

SPECIAL AUDIT REPORT

OF

YOUTH SERVICES AND COMMUNITY CENTERS

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

REPORT NO. 05-108



City of Albuquerque
Office of Internal Audit and Investigations



City of Albuquerque
Office of Internal Audit and Investigations
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Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Audit: YOUTH SERVICES AND COMMUNITY CENTERS
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FINAL

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) conducted a special audit of the youth services provided and the community centers operated by the Department of Family and Community Services (DFCS).

Youth Services

The City of Albuquerque (City) provides direction and resources in order to contract with schools and community based organizations to implement programs for children and youth, including the following:

- Middle School Cluster Initiative (MSCI) contract with Service Provider # 1. This contract is to provide out-of-school-time services to an estimated 5,000 elementary and middle school age children and youth. According to the contract, priority consideration for participation is to be given to those students who are at-risk, according to various criteria listed in the contract. The fiscal year (FY) 2005 contract amount was \$1.5 million.
- High School Dropout Prevention Services (Dropout Prevention) contract with Service Provider # 1. This contract is to provide dropout prevention services to an estimated 50 students at the 11 high schools that participated in the program. The FY2005 contract amount was \$640,000.

- Job Mentor Program contract with Service Provider # 1. This contract is to provide services to an estimated 640 students and the goal is to assist and encourage students to stay in school and graduate. The focus of the program is students who are experiencing academic and/or social problems. The FY2005 contract amount was \$155,000.
- Gang Prevention contract with Service Provider # 2. This contract is to provide gang prevention and intervention to 230 children and youth who are at-risk for gang recruitment and involvement, or have been identified as gang members. The FY2005 contract amount was \$649,000.

Community Centers

DFCS manages and provides services to citizens at 23 community centers throughout the City. Each center provides an assortment of programs and activities that meet community needs and promote community involvement in recreation, cultural activities, education, health and family life activities. Community centers are also available to the general public for special events. All events have rental fees, deposits, insurance requirements, and City permit/license requirements for different types of usage.

Playground Latchkey Program

The mission of this program is to provide recreation that is enjoyable, yet structured, by providing quality before and after school care for children 6 through 11 years of age. The programs hours are 7 to 9 am and 3 to 6 pm on schooldays.

AUDIT OBJECTIVES

The objectives of the audit were to determine:

- Is DFCS properly monitoring and providing adequate oversight of the following contract programs:
 - MSCI
 - Dropout Prevention
 - Job Mentor
 - Gang Prevention
- Were program performance goals met by the service providers for these four contract programs?

- Are the expenditures for these four contract programs allowable, directly related to the accomplishments of the contract, and properly documented by the service provider?
- Is the DFCS Playground Latchkey Program properly registering program participants, collecting fees, and depositing them timely?
- Is DFCS following proper payroll procedures regarding Request for Leave of Absence Forms (P-30) for its employees who work in the Community and Recreational Initiatives Division?
- Has DFCS implemented the recommendations or taken any actions in regards to a consultant report, dated June 2005, which reviewed the operations of the community centers?

SCOPE

Our audit did not include an examination of all functions and activities related to the various youth services contracts and community center programs.

Our scope included significant contract requirements for the four youth service contract programs for FY2005. Our scope for Playground Latchkey Program was for the period August 2005 through February 2006. Our scope for the payroll procedures was for the period January 2005 through December 2005. Our scope for DFCS implementation of the recommendations made in the consultant's report was as of March 2006.

This report and its conclusions are based on information taken from a sample of transactions and do not purport to represent an examination of all related transactions and activities. The audit report is based on our examination of DFCS activities through the completion of fieldwork and does not reflect events or accounting entries after that date. Our last day of fieldwork was March 1, 2006.

The audit was conducted in accordance with Government Auditing Standards, except Standard 3.49, requiring an external quality review.

METHODOLOGY

The audit objectives were accomplished through:

- Interviews with DFCS personnel.
- Review of performance reports provided by the service providers who manage the programs.
- Review of DFCS contract monitoring procedures and reports.

- Review of a judgmentally selected sample of 70 expenditures totaling \$222,267 from the four youth service contract programs. The total population was 6,078 expenditures billed to the City totaling \$2,679,762.
- Review of the internal controls relating to the collection of fees by DFCS in the Playground Latchkey Program.
- Review of 40 participants judgmentally selected from a sample of eight weeks of fee payments from eight of the 30 Playground Latchkey Program sites. Review of the completeness of the registration forms for these 40 participants. Review of five of these 40 participant registrations to verify if the registration fee had been paid.
- Review of unused sick and vacation leave balances for all Community and Recreational Initiatives Division employees. Review of a judgmentally selected sample of 10 of this Division's 51 full time employees to determine if vacation and sick leave taken were properly recorded on the City's payroll system.
- Interviews with DFCS personnel relating to the consultant's report recommendations which addressed safety concerns or operational issues that should be promptly addressed.

FINDINGS

The purpose of an internal audit is to identify changes in the auditee's activities, which would improve its effectiveness, efficiency, and compliance with administrative policies and applicable rules and regulations. Therefore, the auditee's activities that appear to be functioning well are not usually commented on in audit reports.

The following findings concern areas that we believe could be improved by the implementation of the related recommendations.

1. DFCS SHOULD REQUIRE SCHOOLS WHICH PARTICIPATE IN THE MSCIPROGRAM TO SUBMIT EVALUATION PLANS.

The contract required that each school include either a homework assistance and/or tutoring program component. Ten of 21 middle schools did not prepare the evaluation plan for these components.

DFCS put this requirement in the contract to ensure that City monies were spent appropriately on accomplishing the goals of the MSCIP program. According to the contract, one of the MSCIP's desired outcomes is an increase in student performance.

The MSCIP contract stated that Service Provider # 1 must have a work plan on file with the City which specified the measurable objectives for each task. Final project descriptions with

evaluation plans would be made as an addendum to this agreement. DFCS provided a standard evaluation plan document for the schools to use. These project descriptions with evaluation plans were required from each school who received MSCI funding.

The 10 middle schools discussed above did not submit evaluation plans for required program components of homework assistance and tutoring; therefore, there were no measurable objectives. Consequently, when these schools submitted the required quarterly reports to DFCS, they could not report on if measurable objectives were accomplished.

DFCS personnel who administered this contract were familiar with the requirement of preparing evaluation plans, but did not enforce it with the Service Provider. As a result, the City is unable to determine if the desired objectives of the MSCI program were accomplished.

RECOMMENDATION

DFCS should require schools which participate in the MSCI program to submit evaluation plans.

RESPONSE FROM DFCS

“The department agrees that schools participating in the MSCI program need to submit the required reports.

“MSCI schools must submit Pre-Evaluation and Post-Evaluation Plan reports on MSCI activities. For the 06/07 school year, all 21 middle schools submitted Pre-Evaluation Plans, and were approved to begin their programs. Of the 55 elementary schools proposed for funding for the 06/07 school year, 51 have submitted the Pre-Evaluation Plan and the remaining four have been given through the end of November 2006 to submit the form. Those schools which do not meet the deadline will have their funding suspended for the second semester or until they submit the form.

“Additionally, beginning with the 07/08 school year, the Pre-Evaluation and Post-Evaluation Plans will be required for each activity at each school. Currently, schools do the Pre- and Post-Evaluation Plans for only one educational activity. Schools will be required to submit a Post-Evaluation Plan for each activity at the end of the 06/07 school year.

“All schools will be reminded in writing and at both general meetings for coordinators (November, 2006 and April, 2007) that a Post-Evaluation Plan for each activity is due in May, 2006.

“Tracking of educational standards such as attendance and/or GPA is now required for each activity funded by MSCJ. The Pre- and Post-Evaluation Plan forms will be amended to include more specific documentation on attendance and GPA.”

2. DFCS SHOULD REQUIRE SERVICE PROVIDERS TO THOROUGHLY REPORT ON THE ACCOMPLISHMENT OF MEASURABLE OBJECTIVES.

Gang Prevention

Service Provider # 2 was not reporting to DFCS whether it accomplished measurable objectives that were listed in the contract. The contract stated that the Service Provider must have a work plan on file with DFCS. The work plan should specify the major tasks or activities to be performed under the agreement and the measurable objectives for each task.

The Service Provider submitted the contractually required cumulative quarterly program performance reports covering the services provided under the agreement. DFCS had previously given the Service Provider the required quarterly reporting form. However, the form did not require the Service Provider to include information necessary to determine if it accomplished the measurable objectives in the contract.

Although the contract stated the evaluation criteria for determining if the various program elements were successful, the Service Provider did not report to DFCS if it had accomplished these measurable objectives. The Service Provider only reported the number of clients that it served in each of the program elements. For example, one measurable objective was: “Pre/post tests, successful participation and the clients choosing not to join or participate in gang activities will measure successful completion of this strategy.”

DFCS program personnel reviewed the quarterly reports, but never required the Service Provider to report on whether or not it had accomplished the measurable objective criteria for success. The DFCS program personnel administering the contract were not thoroughly familiar with the reporting requirements of the contract.

Dropout Prevention

A. Evaluation Plans

Eleven high schools received City funds to operate Dropout Prevention Programs during FY2005. The Dropout Prevention contract stated before the allocation of funds to individual schools was made, schools were required to submit a proposal outlining their program. Each school was required to submit an evaluation plan so each component of their dropout prevention program could be measured. The contract required the evaluation plan for each component to include:

- A desired outcome (or outcomes) and the manner in which those outcomes would be measured.
- Indicators to monitor the program's progress.
- Each program component to be measurable within the program year.

The schools that participated in the Dropout Prevention Program did not submit evaluation plans for each component of their program. The DFCS program coordinator did not enforce the contractual requirement for evaluation plans.

B. Lack of Information Regarding the Desired Outcome of a Significant Increase in Student Retention

The City's request for proposal incorporated into the Dropout Prevention contract's requirements, stated that a desired outcome was that City funded programs must demonstrate a significant increase in student retention.

DFCS program personnel provided Service Provider # 1 with a required one-page quarterly reporting form. All eleven high schools were required to use this same form, regardless of their dropout prevention programs components. The one-page quarterly reports that the schools submitted to DFCS did not provide information necessary to determine whether the school had accomplished the contract's desired outcome.

The May 2003 report of a City study team evaluating existing City services and social services contracts noted:

“The impact of the program is unknown. There has been no impact evaluation to determine the effect of City funding on drop out rates for students participating in the program.”

Job Mentor

For FY2005, there were job mentor programs at eleven high schools. The contract stated that the goals and objectives of the program included the following:

- Assist in providing a program for students who are experiencing academic and/or social problems.
- Assist and encourage students to stay in school and graduate and prepare them to enter the world of work or post-secondary education.

The contract required that Service Provider # 1 have a work plan on file with the City specifying the measurable objectives for each task. The work plan utilized by the Service Provider was identical for all 11 participating high schools and did not contain measurable objectives.

A. Interim Reporting Requirements

Each school had a school based coordinator managing the job mentor program and submitting monthly reports to DFCS. OIAI reviewed these monthly reports and noted that two schools' reports did not contain attendance information on students, which the contract required to be provided to DFCS staff monthly.

The contract also required that each quarter, the school based coordinator provide DFCS staff copies of students' grades, attendance and grade point average. The DFCS program coordinator informed OIAI that she did not require the schools to submit this data quarterly, as required by the contract. She indicated that she had waived this contract requirement because the schools' monthly reports provided some of the required quarterly data. However, some of the schools' monthly reports to DFCS did not contain any information on students' grades, attendance and grade point average. Consequently, DFCS staff were not receiving the quarterly information required by the contract.

B. Year-End Reporting Requirements

The DFCS program coordinator provided a one-page year-end report/final evaluation form that it wanted the Service Provider school based coordinators to complete. This report/final evaluation form did not require information to be submitted regarding whether the contractor had accomplished measurable objectives relating to the program. The report asked for responses to general questions such as:

- What is the student demand for the job mentor program at your school?
- In general terms, please offer suggestions for the 2006 job mentor program school year.

The year-end report/evaluation form did not address the program effectiveness in accomplishing the contractual goals. The goals are assisting and encouraging students to stay in school and graduate, and preparing them to enter the world of work or post-secondary education.

As a result of the above items, the City is unable to determine if the Gang Prevention, Dropout Prevention and Job Mentor programs accomplish the desired objectives.

RECOMMENDATION

DFCS should require Service Providers to thoroughly report on the accomplishment of measurable objectives, as required by the contracts.

When performance reporting forms are designed by DFCS personnel, the forms should require the reporting of information that is necessary to enable DFCS to determine if the Service Providers accomplished measurable objectives that are listed in the contract.

RESPONSE FROM DFCS

***“The Department agrees that service providers should be required to thoroughly report on accomplishment of measurable objectives.*”**

“Gang Prevention – YDI. YDI is now reporting as required. Staff will continue to monitor to ensure that YDI continues to report this data quarterly as well as provide an annual report documenting the results of pre- and post-tests.

“Dropout Prevention Program – APS. The Department agrees that schools participating in the Dropout Prevention program need to submit the required evaluation plan for each component being proposed. The Department will not approve a proposal for funding unless an Objective and Evaluation form has been completed for each component.

“By the end of December 2006, the program manager will develop quarterly reporting forms that capture information specific to the indicators and outcomes for each program component in accordance with the Objective and Evaluation form submitted for each program component as part of each school’s proposal. The form will also measure retention rates for each component against that of the overall school.

“Job Mentor – APS. The Department agrees that schools participating in the Job Mentor program need to submit the required monthly and quarterly reports with information on grades, attendance and GPA.

“By the end of December 2006, the program manager will develop quarterly reporting forms that measure grades, GPA, attendance, school credits earned from JM program, participant graduation rate, number of participants entering secondary education, and number obtaining summer job internships or accepting jobs immediately after graduation. The last quarterly report will serve as the year-end report and will show participant graduation rate against the overall school graduation rate.”

3. AS PART OF THE ANNUAL MONITORING REVIEW PROCESS, DFCS SHOULD REVIEW THE EFFECTIVENESS OF THE PROGRAM AND DETERMINE IF THE SERVICE PROVIDER ACCOMPLISHED MEASURABLE OBJECTIVES.

The annual performance monitoring performed by DFCS in FY2005 did not evaluate program effectiveness and whether service providers accomplished measurable objectives. All of the DFCS contracts that were reviewed in this audit contained the following requirement:

Performance Monitoring: The Contractor will from time to time provide assistance and information needed by staff of City’s Department of Family and Community Services to monitor and evaluate the performance of the above mentioned scope of services.

DFCS conducts routine annual monitoring visits of the Gang Prevention, MSCI, Dropout Prevention and Job Mentor Programs. The FY2005 monitoring visits did not include assessing the effectiveness of the programs. As a result, the City is unable to determine if the funds spent on these programs accomplished the objectives stated in the contracts. For example, DFCS performed FY2005 monitoring visits of the 11 high schools where Dropout Prevention services were provided. However, its monitoring reports did not indicate if these City funded programs demonstrated a significant increase in student retention, as required by the contract.

RECOMMENDATION

As part of its monitoring process, DFCS should review the effectiveness of the Gang Prevention, MSCI, Dropout Prevention and Job Mentor Programs to determine if the objectives of the contracts are achieved.

RESPONSE FROM DFCS

“The Department agrees with this finding.

“Gang Prevention – YDI. Program staff are working to improve quality outcome measurements, both in the contract reporting and in the monitoring.

“MSCI – APS. A minimum of one site monitoring visit is performed during the school year, at which time a formal monitoring report is completed and signed by the respective site coordinator and/or principal and the city monitor. The site program review form has been amended to include the following language: “Identify and describe the process used to evaluate whether the program achieved its stated objectives, especially the academics objectives. What instrument(s) was used? What were the results?”

“MSCI also requires that each school submit Tri-Annual Accountability Reports, one each in the months of November, February and May, stating numbers served, as well as a narrative describing, but not limited to, activity/program impact.

“These reports will be in addition to the Pre- and Post-Evaluation Plans described in the response to Recommendation 1.

“Dropout Prevention Program – APS. A minimum of one site monitoring visit is performed during the school year, at which time a formal monitoring report is completed and signed by the respective site coordinator and the city monitor. The primary purpose of the site monitoring visit is to ascertain whether the program is operating successfully and to verify for all the program components the following: program hours, enrollment, credit recovery and amount of funds expended, and to give technical assistance to site coordinators on how to improve programming. Staff will do a program review form for each component. As with the quarterly reports discussed in the Department’s response to Recommendation 2, staff will amend the site monitoring report form to measure retention rates for each component against that of the overall school.

“Job Mentor – APS. A minimum of one site monitoring visit is performed during the school year, at which time a formal monitoring report is completed and signed by the respective site coordinator and the city monitor. In the Job Mentor program, school site coordinators keep a student portfolio for each student enrolled in the program. The primary purpose of the site monitoring visit is to spot audit student portfolios to verify that the following required documents are on file: A signed parent/student agreement committing to completion of the program for additional high school credit, class schedule, semester report cards, resume, and a career plan. For those students participating in job shadow placements, the following are also required: necessary insurance for job shadowing, copy of photo ID, copy of social security card. Staff will amend the site monitoring report form to include retention rates for the Job Mentor program against that of the overall school.”

4. DFCS SHOULD DEVELOP A STAFFING PLAN THAT MAINTAINS APPROPRIATE PLAYGROUND LATCHKEY PROGRAM CHILD/STAFF RATIOS.

The DFCS website informs the public that the Playground Latchkey Program has the following child/staff ratios:

- Before School, 7 am-9am, 12:1 child/staff ratio.
- After School, 3 pm-6pm, 15:1 child/staff ratio.

The Playground Latchkey Program had 2,508 children registered in April 2006. Based on the number of registered children, DFCS personnel estimated that 180 employees were necessary to enable the program to maintain the advertised ratios. Approximately 60 staff positions were vacant as of April 5, 2006, which could increase the child/staff ratio to 21:1.

According to DFCS program personnel, the low pay rates for the staff positions and the hours that the program operates (7 to 9 am and 3 to 6 pm) make these positions difficult to fill and lead to a high vacancy rate.

When DFCS operates the Playground Latchkey Program at a site with reduced staff, it increases the potential liability to the City should a child be injured.

RECOMMENDATION

DFCS should develop a staffing plan that maintains appropriate Playground Latchkey Program child/staff ratios.

RESPONSE FROM DFCS

“The Department agrees that the Playgrounds/Latchkey program needs to provide appropriate staffing ratios.

“The playgrounds/latchkey program is operated through the use of employees in temporary, seasonal or student status. The before- and after-school schedule requires employees to work 1 to 2 hours in the morning and/or 3 hours in the afternoon. Part of the staffing ratio problem stems from difficulties in filling part-time positions and retaining good employees. To address this, DFCS is preparing a proposal for a new part-time pay scale that would incorporate the new minimum wage requirements.”

5. DFCS SHOULD STRENGTHEN ITS INTERNAL CONTROLS OVER PARTICIPANT REGISTRATION, FEE COLLECTION AND REVENUE RECORDING PROCESSES FOR THE PLAYGROUND LATCHKEY PROGRAM.

Revenue Processing

The Playground Latchkey Program has 30 sites. DFCS collects approximately \$770,000 in participant fees per year. There is not an adequate segregation of duties for the processing of cash receipts from this program. An adequate segregation of duties would separate the custody of assets from the recording and authorizing of transactions.

The same DFCS employee receives the monies from program site employees, prepares the deposit and records the transaction in the City's automated cash book system. Additionally, there is no process to reconcile the payment information contained in the sites' ledger books to bank deposits. The ledger books remain on each of the 30 program sites. City revenues from the Playground Latchkey program may not be properly accounted for and deposited into the City's bank account. Community and Recreational Initiatives Division management has not recognized the need for an adequate segregation of duties.

Participant Registration

The Playground Latchkey Program Supervisor Handbook requires completion of a participant registration form by a parent/guardian for each participant. Playground Latchkey Program personnel could not locate a participant registration form for one of the 40 participants sampled. Fourteen of the other registration forms were incomplete, lacking information such as the parent or guardian signature and the name of the child's physician. Program personnel are not ensuring that each participant has turned in a completed registration form. As a result, City employees may not have emergency contact information (parent, guardian or doctor) on file.

OIAI selected five of these 40 participant registrations to verify if the registration fee had been paid. For one of the five registrations, the program personnel could not provide documentation to confirm that the registration fee had been collected and deposited. Additionally, an entire page from that site's cash receipt ledger book was missing. As a result, OIAI could not determine if all monies received at the program site had been deposited.

Timely Deposit of Fees Collected

City regulations and state statutes require that public funds be deposited no later than the close of the next business day. We noted thirteen cases, out of 40 tested, where fees collected for the Latchkey Playground program were not deposited the next business day. According to DFCS program management, sometimes there were not enough staff at a site to free up someone to deliver the deposits to the DFCS fiscal section, so they could be processed in a timely manner. As a result, there is an increased risk that City monies may not be deposited properly.

RECOMMENDATION

DFCS should review its program personnel's compliance with participant registration, fee collection and revenue recording procedures. DFCS should ensure that these procedures are followed.

DFCS should ensure there is an adequate segregation of duties for the processing of cash receipts from this program. The same DFCS employee should not receive the monies from the sites, prepare the deposit and record the transaction in the City's automated cash book system.

RESPONSE FROM DFCS

"The Department agrees with this finding.

Revenue Processing. To address the inadequate segregation of duties, DFCS has assigned an Administrative Assistant to the Latchkey/Playground Program. The person will be responsible for all revenue collection from the site supervisors, counting and totaling the amounts, and for maintaining a daily deposit log. Separately, the Activities Coordinator will re-count the revenue by site, compile, and make the daily deposit. Both will sign off on the transmittal. In addition, the Accountant II from the Fiscal Division assigned to the Playgrounds program will at least once a year review a random sample of daily deposit logs and compare them to deposit transmittals.

"With regard to the reconciling of payment information problem, the Activities Coordinator will as part of her weekly job duties, pull a random sample of sign-in sheets, ledger books, and receipts from a site to compare to revenue deposits made at the Compass Bank Administrative Offices.

The Accountant II in the Fiscal Division will also review this process during a scheduled monitoring visit.

“To address the timely deposit of fees collected, DFCS will issue a memo to each site coordinator reiterating the city policy regarding timely deposit of city monies and make an effort to emphasize the importance of timely deposits during initial training. The Activities Coordinator will also monitor this more closely to ensure compliance.

“Participant Registration. Prior to the 2007 summer program registration, DFCS will review the information requested on our registration forms to see that it is useful and necessary. The program registers at least twice a year, once for the before- and after-school program and once for the summer program. Program staff at each site will do a better job in requiring parents to fill in the necessary information or in documenting why a particular question is unanswered. For instance, if the information on doctor is not answered, it may be because the family has no family doctor or insurance.

“At two weeks following registration, the site supervisors will review the information on the registration forms to make sure the forms are complete. Parents will be contacted to update any incomplete registration forms.

“DFCS will also require that all sites bring their registration forms and ledger books to the Compass Bank administrative offices at the end of the registration process to be copied for verification of payment.”

6. DFCS SHOULD TAKE PROMPT ACTION REGARDING THE IMPLEMENTATION OF CORRECTIVE ACTION WHEN SAFETY/SECURITY ISSUES ARE IDENTIFIED AT COMMUNITY CENTERS.

DFCS did not take prompt action concerning the implementation of corrective action when safety/security issues were identified by a consultant regarding the operations of the community centers.

DFCS engaged the services of an outside consultant to review the operations of the community centers. The consultant issued a report dated June 2005. The consultant’s report findings indicated safety and security concerns because there were no central reception desks in many centers. In those centers where there were central reception desks, sometimes these went un-staffed. The consultant’s report indicated that these were safety and security issues that must be addressed. The report indicated that for safety and security, all centers should

have the ability to provide a central reception desk or table reception/service desk. The consultant also recommended that DFCS standardize the process for signing in.

In March 2006, OIAI asked DFCS management if actions were taken to address these specific safety/security issues described in the June 2005 report. DFCS management informed OIAI that corrective actions would be implemented after the consultant's second report was reviewed. DFCS entered into a second contract with the same consultant in December 2005. The purpose of the second contract was for the consultant to help DFCS develop corrective actions to address the recommendations that were made in the first report.

In the consultant's June 2005 report, one of the recommendations stated that DFCS should maintain minimum staffing levels (at least two employees at all times) for safety and security, as well as to provide reasonable levels of service. In March 2006, OIAI asked DFCS management if actions have been taken to address or implement this consultant recommendation. DFCS management informed OIAI that as of March, DFCS was understaffed at a few sites because of the termination of temporary employees whose length of service at the City could not exceed two years, as specified in the City's Personnel Rules and Regulations.

DFCS has not developed a staffing plan to maintain appropriate staff ratios at the community centers, consistent with the resolution of safety and security issues. Not promptly addressing safety/security issues increases the potential liability to the City should a citizen be injured at a community center site.

RECOMMENDATION

DFCS should take prompt action regarding the implementation of corrective action, when safety/security issues are identified at community centers.

DFCS should develop a staffing plan that maintains appropriate staff ratios at the community centers, consistent with the resolution of safety and security issues.

RESPONSE FROM DFCS

***“The Department agrees with this finding.*”**

“Department staff have been working with the consultant on implementing a number of the consultant’s recommendations, including those on safety and security and staffing in relation to security.

“The Department operates 24 community centers. As a result of the consultant’s recommendations, additional funding was included in the FY/07 budget, and the community centers division currently has more staff as a result. Through a combination of additional employees and scheduling adjustments, we now have a minimum of two employees scheduled to staff each center at all times.

“The consultant’s study noted that 7 out of 24 community centers did not have a central reception area or desk, and one center reception desk was not staffed at the time the consultant visited the center. A reception area was added at Heights Community Center during renovation of the building this year. At the remaining centers cited, community center staff have added a reception area or desk, where feasible given the unique physical layout of each facility.

“Community Center Managers will hire part-time employees as needed to operate and maintain a safe and secure program. Managers will relocate office furniture to assist and identify a designated entryway to meet the security and safety issue of front desk reception area coverage at each and all community centers. All Community Centers will identify and assign staff to a centralized entry and exits of community center facilities to assure all participants sign in and out of community centers during hours of operation.

“Center managers have been instructed that all community centers open and close with no less than two employees for safety, security and liability issues. Some of this can be accomplished by adjusting shifts and schedules. As mentioned in response to Recommendation 4, the Department is also hopeful that modifications to pay scales will enhance our ability to hire and retain good employees.

“The Community Center Division has standardized and implemented many new staffing procedures and has been consistent in overseeing and following up with Managers to maintain a consistent process of operation and staffing at all community centers.”

7. DFCS SHOULD STRENGTHEN ITS CONTROLS OVER THE PAYMENT OF SERVICE PROVIDER BILLINGS.

The FY2005 monthly invoices from the Service Providers to the City were a one-page summarization, by cost category, of the contract program expenditures. The monthly invoices did not list the detail of actual expenditures. Additionally, DFCS did not require the service providers to include supporting documentation with the summarized monthly invoices that they submitted, due to the large volume of documentation. OIAI requested Service Providers # 1 and # 2 to supply a detailed list of the FY2005 expenditures previously invoiced to the City. We noted the totals of the detailed list of the FY2005 expenditures of Service Provider # 1's programs did not agree to the totals of the monthly summarized invoices.

OIAI then requested DFCS and the Service Provider to determine the reason for these differences. It was determined that the Service Provider billed DFCS twice for the same \$9,039 of insurance costs, relating to the MSCI program. The monthly invoice payment process that was in effect in DFCS for FY2005 did not detect this billing error, because it did not include a reconciliation process. DFCS received the summarized monthly invoice from the Service Provider, did not require supporting documentation or the detail of the expenditures, and processed the invoice for payment. The summarized amounts that had been billed by the Service Provider on a monthly basis could have been reconciled by DFCS, if it had requested annual comprehensive listings of the detailed expenses from the Service Provider. OIAI discussed this overbilling with DFCS, who brought the duplicate billing to the attention of the Service Provider and has requested a refund.

OIAI also reviewed a judgmentally selected sample of 70 expenditures totaling \$222,267 that were billed to the City under the four youth service contract programs. OIAI requested that Service Providers # 1 and # 2 furnish supporting documentation, such as vendor's invoices and payroll documentation, to verify the validity and propriety of these 70 expenditures. Service Provider # 1 was not able to provide supporting documentation for three of the expenditures, totaling \$10,681. One of these expenditures was billed to the City in the Dropout Prevention Program and two were billed in the MSCI Program. Consequently, the City may be reimbursing Service Providers for unsupported costs.

RECOMMENDATION

DFCS should strengthen its controls over the payment of Service Provider billings. DFCS should consider requesting the Service Providers prepare a comprehensive listing of the expenses that were charged to the contract during the fiscal year. DFCS

could then reconcile this listing to the total amount that had been billed monthly during the fiscal year, and research any difference.

DFCS should request reimbursement from Service Provider # 1 for the three unsupported expenditures totaling \$10,681.

RESPONSE FROM DFCS

***“The Department agrees with this finding. During the course of this audit, the DFCS fiscal staff met with APS Categorical on August 29, 2006. The sole purpose of the meeting was to discuss what sorts of additional documentation could be provided with each reimbursement request. It was decided that general ledger and payroll journal reports would be included with the reimbursement requests each month. In addition, DFCS fiscal staff will be given detail budgets for each school so that expenditures can be reconciled to individual budgets.*”**

“DFCS fiscal staff contacted APS Categorical on October 11, 2006 to ask that they make another attempt to obtain the supporting documentation for the three invoices totaling \$10,681. They agreed to research and obtain the missing documentation within 30 days. If that cannot be done, the Department will pursue either a request for repayment or a credit against a subsequent draw request on the contract.”

CONCLUSION

DFCS should require Service Providers to submit evaluation plans for their programs and report on the accomplishment of measurable objectives. As part of its annual monitoring process, DFCS should review the effectiveness of the Gang Prevention, MSCI, Dropout Prevention and Job Mentor Programs to determine if the objectives of the contracts are achieved. A staffing plan should be developed that maintains appropriate Playground Latchkey Program child/staff ratios. Also, DFCS should ensure there is an adequate segregation of duties for the processing of cash receipts from this program. DFCS should take prompt action regarding the implementation of corrective action, when safety/security issues are identified at community centers. DFCS should strengthen its controls over the payment of service provider billings.

We appreciate the cooperation and assistance of DFCS staff during the audit.

Principal Auditor

Senior Auditor

REVIEWED:

Audit Supervisor

APPROVED:

APPROVED FOR PUBLICATION:

Carmen Kavelman, CPA, CISA, CGAP
Director
Office of Internal Audit and Investigations

Chairperson, Accountability in Government
Oversight Committee