

**Prince George's County, Maryland
Office of Audits and Investigations**

Department of Family Services/Health Department

Youth Services Bureaus Audit

March 2016



**David H. Van Dyke
County Auditor**

TABLE OF CONTENTS

	<u>PAGE</u>
Letter of Transmittal	
Youth Services Bureaus Audit Report	2-24
Agency Responses.....	25-33



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

March 2016

The County Council and County Executive
of Prince George's County, Maryland

We have conducted a performance audit of the

**DEPARTMENT OF FAMILY SERVICES/HEALTH DEPARTMENT
YOUTH SERVICES BUREAUS**

in accordance with the requirements of Article III, Section 313, of the Charter for Prince George's County, Maryland. Our report is submitted herewith.

We have discussed the contents of this report with appropriate personnel of the Department of Family Services and the Health Department, and wish to express our sincere gratitude to them for the cooperation and assistance extended to us during the course of this engagement.

A handwritten signature in blue ink, appearing to read "D. H. Van Dyke".

David H. Van Dyke, CPA
County Auditor

A handwritten signature in blue ink, appearing to read "J. S. Moise".

Jude S. Moise
Auditor

A handwritten signature in blue ink, appearing to read "Alicia C. Stanford".

Alicia C. Stanford, CIA
Auditor

Results In Brief

The Department of Family Services (DFS) provides programs that strengthen families and individuals to help them realize their full potential and contribute to their communities in order to enhance their quality of life. The Department is comprised of three administrations that serve the aging, mentally-ill, disabled, and children, youth and families in need of support and resources. The Children, Youth and Families Division of the DFS serves as the support staff to the Local Management Board (LMB), which is responsible for overseeing the Youth Services Bureaus (YSB) program in Prince George's County. The LMB was established by Maryland's Governor's Office for Children to increase local authority to plan, implement, and monitor children and family services.

The funding of the YSB is a shared responsibility between the State of Maryland and local governments. There are three (3) main funding sources utilized to operate each Youth Services Bureau in Prince George's County:

1. State YSB Funds (LMB/DFS) - Governor's Office for Children
2. County Government Funds – Department of Family Services and the Health Department
3. Municipal Funds– City Government in which the YSB operates

Some YSBs also collect a fee for service from clients based on the client's family income. A summary of the funding managed by the County (Department of Family Services or the Health Department) for fiscal years 2013 and 2014 (both County and State funds) is shown below:

FY 2013						
Funding Source	Bowie	Laurel Beltsville	College Park	Greenbelt	District Heights	Total YSB
State YSB Funds (LMB/DFS)	\$95,117	\$64,291	\$72,055	\$65,008	\$59,705	\$356,176
County Government Funds (Council)	30,000	30,000	30,000	30,000	30,000	150,000
County Government Funds (Health Dept)		111,365				111,365
FY 2013 Program Total	\$125,117	\$205,656	\$102,055	\$95,008	\$89,705	\$617,541

FY 2014						
Funding Source	Bowie	Laurel Beltsville	College Park	Greenbelt	District Heights	Total YSB
State YSB Funds (LMB/DFS)	\$95,117	\$64,291	\$72,055	\$65,008	\$59,705	\$356,176
County Government Funds (Council)	30,000	30,000	30,000	30,000	30,000	150,000
County Government Funds (Health Dept)		111,365				111,365
FY 2014 Program Total	\$125,117	\$205,656	\$102,055	\$95,008	\$89,705	\$617,541

Given the amount of funding managed by the County (including pass-through funding from the State of Maryland), it is imperative that the related internal controls are operating effectively and efficiently.

The following major findings are addressed in our report:

- A full-time Prince George's County employee was paid \$10,000 at the end of FY 2014 from an independent (non-County) checking account that the employee operated during the fiscal year for the Laurel-Beltsville Oasis YSB (Oasis).
- Inadequate management oversight of the Oasis YSB, including the operation of non-County bank accounts and the disbursement of funds to consultants that were not authorized by the County's Health Department.
- Several instances of a lack of segregation of duties in the revenue collections process within the Oasis YSB.
- The Oasis YSB did not follow Administrative Procedure 346, as required by all County agencies that collect revenue. Deposits are not made daily, regular reconciliations of revenue are not performed, and County employees are operating non-County bank accounts (as mentioned above).
- Lack of corrective action plans when performance measures are not met.
- Untimely submission of payment requests from the YSBs to the Department of Family Services – Local Management Board.
- Inadequate documentation maintained by the Department of Family Services – Local Management Board and lack of supervisory review of YSB files.

Internal control activities are an important part of an agency's planning, implementing, and reviewing process. They are essential for effective and efficient operations and proper accountability of county, state, and federal resources. Hence, several recommendations for its improvement are made throughout this report.

Background

Youth Services Bureaus were created in 1971 with Federal Law Enforcement Assistance Administration funds by local communities interested in preventing delinquency and negative outcomes for their youth. In 1974, the Maryland Association of Youth Services Bureaus (MAYSB) was incorporated and funding was secured from the State of Maryland to support this program.

The mission of the MAYSB is to promote the physical, emotional, and mental well-being of Maryland's children, youth, and families through a network of community based Youth Services Bureaus. The MAYSB originated with 13 members and has since grown to a 19 member organization. The MAYSB develops data collection, reporting, and evaluation systems to improve services, and conducts professional training to raise the standards of the delivery of services in the YSB program. Its vision is to be recognized as advocates for the needs of children, youth and families through a statewide network of fiscally viable Youth Services Bureaus.

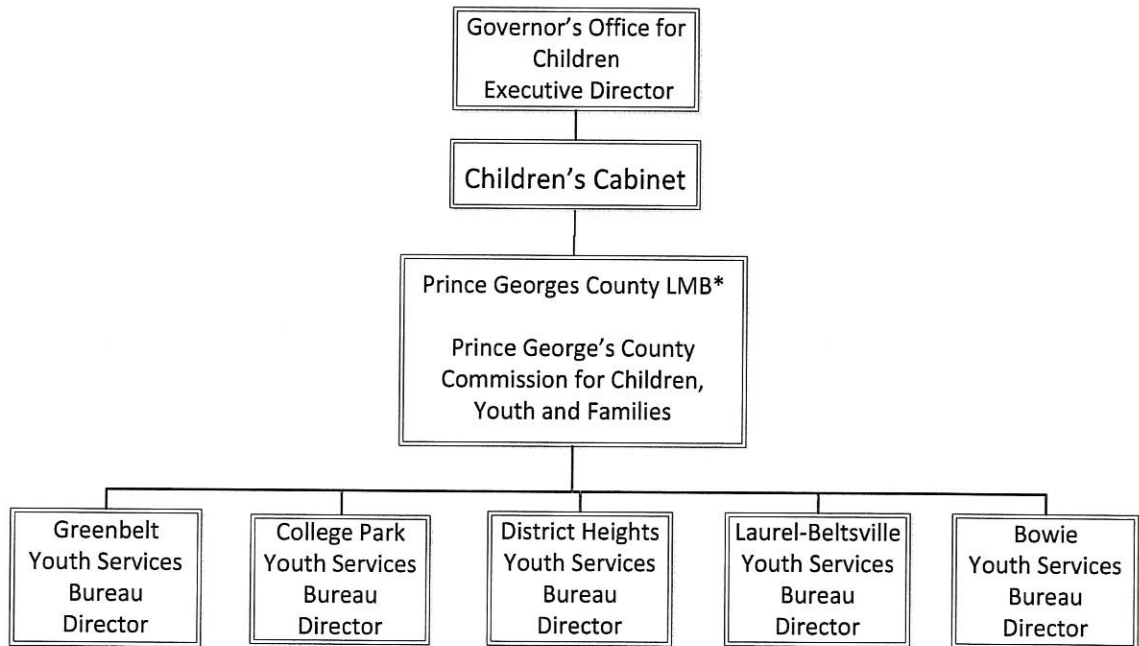
Five (5) of Maryland's Youth Services Bureaus are located in Prince George's County. The Youth Services Bureaus located in Bowie, College Park, Greenbelt and Laurel-Beltsville were in operation since the establishment of the MAYSB in 1974. The District Heights Youth Services Bureau was established in 2004.

The Annotated Code of Maryland - Human Services Article, §9-233 gives the authority to the Department of Juvenile Services through COMAR 16.17.01 (Title 16 – Department of Juvenile Services, Subtitle 17 – Community Nonresidential Services, Chapter 01 – Youth Services Bureau) to regulate the Youth Services Bureaus and their operations.

The overall Youth Services Bureaus' funding and accountability was transferred from the MAYSB to the Local Management Board (LMB) in 1997, which was established by the Governor's Office for Children (GOC) to change the way services are provided to children and families in their communities. LMBs are charged with identifying priorities and targeting resources for a jurisdiction's communities with a focus on increasing local authority to plan, implement, and monitor children and family services. LMBs serve as the coordinator of collaboration for child and family services, by bringing together local child-serving agencies, local child providers, clients of services, families, and other community representatives to empower local stakeholders in addressing the needs of and setting priorities for their communities. Overseeing the five (5) Youth Services Bureaus in Prince George's County is also part of this responsibility.

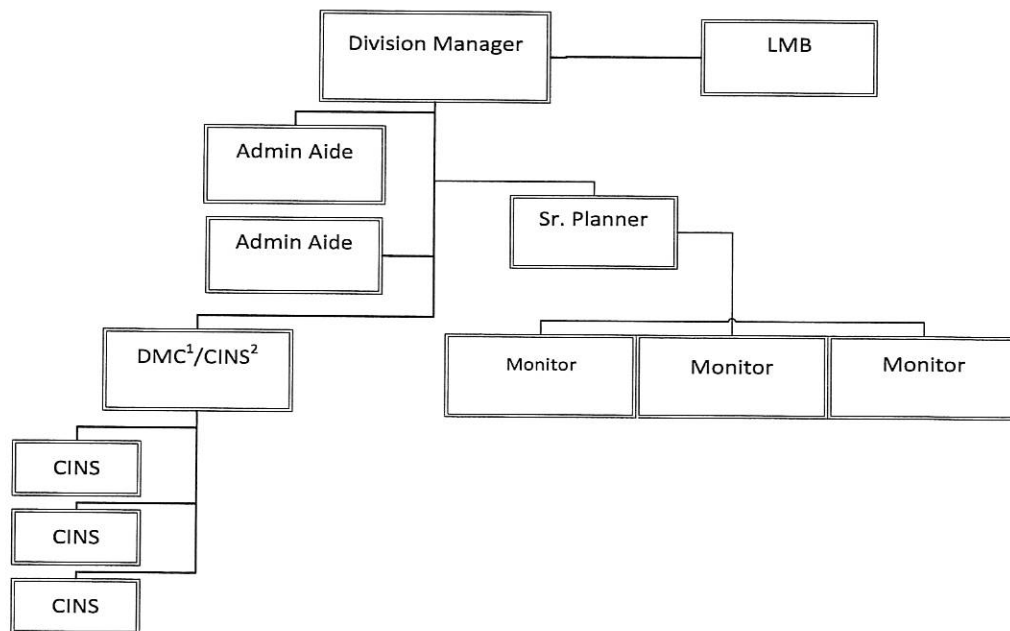
One of the five YSBs, Laurel-Beltsville Oasis, is managed by the County's Health Department. The other four are managed by the municipalities in which they are located.

Below is the overall reporting structure for the Youth Services Bureaus.



* **Note:** There is a Local Management Board for each County with a local point of contact that reports directly to the Children's Cabinet.

The Department of Family Services' Children, Youth & Families Division Organizational Chart as of September 2014, is also provided below.



1 – Disproportionate Minority Contact (DMC) Initiative
2 – Children in Need of Supervision (CINS)

Objective, Scope, & Methodology

The purpose of this audit was to: (1) assess the adequacy and performance of designed control activities in place related to the funding and accountability of the County's Youth Services Bureaus; (2) determine adherence to applicable laws, regulations, and internal policies and procedures; and (3) identify factors inhibiting satisfactory performance and recommend corrective action.

To conduct this audit, we obtained monitoring, performance measure, statistical, and annual reports for each YSB for FY 2013 and FY 2014 from the Department of Family Services. For the fiscal years selected, we reviewed documentation to support selected performance measures and grant expenditures for each of the County's YSBs.

In addition, we interviewed Department of Family Services, Health Department, and Youth Services Bureau personnel, and reviewed operating/accounting procedures and other records related to the Youth Services Bureaus program. All significant fieldwork was completed by September 30, 2015.

Management's Responsibility for Internal Controls

Internal control is defined as "a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance" regarding the achievement of the following objectives relating to operations, reporting, and compliance¹:

- Effectiveness and efficiency of the entity's operations;
- Reliability, timeliness, and transparency of financial and non-financial reporting; and
- Adherence to laws and regulations to which the entity is subject.

Management is responsible for establishing and maintaining an environment that sets a positive and supportive attitude towards internal control. When the importance of internal controls is communicated to employees, particularly through management's own actions and beliefs, the process is more likely to function effectively.

A strong internal control environment is essential in minimizing operational risks and improving accountability; this further helps an agency to achieve its mission.

¹ *Internal Control – Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission, Copyright 2013

We noted the following strengths in relation to the controls we reviewed in the Youth Services Bureau program within the County:

- Funding and accountability for the YSB program was transferred to the Local Management Board in 1997 to ensure better program oversight.
- Monitoring, Performance Measure, and Monthly Statistical Reports are required to be submitted by the YSB on a quarterly and annual basis.
- YSBs are required to submit an annual budget to the Local Management Board for review and approval.
- YSBs are required to maintain program records and all pertinent information for a minimum of five (5) calendar years.
- YSBs are required to utilize GAAP for their accounting practices and have an annual independent audit performed on its operations.
- All YSB staff/volunteers are required to obtain and submit proof of a criminal background check prior to employment.
- The Local Management Board is required to prepare target performance measures for the YSB Program and report the progress of the program in semi-annual and annual reports to the State of Maryland.

We also observed control weaknesses in the management of the Youth Services Bureaus program that require management's attention. The following sections detail the items noted during our review.

Improper Payment Made to County Employee

During our review of the Oasis YSB, we discovered a full-time Prince George's County employee was considered to be a staff member of the Oasis YSB by the Oasis Board of Directors due to the nature of his/her duties with respect to the program. Our review also revealed that the County employee was paid \$10,000 at the end of FY 2014 from an independent (non-County) SunTrust Bank checking account that the County employee operated during the fiscal year.

The check, dated 6/11/14, was signed by the former Executive Director of Oasis who had retired from the County on 6/30/13. The check memo states the payment was for "consultant fees". A&I noted that the payment was approved by the Oasis Board of Directors during a "Special Board of Directors Meeting" held on 6/11/14 as an award for work performed by the County employee during the fiscal year.

The County employee did not notify his supervisor of the payment received from the Oasis Board of Directors. During meetings held with the Health Department's Behavioral Health Services Division Program Chief and the current Executive Director of the Oasis YSB, we were informed that they did not become aware of the

consulting payment made to the full-time County employee until review of the Oasis YSB bank statements was performed in July 2014 by the current Executive Director.

Furthermore, during initial interviews conducted by A&I in December 2014 with the Program Chief and the County employee who received the payment, the County employee stated that he was not sure why he received the payment. At that time, the Program Chief stated that the payment may have been a bonus since the staff individually operated the YSB for the entire year of FY 2014. (Note: The Executive Director position had been vacant for most of the fiscal year following the former Director's retirement in June 2013.) In a subsequent meeting held on September 16, 2015 with the County employee, which included the Health Officer, the Deputy Health Officer and the Associate Director of Behavioral Health Services, the County employee acknowledged that the payment was a bonus.

Article X. Sections 1002 through 1004 of the Prince George's County Charter state the following:

"No officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in, or receive any benefit from, the profits or emoluments of any contract, job, work, or service for the County." (Section 1002)

"No officer or employee of the County, elected or appointed, shall compel any other officer or employee of the County to do or perform any private service or work outside of his public office or employment." (Section 1003)

"No officer or employee of the County, elected or appointed, whose compensation is fixed, in whole or in part, by this Charter, the laws of the County, or its personnel regulations, shall be entitled to any other compensation from the County for performance of public duties, except expenses for travel and subsistence incident to the performance of his official duties as prescribed by law." (Section 1004)

Related to the distribution of bonus payments, the State of Maryland Policies & Procedures Manual for Local Management Boards states that:

"The award of a bonus must be based on documented job performance, a written job appraisal or some other documented, measurable criteria and which is available to all employees within the same class."

"Any bonus given to an employee is taxable income to that employee and must be reported accordingly."

In its publication on standards for internal controls (GAO-14-704G) (09/2014) the Government Accountability Office (GAO) states that internal controls should be designed to assure that "ongoing monitoring of the design and operating effectiveness

of the internal control system” is part of the normal course of operations. “Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.”

The Oasis YSB’s control of two independent (non-County) SunTrust bank accounts allows the County employee to have access to funds that had been raised by the YSB’s Board of Directors in previous years.

Inadequate monitoring from the Health Department’s Behavioral Health Services Division for the accounting, collection, and processing of revenues and other funding also may have contributed to the deficiencies noted during our audit.

Lack of monitoring of the Oasis YSB’s accounting operations by the Health Department may result in errors, fraud, or other irregularities within the Oasis YSB. It increases the risk of both erroneous and inappropriate actions in the revenue collection process, as well as the possibility that errors or fraud may go undetected.

(1a) We recommend that the Health Officer discontinue the practice of Health Department staff operating non-County bank accounts. Additionally, all County revenue collected by the Oasis YSB should be deposited into an approved County bank account, as required by **Administrative Procedure 346**.

(1b) We recommend that the Health Officer meet with the Oasis YSB’s Board of Directors to determine each body’s responsibilities within the Oasis YSB, particularly in the management of the non-County bank accounts and transaction of funds.

(1c) We also recommend that the Health Officer establish and implement ongoing monitoring of all of the Oasis YSB’s’ accounting operations, including receipt and disbursement of all funds.

Lack of Management (Health Department) Oversight

As a result of our walk-throughs and inquiry of the Oasis YSB, we discovered several instances of inadequate monitoring:

- The Oasis YSB is operating two independent (non-County) SunTrust Bank accounts, a checking account and a money market account. Records of the bank statements show a total of \$18,500, and \$19,200 in transfers were made from the money market account to the checking account in FY 2013 and FY 2014 respectively. The Oasis YSB has always used non-County bank accounts to manage its funds.
- A full time Prince George’s County employee was paid \$10,000 at the end of FY 2014 from the independent (non-County) bank accounts. (See page 7 for related finding.)

- Two contracted employees were being paid by the Oasis YSB through the SunTrust Bank (non-County) accounts. A total of \$ 15,018.19 was paid in FY 2013, and a total of \$6,584 was paid in FY 2014 to the two employees. IRS Form 1099 was not prepared for Consultant A and Consultant B, who received payments totaling \$6,240 and \$6,435 respectively in calendar year 2013 for services provided to the Oasis YSB. In FY 2014, the payments made to the individual consultants did not meet the reporting requirements for IRS Form 1099.

During our meeting with the Health Department's Behavioral Health Services Division Program Chief, we noted that the Program Chief was not aware of the two (non-County) bank accounts or the consulting payments made to its staff (the full time County employee and the contracted consultants).

In the FY 2013 and FY 2014 interagency agreements between Prince George's County Department of Family Services/Local Management Board and the Prince George's County Health Department, the Health Department agrees to:

- *Act as lead agency in administering the Laurel/Beltsville Oasis Youth Services Bureau; and*
- *Secure vendors through the County procurement process.*

Also, since the Oasis YSB is operating under the County's Health Department, it must follow the County's Revenue Collection Procedures (**Administrative Procedure 346**) which states that all collection of funds received shall be deposited in a County bank account "*intact and no monies withheld. Under NO circumstance shall any collections be used for direct disbursement by the department.*"

In its publication on standards for internal controls (GAO-14-704G) (09/2014) the Government Accountability Office (GAO) states that internal controls should be designed to assure that "*ongoing monitoring of the design and operating effectiveness of the internal control system*" is part of the normal course of operations. "*Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.*"

The Internal Revenue Service (IRS) requires organizations to report other income or payments of \$600 or more to independent contractors/employees on Form 1099-MISC. Payments must be reported if the following four conditions are met:

- Payment is made to someone who is not your employee;
- The payment is for services in the course of your trade or business (including government agencies and nonprofit organizations);
- The payment is made to an individual, partnership, estate, or, in some cases, a corporation; and
- Payments were made to the payee of at least \$600 during the year.

We noted inadequate communication between the Health Department Behavioral Health Services Division management and the Laurel-Beltsville Oasis Inc.'s Board of Directors in matters related to the Oasis YSB's ongoing operations.

Inadequate monitoring from the Health Department's Behavioral Health Services Division for the accounting, collection, and processing of revenues may have also contributed to the deficiencies noted during our audit.

Lack of monitoring of the Oasis YSB's accounting operations by the Health Department may result in irregularities within the Oasis YSB. It increases the risk of both erroneous and inappropriate actions in the revenue collection process, as well as the possibility that errors or fraud may go undetected.

(2a) We recommend that the Health Officer establish and implement ongoing monitoring of all of the Oasis YSB's accounting operations, including receipt and disbursement of all funds.

(2b) We further recommend that the Health Officer ensure that employees and consultants are paid through the Office of Finance (either as an employee or through a staffing agency) to ensure that payments for services provided are appropriately reported to the Internal Revenue Service.

Lack of Segregation of Duties

As a result of our walk-throughs and inquiry of the Oasis YSB, we discovered several instances of a lack of segregation of duties in the revenue collections process.

Upon our examination, we found that one employee collected cash/check payments from self-pay clients, processed the payments, and transmitted the payments via courier pick up to the Health Department Banking Unit during FY 2014. The employee also processed payments for Medicaid patients covered by Value Options (VO), which are wired directly into the Oasis YSB's independent (non-County) SunTrust Bank account. The same employee also recorded the payments then wrote a check to the Health Department for the same amount received from Value Options. The employee also was the Acting Program Manager, provided clinical services, and headed the Dispute Resolution and Managing Anger (DRAMA Club) program.

Our review also revealed that the same employee was responsible for writing checks, making small office supply purchases, and maintaining the two independent SunTrust Bank accounts (non-County accounts) for the Oasis YSB. Activity in these accounts is not monitored by the Health Department's Behavioral Health Services Division, the Division responsible for overseeing the Oasis YSB. (See page 9 for related finding.)

Additionally, we found no evidence of documentation and/or review by a different staff member to validate the accuracy and completeness of records of daily receipts and purchases.

The Oasis YSB reported that only one employee was operating the various duties of the revenue collections process due to a shortage of staff within the Oasis YSB.

Inadequate directives from the Health Department Behavioral Health Services Division Program Chief for the accounting, collection, and processing of revenues may have also contributed to the lack of segregation of duties.

According to the County's Revenue Collection Procedures (**Administrative Procedure 346**), *"the cashier should not have access to documents and records under the bookkeeper's control and the bookkeeper should not handle any money."*

Furthermore, in its publication on standards for internal controls, the Government Accountability Office (GAO) states that management should divide or segregate "key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event."

The GAO also states that management should establish controls to secure and safeguard assets including "security for and limited access to assets such as cash...that may be vulnerable to risk of loss." Management should also periodically count and compare such assets to control records.

Segregation of duties is critical to effective internal controls. Inadequate segregation of duties increases the risk of both erroneous and inappropriate actions in the revenue collection process, as well as the possibility that errors or fraud may go undetected.

(3a) We recommend that the Health Officer ensure that duties in the Oasis YSB's revenue collection process are individually assigned so that the cashier and bookkeeping duties within the Oasis YSB are properly segregated, as required by **Administrative Procedure 346**.

(3b) We also recommend that the Health Officer ensure that a detailed supervisory review of Oasis YSB activities is performed, particularly in areas where it may not be feasible to fully segregate all revenue collection duties.

(3c) Additionally, we recommend that the Health Officer ensure that an onsite manager/supervisor review of all Oasis YSB daily fee collection activity is

performed prior to courier pickup and delivery to the Health Department's Banking Unit.

Non-Compliance with Administrative Procedure 346

During our review of the Oasis YSB's accounting operations, we noted the following:

- A&I found that the deposits were not made daily. Employees operating the Oasis YSB explained that receipts collected from customers in cash and checks are transferred to the Health Department Banking unit once a week. Also, electronic payments to the Oasis YSB's SunTrust (non-County) checking account from Medicaid for customers' treatments are also transferred to the Health Department Banking Unit once a week.
- We found reconciliations of collections are not being performed by the Oasis YSB. We noted differences between the revenue reported by the Oasis YSB's records, the Health Department's Banking Unit, and the County's accounting system for FY 2013 and FY 2014. In both FY 2013 and FY 2014, the Health Department's Banking Unit reported \$20,820 and \$16,967, respectively. Oasis YSB records report total receipts in the amount of \$18,682 and \$16,273 for FY 2013 and FY 2014 respectively, a difference of \$2,137 (10%) in FY 2013 and \$694 (4%) in FY 2014.
- Differences ranging from \$111 and \$73,706 between the Health Department's records and the accounting system were also noted. Although a significant portion of this difference (\$68,629) is related to a journal entry posting in the accounting system by the Office of Finance, we noted a difference of \$5,077 for which an explanation was not provided by the Health Department.
- We also found that County revenues are deposited and/or electronically transferred into an Oasis YSB operated (non-County) SunTrust Bank checking account, not an authorized County Bank account. See related finding on page 9 for details.

Regarding timeliness of deposits, **Administrative Procedure 346** states that:

"Collections over \$100 should be deposited daily" and "the bank validated deposit ticket and Agency/Activity Collection/Transmittal Report should be transmitted to the Treasury Division as soon as possible after the deposits are made." Also, "last-day-of-the-month transactions should be transmitted immediately in order for all transactions to be received by the Treasury Division no later than the close of business on the 4th

working day after the end of the month for accurate month end reporting and reconciliation.”

Furthermore, in the publication on standards for internal controls (GAO-14-704G), (09/2014) the Government Accountability Office (GAO) states that transactions should be:

“promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, management designs control activities so that that all transactions are completely and accurately recorded.”

Regarding the lack of reconciliation for the revenue collected, **Administrative Procedure 346** requires a staff member other than the cashier to reconcile the total collections indicated on the Treasury validated Agency/Activity Collection/Transmittal Report to either a copy of a pre-numbered receipt book maintained by the cashier or by cash register totals obtained by the staff.

In addition, the Government Accountability Office (GAO) in its publication on standards for internal controls (GAO-14-704G) states that internal controls should be designed to assure that *“ongoing monitoring of the design and operating effectiveness of the internal control system”* is part of the normal course of operations. *“Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.”*

Administrative Procedure 346 also requires collections from departments to be deposited in a County bank account. **Administrative Procedure 346** states:

“Where a department is not located near the Treasury Division, County Administration Building in Upper Marlboro, arrangements can be made for the department to make deposits directly to County bank accounts.”

Inadequate directives from management may have contributed to the delay in the time revenue is deposited. Also, as discussed on page 9 of this report, a lack of monitoring of the Oasis YSB by the Health Department management may have contributed to the lack of reconciliation of the revenues collected by the Oasis YSB and the use of an unauthorized separate bank account.

Untimely deposits of fees collected increase the opportunity for loss of County funds, occurrence of errors, or fraudulent activity. Additionally, while the variance noted was not material, a lack of periodic reconciliations of revenue collected by the Oasis YSB to the amount of the revenue recorded in the Health Department’s Banking Unit and the County’s financial system, may cause errors

or irregularities within the revenue collections process to go undetected, thus resulting in inaccurate records, information, and reports.

The Oasis YSB operating separate (non-County) bank accounts would also increase the opportunity for loss of County funds, occurrence of errors, and/or fraudulent activity.

(4a) We recommend that the Health Officer ensure that the revenue collected by the Oasis YSB each business day be deposited daily, in accordance with **Administrative Procedure 346**.

(4b) We recommend that the Health Officer establish procedures for reconciling revenue collected by the Oasis YSB to the amount recorded in the Health Department's Banking Unit and the County's financial system.

(4c) We recommend that the Health Officer include specific directives in the established procedures that ensure the verification of reconciling functions by assigned staff, and ensure documentation of reconciliations are maintained.

Lack of Corrective Action Plans for Not Meeting Performance Measures

The Department of Family Services requires specific output performance measures for each YSB Program. These individual Program output performance measures are outlined and approved by both the YSB and the Department of Family Services in the Grant Contract Agreement. These output performance measures assess the "Quantity of Effort" of the individual YSB's formal counseling, informal counseling, information and referral services, and substance abuse assessment and referral. A&I reviewed the YSB Annual Performance Measures Reports for fiscal years 2013 and 2014 for each YSB to determine if output performance measures were achieved.

During our testing, we noted the following instances where expected output measures were not met and corrective action plans were not provided by the individual YSB:

- The College Park YSB did not meet performance measures related to Informal Counseling for FY 2013. A review of the FY 2013 Annual Performance Measures Report indicated that 61 persons received informal counseling, compared to the minimum requirement of 75 persons to be served (19% of goal was not met).
- The District Heights YSB did not meet performance measures related to Information and Referral Services for FY 2014. A review of the FY 2014 Annual Performance Measures Report indicated that 207 persons received information and/or referral services compared to the minimum of 260 persons required by the Grant Contract Agreements, including the County Council Grant Agreement (21% of goal was not met).

- The Greenbelt YSB did not meet performance measures related to Information and Referral Services for FY 2013 and FY 2014. A review of the FY 2013 and FY 2014 Annual Performance Measures Reports indicated that 332 persons and 169 persons, respectively, received information and/or referral services compared to the minimum of 400 persons required by the Grant Contract Agreements (17% and 58% of goal was not met, respectively).

A&I also noted at the time of our review, that the Annual Performance Measures Report for the FY 2014 County Council funds for the Greenbelt YSB (3 out of the 11 output measures reviewed, or 27%) were not documented in the DFS file. (See page 20 of this report for finding related to documentation.) Therefore, A&I was not able to determine whether output measures had been achieved for FY 2014.

- The Oasis YSB did not meet performance measures related to formal counseling for FY 2013 and FY 2014. A review of the FY 2013 and FY 2014 Annual Performance Measures Reports indicated that 56 cases and 32 cases, respectively, received formal counseling, compared to the minimum requirement of 60 cases to be served (7% and 47% of goal was not met, respectively).

Additionally, in FY 2014, a review of the Annual Performance Measures Report indicated 33 cases related to informal counseling were served and 32 persons were assessed for substance abuse risk factors compared to 60 cases and 75 persons, respectively, as required by the Grant Contract Agreements (45% and 58% of goal was not met, respectively).

A&I also reviewed the site monitoring process for FY 2013 and FY 2014 and noted that only one site visit was performed by DFS during FY 2013.

The Grant Contract Agreement requires the Department of Family Services to assess the YSB's performance and outlines the specific output measures expected from the YSB in the Grant Contract Agreement.

The status of the performance measures are reported in the Performance Measures Program Report, which is required to be submitted to the DFS twice per year. Additionally, the State of Maryland Policies and Procedures Manual for Local Management Boards (LMB) requires the LMB to ensure performance measures indicating the quantity of effort, quality of effort, and quality of effect are developed and met for the YSB. The Narrative Program Report, which is required to be submitted annually, provides the YSB with the opportunity to include any *"concerns and issues with program compliance; and recommendations for resolution of these issues"*.

Furthermore, per discussion with DFS staff, the Program Monitor conducts two site visits per year. Also a draft of the DFS – Children, Youth and Families

Division Monitoring Policy and Procedures Manual, stated that “All Subgrantees shall receive at a minimum two (2) site monitoring visits and desktop monitoring each fiscal year.”

In four out of the six (67%) instances of noncompliance, an explanation for not meeting expected output measures was not provided by the YSBs in the Annual Performance Measures Report or the Annual Narrative Program Report required to be submitted to DFS. Furthermore, in our review of the quarterly narrative reports, we noted that one YSB (Greenbelt) reported that it had “no specific concerns” related to program compliance. Therefore, DFS/LMB does not enforce the requirement of the Youth Services Bureaus to provide an explanation or written corrective action plan when expected output measures are not met.

One YSB (Oasis) reported that it was not able to meet expected output measures (its caseload had to be reduced) as a result of a lack of staffing/human resources in the YSB.

Per inquiry with the Department of Family Services, the second follow-up site visit did not occur in FY 2013 due to the absence of the site monitor for an extended period of time during the fiscal year. In addition, the DFS – Children, Youth and Families Division Monitoring Policy and Procedures Manual had not been finalized and approved at the time of our audit.

When the YSB does not provide explanations for not meeting expected output measures, the DFS/LMB may not be aware of the challenges the YSBs may be facing in meeting agreed upon performance measures. Furthermore, DFS/LMB is not provided the opportunity to work with the YSB to identify program issues and potential areas for improvement.

If an individual YSB continues to fall short of agreed upon output performance measures, the Local Management Board may not be assisting as many youth as possible with the funds allocated by the State of Maryland. Additionally, State grant funding is not available to support other YSBs and/or nonprofits that are willing to provide needed youth services in the County.

Furthermore, not performing two site visits does not allow the Department to fully ascertain contract compliance of that individual YSB for the remainder of the fiscal year. In addition, there is an increased likelihood that local and State funds may be remitted to an individual YSB that is not in compliance with the Grant Contract Agreement. Lastly, not performing a second site visit does not allow the Department to follow-up on recommendations or corrective actions from the first site visit in a timely manner.

(5a) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board enforce the Division’s policy to provide a written explanation for any output performance measures that have not been

met and an action plan to ensure future achievement of the measures, as requested in the Quarterly/Annual Narrative Program Reports. Additionally, if the YSB continues to fall short of specific performance measures, the LMB Director and the YSB should determine whether the agreed-upon measures are reasonable, given the resources available.

(5b) We further recommend, that the Acting Director of the Department of Family Services develop and approve monitoring policy and procedures, and communicate any changes to the Department's procedures to all staff involved in the process, in a timely manner.

(5c) We also recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board update the Site Monitoring Procedures to include an analysis of the individual YSBs output performance measures. The Local Management Board should work collaboratively with the individual YSBs throughout the fiscal year to ensure achievement of output performance measures, compliance and effectiveness of the individual YSB program, and overall success of the County's Youth Services Bureaus.

(5d) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board include and enforce the assignment of a back-up site monitor in its monitoring policy and procedures, in the event that the main site monitor is not available to perform the required number of site visits. The backup site monitor should be properly trained to effectively conduct site monitoring to the standard of the main site monitor.

Untimely Submission of Payment Requests

A&I reviewed the Department of Family Services/Local Management Board's grant expense reimbursement process and documentation for FY 2013 and FY 2014 for each individual YSB. To initiate reimbursement, the individual YSB must submit a DFS Form 437, Request for Payment by the specified due dates, as indicated in the individual YSB Grant Contract Agreement.

Through our review of the individual YSBs, we discovered the following instances of untimely submission of payment requests:

- The Bowie YSB submitted 10 out of 17 (58%) of its payment requests late to the Local Management Board. Late payment requests for the Bowie YSB's State and County Council grants totaled \$132,513 for the period under review.
- The College Park YSB submitted 5 out of 17 (29%) of its payment requests late to the Local Management Board. Late payment requests for the College Park YSB's State and County Council grants totaled \$73,037 for the period under review.

- The District Heights YSB submitted 8 out of 11 (72%) of its payment requests late to the Local Management Board. Late payment request for the District Heights YSB's State and County Council grants totaled \$132,788 for the period under review.
- The Oasis YSB submitted 7 out of 9 (77%) of its payment requests late to the Local Management Board. Late payment requests for the Oasis YSB's State and County Council grants totaled \$136,232 for the period under review.

The FY 2013 and FY 2014 Grant Contract Agreement between the Prince George's County Department of Family Services/Local Management Board and each Youth Services Bureau states that the *"Grantee will submit reports detailing expenditures and income in accordance with approved budget. The Grantee will utilize the DFS Form 437, Request for Payment. The reports must be submitted to Program Monitor, DFS/CYFD...Funds will be released only if providers are compliant with programmatic and all other financial reporting requirements."* Each YSB is required to submit requests for reimbursement of actual expenditures reported for each two-month period, no later than the 10th of the following month.

The agreements also state that payment to the YSB *"may be withheld, delayed and/or reduced pending receipts"* of the DFS Form 437, Request for Payment.

We noted that the agreements between the Prince George's County Department of Family Services/Local Management Board and the YSBs are signed considerably late (anywhere from 23 to 290 days after the effective date of the Grant Contract Agreement). The untimely approval of the Grant Contract Agreement greatly contributed to the untimeliness of the payment requests.

Furthermore, the Local Management Board does not take corrective action against the YSB when payment requests are submitted after the required due dates.

Lack of timely submission of payment requests may result in delays in identifying irregularities or inappropriate use of County and State funds. It also increases the risk that both erroneous and/or inappropriate activity in the accounting process may exist, as well as the possibility that errors or fraud may go undetected. Additionally, payments to the YSB may be withheld, delayed, or reduced if Request for Payment forms are not submitted timely, in accordance with the grant agreement.

(6a) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board take action to approve Grant Contract Agreements with the YSBs in a timely manner, within 60 days after receipt of the Notice of Grant Award.

(6b) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board institute specific directives related to corrective action to be taken when the YSBs are not in compliance with the Grant Contract Agreements.

Inadequate Documentation/Lack of Supervisory Review

During our review of the YSB files maintained by the Department of Family Services/Local Management Board, we noted several examples of inadequate documentation in the YSB files:

- A&I reviewed the DFS/LMB's files for the individual YSBs and found the following related to evidence of background checks for employees, consultants, and volunteers:
 - Two cases where personnel in the Bowie YSB did not have evidence that background checks were performed in FY 2013 and one case in FY 2014.
 - One case where a staff member in the District Heights YSB did not have evidence indicating that a background check was performed in the FY 2014 file.
 - Contracted personnel and student interns working at the Oasis YSB do not have evidence that background checks were performed in FY 2013 and FY 2014.
- The Contact Folder Monitoring Form is used by the LMB's designated Program Monitor to document dates of reports/other information received and dates of activities conducted by the LMB. Upon our review of the YSB files, we found that these forms were incomplete. Several dates for when documents are received and/or if information was received were not recorded on the form.
- We also reviewed and noted several versions of the annual report of performance measures for three out of the five YSBs. Conflicting data for the same performance measures was provided in these reports approximately 38% of the time during the period under audit (FY 2013 – FY 2014). An explanation was not provided for the different versions of the reports by the LMB. Also, we received no explanation for instances where the reports had conflicting performance measure data.

- During our review of the YSB files we also noted instances where Annual Fiscal Reports (Form 440), summarizing all expenditures for the fiscal year, and Annual Performance Measures Reports, summarizing the YSB's performance for the fiscal year, were either missing or incomplete as follows:
 - Annual Fiscal Reports submitted by the Bowie YSB for FY 2013 and FY 2014 did not include the final payment for the fiscal year.
 - Annual Fiscal Reports submitted by the District Heights YSB for FY 2013 and FY 2014 were not included in the YSB files.
 - The Annual Fiscal Report submitted by the Greenbelt YSB for FY 2014 was not included in the file; Annual Performance Measures Report for the FY 2014 County Council funds was not included in the file. See related finding on page 16 of this report.
 - The Annual Fiscal Report submitted by the Oasis YSB for FY 2014 did not include the final payment for the fiscal year.

A&I also reviewed the Department of Family Services (DFS) YSB grant expense reimbursement process and documentation for FY 2013 and FY 2014 for each individual YSB. During this review, A&I noted that DFS does not collect supporting documentation such as invoices, receipts, and/or timesheets as part of their expense reimbursement submission process. DFS only requires the submission of a completed DFS Form 437, Request for Payment to process expense reimbursement payments. Although, DFS reported that Program Monitors have access to vendor files and may request additional documents, A&I's examination of the site monitoring reports for the audit period did not indicate that documents to support expenses had been requested and reviewed by the Program Monitors.

A&I noted the following instances where the DFS Form 437, Request for Payment was not approved (as indicated by signature authorization) by the DFS/LMB prior to payment to the YSB:

- Two of the 12 (16%) request forms for the Bowie YSB totaling \$36,674 had no authorization signature.
- Two out of 12 (16%) request forms for the Greenbelt YSB totaling \$21,829 were not approved by the DFS/Local Management Board.
- One of the 9 (11%) request forms for the Oasis YSB in the amount of \$18,721 had no authorization signature.

The Maryland Association of Youth Service Bureaus' (MAYSB) Standard Operating Procedures states:

"Each bureau shall follow sound personnel practices and maintain complete personnel files that include for each bureau staff member a completed criminal background check ... and, as required by the

Department of Juvenile Services policy a criminal background check for volunteers”

According to the agreements between the Prince George’s County Department of Family Services/Local Management Board and each Youth Service Bureau:

“A National and State criminal history records check is required for individual in accordance with State law, including Family law Article, Title 5, Subtitle 5, Annotated Code of Maryland and COMAR 12.15.02.”

“The LMB must ensure that vendors are in compliance with the criminal background requirements. The LMB shall ensure that vendors develop and comply with policies and procedures developed to respond to situations in which a criminal background check discloses activity”

The agreements also state the following with regards to expenditure reporting:

“All applicable reports generated in accordance with this provision must be submitted to the Department’s designated Program Monitor for review and approval, in accordance with the schedule contained in Scope of Service”

Additionally, good business practice ensures that invoices are properly reviewed and approved. An individual who signs an invoice is essentially providing authorization for the disbursement of funds and is held accountable for the transaction.

In its publication on standards for internal controls (GAO-14-704G), GAO also states that management should clearly document *“internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals in either paper or electronic form.”* Furthermore, all documentation and records should be properly managed and maintained.

In addition, *“ongoing monitoring of the design and operating effectiveness of the internal control system”* should be incorporated into the normal course of operations. *“Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.”*

The absence of adequate documentation in the YSB program files may have resulted from the lack of written policies and procedures, as well as regular supervisory review. The LMB also acknowledged that it has experienced challenges with the YSB site monitoring function, which resulted in the turnover of staff within the Department.

DFS does not require the submission of supporting documentation such as invoices, receipts, and timesheets with the DFS Form 437 as part of its expense reimbursement process. Additionally, it appears the lack of approval on the DFS Form 437, Request for Payment may have been an oversight by the Department of Family Services/Local Management Board.

Additionally, DFS staff stated that the official YSB program files may reflect incomplete data since final payments and reimbursements are completed within the Department's fiscal operations, where another set of files related to the YSBs is maintained.

Furthermore, since the maintenance of paper files can be difficult and cumbersome, ineffective filing procedures may have also resulted in the misplacement of the documents selected for review.

Lack of supervisory review can minimize the amount of adequate documentation available to Management to effectively evaluate the performance of its staff and the operations of the YSBs.

Lack of appropriate approval of expenditures can result in an increased likelihood of the distribution of local and State funds for fraudulent and/or inaccurate expenses.

Inadequate documentation decreases the level of accountability and increases the likelihood of errors, thus resulting in inaccurate records, information, and reports. Lack of documentation can also decrease the amount of evidence available if a question or dispute arises about specific transactions.

(7a) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board establish written operating procedures (or update, if applicable) to ensure that comprehensive documentation of the LMB monitoring process is prepared and maintained.

(7b) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board institute periodic supervisory review of the YSB's files to ensure that documents maintained are accurate, complete, consistent, and prepared according to standards. Procedures should also include guidelines to ensure supervisory reviews are documented.

(7c) We recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board require that evidence of review (as documented on the Employee File Review form) of any required National and State criminal background history records are maintained in the LMB's files for every YSB employee, intern and contractor working directly with children.

(7d) We also recommend that the Acting Director of the Department of Family Services or the Director of the Local Management Board develop and approve policies and procedures to include the review of supporting documentation for expenses, such as invoices, receipts and/or timesheets.

(7e) We further recommend that the Acting Director of the Department of Family Services ensure written operating procedures are established (or updated, if applicable) to make certain that comprehensive documentation of YSB activity is prepared and maintained with the program file. Procedures should also include guidelines to ensure hardcopy and electronic data (if applicable) is properly secured, accounted for, and retained for an appropriate amount of time.



Office of the Health Officer

MEMORANDUM

DATE: February 18, 2016

TO: David Van Dyke,
County Auditor

FROM: Pamela B. Creekmur,
Health Officer

RE: Audit Report – Oasis, Youth Services Bureau – Health Department

I have reviewed the draft of your final audit report on the Prince George's County Youth Services Bureau's Oasis Program.

Attached, you will find responses to the recommendations identified in your report which outline what actions the Health Department has taken to date and what actions the Department plans to take, along with an associated time frame.

Should you have any questions or concerns, please feel free to contact me at (301) 883-7834 or via email at pbcreekmur@co.pg.md.us.

cc: Wright Doss, Behavioral Health Division
PC: AAJ



Barbara L. Doss, II
Council Executive

Headquarters Building
1701 McConrck Drive, Suite 200, Largo, MD 20774
Office 301-883-7834, Fax 301-883-7896, TTY/ITS Dial 711
www.princegeorgescountymd.gov/health

HEALTH DEPARTMENT RESPONSES TO OFFICE OF AUDITS & INVESTIGATIONS AUDIT REPORT

A&I Finding #1: A&I discovered that a full-time Prince George's County employee was considered to be a staff member of the Oasis YSB by the Oasis Board of Directors due to the nature of his/her duties with respect to the program. The County employee was paid \$10,000 at the end of FY 2014 from an independent (non-County) SunTrust Bank checking account that the County employee operated during the fiscal year.

A&I Recommendations:

(1a) The Health Officer should discontinue the practice of Health Department staff operating non-County bank accounts. Additionally, all County revenue collected by the Oasis YSB should be deposited into an approved County bank account, as required by Administrative Procedure 346.

(1b) The Health Officer should meet with the Oasis YSB's Board of Directors to determine each body's responsibilities within the Oasis YSB, particularly in the management of the non-County bank accounts and transaction of funds.

(1c) The Health Officer should establish and implement ongoing monitoring of all of the Oasis YSB's accounting operations, including receipt and disbursement of all funds

Department's Response:

(1a) Access to non-County bank accounts by HD staff was stopped effective January 15, 2016. The Board of Directors was notified of this change, and has confirmed their understanding of this directive.

(1b) A letter was sent to the YSB, Board of Directors notifying them of the audit findings and corrective actions needing implementation. This includes the following:

- Have all access to Oasis checking accounts terminated.
- Not under any circumstances, provide any compensation (financial or otherwise) for any reason to county employees.
- Include PGCHD leadership in any request for activities which could be construed as lobbying for the YSB, including meetings with public officials.
- Include PGCHD leadership in any request for data related to the Oasis Behavioral Health Clinic.
- PGCHD Oasis staff is not permitted to perform any services on behalf of Oasis YSB, other than those required as a Behavioral Health Clinic.

A meeting to further discuss the ongoing relationship between the Health Department and the Laurel Beltsville Oasis is scheduled for early March to reinforce the need for greater communication between leadership of the two agencies.

(1c) The following changes will be made:

1. Oasis Transition of all Medicaid clients to Prince George's County NPI;
2. All Medicaid clients with authorizations not associated with the Laurel- Beltsville Oasis Value Option Provider ID 643230 will be discharged;
3. The clinician should generate an authorization in Value Options and provide connections under the user ID created by the Prince Georges County Health Department (All claims submitted for reimbursement will be in association with this);
4. Submit application to DHMH and re-apply with Value Options to be a "super user" for Oasis (disassociating the old application and old NPI).

Target Timeline: 60 days – A request was made to the State (DHMH) for a new NPI. Once we receive this from the State, we will need to inform all MCOs of the change.

A&I Finding #2: A&I noted several instances of inadequate monitoring of the Oasis YSB including the operation of two independent (non-County) SunTrust Bank accounts by the Oasis YSB, a full time Prince George's County employee was paid \$10,000 at the end of FY 2014 from the independent (non-County) bank accounts, and two contracted employees were being paid by the Oasis YSB through the SunTrust Bank (non-County) accounts.

A&I Recommendations:

(2a) The Health Officer should establish and implement ongoing monitoring of all of the Oasis YSB's accounting operations, including receipt and disbursement of all funds.

(2b) The Health Officer should ensure that employees and consultants are paid through the Office of Finance (either as an employee or through a staffing agency) to ensure that payments for services provided are appropriately reported to the Internal Revenue Service.

Department's Response:

(2a) The Health Department has made arrangements with the courier to have a money pouch pick-up daily at OASIS to be compliant with fiscal procedures. This has been implemented

(2b) The Health Department will review the current process for payment and meet with all billing and clinical staff. Subsequently, we will develop a transition plan, train staff and implement the new policy and procedure.

Target Timeline: 45 days

A&I Finding #3: A&I discovered several instances of a lack of segregation of duties in the revenue collections process for the Oasis YSB. One employee collected cash/check payments from self-pay clients, processed the payments, and transmitted the payments via courier pick up to the Health Department Banking Unit during FY 2014. The employee also processed payments for Medicaid patients covered by Value Options (VO), which are wired directly into the Oasis YSB's independent (non-County) SunTrust Bank account, recorded the payments, then wrote a check to the Health Department for the same amount received from Value Options. The employee also was the Acting Program Manager, provided clinical services, and headed the Dispute Resolution and Managing Anger (DRAMA Club) program.

A&I Recommendations:

(3a) The Health Officer should ensure that duties in the Oasis YSB's revenue collection process are individually assigned so that the cashier and bookkeeping duties within the Oasis YSB are properly segregated, as required by Administrative Procedure 346.

(3b) The Health Officer should ensure that a detailed supervisory review of Oasis YSB activities is performed, particularly in areas where it may not be feasible to fully segregate all revenue collection duties.

(3c) The Health Officer should ensure that an onsite manager/supervisor review of all Oasis YSB daily fee collection activity is performed prior to courier pickup and delivery to the Health Department's Banking Unit.

Department's Response:

(3a) A review of fiscal operations for Oasis will be conducted, including cash collections and billing procedures. Cash collections and billing procedures are now audited by staff outside of the Oasis YSB coinciding with the daily pick-up of receipts and deposits at the Oasis YSB.

(3b) Daily audits for all fiscal Oasis YSB is already occurring as noted above in 3a. Opportunities for ongoing detailed supervisory reviews are being planned and will be implemented after meeting with the Laurel Oasis Board.

(3c) The Health Department will work towards bringing the clinic into compliance with County regulation, including requirements that:

- An onsite manager/supervisor review of all Oasis YSB daily fee collection activity is performed prior to courier pickup and delivery to the Health Department's Banking Unit;
- County funds be deposited into county checking accounts only. This includes fees and collections from MCO's. This can be accomplished only after new NPI numbers are assigned for health department providers at the Laurel Oasis YSB. These numbers are pending approval from the State;

- County staff access to accounts for petty cash be consistent with County regulations

A&I Finding #4: A&I noted several instances where the Oasis YSB was not in compliance with the County's revenue collection procedures (Administrative Procedure 346). Deposits were not made daily, reconciliations of collections are not being performed by the Oasis YSB, and County revenues are deposited and/or electronically transferred into an Oasis YSB operated (non-County) SunTrust Bank checking account, not an authorized County Bank account.

A&I Recommendations:

- (4a) The Health Officer should ensure that the revenue collected by the Oasis YSB each business day be deposited daily, in accordance with Administrative Procedure 346.
- (4b) The Health Officer should establish procedures for reconciling revenue collected by the Oasis YSB to the amount recorded in the Health Department's Banking Unit and the County's financial system.
- (4c) The Health Officer should include specific directives in the established procedures that ensure the verification of reconciling functions by assigned staff, and ensure documentation of reconciliations are maintained.

Department's Response:

- (4a) The Health Department has made arrangements for the courier to do a daily money-pouch pick-up at OASIS so that they are in compliance with fiscal procedures. This has been implemented.
- (4b-4c) Banking/Accounts Receivable staff has been instructed to notify Debra Adams, Manager of Billing & Banking, of any personal checks received from Laurel. Banking will pull photo copies of the personal checks sent from Oasis in FY '14 and '15 to verify account numbers. All checks mailed in from Oasis for FY '14 and '15 will be listed on a spread sheet. (A list of the checks Value Options paid to the clinicians under their personal NPIs will be obtained.)



Rushern L. Baker, III
County Executive

THE PRINCE GEORGE'S COUNTY GOVERNMENT

Department of Family Services

February 5, 2016

David C. Van Dyke
Office of Audits and Investigations
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Re: Youth Services Bureaus Audit

Dear Mr. Van Dyke,

Enclosed, you will find the Department of Family Services' response to the final audit report on the Youth Services Bureaus. We appreciated the opportunity to meet with you and your team on January 4, 2016 to review and discuss the preliminary audit findings and recommendations. As referenced during our meeting since the years in review, the Department has experienced significant transitions, including the hiring of a new Director for the Children, Youth and Families Division/Local Management Board.

Please know, the Department is committed to continuous improvements and will utilize the Office of Audits and Investigations findings to improve the overall performance of the Children, Youth and Families Division and build on the strengths of the Department.

Sincerely,

A handwritten signature in blue ink, appearing to read "Theresa M. Grant", is written over a blue circular stamp.

Theresa M. Grant
Acting Director

Enclosure

cc: Better Hager Francis
Deputy Chief Administrative Officer for Health, Human Services and Education
Trinette Hawkins-Coleman, Children, Youth and Families Division Manager

Harriet Hunter Building – 6420 Allentown Road, Camp Springs, MD 20748
(301) 265-8401 (VOICE) • (301) 248-0716 (FAX) • 711 Maryland Relay Service

**DEPARTMENT OF FAMILY SERVICES
RESPONSES TO
OFFICE OF AUDITS & INVESTIGATIONS AUDIT REPORT**

A&I Finding #5: A&I noted the instances where expected output measures were not met and corrective action plans were not provided by the individual YSB. A&I also reviewed the site monitoring process for FY 2013 and FY 2014 and noted that only one site visit was performed by DFS during FY 2013.

A&I Recommendations:

(5a) The Acting Director of the Department of Family Services or the Director of the Local Management Board should enforce the Division's policy to provide a written explanation for any output performance measures that have not been met and an action plan to ensure future achievement of the measures, as requested in the Quarterly/Annual Narrative Program Reports. Additionally, if the YSB continues to fall short of specific performance measures, the LMB Director and the YSB should determine whether the agreed-upon measures are reasonable, given the resources available.

(5b) The Acting Director of the Department of Family Services should develop and approve monitoring policy and procedures, and communicate any changes to the Department's procedures to all staff involved in the process, in a timely manner.

(5c) The Acting Director of the Department of Family Services or the Director of the Local Management Board should update the Site Monitoring Procedures to include an analysis of the individual YSBs output performance measures. The Local Management Board should work collaboratively with the individual YSBs throughout the fiscal year to ensure achievement of output performance measures, compliance and effectiveness of the individual YSB program, and overall success of the County's Youth Services Bureaus.

(5d) The Department of Family Services or the Director of the Local Management Board should include and enforce the assignment of a back-up site monitor in its monitoring policy and procedures, in the event that the main site monitor is not available to perform the required number of site visits. The backup site monitor should be properly trained to effectively conduct site monitoring to the standard of the main site monitor.

Department's Response:

The Department of Family Services (DFS) agrees with the findings and the associated recommendations. It should be noted, the Department of Family Services has established a Continuous Quality Improvement (CQI) Committee that is committed to promoting an environment in which management and staff strive to create constantly improving quality. The CQI committee has been charged with implementing the Office of Audits and Investigations' recommendations and more importantly, developing a Departmental Program Monitoring and Procedural Manual and Performance Improvement Plan. The purpose of the Program Monitoring Manual is to guide operations, ensure high quality services, improve accountability, enhance program monitoring tools and refine the

program monitoring process. As the DFS recognizes the importance of collaboration, the YSBs will be encouraged to participate in the CQI process and contribute to key deliverables, where appropriate.

During the CQI development and implementation stages, DFS will immediately document any performance measures that are not met by the provider with a corrective action plan. In the event that the assigned Program Monitor is unable to perform the adequate number of site visits, another trained Program Monitor and/or Supervisor will conduct the program monitoring site visits. DFS will schedule regular technical assistance meetings with the YSBs to review and analyze data, clarify performance measures, share lessons learned and solicit feedback.

A&I Finding #6: A&I noted several instances of untimely submission of payment requests. A&I also noted that the agreements between the Prince George's County Department of Family Services/Local Management Board and the YSBs are signed considerably late (anywhere from 23 to 290 days after the effective date of the Grant Contract Agreement).

A&I Recommendations:

(6a) The Acting Director of the Department of Family Services or the Director of the Local Management Board should take action to approve Grant Contract Agreements with the YSBs in a timely manner, within 60 days after receipt of the Notice of Grant Award.

(6b) The Acting Director of the Department of Family Services or the Director of the Local Management Board should institute specific directives related to corrective action to be taken when the YSBs are not in compliance with the Grant Contract Agreements.

Department's Response:

The Department of Family Services (DFS) agrees with the findings and the associated recommendations. As previously noted, the Department of Family Services has established a new Continuous Quality Improvement (CQI) Committee that will integrate the Office of Audits and Investigations' recommendations into the grant approval and contract compliance processes. DFS recognizes that advancing this recommendation will require an effective partnership between internal and external stakeholders.

A&I Finding #7: During review of the YSB files maintained by the Department of Family Services/Local Management Board, A&I noted several examples of inadequate documentation in the YSB files; A&I noted that DFS does not collect supporting documentation such as invoices, receipts, and/or timesheets as part of their expense reimbursement submission process; and A&I noted instances where the DFS Form 437, Request for Payment was not approved (as indicated by signature authorization) by the DFS/LMB prior to payment to the YSB.

A&I Recommendations:

(7a) The Acting Director of the Department of Family Services or the Director of the Local Management Board should establish written operating procedures (or update, if applicable) to ensure that comprehensive documentation of the LMB monitoring process is prepared and maintained.

(7b) The Acting Director of the Department of Family Services or the Director of the Local Management Board should institute periodic supervisory review of the YSB's files to ensure that documents maintained are accurate, complete, consistent, and prepared according to standards. Procedures should also include guidelines to ensure supervisory reviews are documented.

(7c) The Acting Director of the Department of Family Services or the Director of the Local Management Board should require that evidence of review (as documented on the Employee File Review form) of any required National and State criminal background history records are maintained in the LMB's files for every YSB employee, intern and contractor working directly with children.

(7d) The Acting Director of the Department of Family Services or the Director of the Local Management Board should develop and approve policies and procedures to include the review of supporting documentation for expenses, such as invoices, receipts and/or timesheets.

(7e) The Acting Director of the Department of Family Services should ensure written operating procedures are established (or updated, if applicable) to make certain that comprehensive documentation of YSB activity is prepared and maintained with the program file. Procedures should also include guidelines to ensure hardcopy and electronic data (if applicable) is properly secured, accounted for, and retained for an appropriate amount of time.

Department's Response:

The Department of Family Services (DFS) agrees with the findings and the associated recommendations. Similar to the prior responses, the Department of Family Services' Continuous Quality Improvement (CQI) Committee will integrate the Office of Audits and Investigations' recommendations into the DFS Performance Improvement Plan. The program monitoring tools and program reports will be reviewed by the CQI committee and revised, where needed, to capture the most significant headline data that reflects program effectiveness. The role of the Supervisor will be expanded and clearly outlined in the Department's Program Monitoring and Procedure Manual. The CQI committee work group will provide the Department an official platform to partner with Management Services to approve policies and procedures to include the regular review of supporting fiscal documentation.

