

**FOLLOW-UP OF
SPECIAL AUDIT OF
YOUTH SERVICES AND COMMUNITY CENTERS
DEPARTMENT OF FAMILY & COMMUNITY SERVICES
REPORT NO. 09-05-108F**



**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

Follow-Up: Youth Services and Community Centers
Department of Family & Community Services
09-05-108F

FINAL

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) performed a follow-up of Special Audit No. 05-108, Youth Services and Community Centers, issued October 25, 2006. The purpose of our follow-up is to report on the progress made by the Department of Family and Community Services (DFCS) management in addressing our findings and recommendations.

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:

- Elementary and Middle School Initiative (EMSI) contract with Service Provider #1. This contract is to provide out-of-school-time services to an estimated 10,000 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) 09 contract amount was \$1.5 million. EMSI was previously referred to by DFCS as the Middle School Cluster Initiative.
- High School Dropout Prevention Services (Dropout Prevention) contract with Service Provider #1. This contract is to provide dropout prevention services to students at the ten high schools that participated in the program. The FY09 contract amount was \$574,921.

- Job Mentor Program contract with Service Provider #1. This contract is to provide services to an estimated 650 students and the goal is to assist and encourage students to stay in school and graduate. The focus of the program is on students who are experiencing academic and/or social problems. The FY09 contract amount was \$155,455.
- Gang Prevention contract with Service Provider #2. This contract is to provide gang prevention and intervention to 350 children and youth who are at-risk for gang recruitment and involvement, or have been identified as gang members. The FY09 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 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, and 7 am to 6 pm during the summer. The Playground program was previously referred to by DFCS as the Playground Latchkey Program.

SCOPE, OBJECTIVES, AND METHODOLOGY

Our follow-up procedures consist of interviews of City personnel and review and verification of applicable documentation to assess the status of our audit recommendations. Our follow-up is substantially less in scope than an audit. Our objective is to ensure management has taken meaningful and effective corrective action in regards to our findings and recommendations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of the follow-up did not include an examination of all the functions and activities related to the DFCS management of the youth services and community center programs. We limited our scope to actions taken to address our audit recommendations from the date of our final report, October 25, 2006 through August 4, 2009.

RECOMMENDATION NO. 1:

The Elementary and Middle School Initiative (EMSI) FY05 contract with Service Provider # 1 required that each school include either a homework assistance and/or tutoring program component. Ten of 21 (48%) middle schools did not prepare the required evaluation plan for these program components. DFCS put this requirement in the contract to ensure that City monies were spent appropriately on accomplishing the goals of the EMSI program. According to the contract, one of the EMSI's desired outcomes was an increase in student performance.

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 was unable to determine if the desired objectives of the EMSI program were accomplished.

OIAI recommended that DFCS require schools which participate in the EMSI program submit evaluation plans.

DFCS responded that it agreed with the finding and that:

- Beginning with the 2007/2008 school year, Pre-Evaluation and Post-Evaluation Plans would be required for each activity at each school.
- Tracking of educational standards such as attendance and/or grade point average (GPA) would be required for each activity funded by EMSI. Pre- and Post-Evaluation Plan forms would be amended to include more specific documentation on attendance and GPA.

ACTION TAKEN

The audit recommendation has been fully implemented. DFCS now requires schools which participate in the EMSI program to submit pre- and post-evaluation plans for all program components. Pre- and post-evaluation plans were amended to include specific documentation on attendance and GPA. Twenty-one middle schools and 61 elementary schools participated in the EMSI program in both FY08 and FY09. OIAI reviewed the EMSI program documentation for two (10%) middle schools, one each from FY08 and FY09. OIAI determined that both of the schools submitted pre- and post-evaluation plans. Only the

middle schools were reviewed since DFCS does not require the EMSI programs in the elementary schools to have academic components.

RECOMMENDATION NO. 2:

Gang Prevention

Service Provider # 2 was not reporting to DFCS whether it accomplished measurable objectives that were listed in the FY05 contract. The contract stated that the Service Provider must have a work plan to specify the major tasks to be performed under the agreement and the measurable objectives for each task. The contract also stated the evaluation criteria for determining if the various program elements were successful. The Service Provider only reported the number of clients that it served in each of the program elements. 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.

Dropout Prevention

A. Evaluation Plans

Eleven high schools received City funds to operate Dropout Prevention Programs during FY05. The Dropout Prevention contract stated that 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 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 for Determining Desired Outcome

The City's request for proposal incorporated the Dropout Prevention contract's requirements, which stated that a desired outcome was that City funded programs must demonstrate a significant increase in student retention. DFCS program personnel furnished Service Provider # 1 with a required one-page quarterly reporting form. All 11 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.

Job Mentor

For FY05, there were job mentor programs at 11 high schools. 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 who managed the job mentor program and submitted monthly and quarterly reports to DFCS. OIAI reviewed these reports and noted:

- Two schools' reports did not contain attendance information on students, which the contract required to be provided to DFCS staff monthly.
- The DFCS program coordinator did not require schools to submit quarterly data which consisted of students' grades, attendance, and GPA, as required by the contract.

B. Year-End Reporting Requirements

The DFCS program coordinator furnished 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.

OIAI recommended that DFCS:

- Require Service Providers to thoroughly report on the accomplishment of measurable objectives, as required by the contracts.
- Design performance reporting forms to 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.

DFCS responded that it agreed with the finding and that:

- Service providers would be required to thoroughly report on accomplishment of measurable objectives.

- DFCS staff would monitor to ensure that Service Provider #2 reported data quarterly for the Gang Prevention Program, as well as provide an annual report documenting the results of pre- and post-tests.
- Schools participating in the Dropout Prevention program would be required to submit the evaluation plan for each component being proposed; and a proposal for funding would not be approved unless an Objective and Evaluation form had been completed for each component.
- Schools participating in the Job Mentor program would be required to submit the monthly and quarterly reports with information on grades, attendance, and GPA.

ACTION TAKEN

The audit recommendations have been fully implemented.

Gang Prevention

OIAI reviewed the FY09 3rd quarter and cumulative year-to-date Project Progress report and noted that Service Provider #2 reported its accomplishment of the measurable objectives.

Dropout Prevention

A. Evaluation Plans

Eighteen schools participated in this program in both FY08 and FY09. OIAI reviewed the DFCS FY09 documentation files for two (11%) high schools. Both of these schools submitted an evaluation plan for each component of their Dropout Prevention Program.

B. Information for Determining Desired Outcome

Both of the high schools submitted quarterly Project Progress reports. These reports provided information necessary for DFCS to determine whether the school had accomplished the measurable objectives.

Job Mentor

Eleven schools participated in this program in both FY08 and FY09. OIAI reviewed the DFCS FY09 documentation files for one (9%) high school. Based upon the quarterly Project Progress reports, the Final Evaluation report and the required monthly reports, OIAI concluded that Service Provider #1 is reporting on the accomplishment of measurable

objectives. The monthly and quarterly reports included information on grades, attendance, and GPA.

RECOMMENDATION NO. 3:

DFCS conducted annual monitoring visits of the Gang Prevention, EMSI, Dropout Prevention and Job Mentor Programs. In FY05, DFCS did not evaluate program effectiveness and whether service providers accomplished measurable objectives. As a result, the City was unable to determine if the funds spent on these programs accomplished the objectives stated in the contracts.

OIAI recommended that as part of its monitoring process, DFCS review the effectiveness of the Gang Prevention, EMSI, Dropout Prevention and Job Mentor Programs to determine if the objectives of the contracts were achieved.

DFCS responded that it agreed with the finding and that:

- Gang Prevention - DFCS program staff were working to improve quality outcome measurements, both in contract reporting and monitoring.
- EMSI - The DFCS site program review form was 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?
- DFCS required that each school in the EMSI program submit Tri-Annual Accountability Reports.
- Dropout Prevention Program - DFCS staff would amend the site monitoring report form to measure retention rates for each component against that of the overall school.
- Job Mentor - DFCS staff would amend the site monitoring report form to include retention rates for the Job Mentor program against that of the overall school.

ACTION TAKEN

The audit recommendation has been fully implemented.

Gang Prevention

OIAI determined that as part of its monitoring process, DFCS reviewed the effectiveness of the Gang Prevention programs to determine if the objectives of the FY09 contracts for were achieved.

EMSI

DFCS performed 73 monitoring visits in FY08 and eight monitoring visits in FY09 for a total of 81 during the two year period. DFCS personnel reported that the reduced number of monitor visits in FY09, as compared to FY08, was the result of a monitor position being eliminated. OIAI reviewed the EMSI monitoring reports for four (5%) middle schools, one from FY08 and three from FY09.

As part of its monitoring process, DFCS reviewed the effectiveness of the programs to determine if the objectives of the contracts were achieved. DFCS included the following language in its monitoring reports:

- 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?

Each of the monitoring reports reviewed indicated that the schools had submitted the required Tri-Annual Accountability Reports.

Dropout Prevention

DFCS performed 18 monitoring visits in both FY08 and FY09 for at total of 36 visits during the two year period. OIAI reviewed the DFCS Dropout Prevention monitoring reports for three (8%) high schools, one from FY08 and two from FY09.

As part of its monitoring process, DFCS reviewed the effectiveness of the programs to determine if the objectives of the contracts were achieved. DFCS staff amended the site monitoring report form to measure retention rates for each component against that of the overall school.

Job Mentor

DFCS performed 22 monitoring visits, two at each school annually, in both FY08 and FY09, for a total of 44 visits during the two year period. OIAI reviewed two (5%) Job Mentor monitoring reports for one high school, one each for FY08 and FY09. As part of its monitoring process, DFCS reviewed the effectiveness of the program to determine if the objectives of the contracts were achieved. Both monitoring reports included retention rates for the Job Mentor program and the overall school.

RECOMMENDATION NO. 4:

The DFCS website informed the public that the Playground Program had the following child/staff ratios:

- Before School (7 a.m. - 9 a.m.) 12:1 child/staff ratio.
- After School (3 p.m. - 6 p.m.) 15:1 child/staff ratio.

The Playground 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.

OIAI recommended that DFCS develop a staffing plan that maintains appropriate Playground Program child/staff ratios.

DFCS responded that it agreed that the Playground Program needed to provide appropriate staffing ratios; and that:

- The Playground Program was operated through the use of employees in temporary, seasonal or student status. The before- and after-school schedule required employees to work 1 to 2 hours in the morning and/or 3 hours in the afternoon.
- Part of the staffing ratio problem stemmed from difficulties in filling part-time positions and retaining good employees. To address this, DFCS would prepare a proposal for a new part-time pay scale that would incorporate the new minimum wage requirements.

ACTION TAKEN

The audit recommendation has been fully implemented.

OIAI tested the Playground Program child/staff ratios for the months of April and June 2009, and determined the following:

- 10:1 child/staff ratio for the month of April
- 5:1 child/staff for the month of June

The ratios are within the range listed on the DFCS website advertised to the public.

DFCS prepared a proposal for a new part-time pay scale incorporating the new minimum wage requirements. DFCS has a process in place to regularly monitor the child/staff ratios, and adjusts the staffing levels at the various Playground Program sites when necessary.

RECOMMENDATION NO. 5:

Revenue Processing

The Playground Program had 30 sites. DFCS collected approximately \$770,000 in participant fees per year. There was not an adequate separation of duties for the processing of cash receipts from this program. The same DFCS employee received the monies from program site employees, prepared the deposit and recorded the transaction in the City's automated cash book system. Additionally, there was no process to reconcile the payment information contained in the sites' ledger books to bank deposits.

Participant Registration

The Playground Program Supervisor Handbook required completion of a participant registration form by a parent/guardian for each participant. OIAI identified the following:

- Playground Program personnel could not locate a participant registration form for one (3%) of the 40 participants sampled.
- Fourteen (35%) of the other registration forms were incomplete, lacking information such as the parent or guardian signature and the name of the child's physician.

OIAI selected five (13%) of these 40 participant registrations to verify if the registration fee had been paid. For one (20%) 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

Department of Finance and Administrative Services (DFAS) – Treasury Division (Treasury) Cash Management Policies and Procedures Manual (Cash Handling Manual) and City Administrative Instruction No 2-8: Handling and Deposit of Public Monies (AI 2-8) required that public funds be deposited no later than the close of the next business day. OIAI noted in 13 out of 40 cases tested (33%), fees collected for the Playground Program were not deposited the next business day.

OIAI recommended that:

- DFCS review its program personnel's compliance with participant registration, fee collection and revenue recording procedures, and ensure these procedures are followed.
- DFCS ensure there is an adequate separation of duties for the processing of cash receipts from this program. The same employee should not receive the monies from the sites, prepare the deposit and record the transaction in the City's automated cash book system.

DFCS responded that it agreed with the finding; and that:

Revenue Processing

- DFCS assigned an administrative assistant to the Playground Program. The person would be responsible for all revenue collection from the site supervisors, counting and totaling the amounts, and for maintaining a daily deposit log.
- The activities coordinator would separately recount the revenue by site, compile, and make the daily deposit.
- The accountant II from the Fiscal Division assigned to the Playground Program would at least once a year review a random sample of daily deposit logs and compare them to deposit transmittals.
- The activities coordinator would 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 Administrative Offices.
- The accountant II in the Fiscal Division would also review this process during a scheduled monitoring visit.
- To address the timely deposit of fees collected, the activities coordinator would also monitor this more closely to ensure compliance.

Participant Registration

- DFCS would review the information requested on registration forms to see that it is useful and necessary. Program staff at each site would do a better job in requiring parents to fill in the necessary information or document why a particular question is unanswered.
- Two weeks following registration, the site supervisors would review the information on the registration forms to make sure the forms are complete.
- DFCS would also require that all sites bring their registration forms and ledger books to the Administrative Offices at the end of the registration process to be copied for verification of payment.

ACTION TAKEN

The audit recommendations have been partially implemented.

DFCS reported that it now trains its Playground Program employees and supervisors twice a year regarding procedures including participant registration, fee collection and revenue recording. There are four DFCS Playground Program area supervisors whose job responsibilities include monitoring the activities of the sites and site supervisors and ensuring that those sites adhere to Playground Program policies/procedures.

Revenue Processing

DFCS stated that the Playground Program site supervisors receive payments from the parents, which are then processed by three other DFCS employees. The DFCS departmental accountant periodically audits this entire process.

OIAI reviewed DFCS's current cash receipts process for the Playground Program and determined:

- Payments are no longer received, deposited and recorded by the same person.
- The site ledger books are reconciled to bank deposits.

Participant Registration

OIAI selected ten participants from the FY09 summer program and verified:

- All forms were on hand.
- All forms were complete and signed by the parent or guardian.
- Registration fees were collected and deposited.

Timely Deposit of Fees Collected

OIAI selected five Playground Program sites and reviewed the deposits that had been made on May 4, 2009. Fees collected at four of the five sites (80%), noted as A – D, below were not deposited in the City's bank account by the next business day, as required by the DFAS-Treasury Cash Handling Manual and AI 2-8:

Site	Date Collected	Next Business Day	Date Deposited
A	April 29 th	April 30 th	May 4 th
	April 30 th	May 1 st	
B	April 30 th	May 1 st	May 4 th
C	April 30 th	May 1 st	May 4 th
D	April 23 rd	April 24 th	May 4 th
	April 27 th	April 28 th	
	April 28 th	April 29 th	
	April 30 th	May 1 st	
E	May 1 st	May 4 th	May 4 th

RECOMMENDATION

DFCS should ensure public funds are deposited no later than the close of the next business day.

RESPONSE FROM DFCS

“The department concurs that public funds need to be deposited into the City's bank account by close of the next business day, in accordance with DFAS--Treasury Cash Handling Manual and AI 2-8.

“To insure that public funds are deposited into the City's bank account by the next business day, the department will require Playground Program sites to turn in revenue collected at the sites to the Administrative Offices on a daily basis, and at the same time each business day. The Division Manager will ensure that banks deposits are made on a daily basis by maintaining a daily deposit log in his office, verifying that Administrative staff have made the bank deposit each day. These measures will be implemented immediately.”

RECOMMENDATION NO. 6:

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, and identified three issues relating to safety/security:

- No central reception desks in many centers; all centers should have the ability to provide a central reception desk or table reception/service desk.
- Minimum staffing levels; at least two employees at all times.
- Standardize the process for signing in individuals using community centers.

In March 2006, OIAI asked DFCS management if actions had been taken to address the specific safety/security issues described in the June 2005 report. DFCS management stated that corrective actions would be implemented after the consultant's second report was reviewed. DFCS had 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.

DFCS management informed OIAI that as of March 2006, 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 § 306.3: Temporary Employees. DFCS had not developed a staffing plan to maintain appropriate staff ratios at the community centers, consistent with the resolution of safety and security issues.

OIAI recommended that DFCS:

- Take prompt action regarding the implementation of corrective action, when safety/security issues were identified at community centers.
- Develop a staffing plan that maintained appropriate staff ratios at the community centers, consistent with the resolution of safety and security issues.

DFCS responded that it agreed with this finding, and that:

- Department staff had 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 operated 24 community centers. As a result of the consultant's recommendations, additional funding was included in the FY07 budget, and the Community Centers Division currently had more staff as a result. Through a combination of additional employees and scheduling adjustments, DFCS had a minimum of two employees scheduled to staff each center at all times.
- Community center managers would hire part-time employees as needed to operate and maintain a safe and secure program.

- Center managers had been instructed that all community centers open and close with no less than two employees for safety, security and liability issues. Some of this could be accomplished by adjusting shifts and schedules.
- The Community Center Division had standardized and implemented many new staffing procedures and had been consistent in overseeing and following up with managers to maintain a consistent process of operation and staffing at all community centers.

ACTION TAKEN

The audit recommendations have been fully implemented.

OIAI visited three community centers out of 24 (13%) and determined that each center had a staffed central reception desk.

OIAI reviewed the current staffing schedules of all community centers and determined that there are some infrequent short time periods at some community centers (such as between 7:00 and 7:30 a.m.) when there are not always at least two staff members. However, there is generally multiple staff coverage at each community center during the hours of operation.

A computerized database system referred to as the Social Assistance Management System (SAMS) was implemented by DFCS at the community centers. This system is used to register and record attendance of all citizens who use each community center. OIAI visited three community centers and verified the SAMS system was being used to sign-in citizens.

RECOMMENDATION NO. 7:

The FY05 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.

OIAI requested that Service Providers #1 and #2 supply a detailed list of the FY05 expenditures previously invoiced to the City. OIAI noted the totals of the detailed list of the FY05 expenditures of Service Provider #1's programs did not agree to the totals of the monthly summarized invoices.

OIAI then requested DFCS and Service Provider #1 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 EMSI program. The monthly invoice payment process that was in effect for FY05 did not detect this billing error, because it did not include a reconciliation process.

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 to verify the validity and propriety of these 70 expenditures. Service Provider # 1 was not able to provide supporting documentation for three (4%) of the expenditures, totaling \$10,681.

OIAI recommended that DFCS:

- Strengthen its controls over the payment of Service Provider billings.
- Consider requesting that 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.
- Request reimbursement from Service Provider # 1 for the three unsupported expenditures totaling \$10,681.

DFCS responded that it agreed with this finding, and:

- Met with Service Provider # 1 in August 2006 to discuss what 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.
- DFCS fiscal staff would be given detail budgets for each school so that expenditures could be reconciled to individual budgets.
- DFCS fiscal staff contacted Service Provider # 1 in October 2006 to make another attempt to obtain the supporting documentation for the three invoices totaling \$10,681. If that could not be done, the Department would pursue either a request for repayment or a credit against a subsequent draw request on the contract.

ACTION TAKEN

The audit recommendations have been fully implemented or resolved.

DFCS now requires Service Provider # 1 to submit a listing of all the detail expenditures that make up a monthly Request for Reimbursement and supporting documentation including vendor's invoices, payroll reports, etc. DFCS verifies that all expenditures on the monthly Request for Reimbursement are supported, prior to paying the invoice. OIAI reviewed the March 2009 Request for Reimbursement from Service Provider #1 totaling \$132,109, and verified that it included a listing of all detail expenditures and the supporting documentation.

OIAI verified that DFCS reconciles the comprehensive listing of expenses charged to the contract to the monthly amount billed by the Service Provider, prior to paying the invoice.

Service Provider #1 submitted documentation to DFCS for the three expenditures totaling \$10,681. OIAI reviewed the documentation and determined that it supported the expenditures.

CONCLUSION

Six of the seven recommendations noted in the initial audit report have been fully implemented or resolved. One recommendation was partially implemented. DFCS should ensure funds collected are deposited no later than the close of the next business day.

We appreciate the assistance and cooperation of DFCS personnel during the follow-up.

Principal Auditor

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Audit Manager

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APPROVED:

APPROVED FOR PUBLICATION:

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