DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

Board of Directors

Audit Committee

Thursday, September 22, 2011

9:30 a.m.

TCBA

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THOMPSON, COBB, BAZILIO & ASSOCIATES, PC

Certified Public Accountants and Management, Systems and Financial Consultants

1101 15th Street, NW ● Suite 400 ● Washington, DC 20005 ● (202)737-3300 ● (202)737-2684 FAX

September 9, 2011

To the Audit Committee of the Board of Directors
District of Columbia Water and Sewer Authority

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the District of Columbia Water and Sewer Authority's ("DC Water") financial statements and federal award programs as of and for the year ending September 30, 2011.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133, and OMB's *Compliance Supplement*. Those standards, circulars and supplements require that we plan and perform the audit to obtain reasonable rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, *Government Auditing Standards* do not expect us to provide reasonable assurance of detecting abuse.

Communication

Effective two-way communication between our firm and the Audit Committee of the Board of Directors is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding DC Water and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

MAIN OFFICE: Washington, DC **REGIONAL OFFICES:** Torrance, CA ● Philadelphia, PA ● Dallas, TX

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In addition to our report on DC Water's financial statements, we will also issue the following reports or types of reports:

- A report on the fairness of the presentation of the DC Water's schedule of expenditures of federal awards for the year ending September 30, 2011.

- Report on internal control related to the financial statements and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.

- Report on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program.

- A schedule of findings and questioned costs.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. In addition, our policies restrict certain non-audit services that may be provided by the firm and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on how DC Water functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of the organization. The development of a specific audit plan will begin by meeting with you and with management to update our understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where DC Water's financial statements might be susceptible to material misstatement due to fraud or error.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and

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- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by DC Water's internal control).

We will then determine the nature, timing and extent of tests of controls and substantive procedures necessary, given the risks identified and the controls as we understand them.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of DC Water's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Our report on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control. Our report on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal grant, entitlement of loan program questioned costs of which we become aware.

Timing of the Audit

We plan on commencing our interim procedures on September 12, 2011. We expect to complete our fieldwork by December 9, 2011 and issue our report by December 16, 2011. We plan on commencing the A-133 audit on January 3, 2012 and issuing a report by January 31, 2012.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to DC Water.

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This communication is intended solely for the information and use of the Audit Committee of the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Uzma Malik-Dorman, CPA
Principal

Internal Audit Update

Audit Committee Meeting

September 22, 2011

The following represents a summary of the activities and achievements since the July 28, 2011 meeting.

I. HIGHLIGHTS:

Performance of scheduled internal audits – Internal Audit performed audit work in five separate audit areas. One of the projects was totally completed and the final report issued.   The one project completed was the internal audit of the Purchasing Card operations (P-Cards.) The three projects in Draft Report stage are Grant Operations, Human Resources, and IT Vendor and Contractor Management. The fifth project, IT Operations & Business Applications, is in the Planning stage. The chart below depicts the planned projects and their status for the fiscal year.

A. **Stage of Audits & Special Projects -** The following represents an indication of the stage of completion for each scheduled audit and requested special project.

PROJECT	PLANNING / SCOPING	FIELDWORK	Draft Report	Final Report
Facility Security & Contingency Planning	■	■	■	■
Pumping & Storage Water Leakage Review	■	■	■	■
Fixed Assets[1]				
Warehouse & Inventory[1]				
IT – Disaster Recovery & Business Continuity Plans	■	■	■	■
Permit Operations	■	■	■	■
Grant Operations	■	■	■	
Fire Hydrant Maintenance	■	■	■	■
IT – Business & Operating Applications	■			
Engineering – Contractor Management				
Fleet Management	■	■	■	■
AMR & Customer Billing	■	■	■	■

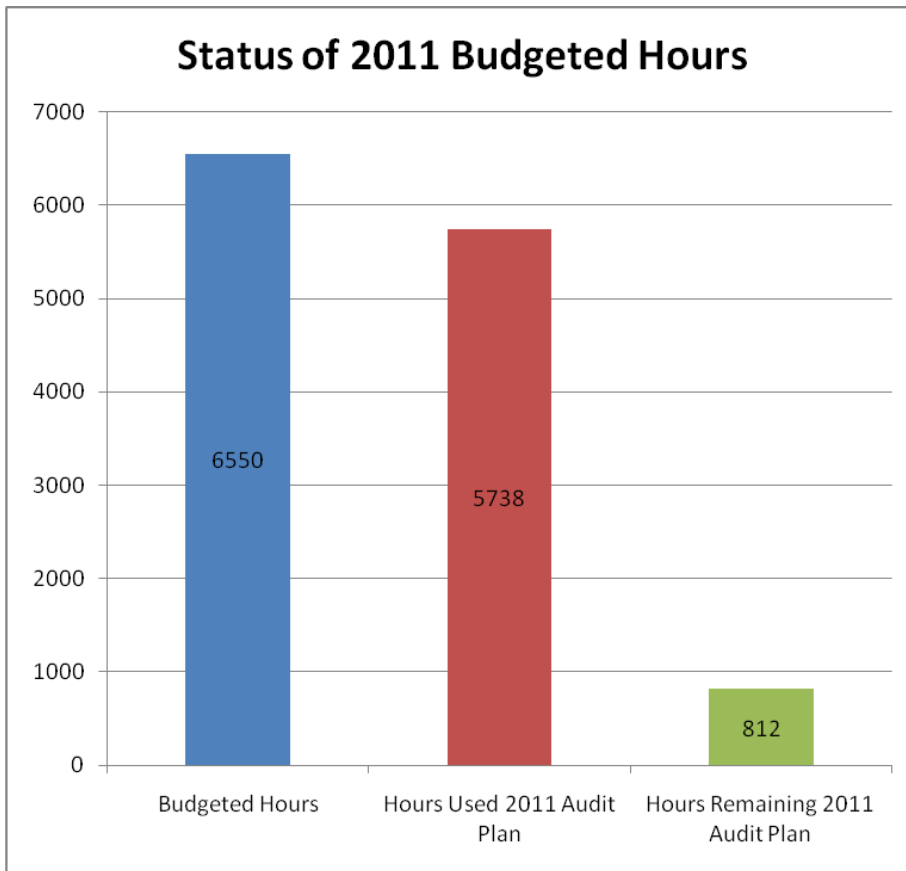|				
IT – Vendor Management				
P-Cards[2]				
Human Resources[2]				

Note: [1] indicates postponed at the request of Executive Management.
[2] indicates audit added to the plan

B. **Analysis of key milestone dates -** The following represents an indication of the date of completion of key project milestones.
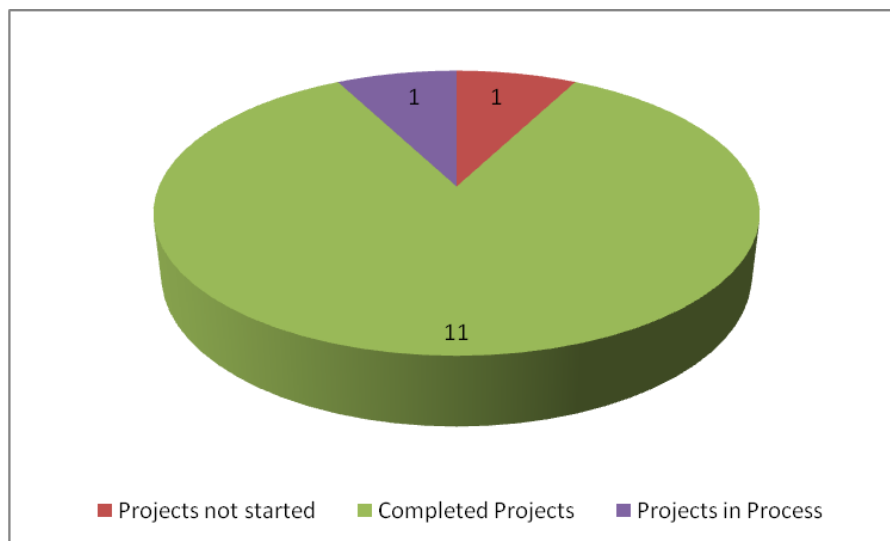
PROJECT	Start Date	FIELDWORK End Date	Draft Report Issuance Date	Final Report
Facility Security & Contingency Planning	10/8/2010	12/15/2010	12/22/2010	2/18/2011
Pumping & Storage Water Leakage Review	10/27/2010	1/5/2011	1/12/2011	3/1/2011
IT – Disaster Recovery & Business Continuity Plans	2/10/2011	5/7/2011	5/10/2011	6/10/2011
Permit Operations	1/20/2011	4/29/2011	5/9/2011	6/7/2011
Fixed Assets[1]				
Warehouse & Inventory[1]				
Grant Operations	6/28/2011	9/7/2011	9/12/2011	
Fire Hydrant Maintenance	1/17/2011	3/29/2011	4/4/2011	5/19/2011
IT – Business & Operating Applications	9/13/2011			
Engineering – Contractor Management				
Fleet Management	3/24/2011	5/15/2011	6/23/2011	7/6/2011
AMR & Customer Billing	4/4/2011	5/13/2011	6/10/2011	6/14/2011
IT – Vendor Management	7/21/2011	9/9/2011	9/12/2011	
P-Cards[2]	5/6/2011	6/13/2011	8/1/2011	8/16/2011
Human Resources[2]	6/2/2011	9/5/2011	9/7/2011	

Note: [1] indicates postponed at the request of Executive Management.
[2] indicates audit added to the plan
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C. **Analysis of Hours** – The chart below indicates the actual hours used through June 30, 2011 toward completion of the internal audit plan, along with an indication of the total hours included in the 2011 plan.

Status of 2011 Budgeted Hours

Budgeted Hours	6550
Hours Used 2011 Audit Plan	5738
Hours Remaining 2011 Audit Plan	812

II.   2011 Audit Plan Status

A. Completed Projects Since Last Audit Committee Meeting

Purchasing Cards Operations –

Internal Audit established three objectives for its review of the p-card process:

> ➤ Assess internal controls established to ensure p-cards are issued following proper authorization and completion of training
> ➤ Assess internal controls established to ensure p-cardholders comply with policies and procedures
> ➤ Assess internal controls established to ensure timely and efficient p-card account termination.

Internal Audit noted that procedures relative to p-card processing have improved since the arrival of the current Director of Procurement. While the processes have improved, the control environment and procedures can be enhanced by addressing the following issues:

> ➤ Expand the purchasing procedural manual to address issues such as defining criteria for card recipients, specifying the requirements relative to the purchase of food items, describing items that are not permitted for purchase with a card and indicating the timing of receipt of reports from the vendor.

> ➢ Negotiate with select vendors to obtain favorable terms for items purchased on a frequent basis.
> ➢ Fully explore the use of restrictive codes in order to prevent the purchase of unapproved items by card holders.
> ➢ Ensure that sufficient training and guidance is provided to new card holders prior to their initial use of a card.

Grant Operations –

Internal Audit established four objectives for its review of grant operations:

> ➢ Evaluate the grant application process
> ➢ Evaluate the grant project construction and spending process
> ➢ Evaluate the grant reimbursement process
> ➢ Evaluate the monitoring and control activities related to the relevant processes within the grant operations

As of the distribution date of this status report this project was in the Draft Reporting stage awaiting responses from DC Water Management.

Human Resources –

Internal audit established six objectives for its audit of the Human Resources Department internal controls:

> ➢ Determine whether HR activities are conducted in accordance to DC Water Policies and employment laws and regulations.
> ➢ Determine whether physical personnel files are properly secured and restricted to authorized users.
> ➢ Determine whether there are procedures in place to ensure that compensation adjustments in the HR/Payroll system are authorized; and HR and payroll functions are segregated within the HR/Payroll system.
> ➢ Determine whether there are procedures in place to ensure the accuracy of the data entered into the HR/Payroll system.
> ➢ Determine whether there are procedures in place to ensure job performance is monitored and documented; performance expectations are communicated to employees.
> ➢ Determine whether there are procedures in place to ensure that proper procedures are followed when an employee is terminated and effective measures are performed timely.

As of the distribution date of this status report this project was in the Draft Reporting stage awaiting responses from DC Water Management.

IT – Vendor and Contractor Management

Internal audit established the following objectives to assess IT vendor contract management:

➢ Ensure proper due diligence is practiced prior to contract initiation and upon renewal
➢ Ensure effective procedures are in place to manage IT vendor contracts and monitoring vendor performance

As of the distribution date of this status report this project was in the Draft Reporting stage awaiting responses from DC Water Management.

B. Audits Currently in Process

IT Operating & Business Applications – This audit is designed to evaluate and test the effectiveness of processing controls built into and around the application to ensure data integrity is preserved and reporting includes accurate and complete data. We will assess the security, confidentiality, and availability of the application information/data as well as the adequacy and maintenance of related system documentation. This project is currently in the planning stage.

III.   Follow Up

In addition to our work performed relative to the audit projects identified in the 2011 Internal Audit Plan, Internal Audit conducted follow-up activity.   The table below summarizes the issues by area of responsibility and the current status of the action plan proposed by Management.

	Chief Engineer	AGM Consumer Services	Chief Financial Officer	General Counsel	Chief Information Officer	AGM Support Services	General Manager	Total
New Management Action Plans Since Previous Meeting	-	-	-	-	-	5	-	5
Management Action Plans Implementation Date Not Expired	3	2			5	8		18
Management Action Plans Implementation Date Expired	-	-	-	-	-	2	1	3
Total	3	2	-	-	5	15	1	26

Listed Below is the Originating Audit of the Management Action Plans With the Expired Implementation Dates

AGM Support Services – Corporate Policies & Procedures; Success Planning and Training

General Manager –Legal & Regulatory Compliance Monitoring – Regulatory Compliance Review

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INTERNAL AUDIT OF THE PURCHASING CARD PROGRAM

August 16, 2011

INTERNAL AUDIT STAFF

Staff Auditor: Carmon Choice
Senior Auditor: Jexter Rivera
Audit Manager: Dennis Fitzgerald
Audit Principal: Joseph Freiburger

DC Water Internal Audit of the Purchasing Card Program

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DC Water Internal Audit of the Purchasing Card Program

I. EXECUTIVE SUMMARY

Background

DC Water currently utilizes a purchasing card (p-card) program, allowing certain employees to purchase supplies and business related items. As of May 2011, DC water had 71 active p-cardholders. The p-card program is coordinated between the Procurement Department, in Support Services, and Accounts Payable, in Finance. Employees can make certain purchases without conducting the more rigorous procurement process including the development of purchase orders. The p-card program was implemented to improve operational efficiency by (1) decreasing the number of purchase orders processed by the procurement department (thus eliminating related costs), (2) decreasing the number of checks issued by accounts payable, and (3) decreasing the amount of time needed to procure important tools and parts needed by engineers and maintenance to complete field work.

Risks affiliated with the p-card program at DC Water are inherent to all p-card programs. The most significant of these risks is the likelihood that employees will use cards to purchase items unrelated to accomplishing business objectives. Other risks are associated with cards being used to purchase personal items or can be used to purchase items that fail to comply with those authorized in the procedure manual.

The Director of Procurement began her tenure at DC Water on January 18, 2011. Since that time she has actively implemented positive changes in the process. As an example, she has created a team of individuals that have the responsibility of periodically reviewing p-card activity to identify any questionable transactions. The committee may then request an explanation from the applicable parties and make necessary adjustments.

Scope

This audit was conducted as part of the approved 2011 internal audit plan. The audit was initiated in May 2011 and completed in July 2011. This audit included a review of the purchase card policies and procedures manual, along with a review of the existing internal controls and procedures regulating the purchase card program.

Internal Audit reviewed p-card account transactions for p-cardholders for the month of January 2011 through May 2011 (5 months). Transactions were reviewed on a test basis, with 20% of the cardholder population selected for testing each of the five months, ensuring that all cardholders with activity received a minimum of one month of their transactions being reviewed. In addition, internal audit examined the training process for all cardholders who received cards after October 2010 (beginning of new fiscal year). Finally, samples were selected to test for proper authorization and account termination processing.

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DC Water Internal Audit of the Purchasing Card Program

Objectives

Internal Audit established three objectives for its review of the p-card process:

- Assess internal controls established to ensure p-cards are issued following proper authorization and completion of training
- Assess internal controls established to ensure p-cardholders comply with policies and procedures
- Assess internal controls established to ensure timely and efficient p-card account termination.

Summary of Work

Internal Audit reviewed the p-card procedure manual to assess the comprehensiveness of rules and to gain an understanding of the overall process. We also interviewed management and employees that play an active role in monitoring p-card activity. During the review, internal audit learned that the manual did not provide criteria describing which employees (i.e., by position, by job function, etc.) are eligible to receive a p-card. Presently, all employees may be issued a card with the approval of a manager. Internal Audit recommends that DC Water institute a policy that adopts specific criteria for card recipients. Such a policy would serve to limit distribution of cards to only employees having demonstrable business needs. This may reduce the risk of loss and more efficiently utilizes available resources.

Internal Audit recommends updating various areas of the purchase card procedure manual. For instance, the manual does not contain guidance regarding the purchase of food items. During testing, purchasing of food appeared excessive, though all cardholders reported the purchase as a legitimate business expense. Clarification was provided by the Chief Financial officer relative to the legitimate use of cards for purchasing of food. However, the manual does not yet reflect the revised policy. There are other topics that also require the manual to be updated.

Additionally we identified an instance, in which a supervisor, who is a card holder, directed a staff member to make a purchase with the card issued to her. The supervisor subsequently approved the purchase. This circumvents the control mechanism in place requiring that a supervisor review and approve staff member purchase activity. All card activity should be reviewed by the appropriate manager. All purchases should ultimately be subject to review and approval by the next level of management.

Internal Audit observed that office supplies were frequently purchased from multiple vendors. Some of the items ordered could be considered questionable as to whether or not they were truly needed for the accomplishments of business objectives. Internal Audit recommends that the Procurement Department negotiate with select vendors for favorable terms and publish a preferred list of vendors for office supplies or other goods/services purchased on a frequent basis.

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DC Water Internal Audit of the Purchasing Card Program

Internal Audit observed that some employees were able to purchase electronic items. The p-card manual explicitly states that all such items should be purchased through the IT department or with the approval of the Director of Procurement. Items that should be prohibited from being procured using these cards should be blocked from purchase through the use of restrictive codes on the accounts. Internal audit recommends management enforce the policy of the purchase of electronics as written and that management conduct an assessment of implementing the use of preventive coding for this and other prohibited activity.

Finally, Internal Audit noted that certain employees were issued a card but they were not provided with training/guidance relative to the requirements of card usage and the processing of card activity. Delivering guidance will assist in making the process more effective and will establish a degree of accountability.

Internal Audit noted that procedures have been strengthened since the arrival of the Director of Procurement. One area that Internal Audit suggests be further expanded is the receipt of management reports from the vendor, Citibank. Reports that summarize selected activity can assist in the overall Procurement process by, for instance, summarizing the type of goods/services purchased and vendors used. Data of this sort can be used to negotiate favorable terms with vendors.

SC&H Consulting

By: _____
        Joe Freiburger, CPA, CIA

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II. DETAILED OBSERVATIONS & RECOMMENDATIONS

The existence of internal control gaps could increase the likelihood that future errors or inappropriate transactions would not be prevented or detected. In order to mitigate this risk, we have provided recommendations to remediate the control gaps via the implementation of additional controls or modification of existing controls.

Observation #1	Internal Audit Recommendations	Management Comments
Observations: DC Water currently has no policy for administering p-cards based on employee position, rank, or nature of work duty. At the present time, any departmental employee can be approved for issuance of a p-card with the consent of their department manager. Additionally we identified an instance, in which a supervisor, who is a card holder, directed a staff member to make a purchase with the card issued to her. The supervisor subsequently approved the purchase. This circumvents the control mechanism in place requiring that a supervisor review and approve staff member purchase activity.	*Recommendation(s):* DC water should implement a policy that specifically describes qualifications for employees to receive a p-card. This would reduce risk of loss by reducing the amount of cardholders, and thereby allowing management and accounts payable to more efficiently and effectively review individual purchases. Individuals whose use of p-cards could most effectively increase operational efficiency should be issued a card. All card activity should be reviewed by the appropriate manager. All purchases should ultimately be subject to review and approval by the next level of management. *Business Owner(s):* AGM Support Services	*Management's Action Plan and Implementation Date:* 1. It is true that the current manual doesn't specify requirements or qualifications for cardholders. However, Appendix A, Questions and Answers, asks whether a purchasing card is applicable to an employee's area of responsibility and duties. Procurement believes that qualifications for cards should be based on identified needs of the department rather than solely on the rank of the employee. This being said we will look at developing qualifying criteria that addresses both. DC Water will effect this change no later than December 31, 2011.

Observation #1	Internal Audit Recommendations	Management Comments
		2. Currently all card activity is required to be approved by the appropriate manager. However, anomalies sometime occur; but, with the implementation of the Internal review Committee (IRC) this type of variance will be caught in the future. Procurement is also proposing refresher training for all cardholders and approving officials; explicitly addressing the separation of duties in the manual; and, establishing a Point of Contact (POC) in each department who will be required to work with the IRC to review purchases and reconciliation packets. At least one refresher training session will occur no later than 9/30/2011. The POC(s), if the Authority accepts the proposal to institute them, and the changes to the manual will be effective by December 31, 2011.

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Observation #2	Internal Audit Recommendations	Management Comments
Observations: Our review of the procedure manual, noted the following: 1. The Procedure manual does not contain descriptive guidance relative to the purchase of food. 2. The Procedure manual mentions receipt of **daily** reports from Citibank, however reports are not received on a daily basis. 3. The description of what is not permitted for purchase is not clearly described (e.g., personal items)	*Recommendation(s):* 1. The procedure manual should include guidance regarding the use of cards for the purchase of food items. The CFO issued the *Advisory Guidance on Purchases of Food for Employees*, via email on March 24, 2011. The practice became effective April 1, 2011. The content of this correspondence should be included in the manual. 2. Reports are received **monthly** and appears to be sufficient timing. Internal audit recommends updating manual to reflect accordingly. 3. The manual should be updated to include more specific information on items that should not be purchased with a card. *Business Owner(s):* *AGM Support Services*	*Management's Action Plan and Implementation Date:* 1. DC Water will add the CFO's Advisory Guidance on Purchases of Food for Employees, March 24, 2011 email to the manual. This will be incorporated into the manual by September 30, 2011. 2. The P-Card manual will be updated to reflect monthly reports. Again, it will be added by 9/30/2011, but change will not be effective until the December 31, 2011. 3. Management will take the auditor's comments under advisement. We will determine the best solution to address this concern. For example, clearly defining the limited purchase areas and excluding all others might be more efficient. Nonetheless the problem will be addressed, by December 31, 2011.

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Observation #3	Internal Audit Recommendations	Management Comments
Observations: Internal Audit's testing indicated that similar, and in some cases identical, office supplies were being purchased from multiple vendors with varying prices per unit order. The absence of using a pre-approved vendor for standardized goods limits the ability of DC Water to gain the monetary benefits of volume discounts and standardized pricing.	**Recommendation(s):** Internal Audit recommends that the Procurement Department negotiate with select vendors for favorable terms and publish a preferred list of vendors for office supplies or other goods/services purchased on a frequent basis. **Business Owner(s):** AGM Support Services	**Management's Action Plan and Implementation Date:** Management agrees in principle. We would need to review the total dollars spent on office supplies to determine if volume is sufficient to request discounts. If warranted, we will include a preferred vendors list in the appendix of the manual as well as on the DC Water Intranet. Resolution to this issue will be in place by December 31, 2011.

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Observation #4	Internal Audit Recommendations	Management Comments
Observations: Our testing indicated that the purchase of select items was not always precluded through the use of imposing restrictive codes on the card system. For instance, restrictive codes were not being utilized preventing the purchase of electronics. By not having all electronic purchases made by the Information Technology Department, DC Water limits their ability to ensure that purchases made are compatible with current technology infrastructure, and that the best terms are obtained through established vendor relationships. Additionally there is the potential of the purchases not being tagged and inventoried resulting in the items not being depreciated and budgeted for replacement at a future date.	*Recommendation(s):* Internal Audit recommends that management fully explore the review of the availability of restrictive codes to block the purchase of unapproved purchase items. The purchase of computer hardware/software in particular should be blocked so that staff members adhere to current policy. *Business Owner(s):* AGM Support Services	*Management's Action Plan and Implementation Date:* Management agrees and will fully explore the use of restrictive codes to block unapproved purchases as well as reinforce this through training. Please note that in some instances where the purchase of electronics was made, the cardholder did seek and receive prior approval from IT. The review of using restrictive codes and implementation of blocking will be complete by December 31, 2011.

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Observation #5	Internal Audit Recommendations	Management Comments
Observations: The Internal Audit team observed multiple instances in which cards were issued to employees but no training or guidance was provided relative to the card usage or processing was provided. Training is instrumental in instructing cardholders of expectations and for establishing accountability.	**Recommendation(s):** DC Water should enforce a policy to ensure all p-cardholders are given training prior to receiving a p-card. The audit team is aware that a process has been put in place to provide guidance to cardholders. **Business Owner(s):** AGM Support Services	**Management's Action Plan and Implementation Date:** Management will enforce a policy to ensure all cardholders are trained prior to receiving their card as well as attend annual refresher training. This will be implemented immediately.

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FY 2012
Internal Audit Plan for
DC Water

FY2012 Internal Audit Plan

ACTIVITY	OVERALL LIKELIHOOD	OVERALL IMPACT	COMMENTS	Est. Hrs FY2012
Accounts Payable	Moderate	High		400
Payroll	Moderate	Moderate		375
Risk Management	Moderate	Moderate		325
IT - Help Desk and Computer Operations	Moderate	Moderate		400
IT - Governance	Moderate	Moderate		350
Capital Projects	High	High		400
Call Center Operations	Moderate	Moderate		375
Warehouse Operations	Moderate	Moderate		425
Biosolids Management	Moderate	Moderate		400
Maintenance Services (Wastewater)	Moderate	Moderate		400
Permit Operations	High	Moderate		250
Carry Over FY2011				550
Board meetings, Management Team meetings, Status Reporting				450
Management Requests and Special Investigations			Internal Audit is available to assist with other special projects as requested by management and/or the Audit Committee.	650
Follow-up			Follow-up will be conducted based on FY11 and FY12 Internal Audit findings and mamagement's action plans to ensure appropriate and effective resolution of findings.	600
Update Risk Assessment and Develop Plan			Review the existing Audit Universe and riks identified to determine whether any organizational changes impact the processes identified or risk ratings.	150
TOTAL				6,500

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FY2012 Internal Audit Plan

Q1 2012	Est. Hrs	Q2 2012	Est. Hrs	Q3 2012	Est. Hrs	Q4 2012	Est. Hrs
Risk Management	325	IT - Help Desk and Computer Operations	400	Accounts Payable	400	Biosolids	400
		Payroll	375			Warehouse & Inventory	425
				Call Center Operations	375	Permit Operations	250
IT - Governance	350	Maintenance Services	400				
Carry-Over Activity	550			Capital Projects	400		
Follow-Up Activity	150	Follow-Up Activity	150	Follow-Up Activity	150	Follow-Up Activity	150
						Update Risk Assessment & FY2012 Internal Audit Plan	150
Board Meetings, Management Team Meetings & Status Reporting	115	Board Meetings, Management Team Meetings & Status Reporting	115	Board Meetings, Management Team Meetings & Status Reporting	110	Board Meetings, Management Team Meetings & Status Reporting	110
Total IA Hours	**1490**	**Total IA Hours**	**1440**		**1435**		**1485**
		Plus: Management Requests & Special Projects					**650**
		Total FY2012					**6500**

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FY2012 Risk Assessment Results

Audit Universe	LIKELIHOOD	IMPACT	PREVIOUSLY AUDITED
IT Operating & Business Applications (Lawson, Maximo, AMR, Ceridian)	High	High	FY2011
Engineering Project Planning & Design; Procurement	High	High	FY2010
Engineering Contractor Management and Project Management	High	High	
LTC Engineering Project Planning, Design & Management	High	High	
Procurement Program, Contract Management, Compliance & Monitoring	High	High	FY2010
Capital Projects	High	High	
Permit Issuance and Processing	High	Moderate	FY2011
Legal & Regulatory Compliance Monitoring	Moderate	High	FY2010
Maintenance Services	Moderate	High	
Automated Meter Reading & Customer Billing (AMR System)	Moderate	High	FY2011
Process Computer Control System (PCCS) & Operations Compliance	Moderate	High	
Accounts Payable	Moderate	High	
General Ledger (Journal Entries, Acct Reconciliations, General Accounting)	Moderate	High	
Investments/Cash Management	Moderate	High	
Debt Management & Compliance	Moderate	High	
External Network (Firewalls, Intrusion Detection & Prevention, etc.)	Moderate	High	FY2010
Water Leakage Monitroing	Moderate	High	FY2011

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FY2012 Risk Assessment Results

Audit Universe	LIKELIHOOD	IMPACT	PREVIOUSLY AUDITED
Biosolids Management	Moderate	Moderate	FY2010
Fixed Assets & Equipment	Moderate	Moderate	
Corporate Policies & Procedures	Moderate	Moderate	FY2010
Corporate Governance	Moderate	Moderate	
Government Relations, Public Affairs & Funds Development	Moderate	Moderate	
Legal Contracting Program	Moderate	Moderate	
Safety Programs, Training & Compliance Management	Moderate	Moderate	FY2010
Credit, Collections & Adjustments	Moderate	Moderate	
Call Center Ops, Customer Service & Complaint Resolution	Moderate	Moderate	
Plant Operations - Contract Management	Moderate	Moderate	
Sewer Services - Investigation and Emergency Maintenance	Moderate	Moderate	
Sewer Services - Distribution Operations	Moderate	Moderate	
Utility Services - Operations, Repair, Investigation and Flushing Operations	Moderate	Moderate	
Fire Hydrant Maintenance	Moderate	Moderate	FY2011
Water & Sewer - Investigation and Emergency Maintenance	Moderate	Moderate	
Water & Sewer - Pumping Operations	Moderate	Moderate	
Warehouse Materials Management & Inventory	Moderate	Moderate	
P-Card Program	Moderate	Moderate	FY2011
Succession Planning & Training	Moderate	Moderate	FY2010
Employee New Hire, Changes & Termination Processing	Moderate	Moderate	FY2011
Facility Security & Contingency Planning	Moderate	Moderate	FY2011
Fleet Management - Contract Management, maintenance, fuel consumption & disposal	Moderate	Moderate	FY2011
Labor Relations - Contract Management	Moderate	Moderate	
Payroll	Moderate	Moderate	
Grant Operations	Moderate	Moderate	FY2011

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FY2012 Risk Assessment Results

Audit Universe	LIKELIHOOD	IMPACT	PREVIOUSLY AUDITED
Cash Receipts	Moderate	Moderate	FY2010
Insurance Program Procurement & Insurance Claims Management	Moderate	Moderate	
IT Governance	Moderate	Moderate	
Access Provisioning and DeProvisioning	Moderate	Moderate	FY2010
Business Continuity Planning, Disaster & Recovery Planning, Backup and Recovery	Moderate	Moderate	FY2011
Internal Network & Telecommunications	Moderate	Moderate	
Operating System & Database Configuration and Security	Moderate	Moderate	
Application & Infrastructure Change Control	Moderate	Moderate	
IT Vendor and Contractor Management	Moderate	Moderate	FY2011
IT HelpDesk and Computer Operations	Moderate	Moderate	
Employee Benefit Plans	Low	Moderate	
Data Center Physical Security	Low	Moderate	
IT System Development Life Cycle	Low	Moderate	FY2010
Community Outreach and Education	Moderate	Low	
Facility Operations, Maintenance & Costs	Moderate	Low	
Annual Budgeting & Planning	Moderate	Low	

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Risk Assessment Result of Ratings

Please Refer to Attachment A

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Audit Universe & Ratings Summary

- 6   Areas were rated High Likelihood and High Impact
- 1   Area was rated High Likelihood and Medium Impact
- 10 Areas were rated Moderate Likelihood and High Impact
- 36 Areas were rated Moderate Likelihood and Moderate Impact
- 3   Areas were rated Low Likelihood and Moderate Impact
- 3   Areas were rated Moderate Likelihood and Low Impact

Total - 59

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Risk Ratings & Definitions

CONSIDERATIONS	
LIKELIHOOD	
STRATEGIC RISK	Inability to meet business goals, objectives or strategy due to: An ineffective or inefficient business model; An improper or ineffective organizational structure; or Improper or ineffective strategic planning
LEGAL & REGULATORY RISK	Noncompliance with legal or regulatory requirements can result in fines, penalties or other adverse impact to the organization.
ENVIRONMENT, HEALTH & SAFETY RISK	A condition or vulnerability that has an adverse effect on the environment or negatively impacts the health and/or safety to employees and/or local citizens
INFORMATION TECHNOLOGY RISK	Technology used does not effectively support the current and future needs of the organization; Compromise to the integrity, access and/or availability of data or operating systems
CUSTOMER SERVICE / DELIVERY RISK	Failure to provide service to customers (internal or external); Failure to respond to customers (internal or external) in a timely or effective fashion
FRAUD RISK	Susceptibility to theft, waste, and abuse of DC Water resources; Assets and information that is vulnerable to theft or manipulation.
PERSONNEL / HR RISK	Lack of proper skill set, resources, training or succession planning
INFORMATION & COMMUNICATION RISK	Inaccurate, inconsistent or untimely information or communications to customers, both internal and external, to the organization
IMPACT	
REPUTATION IMPACT	Improper instructions, communication and interactions with customers (internal or external), regulators or constituents that would result in negative public perception and could harm the reputation of the organization.
BUSINESS OPERATIONS IMPACT	A condition or issue that prevents the operations from functioning effectively, efficiently or from meeting internal/external goals and objectives; A vulnerability due to volume, complexity of transactions or activities
FINANCIAL IMPACT	Circumstances that could result in significant financial implications to the organization; Failure to meet financial obligations or requirements; Failure to comply with funding requirements thus impairing future funding.

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Likelihood & Impact Definitions

LIKELIHOOD	
High	Immediate and high degree of vulnerability such that it is critical that the risk be managed and controlled in order for this area to achieve its objectives. If not properly controlled, that area could have a serious, long-term or detrimental effect on operations, and the achievement of organizational goals and objectives.
Moderate	Risk present should be addressed and controlled but the probability is not as severe as defined above. If not properly controlled, the area could effect operations, but achievement of organizational goals and objectives will still be met.
Low	The threat of a serious event occurring is either non-existent or remote. The area should be managed but the level of risk response is limited.

IMPACT	
High	If an event occurs, the financial ramifications would be severe and/or operations would suffer long-standing consequences.
Moderate	Indicates that the resulting consequences of an event would be negative and must be managed but would not have a substantial effect on finances or on-going operations.
Low	Indicates that the event occurring would have little or no impact financially or operationally.

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Contact Information

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DC Water and Sewer Authority
FY2012 Risk Assessment

Audit Universe	STRATEGIC RISK	LEGAL & REGULATORY RISK	ENVIRONMENT, HEALTH & SAFETY RISK	INFORMATION TECHNOLOGY RISK	CUSTOMER SERVICE / DELIVERY RISK	FRAUD RISK	PERSONNEL / HR RISK	INFORMATION & COMMUNICATION RISK	OVERALL LIKELIHOOD	REPUTATION IMPACT	BUSINESS OPERATIONS IMPACT	FINANCIAL IMPACT	Overall IMPACT
Strategic Planning													
Corporate Policies & Procedures	High	Moderate	High	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High	Moderate	Moderate
Corporate Governance	High	Moderate	Moderate	Moderate	Low	Low	Low	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
General Counsel													
Legal & Regulatory Compliance Monitoring	Moderate	High	High	Low	Moderate	Low	Low	Moderate	Moderate	High	Moderate	High	High
Legal Contracting Program	High	High	High	Low	Moderate	Moderate	Moderate	Moderate	Moderate	High	Moderate	Low	Moderate
External Affairs													
Community Outreach & Education; Media & Public Relations	Moderate	Low	Low	Low	HIGH	Low	Low	High	Moderate	Moderate	Low	Low	Low
Government Relationships; Public Affairs & Funds Development	Moderate	Moderate	Moderate	Low	Low	Low	Moderate	Moderate	Moderate	High	Moderate	Moderate	Moderate
Engineering & Technical Services													
Engineering Project Planning & Design; Procurement	High	High	Moderate	Moderate	High	High	Moderate	Moderate	High	High	High	High	High
Contractor Management and Project Management	High	High	Moderate	Moderate	High	High	High	Moderate	High	High	High	High	High
Clean Rivers Project (LTCP)													
Engineering Project Planning; Design and Management	High	High	Moderate	Moderate	Moderate	Moderate	High	Moderate	High	High	High	High	High
Permit Operations													
Permit Issuance and Processing	High	High	Moderate	Low	High	Moderate	Moderate	Moderate	High	High	Moderate	Moderate	Moderate
Plant Operations													
Biosolids Management	Moderate	Moderate	Moderate	Moderate	Low	Low	Moderate	Low	Moderate	Low	Low	High	Moderate
Contract Management	Moderate	Moderate	High	Low	Moderate	Moderate	Low	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Process Computer Control System (PCCS) & Operations Compliance	Moderate	High	High	Low	Low	Low	Moderate	Low	Moderate	Moderate	Moderate	High	High
Maintenance Services	Moderate	Moderate	High	Low	Moderate	Moderate	Moderate	Low	Moderate	Moderate	High	High	High
Sewer Services													
Investigation and Emergency Maintenance	Moderate	High	Moderate	Low	High	Low	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Distribution Operations	Moderate	High	Moderate	Moderate	High	Low	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Utility Services -Water													
Operations, Repair, Investigation and Flushing Operations	Moderate	Moderate	High	Moderate	High	Low	Moderate	Low	Moderate	Moderate	High	Moderate	Moderate
Fire Hydrant Maintenance	Moderate	High	High	Low	High	Low	Moderate	Moderate	Moderate	High	Moderate	Moderate	Moderate
Water & Sewer Pumping													
Investigation and Emergency Maintenance	Moderate	High	Moderate	Low	High	Low	Moderate	Low	Moderate	Moderate	Moderate	Moderate	Moderate
Pumping Operations	Moderate	High	Moderate	Moderate	High	Low	Moderate	Low	Moderate	High	Moderate	Moderate	Moderate
Water Leakage Monitoring	Moderate	Low	Moderate	Moderate	Low	Low	Moderate	Moderate	Moderate	Moderate	High	High	High
Customer Service													
Automated Meter Reading & Customer Billing (AMR System)	Moderate	Moderate	Low	Moderate	High	Moderate	Low	Low	Moderate	High	Moderate	High	High
Credit, Collections & Adjustments	Moderate	Moderate	Low	Low	High	High	Low	Moderate	Moderate	Low	Moderate	High	Moderate
Call Center Ops, Customer Service & Complaint Resolution	Moderate	Low	Low	Low	High	Low	Moderate	Moderate	Moderate	High	High	Low	Moderate

LIKELIHOOD (PROBABILITY) spans STRATEGIC RISK through OVERALL LIKELIHOOD; IMPACT spans REPUTATION IMPACT through Overall IMPACT.

DC Water and Sewer Authority
FY2012 Risk Assessment

Audit Universe	LIKELIHOOD (PROBABILITY)										IMPACT			
	STRATEGIC RISK	LEGAL & REGULATORY RISK	ENVIRONMENT, HEALTH & SAFETY RISK	INFORMATION TECHNOLOGY RISK	CUSTOMER SERVICE / DELIVERY RISK	FRAUD RISK	PERSONNEL / HR RISK	INFORMATION & COMMUNICATION RISK	OVERALL LIKELIHOOD		REPUTATION IMPACT	BUSINESS OPERATIONS IMPACT	FINANCIAL IMPACT	Overall IMPACT
Procurement														
Procurement Program, Compliance & Monitoring	High	Moderate	Not Assessed	Moderate	Moderate	High	Moderate	Low	Moderate		High	High	High	High
Warehouse Materials Management & Inventory	Moderate	Moderate	Not Assessed	Moderate	Moderate	High	Moderate	Low	Moderate		Low	Moderate	Moderate	Moderate
P-Card Program	Moderate	Low	Not Assessed	Low	Low	High	Moderate	Low	Moderate		Low	Low	Moderate	Moderate
Human Resources & Employee Benefits														
Succession Planning & Training	High	Low	Low	Low	High	Low	High	Moderate	Moderate		High	High	Moderate	Moderate
Employee New Hire, Changes & Termination Processing	Moderate	Low	Not Assessed	Moderate	Low	Low	High	Low	Moderate		Low	Moderate	Moderate	Moderate
Employee Benefit Plans	Moderate	Low	Not Assessed	Low	Low	Low	Low	Low	Low		Low	Low	Moderate	Moderate
Facilities Management														
Facility Operations, Maintenance & Costs	Moderate	Low	Not Assessed	Moderate	Low	Moderate	Low	Low	Moderate		Low	Moderate	Low	Low
Security														
Facility Security and Contingency Planning	Moderate	Moderate	High	Moderate	Moderate	Low	Moderate	Low	Moderate		Moderate	High	Moderate	Moderate
Occupational Safety & Health														
Safety Programs, Training & Compliance	Moderate	Moderate	Moderate	Low	Moderate	Low	Moderate	Low	Moderate		Moderate	Moderate	Moderate	Moderate
Fleet Management														
Contract Management, maintenance, fuel consumption, fleet procurement & disposal	Moderate	Low	Low	Moderate	Moderate	High	Moderate	Moderate	Moderate		Moderate	High	Moderate	Moderate
Labor Relations														
Contract Management & Compliance	High	Moderate	Low	Low	Moderate	Low	High	Low	Moderate		Moderate	High	Moderate	Moderate
Financial Accounting & Reporting														
Payroll	Moderate	Moderate	Not Assessed	Moderate	Low	High	Moderate	Low	Moderate		Moderate	Moderate	Moderate	Moderate
Accounts Payable	Moderate	Moderate	Not Assessed	Moderate	Low	High	Moderate	Low	Moderate		Moderate	Moderate	High	High
General Ledger (Journal Entries, Acct Reconciliations, General Accounting)	Moderate	Low	Not Assessed	Moderate	Low	High	Moderate	Low	Moderate		Moderate	Moderate	High	High
Grants Operations	High	High	Not Assessed	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate		Moderate	High	Moderate	Moderate
Fixed Assets & Equipment	High	Low	Not Assessed	Moderate	Low	Low	Moderate	Low	Moderate		Moderate	Moderate	Moderate	Moderate
Financial Statement Consolidation & Reporting	Moderate	Moderate	Not Assessed	Moderate	Low	Moderate	Moderate	Low	Moderate		Moderate	Moderate	Moderate	Moderate
Capital Projects	High	High	Moderate	Moderate	High	High	Moderate	Moderate	High		High	High	High	High
Treasury & Debt														
Investments/Cash Management	High	Low	Not Assessed	Low	Low	High	Moderate	Low	Moderate		High	Moderate	High	High
Debt Management & Compliance	High	Moderate	Not Assessed	Low	Low	Moderate	Moderate	Low	Moderate		High	Moderate	High	High
Cash Receipts	Low	Low	Not Assessed	Low	Low	High	Moderate	Low	Moderate		Low	Moderate	Moderate	Moderate

Audit Committee Meeting - 4. Review of Internal Audit Plan for FY 2012 (Recommended by Committee) - Joseph Freiburger

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DC Water and Sewer Authority
FY2012 Risk Assessment

Audit Universe	LIKELIHOOD (PROBABILITY)										IMPACT			
	STRATEGIC RISK	LEGAL & REGULATORY RISK	ENVIRONMENT, HEALTH & SAFETY RISK	INFORMATION TECHNOLOGY RISK	CUSTOMER SERVICE / DELIVERY RISK	FRAUD RISK	PERSONNEL / HR RISK	INFORMATION & COMMUNICATION RISK	OVERALL LIKELIHOOD		REPUTATION IMPACT	BUSINESS OPERATIONS IMPACT	FINANCIAL IMPACT	Overall IMPACT
Financial Planning & Analysis														
Annual Budgeting & Planning; Variance Reporting Process	Moderate	Moderate	Not Assessed	Moderate	Low	Moderate	Moderate	Low	Moderate		Moderate	Moderate	Low	Low
Risk Management														
Insurance Program Procurement & Insurance Claims Management	High	High	Not Assessed	Low	Low	Low	Low	Moderate	Moderate		Moderate	Moderate	High	Moderate
Information Technology														
IT Governance	High	Moderate	Not Assessed	High	Moderate	Moderate	Moderate	Moderate	Moderate		Low	Moderate	Moderate	Moderate
Data Center Physical Security and Environmental Controls	Moderate	Moderate	Moderate	Moderate	Low	Low	Low	Low	Low		Moderate	Low	Low	Moderate
Access Provisioning and DeProvisioning	Moderate	Low	Not Assessed	Moderate	Low	High	High	Low	Moderate		Moderate	High	Low	Moderate
Business Continuity Planning, Disaster & Recovery Planning, Backup and Recovery	High	Moderate	Not Assessed	Moderate	Moderate	Low	Low	Moderate	Moderate		High	Moderate	Low	Moderate
External Network (Firewalls, Intrusion Detection & Prevention, etc.)	High	Moderate	Not Assessed	High	Low	Moderate	High	Moderate	Moderate		High	Moderate	Moderate	High
Internal Network & Telecommunications	High	Moderate	Not Assessed	Moderate	Low	Moderate	High	Moderate	Moderate		Moderate	Moderate	Moderate	Moderate
Operating System & Database Configuration and Security	Moderate	Low	Not Assessed	High	Low	Moderate	Moderate	Moderate	Moderate		Moderate	Moderate	Moderate	Moderate
Application & Infrastructure Change Control	Moderate	Low	Not Assessed	Moderate	High	High	High	Moderate	Moderate		Moderate	Moderate	Moderate	Moderate
Systems Development Life Cycle	Moderate	Low	Not Assessed	Moderate	Moderate	Low	Moderate	Low	Low		Moderate	Moderate	Low	Moderate
Vendor and Contractor Management	Moderate	Moderate	Not Assessed	Low	Moderate	Moderate	Moderate	Low	Moderate		Moderate	Moderate	Moderate	Moderate
Operating & Business Applications (Lawson, Maximo, AMR, Ceridian)	Moderate	Moderate	High	High	High	Moderate	High	High	Moderate		Moderate	High	High	High
Help Desk & Computer Operations (Scheduling, Monitoring)	Moderate	Low	Not Assessed	Moderate	Moderate	Low	Moderate	Moderate	Moderate		Moderate	Moderate	Low	Moderate

DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET

ACTION REQUESTED

GOODS AND SERVICES OPTION YEAR
Internal Audit Outsourcing
(Joint Use)

Approval to execute the Second (2nd) Option Year of Four (4) Option Years in the amount of $768,000.00. The cumulative Contract value will exceed the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
SC&H Group 8300 Greensboro Drive, Suite 700 McLean, Virginia 22102	N/A	N/A

DESCRIPTION AND PURPOSE

Original Contract Value:	$720,000.00
Original Contract Dates:	October 16, 2009 – October 15, 2010
No. of Options Years in Contract:	4
First Option Year Value:	$813,510.00
First Option Year Dates:	October 16, 2010 – October 15, 2011
Second Option Year Value:	$768,000.00
Second Option Year Date:	October 16, 2011 – October 15, 2012

Purpose of the Contract:
> To execute a contract for option year two (2) of four (4) option years for a Certified Public Accounting or Auditing/Consulting firm to be retained by DC Water for its Internal Audit function.

Contract Scope:
- To improve operational efficiency and effectiveness as a result of these audits.
- To provide management with an independent, fair, objective, and reliable assessment of DC Water's management practices, and compliance with its established policies and procedures.
- To report to management any significant deficiencies and/or key areas of risk identified via the audit and assessment process.
- To work interactively with DC Water's management to ensure that prevailing business practices make the best use of the resources available to DC Water.
- To provide other internal review/auditing services as may be required by DC Water.
- To provide DC Water's Board of Directors with the results of internal audit activity based on the performance of audits to address financial, compliance, and operational control objectives.

Contractor's Past Performance:
- The Contractor's performance has been satisfactory.

Price Modifications:
- None

Spending Previous Years:
- Cumulative Contract Value: (October 16, 2009 – October 15, 2011) - $1,533,510.00
- Cumulative Contract Spending: (October 16, 2009 – October 15, 2010) - $1,277,884.00

PROCUREMENT INFORMATION

Contract Type:	Firm Fixed Labor Rate	**Award Based On:**	Highest Score
Commodity:	Services	**Contract Number:**	WAS-09-038-AA-MB
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Operating	**Department:**	General Manager
Service Area:	DC Water-wide	**Department Head:**	Christopher Carew

USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	81.45%	$ 625,536.00
Washington Suburban Sanitary Commission	13.49%	$ 103,603.20
Fairfax County	3.26%	$ 25,036.80
Loudon County	1.61%	$ 12,364.80
Others	.19%	$ 1,459.20
Total Estimated Dollar Amount	**100.00%**	**$ 768,000.00**

Yvette Downs , 9/16/11
Director, Finance and Budget   Date

Rosalind R. Inge , 9/16/11
Director of Procurement   Date

Christopher Carew , 9/16/11
Chief of Staff   Date

_____ / _____
George S. Hawkins   Date
General Manager