise risks, prior audit results, statutory requirements, fraud risk indicators, management concerns, stakeholder input, discussions with Commissioners and senior leadership, staff recommendations, and comments received from WSSC Water customers. The Office also considered WSSC Water's Strategic Plan for FY 2025–2027 to help prioritize engagements that provide the greatest value and support efficient use of OIG resources.

The Work Plan includes mandatory audits and investigations required by law, projects carried forward from prior years, new risk-based engagements scheduled to begin during FY 2027, and other oversight activities intended to strengthen governance, internal controls, operational performance, and accountability. The plan is designed to remain flexible to allow the OIG to respond promptly to emerging issues, significant allegations, legislative changes, special requests authorized by law, and evolving organizational risks throughout the fiscal year.

The OIG fulfills its mission by conducting audits, evaluations, and investigations in accordance with the *Act* and applicable professional standards, including *Government Auditing Standards* issued by the *U.S. Government Accountability Office (GAO)*, the A*ssociation of Inspectors General (AIG) Principles and Standards for Offices of Inspectors General*, and the *Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Investigations*, as applicable.

Completed audit reports, investigative reports, and other work products are available on the OIG website at www.wsscwater.com/OIG.

The OIG welcomes feedback regarding the quality, usefulness, and impact of its audits, investigations, evaluations, and other oversight activities. Such feedback helps the Office continually improve its services and identify opportunities to enhance accountability, transparency, and public trust.

Best regards,

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Inspector General

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Background, Authority, Mission, Values, and Vision

WSSC Background

WSSC Water provides water and sewer services to approximately 1.9 million people in Montgomery and Prince George's counties in Maryland. Established by the Maryland General Assembly in 1918 as a regional bi-county agency under Article 29 and later recodified in Division II of the Public Utilities Article of the Annotated Code of Maryland, WSSC Water is one of the largest water and sewer utilities in the United States. Its service area covers nearly 1,000 square miles.

WSSC Water's primary mission is to provide safe, reliable water and return clean water to the environment. To fulfill this mission, WSSC Water operates several owned or shared facilities and pipeline systems. The Commission operates two water filtration plants that draw raw water from the Potomac and Patuxent rivers, a water main system spanning more than 5,600 miles, and three reservoirs with a combined capacity of more than 14 billion gallons. The Commission also owns six wastewater treatment plants and uses a portion of the Blue Plains Wastewater Treatment Plant operated by the District of Columbia Water and Sewer Authority.

Our Authority

The OIG is legally responsible for conducting independent audits and investigations of WSSC Water activities and programs. These responsibilities were established by *Maryland House Bill 419, Chapter 130*, and are codified in PUA, §§ 17-601 *et seq*. The OIG supports the Commission through independent audits, investigations, and evaluations, and by making recommendations to protect and enhance WSSC Water's reputation while improving the efficiency and effectiveness of its programs, policies, practices, and operations.

Our Mission

The OIG's mission is to help WSSC Water achieve its goals in a financially transparent, sustainable, and ethically responsible manner. The OIG conducts independent audits, evaluations, and investigations and provides recommendations to improve efficiency and effectiveness. The OIG also works to prevent and detect fraud, waste, abuse, mismanagement, and misconduct in WSSC Water operations.

Our Values

Accountability

Public organizations are responsible for their performance. Reporting fraud, waste, and abuse in Commission operations is an essential part of accountability.

Transparency

Public organizations must conduct their processes and decisions in a manner that can withstand public scrutiny. To support transparency, the OIG publishes audit reports and summaries of other reports and investigations on its public website, except where disclosure is prohibited by the *Maryland Public Information Act*.

Integrity

Integrity means consistently following shared ethical values, principles, and standards while placing public interest above private interests.

The OIG strives to uphold the highest standards of integrity and ethics in carrying out its responsibilities.

Our Vision

The OIG promotes accountability, transparency, integrity, and fairness in service to the public interest and in support of the Commission's goals. The OIG is committed to producing high-quality work that strengthens public trust and organizational accountability.

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The Risk Assessment Process

The OIG develops its annual work plan through a structured risk assessment process. This process helps identify, evaluate, and prioritize opportunities and threats that could affect WSSC Water's ability to achieve its objectives. By assessing relative risk across WSSC Water's programs, operations, and external environment, the OIG can focus its resources on areas that require the greatest oversight and attention.

Audit risk planning is intended to identify internal and external risks related to WSSC Water's activities and inform decisions about how the OIG can address or monitor them through audits, evaluations, investigations, or other work.

To support the assessment, the OIG collects and reviews information from multiple sources, including WSSC Water customer feedback, the Fraud, Waste, and Abuse Hotline, prior internal and external audits, audit findings from other Offices of Inspectors General, one-on-one interviews with management and other stakeholders, staff-recommended projects, and WSSC Water's Strategic Plan.

Through this process, the OIG identified the following key risk areas facing WSSC Water:

- System growth and aging infrastructure
- Internal control environment
- Project planning and coordination
- Effects of a dynamic geopolitical environment on sourcing and supply chains
- Succession planning and workforce retention
- Contracting and procurement
- Cybersecurity and information infrastructure

Environmental, Social, and Governance Risk

The OIG also reviewed environmental, social, and governance (ESG) risks, opportunities, and trends that may affect the water and wastewater industry and influence OIG priorities in FY 2027. This review considered external management challenges at the county, state, and federal levels and helped form the OIG's broader risk view.

The OIG's risk assessment considered a variety of authoritative sources, including the American Water Works Association's *State of the Water Industry 2026 Report*, the U.S. Environmental Protection Agency's Office of Inspector General's *Fiscal Year 2026 Top Management Challenges*, and the U.S. Government Accountability Office's *2025 High-Risk Series Report*.

Based on this research, the OIG identified the following ESG-related risks, opportunities, and trends facing the water industry:

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1. ***Aging Infrastructure:*** Many water and wastewater systems are reaching, or have exceeded, their designed useful lives. Continued investment is needed to maintain service reliability, protect public health, and manage long-term infrastructure risk.
2. ***Emerging contaminants:*** Water utilities continue to face regulatory, technical, and financial challenges related to emerging contaminants, including polyfluoroalkyl substances (PFAS). Addressing these risks may require additional monitoring, treatment, infrastructure investment, and public communication.
3. ***Workforce challenges:*** Utilities continue to face workforce risks related to retirement, recruitment, retention, and the need for specialized technical skills. These challenges can affect institutional knowledge, operational continuity, and the ability to deliver reliable service.
4. ***Natural hazards:*** Extreme weather events continue to threaten water availability, water quality, infrastructure reliability, and emergency response capacity. These events can place additional strain on aging systems and increase operational and financial risk.
5. ***Cybersecurity:*** Protecting systems, networks, and data from digital attacks is increasingly costly and complex. Cyberattacks that seek to access, alter, or destroy sensitive information, extort payment through ransomware, or disrupt normal business operations represent a significant and growing risk.
6. ***Financial Sustainability and Affordability*:** Rising operating costs, inflation, regulatory requirements, and significant capital improvement needs continue to place pressure on utility finances. Balancing infrastructure investment while maintaining affordable rates and equitable access to safe drinking water remains an ongoing challenge.
7. ***Public trust and awareness:*** Public understanding of water issues, including water use, water quality, affordability, and availability, remains important to customer trust and effective service delivery. Clear communication and community engagement can help strengthen awareness, support informed decisions, and build confidence in utility operations.

Work Plan Approach

These internal and external risks were discussed with the entire OIG staff during a series of planning meetings. As a result of these meetings, the OIG staff identified potential audits, evaluations, and reviews designed to address WSSC Water's highest-priority risks and emerging operational challenges. Staff developed and refined proposed engagements, prepared project summaries, and presented them for management consideration. OIG leadership evaluated each proposal based on risk, anticipated impact, available resources, and organizational priorities, then established the audit portfolio, allocated resources, and scheduled engagements consistent with WSSC Water's strategic priorities.

WSSC Water 2025–2027 Strategic Priorities

- **Workforce Development & Culture:** WSSC Water will be a preferred employer by providing a competitive total rewards program and promoting career growth, workforce development, and innovation.
- **Affordable & Financial Viability:** WSSC Water will support financial stability by investing in employees and systems that provide reliable service while balancing the financial impact on customers.
- **Customer Engagement and Partnerships:** WSSC Water will enhance customer service experience and strengthen community and partner relationships through customer education, affordability, reliability, and trust.
- **Sustainability and Resiliency:** WSSC Water will invest in and develop Smart One Water solutions to mitigate key risks, support reliable and sustainable infrastructure, protect environmental health, and achieve net-zero emissions by 2050.
- **Optimizing Operations:** WSSC Water will leverage best practices and innovative technologies to continuously optimize operations and sustainably meet the growing service needs of thriving communities.
- **Asset Management & Infrastructure Reliability:** WSSC Water will implement proactive procedures and protocols for Commission-wide assets to improve financial efficiency, optimize asset life cycles, maintain service levels, and protect the environment.
- **Digital Transformation:** To address economic, social, regulatory, and environmental pressures, WSSC Water will leverage innovative technologies and techniques to improve decision-making, organizational efficiency, and service delivery in support of its *Smart One Water* future.
- **Justice, Equity, Diversity, and Inclusion:** WSSC Water will build and sustain community trust and promote environmental justice by ensuring equitable access to services and programs. It will also foster a diverse, inclusive culture of collaboration and connection within Team H2O.

Project Type Definitions

Each project is categorized as a project type. The project type determines the approach, general structure, report organization, and compliance requirements. Listed below are the project types the OIG plans to use in the coming year.

Continuous Auditing (C) – Continuous audits are recurring audits or special reviews performed on an ongoing basis. Continuous auditing enables auditors to report on a subject within a shorter timeframe than under the traditional audit model. Real-time auditing of controls and financial transactions can significantly enhance management's ability to make key business decisions.

Non-Audit Services (N) – These services are often provided in response to statutory requirements, at the discretion of the audit organization, or to an engaging party, and generally do not create a threat to independence. Examples include investigations of alleged fraud, periodic audit recommendation of follow-up engagements, and efforts to identify best or leading practices for use in advancing government operations.

Mandatory Audits (M) – Audits required by statute or regulation.

Performance Audits/Program Audits (P) – These engagements provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight with information intended to improve program performance and operations, reduce costs, and support decision-making by parties responsible for oversight or corrective action. Program audits generally determine whether WSSC Water is using resources economically and efficiently, achieving desired program results, and complying with applicable laws and regulations.

Special Audits (S) – These are one-time audits of identified problem areas that are performed on a priority basis. Special Audits can be requested by WSSC Water Commissioners and or by Senior Management.

Not Applicable (N/A) – Non-audit work that is primarily administrative.

Carryover Audits (CO) – Audit projects that started in a prior fiscal year and remain in progress during a subsequent fiscal year.

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FY 2027 Work Plan Breakdown Aligned by Strategic Priority

The projects listed below are those the OIG plans to complete in FY 2027. They are listed by WSSC Water's strategic priorities.

Workforce Development & Culture

WSSC Police Division Safety and Training Audit

WSSC Water's Police Division, within the Department of Homeland Security, is responsible for protecting Commission personnel, facilities, infrastructure, and other assets while helping ensure the safety of employees, customers, and visitors. The Division investigates criminal activity occurring on Commission property, theft of service, illegal discharges into the wastewater system, and other violations within the jurisdiction of WSSC Water.

The objective of this audit is to assess whether the WSSC Water Police Division maintains an effective framework for firearms safety, officer training, and compliance with applicable federal and Maryland laws, regulations, and WSSC Water policies and procedures. The audit will assess controls over firearms qualification and certification, mandatory training requirements, weapons accountability, and related operational practices to determine whether they adequately support public safety, officer readiness, and sound stewardship of Commission resources.

Project Type: CO

Year-End Payroll Audit

WSSC employs approximately 1,700 people annually across a wide range of operational, technical, and administrative functions. The OIG conducts an annual Year-End Payroll Audit to evaluate the accuracy, completeness, and propriety of payroll transactions and employee compensation. This continuous audit assesses whether payroll payments are properly authorized, accurately calculated, and processed in accordance with applicable federal and state laws, Commission policies and procedures, collective bargaining agreements, and other governing requirements. In addition, the audit evaluates the effectiveness of internal controls over payroll processing to help safeguard Commission resources and promote compliance, accountability, and operational integrity.

Project Type: C

Affordability & Financial Viability

DC Water Blue Plains WWTP Operations & Maintenance Audit for FYs 2023 and 2024

Under the 2012 Blue Plains Intermunicipal Agreement, WSSC Water, as a party to the agreement, is authorized to audit, examine, inspect, or reproduce the books, accounts, documents, and other evidence supporting Blue Plains operating and maintenance costs and user fees.

Project Type: M

DC Water Multi-Jurisdiction Use Facilities Audit for FYs 2021 and 2022

Multi-Jurisdiction Use Facilities (MJUF) are facilities through which sewer flows from multiple jurisdictions pass, with costs shared among the jurisdictions. Under the Intermunicipal Agreement, the WSSC Water OIG audits records supporting Blue Plains operating costs and user fees.

Project Type: M

Customer Engagement and Partnerships

System Development Charges (SDC) Audits

As required by PUA, § 25-405(d), the OIG reviews and approves the actual costs to be reimbursed to developers who help build WSSC Water infrastructure. The OIG assigns high priority to the timely completion of SDC audits and will begin work promptly on any new requests received during FY 2027. Currently, one SDC audit is in the fieldwork phase.

Project Type: M, CO

Regulatory Service Division Compliance Audit: Fats, Oil, and Grease Program (FOG) Audit

WSSC's Modified Fats, Oil and Grease Program Plan identifies high risks, including sanitary sewer overflows (SSOs) and sewer blockages caused by fats, oils, and grease (FOG); noncompliance by food service establishments (FSEs); inadequate maintenance of grease abatement devices (GADs); and enforcement gaps. To mitigate these risks, the program establishes legally mandated controls, including risk-based inspection and permitting of FSEs, mandatory best management practices (BMPs), maintenance and recordkeeping requirements for GADs, and an escalating enforcement response.

The objective of this audit is to assess the effectiveness of, and compliance with, the WSSC Water Modified FOG Program Plan in mitigating high-risk SSOs, sewer blockages, and FSE noncompliance through legally mandated controls, including risk-based inspections and permitting, BMPs, maintenance, and recordkeeping for GADs, enforcement actions required by the *2005 Consent Decree* and the *WSSC Water Plumbing and Fuel Gas Code*.

Project Type: P

Sustainability & Resiliency

IT Physical and Environmental Security Audit

The objective of this audit is to evaluate the effectiveness of physical and environmental controls to protect information and IT assets, ensuring that these measures are adequately implemented and maintained to mitigate risks.

Project Type: P, CO

Disaster Recovery (DR) Exercise Observation

The OIG will observe the recovery of WSSC Water's mission-critical systems during a simulated disaster or extraordinary business disruption. This work is a non-audit service and does not impair auditor independence. The objective is to observe whether overall project management, communication, and resource use are executed as required by DR plan documents.

Project Type: N

Independent Review of Efficiency and Sustainability

During the 2025 Session of the Maryland General Assembly, House Bill 1195, *Washington Suburban Sanitary Commission – Planning and Reporting Act of 2025* (Chapter 593, Acts of 2025), was enacted and requires WSSC Water and the OIG, in coordination and consultation with the Maryland Department of Legislative Services, to facilitate independent evaluations of the Commission's efficiency, effectiveness, and long-term sustainability.

Consistent with the Act, the OIG's independent evaluations include:

- Benchmarking with other systems across a range of operating cost metrics related to the efficiency and sustainability of the Commission;
- A review of the effectiveness of the Commission's capital program and its ability to maintain water and sewer distribution pipelines and processing plants that meet management standards;
- A study of the Commission's police force; and
- An analysis of the impact of the Commission not being a government entity in the context of access to government programs that provide customer water assistance or other available funding.

This multi-year engagement is currently underway and is being performed by an independent consulting firm under the direction and oversight of the OIG. The legislation requires these evaluations be completed by October 2027.

Project Type: M

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Inter-Utility Coordination of Activities and Resources

WSSC Water frequently performs construction, maintenance, and repair activities within shared utility corridors and easements occupied by multiple public and private utility providers. Effective coordination among utilities is essential to minimize service disruptions, protect critical infrastructure, enhance public safety, reduce project delays, and maximize the efficient use of public resources.

The objective of this review is to evaluate the Commission's policies, procedures, and practices governing coordination with other utilities and governmental entities during the planning, design, construction, maintenance, and restoration of infrastructure projects. The review will assess whether existing processes promote effective communication, timely coordination, efficient resource utilization, and compliance with applicable agreements, policies, and industry best practices. This project is also a requirement of HB 1195 and is being conducted by OIG staff.

Project Type: M, CO

Water Main Break Response Audit

WSSC Water's relies on emergency procurement procedures to rapidly engage contractors to respond to water-main breaks and other urgent infrastructure failures that threaten public health, safety, and service continuity. While these emergency procedures are necessary to expedite repairs, they may bypass standard competitive procurement requirements and, therefore, require strong oversight and accountability.

The objective of this audit is to determine whether emergency work assignments are properly authorized, accurately documented, and appropriately billed. The audit will evaluate whether emergency work assignments remain consistent with approved procurement waivers, to ensure non-emergency pipeline maintenance is routed through standard competitive processes. The audit will also assess internal controls over contractor billing by reconciling emergency work orders in the Maintenance Management Information System (MMIS) with contractor invoices, including quantities, paving restorations, and linear footage, to verify the accuracy and allowability of charges.

Project Type: P

Asset Management and Infrastructure Reliability: Digital Transformation

FY 2027 WSSC Water Stress Test Audit

The *Washington Suburban Sanitary Commission – Planning and Reporting Act of 2025 (House Bill 1195, Chapter 593, Acts of 2025)*, requires WSSC Water to develop and submit a long-range comprehensive financial plan to support the Commission's long-term sustainability. As part of this requirement, WSSC Water must include stress testing using recognized industry practices to evaluate the impact of a wide range of economic conditions that could affect its financial

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solvency. The *Act* required submission of the initial plan to the Montgomery County and Prince George's County Councils by **November 1, 2025**, with an updated plan due by **June 1, 2026**, and every five years thereafter.

The OIG will conduct an audit to determine whether WSSC Water implemented the stress-testing requirements established by *House Bill 1195* and documented a methodology for developing, selecting, and evaluating stress-testing scenarios in accordance with applicable industry guidance. The OIG will review the process used to develop and select stress-testing scenarios, supporting assumptions, management oversight, involvement of the independent financial advisor, and the use of stress-testing results in WSSC Water's long-range financial planning process.

The audit scope will include WSSC Water's long-range financial plan, stress-testing analyses, supporting documentation, and related activities associated with the November 2025 submission and June 2026 update.

Project Type: P

Change Order Management Audit

WSSC Water manages numerous contracts and projects supporting water and wastewater operations and infrastructure. During contract or project execution, change orders may be issued to modify the original scope, schedule, cost, or other contract terms because of unforeseen conditions, design modifications, business needs, or scope changes. Because change orders can involve significant costs and multiple stakeholders, effective oversight is important to ensure changes are properly reviewed, justified, approved, documented, and monitored. This audit will determine whether WSSC Water has established and implemented adequate controls over change-order management and whether change orders are processed in accordance with applicable policies, procedures, and contract requirements.

Project Type: P

Software Licensing Compliance Audit

WSSC Water's Information Technology Asset Management (ITAM) program supports software licensing governance and compliance. ITAM maintains the IT asset repository, tracks software licenses, and promotes the use of WSSC Water's standard hardware and software catalog.

The OIG will audit WSSC Water's software licensing compliance to assess adherence to vendor licensing agreements, evaluate internal controls over software procurement, deployment, and renewal, and determine the accuracy of software inventory records. The audit will also review ITAM processes for identifying and mitigating compliance risks and monitoring license usage.

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Project Type: P

Justice, Equity, Diversity, and Inclusion

Audit Follow-Up

The OIG will provide non-audit services to follow up on all agreed-upon audit recommendations. Special emphasis will be given to recommendations that management has reported as implemented and that are pending audit verification or examination.

Project Type: N

Potential Additional FY 2027 Audits

During development of this audit plan, the OIG identified several additional audits that may be started during FY 2027, subject to staff availability. These projects are listed below.

Advanced Metering Infrastructure (AMI) Compliance and Operational Audit

The Utility Services Department is responsible for implementing and overseeing WSSC Water's Advanced Metering Infrastructure (AMI) system, which supports remote water meter reading and improves operational efficiency. The AMI program includes the installation of remote-capable meters across the system, including large meters. While most newly installed meters are AMI-enabled, some older meters remain incompatible without modification and continue to be read through alternative processes. The OIG will audit WSSC Water's AMI operations to assess compliance with internal procedures, system deployment effectiveness, data collection accuracy, and integration with billing operations. The audit will also evaluate controls over installation, maintenance, and inventory management to determine whether the program meets its operational and service delivery objectives.

Validation of Customer Services Call Tracking AI Software

WSSC Water's Customer Service Department is responsible for responding to customer calls, resolving issues, and addressing other matters related to water service, bill payments, and repairs. Customer Services use artificial intelligence to monitor and track calls to improve efficiency, responsiveness, and performance evaluation. Management must be able to rely on the AI software to operate effectively and provide accurate information. The OIG will conduct an audit and perform testing to determine whether the AI software meets the Customer Service Department's objectives. The audit will be based on NIST's Artificial Intelligence Risk Management Framework.

Audit of Fuel Management and Controls

WSSC Water's General Services Department operates the Fleet Division, which manages fuel purchased and distributed for more than 1,000 WSSC Water maintenance, service, and support

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vehicles. The Fleet Division operates four depots, four garages, and eleven fueling stations. Fuel operations play an important role in WSSC Water's ability to serve customers by supporting repairs, meter reading, and field operations. Effective policies, procedures, and controls are needed to prevent fraud, waste, and abuse. The OIG will conduct an audit to determine whether management has adequate controls to manage the storage, delivery, disposition, and accounting of fuel for WSSC Water vehicles.

Audit of WSSC Water Vehicle Assignment and Management

The Fleet Division within WSSC Water's General Services Department governs vehicle assignment and management. WSSC Water employees may use WSSC Water vehicles during regularly scheduled work hours and emergencies. Employees must follow WSSC Water's Motor Vehicle and Equipment Assignment policy and applicable Maryland law when operating a vehicle. The OIG will conduct an audit to determine whether WSSC Water has effective and efficient controls over the assignment and management of WSSC Water vehicles.

Vendor Compliance Audit

The objective of this audit is to determine whether the vendors comply with key contractual obligations and whether amounts billed to WSSC Water were allowable, accurate, and supported. The audit will:

- Assess internal controls used by vendors to manage and report contract-related costs;
- Review the accuracy and allowability of invoiced charges and payments;
- Evaluate vendor's compliance with key financial, operational, and performance obligations under the contract, including subcontractor and staffing requirements; and
- Determine whether WSSC Water has received full value for the services or goods provided.

System and Organization Controls (SOC) Reports

This audit will assess whether WSSC Water has an established, documented process for obtaining, documenting, and reviewing third-party SOC reports from applicable vendors and the associated Complementary User Entity Controls (CUECs). The OIG will also assess whether management has evaluated and implemented relevant CUECs identified in those reports and how management responds to control exceptions identified in SOC reports. In addition, the audit will evaluate WSSC Water's process for tracking and monitoring CUECs.

The audit will not test the design or operating effectiveness of CUECs or other complementary controls. The effectiveness of these controls will be assessed in the following fiscal year.

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OIG Investigations

The Inspector General may investigate mismanagement, misconduct, fraud, waste, and abuse at WSSC Water under PUA, § 17-604 (a)(1). The OIG investigates allegations, complaints, and inquiries from various sources, including private citizens, WSSC Water employees, other agencies, OIG audits and reviews, and vendors.

Because investigations are unpredictable and require protection of sources, methods, and evidence, the OIG does not identify planned investigations in the Work Plan. Investigations often involve deliberate subversion of procedures or controls. Information obtained through investigations may result in referrals to other WSSC Water departments, or other agencies, and may also inform planning for audits, inspections, and special projects.

The OIG fulfills its statutory obligations related to fraud, waste, and abuse by:

- Conducting criminal and administrative investigations that detect and deter fraud, abuse, and misconduct in WSSC Water programs and activities;
- Receiving information about potential violations through various sources, including the WSSC Water Hotline, in-person meetings, telephone calls, emails, and referrals from law enforcement agencies;
- Engaging in multiple forms of outreach to help ensure that WSSC Water personnel are fully aware of current and emerging issues as well as their obligation to report potential violations; and
- Acting as the chief liaison to investigators at similar OIGs, WSSC Water Police, and other law enforcement agencies; assisting with information sharing, generating potential investigative leads, and cultivating sources.

Fraud, Waste and Abuse Hotline

The OIG's Fraud, Waste, and Abuse (FWA) Hotline provides a way for employees and the public to report suspected mismanagement, misconduct, fraud, waste, abuse, and ethical improprieties. The Hotline is available 24 hours a day, seven days a week. Reports may be made anonymously by telephone at 1-877-WSSCFWA (1-877-977-2392) or through the website: www.reportlineweb.com/wssc.

If reasonable grounds exist to believe that a serious violation of federal, state, or local law or WSSC Water regulations has occurred, the Inspector General reports the allegation to:

1. An appropriate law enforcement agency;
2. The State of Maryland Ethics Commission;
3. The WSSC Water Board of Ethics; or
4. Any other agency with jurisdiction to enforce the law.

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Report Availability

Transparency remains a fundamental principle of the OIG's oversight process. This work plan will be published on the OIG's website and may be revised throughout the fiscal year to respond to emerging risks, changes in organizational priorities, resource availability, or other factors that affect the Office's oversight responsibilities.

Contact Information

The OIG welcomes comments and feedback on its reports and activities.

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Suspected instances of fraud, waste, or abuse can be reported to 1-877-WSSCFWA (1-877-977-2392) or www.reportlineweb.com/wssc.

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