



Audit of
Community Partnerships Division:
Homeless Initiative
Partnership Section

Office of the County Auditor

Audit Report

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OFFICE OF THE COUNTY AUDITOR

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August 15, 2019

Honorable Mayor and Board of County Commissioners

We have conducted an audit of the Homeless Initiative Partnerships Section of the Community Partnerships Division. Our audit objectives were to determine whether grants and contracts are administered in accordance with laws, regulations, and contract provisions; funds are accounted for and handled properly; and funds are used effectively to deliver appropriate, needed human services.

We conclude that grants and contracts are administered in accordance with laws, regulations, and contract provisions; funds are accounted for and handled properly; and funds are used effectively to deliver appropriate, needed human services. Opportunities for Improvement are included in the report.

We appreciate the cooperation and assistance provided by the Community Partnerships Division throughout our audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney
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INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders with unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted an audit of the Homeless Initiative Partnership Section of the Community Partnerships Division. Our objectives were to determine whether:

1. Grants and contracts are administered in accordance with laws, regulations and contract provisions.
2. Funds are accounted for and handled properly.
3. Funds are used effectively to deliver appropriate, needed human services.
4. Any opportunities for improvement exist.

To determine whether grants and contracts are administered in accordance with laws, regulations, and contract provisions, we reviewed a sample of service provider contracts to identify key provisions; tested entities' compliance with these provisions based upon a sample of service provider invoices, audited financial statements, County monitoring reports, County quarterly performance reports and other documentation; and we reviewed a sample of Federal and State grant agreements and tested the Division's compliance with key provisions.

To determine whether funds are accounted for and handled properly, we reviewed a sample of service provider invoices and County voucher payment data.

To determine whether funds are used effectively to deliver appropriate, needed human services, we reviewed and evaluated a sample of the service provider contracts, County monitoring reports, and County quarterly performance reports.

We conducted this 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.

Our audit included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was fiscal year 2017; however, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that grants and contracts are administered in accordance with laws, regulations, and contract provisions; funds are accounted for and handled properly; and funds are used effectively to deliver appropriate, needed human services. Opportunities for Improvement are included in the report.

Background

The Community Partnerships Division (CPD) provides oversight of three Sections: Children's Services Administration, Health Care Services and the Homeless Initiative Partnership (HIP). In addition, CPD's staff coordinates development and contract monitoring, fiscal development, board agenda preparation and emergency management functions. The Division provides programmatic oversight and fiduciary responsibility of County general funds and State and Federal grants totaling \$86 million which is dispersed over 164 contracts across 52 provider agencies. These partnerships help ensure that community-based human services are cost effective, coordinated, and performance-based in meeting the needs of the residents.

HIP provides planning, contract administration and oversight of the Homeless Continuum of Care (CoC). HIP functions as the designated lead agency/collaborative applicant for the United States Department of Housing and Urban Development (HUD) funded homeless CoC; as well as State of Florida's Office of Homelessness designated Lead Agency and Local Homeless Coalition for Broward County.

The CoC consists of the following service categories: CoC Planning & Coordination, Coordinated Entry and Assessment, Homeless Prevention Assistance, Crisis Emergency Shelter, Targeted Substance Abuse, Youth and Court Transitional Housing, Supportive Services, Rapid Rehousing/ Permanent Supportive Housing and Homeless Management Information System (HMIS).

On the following page, Exhibit 1 presents the total general and grant funding for the HIP section for Fiscal Years 2017 and 2018, and the number of budgeted positions.

Exhibit 1 – Fiscal Years 2017 and 2018 General and Grant Funding, and Budgeted Positions

Homeless Services Section	FY 2017	FY 2018
General Fund	\$12,721,354	\$13,440,378
Federal and State Grants	<u>7,294,350</u>	<u>8,945,520</u>
Total	<u>\$20,015,704</u>	<u>\$22,385,898</u>
Budgeted Positions	<u>25</u>	<u>21</u>

Source: Compiled by the Office of the County Auditor from data provided by Accounting Division

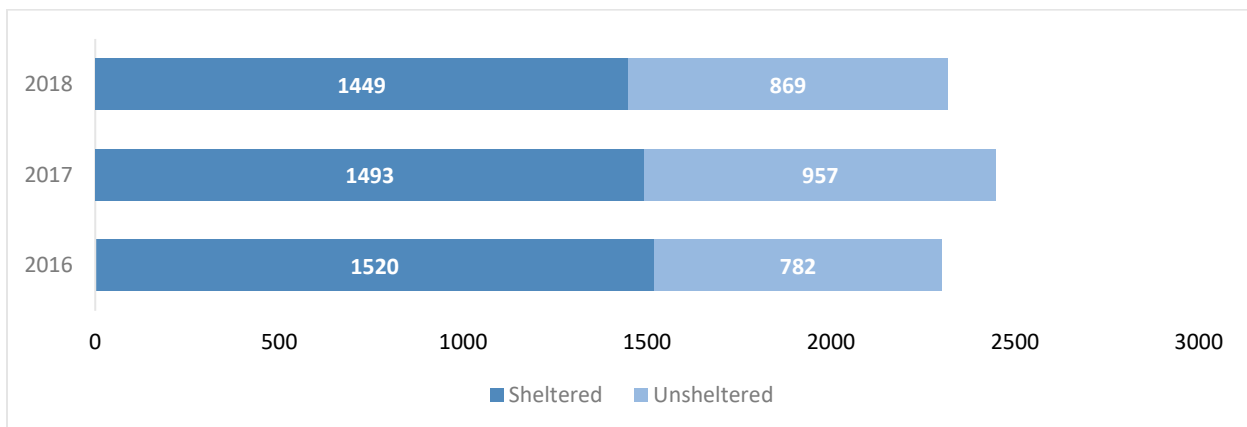
County funds provide major support for three regional full-service Homeless Assistance Centers (HACs), which serve as one of the front doors to the CoC, providing immediate shelter to homeless families and individuals. The HACs provide emergency services, including food, shelter, on-site health services, case management, adult education, employment training and placement, transportation, clothing and other necessary interventions to stabilize homeless individuals and families. Homeless clients stay at these facilities for an average of 60 days in the emergency setting, while preparing for longer-term assistance options, such as transitional or permanent housing solutions. According to CPD staff, as of October 2018, HIP no longer has arbitrary discharge timeframes in their contracts. This change was based on HIP experiencing a large number of clients being discharged to the streets which exacerbated the street homelessness.



Source: Office of the County Auditor

The HACs are strategically placed regionally, where homeless people are often located, in the cities of Hollywood, Fort Lauderdale, and Pompano Beach. Exhibit 2 presents the Homeless counts for Broward for 2016-2018.

Exhibit 2 – Homeless Sheltered and Unsheltered Counts for Broward



Source: Compiled by the Office of the County Auditor from data retrieved from the HUD Exchange

Exhibit 3 lists all HIP contract partners for FY 2017, and the amount of funding and types of services provided. As shown, HIP distributed over \$18 million in funding to more than 20 community partners.

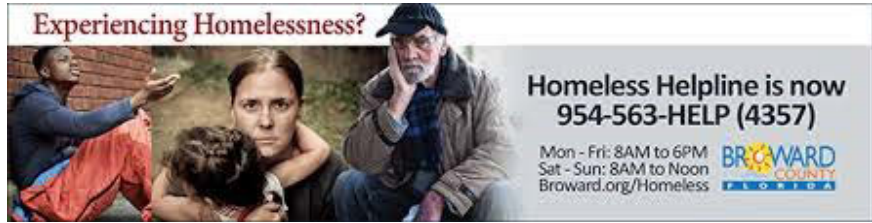
Exhibit 3 -- Fiscal Year 2017 Funding by Provider

Provider	Total FY 2017 Funding	HAC	Primary Service Type		
			Housing	Supportive	Shelter
Miami Rescue Mission	\$ 4,380,985	<input checked="" type="checkbox"/>			
Broward Partnership for the Homeless	3,007,613	<input checked="" type="checkbox"/>			
Broward County Housing Authority	2,928,763		<input checked="" type="checkbox"/>		
Broward Housing Solutions	1,830,526		<input checked="" type="checkbox"/>		
Henderson Behavioral Health	1,594,180		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
The Salvation Army	848,665		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Hope South Florida	874,368		<input checked="" type="checkbox"/>		
Covenant House Florida	439,331			<input checked="" type="checkbox"/>	
City of Fort Lauderdale	436,744		<input checked="" type="checkbox"/>		
Broward House	430,379			<input checked="" type="checkbox"/>	
Taskforce Fore Ending Homelessness	362,415			<input checked="" type="checkbox"/>	
Catholic Charities for the Archdiocese	312,349		<input checked="" type="checkbox"/>		
Legal Aid Service of Broward	189,644			<input checked="" type="checkbox"/>	
First Call for Help of Broward	187,029			<input checked="" type="checkbox"/>	
Broward Regional Health Planning Council	77,074			<input checked="" type="checkbox"/>	
Women in Distress of Broward County	54,323				<input checked="" type="checkbox"/>
St. Laurence Chapel Homeless Day Shelter	49,283				<input checked="" type="checkbox"/>
Other Providers < \$10,000 Each or not classified	471,935				
Total	\$18,475,606				

Source: Compiled by the Office of the County Auditor

Specialized programming is supported by a combination of funds to provide a Homeless Helpline, mobile outreach, transitional housing, permanent supportive housing, community/faith-based shelter, medical respite shelter, day shelter, mental health Safe Haven and Court Shelter, legal aid, and a crisis shelter for victims of domestic violence.

The countywide CoC is made possible through the collaboration of community service providers, business leaders, and government officials. The HIP Advisory



Source: Broward.org

Board provides a focus for much of the collaborative planning for the community-wide CoC, in addition to the Homeless Provider & Stakeholder's Council (HPCS) and participation in state and national coalitions.

Programs and Program Requirements

CPD sections conduct monitoring of contracted providers to determine compliance with the requirements of each agreement at least once annually. When the Provider has agreements with more than one CPD section, the sections may conduct joint monitoring. CPD may also jointly monitor a provider's services with the Children's Services Council, the Department of Children and Families, the Florida Department of Health in Broward County, or other organizations from which the Provider receives funding. The County considers an agency's monitoring findings and responsiveness to corrective actions in contract renewal and future funding decisions.

The monitoring and evaluation process include both administrative and programmatic requirements, including review of human resources policies, fiscal practices, personnel and client files, and insurance management. Providers are additionally monitored for completeness, timeliness, and accuracy of data remitted for invoices and quarterly performance reports submitted to HIP.

Performance or 'outcome' measurement is the regular collection of specific information by the Provider regarding the effectiveness of County-funded services. It assesses a program's 'success' by measuring how well the services are impacting individual clients and the effect those services are generally having on the community. Together with strategic planning, benchmarking and continuous improvement, performance measurement forms the nucleus for managing results across the County. The County uses this information when determining future funding priorities and awarding of dollars.

Governing Legislation and Housing First Model

The Broward County HIP coordinates an array of funding to implement outcome-based approaches to alleviate homelessness and its causes in Broward County through the Homeless CoC and Federal, State, and local regulation. The following is a list of legislation that describes HIP's role:

- The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act 24 CFR 578 amendment to the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11381-11389 authorizes the HUD funded programs and codifies in law the role and functions of the CoC and require each community to establish a CoC in compliance with the new rule. HUD has designated Broward County as the Recipient/Lead Organization/Collaborative Applicant to implement the CoC for homeless individuals and families and are awarded grant funding.
- The HEARTH Act amendment includes specific requirements that apply to fiscal accountability, contract oversight and monitoring, CoC coordination, and use of one standardized HMIS.
- Florida Statute 420.623 requires the Florida Department of Children and Families (DCF) to establish a Local Homeless Coalition to plan, network, coordinate, and monitor the delivery of services to the homeless. The DCF State Office on Homelessness has established Broward County's Homeless CoC Board as the local coalition and has entered into a contract with Broward County to carry out the statutorily mandated functions.
- Broward County Administrative Code Chapter 4, Part V, Section 4.42 & 4.43, defines the role and function of HIP. It establishes HIP as the focal point for planning and coordination of services for homeless persons and as the staff to the HIP Advisory Board.

All HUD-funded CoC programs operate under the HEARTH Act which has a focus on permanent housing, rapid re-housing (RRH), homelessness prevention, performance and outcomes, and measurement and data. The goals and objectives of the HEARTH Act place emphasis upon reducing the amount of time people spend homeless, reducing the episodes of homelessness, and reducing the number of people who become homeless. CoC funded interventions must adhere to the 'Housing First' model, in which homeless persons are first assisted with obtaining housing and are then offered an array of voluntary services to assist the homeless person to maximize housing stability and prevention of returns to homelessness as opposed to previous service models which required individuals to address predetermined treatment goals prior to permanent housing entry.

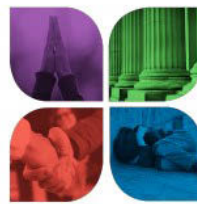
According to HUD, Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry. It emerged as an alternative to the prior linear approach in which people experiencing homelessness were required to first participate in and graduate from short-term residential and treatment programs before obtaining permanent housing. In the linear approach, permanent housing was offered only after a person experiencing homelessness could

demonstrate that they were “ready” for housing. By contrast, Housing First is premised on the principles that homelessness is primarily a housing crisis that can be addressed through safe, affordable housing, that everyone is “housing ready,” and that all people experiencing homelessness can achieve housing stability in permanent housing.

According to HUD, permanent supportive housing models that use a Housing First approach have been proven to be highly effective for ending homelessness, particularly for people experiencing chronic homelessness who have higher service needs. HUD’s studies¹ have shown that Housing First permanent supportive housing models result in long-term housing stability, improved physical and behavioral health.

Closure of the Downtown Fort Lauderdale Homeless Encampment

The Homelessness Collaborative (Collaborative) in Broward, a public-private sector partnership with representatives from more than 40 agencies and organizations, was established in May 2018, to formulate a plan of action to end homelessness, beginning with local encampments. The mission of the Collaborative is to help persons experiencing homelessness find a path to permanent housing.



Source: Broward.org/EndHomelessness

Encampments are an indication of a critical need to respond to unsheltered homelessness. Unplanned efforts to end encampments often distract communities from proven solutions that put “housing first” to help ensure more rapid stability, safety, security and well-being for persons experiencing and exiting chronic homelessness.

Ending unsheltered homelessness in Broward County will require a collective solution as it is a community problem. Therefore, public-private partnerships are critical to success. Success requires an intensive and persistent outreach and engagement effort. Partners engaged in

¹ Gulcur, L., Stefancic, A., Shinn, M., Tsemberis, S., & Fishcer, S. Housing, Hospitalization, and Cost Outcomes for Homeless Individuals with Psychiatric Disabilities Participating in Continuum of Care and Housing First programs. 2003.

Tsemberis, S. & Eisenberg, R. Pathways to Housing: Supported Housing for Street-Dwelling Homeless Individuals with Psychiatric Disabilities. 2000.

Montgomery, A.E., Hill, L., Kane, V., & Culhane, D. Housing Chronically Homeless Veterans: Evaluating the Efficacy of a Housing First Approach to HUD-VASH. 2013.

U.S. Department of Housing and Urban Development. Family Options Study: Short-Term Impacts. 2015.

Byrne, T., Treglia, D., Culhane, D., Kuhn, J., & Kane, V. Predictors of Homelessness Among Families and Single Adults After Exit from Homelessness Prevention and Rapid Re-Housing Programs: Evidence from the Department of Veterans Affairs Supportive Services for Veterans Program. 2015.

efforts to end homelessness in Broward County will need to provide a wide range of interim and permanent low-barrier housing solutions and ongoing supportive services.

On November 26, 2018, the Collaborative initiated its comprehensive plan to end homelessness, beginning with the encampment in downtown Fort Lauderdale.

Between November 26-29, 2018, all 80 of the individuals in the downtown Fort Lauderdale encampment were relocated. Using a “housing first” approach, these individuals were assigned a case worker and temporarily relocated into motels. Outreach and housing teams immediately began matching individuals to appropriate housing solutions. The last individual was moved out of temporary hotel housing on February 15, 2019.

The County has declared the project a success, primarily attributed to the more than 40 partners, including the County, City of Fort Lauderdale, business community, United Way, not-for-profit, and faith-based organizations to bring their experience and resources to the table.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Management Should Continue to Align Goals and Performance Measures with Current Best Practices.

As noted in this report, Housing First is the national best practice model for reducing incidents of homelessness. The model supports connecting homeless individuals with permanent supportive housing via low barriers to entry and voluntary supportive services to maximize long-term housing success.

We noted the following concerns in our review of HIP's adoption of industry best practices:

- A. Consultant recommendations should be implemented. The Corporation for Supportive Housing (CSH) and the National Alliance to End Homelessness (NAEH) were engaged by the County to develop recommendations to update the County's annual plan to end homelessness ("A Way Home Plan"). The completed recommendation reports were provided to the County in January and February of 2018, respectively. In October 2018, the development of a work plan was initiated when high-level and specific recommendations was compiled to summarize the goals to include in the update of the annual plan. As of April 2019, recommendations were in varied stages of implementation or planning. A summary update of the 'A Way Home Plan' was presented at the February 27, 2019 CoC board meeting with a notation that "a detailed system map, resource map and gaps analysis will be included in the final report." While some recommendations from the consultant reports have been more thoroughly implemented, such as the recommendation to recruit landlord and property owners to develop a supportive housing pipeline, a timeframe for full implementation of the recommendations is not yet available.

As a result, the current plan to end homelessness in Broward County may not be as effective and efficient as possible until the recommendations are fully incorporated and implemented into the 'A Way Home Plan.'

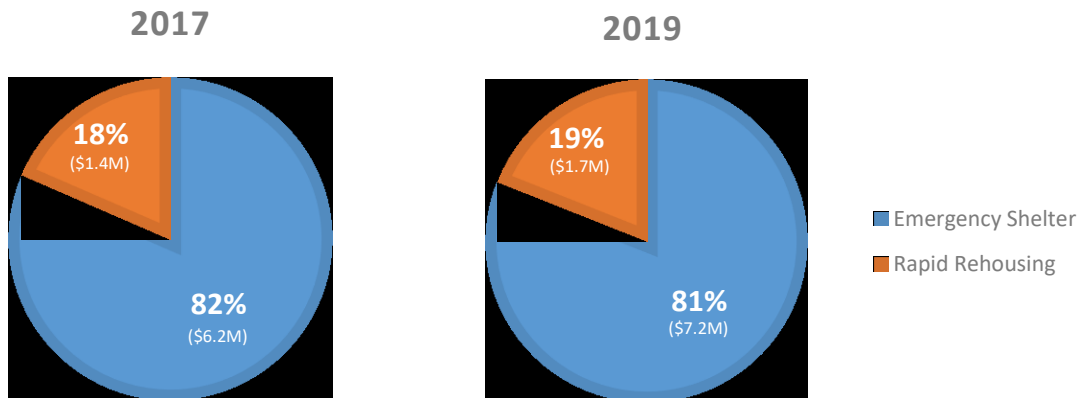
B. Recommendations to shift funding from emergency shelters to permanent housing have not been fully adopted. To determine if funding for the permanent housing initiative was increased, we compared Fiscal Year 2017 to Fiscal Year 2019 budgets. We noted, as shown in Exhibit 4a, that while Rapid Rehousing (RRH) funding increased by 20% overall during this time frame, RRH as a percentage of the emergency shelters budget has remained relatively stable. Specifically, as seen in Exhibit 4b, in Fiscal Year 2017, RRH represented 18% of monies dedicated to the emergency shelters and only increased to 19% in Fiscal Year 2019. This indicates that while the percentage of increase is more, proportionally, RRH has not received a significantly larger allocation of available monies.

Exhibit 4a – Shelter and Rapid Rehousing Funding Comparison

Program	2017	2019	Increase (\$)	Increase (%)
Emergency Shelters	\$6,204,612	\$7,164,531	959,919	15%
RRH	<u>1,405,735</u>	<u>1,680,878</u>	<u>275,143</u>	20%
Total	<u>\$7,610,347</u>	<u>\$8,845,409</u>	<u>1,235,062</u>	16%
RRH as % of Shelter Funding	18%	19%		

Source: Compiled by the Office of the County Auditor from data provided by CPD

Exhibit 4b – Rapid Rehousing as a Percentage of Emergency Shelter Budget



Source: Compiled by the Office of the County Auditor from data provided by CPD

The NAEH recommended that Broward County shift funding from Emergency Shelter services to Rapid Rehousing services to better align its funding to the community with the Housing First Model. Currently, funding still disproportionately favors emergency shelters, which is not in alignment with the Housing First model. A lack of affordable housing may be a contributing factor to the misalignment.

C. We identified misalignment and discrepancies between Broward County Office of Management and Budget (OMB) and CoC performance measures and goals. We reviewed the 2017 through 2019 OMB Annual Operating Budget and Annual Performance Measure

Reports, which included five objectives and five performance measures for the HIP section. We compared the 2019 reports for alignment with the CoC Governance Charter mission and goals, and reviewed the 2017 results for data integrity. We noted the following concerns:

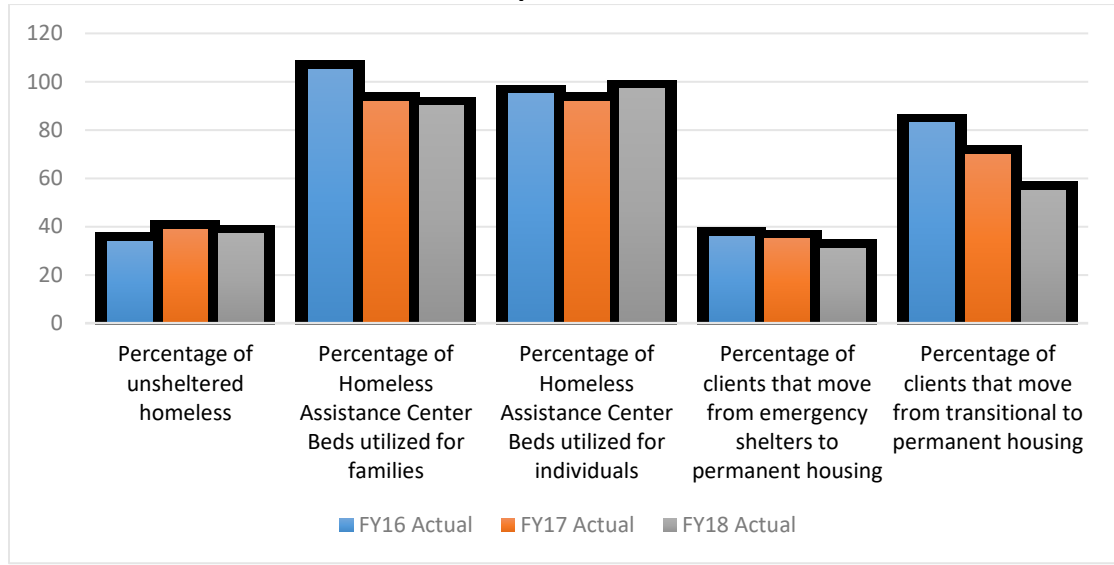
- 1) There is only moderate alignment between the 2019 OMB objectives and those of the CoC. The goal statement and performance measures within OMB's Annual Operating Budget and Performance Measures Annual Report should align with and represent the stated goals and values of the operational section. OMB goals remain focused on emergency sheltering while the CoC goals are better aligned with the Housing First goal of providing RRH. OMB goals should be updated to reflect the adoption of the Housing First principles.
- 2) We noted that only one of five Fiscal Year 2017 OMB performance measures was successfully achieved, as shown in Exhibit 5. Additionally, all five measures exhibited declining results in 2017 as compared to 2016, as seen in Exhibit 6. Although 2018 evidenced improvement with two goals met, overall improvement is still needed. HIP should evaluate the attainment feasibility of its stated goals and strive to meet the projected outcome percentages on an annual basis by working with providers throughout the year to ensure goals are attained.

Exhibit 5 – Performance Measure Results

Performance Measure	2017/2018 Projected	2017 Actual	Goal Met	2018 Actual	Goal Met
Percentage of unsheltered homeless	31	39	No	37	No
Percentage of HAC dorms utilized for families	95	92	No	90	No
Percentage of HAC dorms utilized for individuals	95	92	No	97	Yes
Percentage of clients that move from emergency shelters to permanent housing	25	35	Yes	31	Yes
Percentage of clients that move from transitional to permanent housing	80	70	No	55	No

Source: Compiled by the Office of County Auditor from data provided by the Office of Management and Budget

Exhibit 6 – Performance Measure Comparison



Source: Compiled by the Office of the County Auditor from data provided by the Office of Management and Budget. Note: An increase to the percentage of unsheltered homeless indicates a greater number of unsheltered homeless, therefore a year-over-year increase indicates declining performance.

- 3) We noted minor discrepancies between performance measure results provided for the Fiscal Year 2017 Performance Measures Annual Report and supporting documentation calculations for two of the five performance measures. HIP is to report accurate and supportable data to the OMB for inclusion in the annual report. Unsupported or inaccurate data may result in misleading information.

We recommend management:

- A. Continue to implement and incorporate the consultant recommendations into the ‘A Way Home Plan’.
- B. Continue to revise the funding allocations to align with the NAEH recommendations.
 - C1. Revise OMB performance objectives to better reflect the stated goals of the HIP section.
 - C2. Evaluate the annual OMB Performance Measures projected outcome results and work with providers throughout the year to ensure goals are attained.
 - C3. Strengthen internal controls over data reported to OMB to ensure all measures are accurately reported.

2. Provider Monitoring Should be Improved.

We observed inefficiencies in the monitoring process for contracted service providers. HIP conducts monitoring of contracted service providers to determine compliance with the

contractual requirements and to provide assurances regarding the accuracy of data. Site visits are performed annually from February through June and evaluate provider activities from October through the start of the site visit. The monitoring process, while extensive, is performed in a limited time frame of less than a week. We reviewed five monitoring reports for five different providers, and noted the following concerns:

- A. The current process does not apply a risk-based testing methodology. We found that the same procedures are substantially uniformly performed each year at each provider. The current method involves reviewing nine areas of compliance, each requiring substantial time and effort to complete annually. Certain areas, such as ensuring Human Resources policies are posted, are likely lower risk than ensuring the accuracy of performance results. Further, the current method applies the same procedures to all providers, regardless of the size and complexity of the program, or concerns regarding performance, utilization of funding, or issues noted by staff as part of regular review of documentation. A homogenous method does not consider the necessity of greater focus in certain areas and less focus in others.
- B. We also found that, although certain tests require unique samples or procedures, the same sample was used for multiple tests. For example, as shown in Exhibit 7, a sample of 31 client files were selected for review by CPD staff at one provider location. The same sample was then used to test compliance with each of four reported outcome measures. However, as also shown in Exhibit 7, most of the sampled clients (90% and 87%) were not applicable for Test 2 and 4 of the reported outcome measures.

Exhibit 7 – Results of the Use of a Generic Sample Selection

Test	Monitoring Site Visit Analysis			% of Monitoring Sample Not Applicable to Test
	Met	Not Met	N/A	
1	31	0	0	0%
2	2	1	28	90%
3	7	11	13	42%
4	3	1	27	87%

Source: Compiled by the Office of the County Auditor by data provided by CPD

Attempting to compare the percent attainment of a sample, where most of the sample is not applicable to the providers’ reported attainment is not an effective test as noted in Exhibit 8. A more appropriate test would be to request the provider’s calculation of each outcome measure and list of clients meeting that measure and then test those client files that met the measure.

Exhibit 8 – Results of the Use of a Generic Sample on Attainment

	Providers Reported Attainment	Site Visit Attainment
	%	%
1	100%	100%
2	50%	67%
3	46%	39%
4	26%	67%

Source: Compiled by the Office of the County Auditor by data provided by CPD

The lack of risk-based monitoring and unique sampling results in inefficiencies and does not effectively detect non-compliance or errors in reported outcome measurement as further discussed in Opportunity for Improvement No. 4. As a result, the current monitoring process does not effectively evaluate performance measure attainment levels, a critical component of service delivery.

- C. We noted a lack of segregation of duties between the contract administration and monitoring process. Segregation of duties controls are designed to ensure staff do not perform a potentially risky combination of non-compatible functions to reduce the risk of errors, misappropriations, fraud, and favoritism, and to maintain a strong control environment. Two of the five provider monitoring reports sampled were found to include on-site monitoring processes performed by the same person who also performed a combination of invoice and quarterly report review. With the same person performing both functions, errors may go unnoticed and there is an increased risk of collusion or favoritism with the provider entity. Monitoring and compliance reviews should be performed by an individual independent of contract administration.

We recommend management:

Revise site visit procedures to include:

- A. Consideration of risk including a rotational, not annual, basis for low-risk items and/or providers;
- B. Separate and unique samples to ensure data being tested is applicable to the test being performed and to better identify discrepancies in reported outcome measures; and
- C. Establish adequate segregation of duties over contract management and monitoring, including ensuring employees independent of contract management perform the annual monitoring process.

3. Improvements to the Provider Invoicing and Reporting Processes Should Be Evaluated.

Best practices are needed to ensure provider-submitted invoices and other submittals are accurate. We reviewed a sample of provider invoice and quarterly report submissions for completeness, timeliness, and accuracy. We found that CPD utilizes standardized checklists to facilitate quality control over the review of invoices and quarterly reports; however additional improvements are needed. We noted the following:

- A. We identified inefficient invoice submittal requirements. This included a requirement for providers to both remit and maintain physical documentation for electronically available documents.
- B. We noted that matching funds calculations may be misstated. Match is a requirement for cash or in-kind resources to be contributed by the provider for eligible activities, such as employee payroll and benefit expenses. Matching funds calculations should be clear, simple, and efficient to promote accurate matching fund totals and comparability between providers. We noted a lack of clear instructions or template to assist providers in these calculations, leading to multiple calculation errors. This can result in a failure to achieve contract requirements.
- C. We identified incomplete invoice review procedures. Checklists were utilized by staff for the review of invoices and non-HUD-funded quarterly reports. We noted that departmental policies and procedures did not include best practices for the timeframe to complete all review processes, including resolution of inaccuracies, and inconsistent documentation of the completion of processes and concerns by staff. When used properly, checklists can be an effective tool to safeguard process integrity.
- D. Standardized checklists are needed for all report submissions to ensure accuracy and completeness of review procedures. Quarterly report submissions for HUD-specific contracts did not require use of a checklist to document receipt and review of the reports. We found the lack of checklist documentation led to incomplete reports being accepted by staff.

These issues increase risks associated with potentially reimbursing providers inaccurately, as well as creating additional work for both providers and staff to determine accurate reimbursement amounts. Checklists and standardized calculations help both staff and providers to ensure all documentation is submitted accurately and completely to foster efficient invoice approval. Exclusively storing data electronically ensures all parties are using the same set of data for invoice review regardless of when or where it is reviewed.

We recommend management:

- A. Revise Invoice receipt procedures to reduce inefficient practices.
- B. Create a template for match reimbursement and ensure that providers receive clear guidance on template usage and match calculation procedures.
- C. Revise policies and procedures to include best practices regarding completion of the Invoice and Quarterly/Demographic Report checklists.
- D. Create and utilize an internal checklist for the receipt and review of quarterly reports for HUD contracts.

4. Provider Contract Compliance Should be Improved.

To ensure compliance with contractual requirements, underlying documentation remitted to HIP by the providers should be adequately reviewed. We noted the following concerns:

- A. Discrepancies existed between submitted quarterly report data and supporting documentation observed on-site. Providers are required to report quarterly performance results. Provider-reported quarterly performance results, along with strategic planning and benchmarking, is an important part of managing results and the determination of future funding priorities and awarding of dollars. Accurate measurement quantifies how effectively County-funding services are impacting the community. We performed site visits to review underlying support documentation of reported quarterly performance results to verify the accuracy of the data reported to HIP. During our testing we noted the following:
 - 1) Two providers' reports included discrepancies between the providers' supporting documentation and data provided to CPD.
 - 2) One provider's reports were accepted by HIP staff despite including incomplete information.
 - 3) Two providers' reports overstated their performance attainment.
- B. The Homeless Management Information System (HMIS) data reporting system does not adequately allow providers to report required performance data. Data and reports are derived from HMIS with relevant data input into quarterly report fields by the provider. We noted the inability of providers to efficiently utilize HMIS reports for reporting purposes, including the ability to generate reports without County staff assistance, and additional efforts being required to accurately identify clients meeting the required report criteria.

- C. Key contract provisions are not being performed as required by providers. Contracts between Broward County and providers include a variety of key contract provisions in addition to performance measurement evaluations. Without adequate tracking of client success in meeting all key contract provisions, there is less assurance that County monies are being spent effectively. We noted specific concerns in our review of key provisions and the monitoring of these provisions:
- 1) We noted contractual provisions that were not being consistently fulfilled, including providing discharge planning to emergency shelter clients, reporting benchmarking data, and the consistent use of standardized criteria known as the Vulnerability Index to prioritize emergency shelter placements.
 - 2) We noted one instance in which a contract amendment added \$20,000 of funding to provide a minimum of 16 clients with emergency hotel/motel vouchers for up to three weeks per client. Supporting documentation evidenced that contractual requirements were not met by the provider. However, the County reimbursed the provider for the full contractual amount. Additionally, we noted this payment included over \$1,000 to reimburse for damages sustained by a client despite this type of payment being outside of the scope of the contract.
 - 3) Funding reimbursement should be dependent upon meeting contractual criteria.

We recommend management:

- A1. Assist providers in strengthening internal controls over reported data to ensure all measures are accurately reported and supported.
- A2. Improve the monitoring process to identify inaccurate and incomplete reporting by providers.
- A3. Ensure that providers receive clear guidance regarding how to report outcome attainment.
- B. Revise the standard HMIS reports to allow for reporting that correlates to reporting requirements and allows reports to be generated by providers.
 - C1. Ensure appropriate monitoring of all significant contractual provisions.
 - C2. Strengthen internal controls to ensure County does not provide reimbursement when contractual criteria have not been met.

5. Provider Contract Provisions Should be Evaluated.

During our review of five provider contracts, we noted the following concerns:

A. We identified irregularities in contractual requirements that may skew reported performance results. Contracts include descriptions of the provider obligations and responsibilities including outcome measures. Outcome measures should be clear, consistent, and simple, to promote accurate reporting and comparability of data across providers. We noted the following:

- 1) **Four of the five contracts reviewed were found to include several dimensions within each outcome measurement. The outcome measures were developed to reflect too few outcomes with too much information in each. For example, as shown in Exhibit 9, the data collection method includes multiple calculation elements (in bold).**

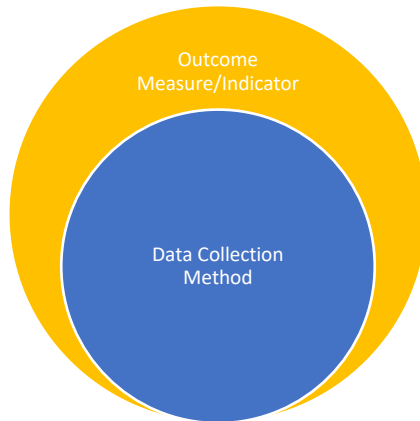
Exhibit 9 – Contract Outcome Measure Example

Outcome	Indicator	Data Collection Method
Clients are placed in transitional or permanent housing	25% of unduplicated clients exit to transitional housing within 60 days of entering the program	(Total number of identified clients [below] who exit to transitional housing within 60 days) ÷ (Total # of clients identified as having substance abuse disorders, fleeing domestic violence, or youth ages 18-24)

Source: Compiled by the Office of the County Auditor from provided contract provided by CPD

Further, as shown in Exhibit 10, by narrowing the above measurement to only those clients “identified as having substance abuse disorders, fleeing domestic violence, or youth ages 18-24”, the data collection method does not align with the outcome measure. Such additional considerations within one measure limits the amount of useful information reported, creates additional complexity and potential ambiguity in reporting, and results may not accurately reflect the stated performance measure.

Exhibit 10 – Contract Outcome Measurement Misalignment



Source: Compiled by the Office of the County Auditor from contract provided by CPD

- 2) Three of the five contracts reviewed were found to have inconsistent language between the stated outcome language and the method to calculate the outcome. An example of this incongruity is shown in Exhibit 11.

Exhibit 11 – Contract Outcome Measure Example

Outcome	Indicator	Data Collection Method
Reduce the number of days in emergency shelter	50% of unduplicated individual clients exit to a HUD-defined positive outcome within 60 days of entering the program	(Total # of individuals who exit the shelter within 60 days) ÷ (Total # of individuals who exit the shelter)

Source: Compiled by the Office of the County Auditor from provided contract provided by CPD

- 3) Two of the five contracts reviewed were found to include performance measure provisions that were not reflective of the services provided. This may result in erroneous reporting of the overall success of the provider program.
- 4) Two of the five contracts reviewed were found to include a non-standardized format to remit quarterly performance data. As shown in Exhibit 12, the format did not include the ability to clearly demonstrate the total number of clients served, requiring the provider to explain the calculation in separate notes in the report. Without the supporting narrative or standardized report, it appears that there are only two clients in the program of which two met the outcome. This may result in inconsistent reporting and inaccurate reporting of results.

Exhibit 12 – Non-Standard CPD Outcome Measure Reporting Format

Indicator	Target	Total	Achieved	% Achieved
% of clients will remain in or move to permanent housing	93%	2*	2*	100%

Source: Compiled by the Office of the County Auditor from data provided by Office of Management and Budget.
 Note: * the reporting cycle, per the provider, reflects only two (of twelve total) clients because 10 have not met established timeframe criteria for evaluation.

Exhibit 13, in contrast, displays the same data using the standardized report which more clearly displays relevant data in one reporting location.

Exhibit 13 – Standard CPD Outcome Measure Reporting Format

	Quarter 1
Total # Clients receiving services referenced in indicator during each quarter.	12
# pending evaluation (have not met time frame)	10
# who dropped out of program	0
# unable to be evaluated (data missing, change funding source, other - explain in narrative)	0
# previously evaluated for the indicator	0
# meeting time frame to be evaluated for the indicator	2
# attaining the indicator	2
% Attainment for the Quarter	100.0%

Source: Compiled by the Office of the County Auditor using the Standardized Report Format

- B. Cost reimbursement methods should not penalize the provider for successfully meeting performance requirements. We identified a contract in which a successful provider outcome of assisting the client to either maintain or increase their income levels as part of a rental assistance program would result in the client paying a larger percentage of their subsidized rental payment. As a result, the provider would pay a smaller percentage of the rental payment and the provider’s reimbursement of administrative fees would decrease as these were calculated as a percentage of the provider’s portion of rental assistance expenditures. This is unfairly penalizing the provider, as its administrative duties in processing rental payments remain significantly the same.

We recommend management:

- A1. Simplify outcome measures by limiting the number of parameters within each measure.
- A2. Ensure that future contracts align indicators with the data collection methodology and providers receive clear guidance on how to report outcomes.
- A3. Ensure that future contract language is written to ensure that the outcome is controllable by the provider.

- A4. Ensure the format for outcome measure reports be consistent across all providers.
- B. Revise compensation structures which inadvertently or unfairly penalize providers.


Management's Response



BERTHA W. HENRY, County Administrator
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MEMORANDUM

TO: Robert Melton, CPA, CIA, CFE, CIG
County Auditor

FROM: Bertha Henry
County Administrator 

DATE: August 12, 2019

RE: Management Response to the Office of the County Auditor's Audit of Human Services Department, Community Partnerships Division/Homeless Initiative Partnership (HIP)

The Human Services Department and the Community Partnerships Division have reviewed the Office of the County Auditor's Audit Report on HIP and submits the following as Management's Response.

In summary, Management concurs with the Audit Report conclusion that HIP grants and contracts are administered in accordance with laws, regulations, and contract provisions; that funds are accounted for and handled properly; and that funds are used effectively to deliver appropriate, needed human services. We are pleased that the Audit resulted in no Findings and appreciate that Opportunities for Improvement are included in the Report, all of which Management agrees with.

Attached you will find detailed responses to each of the Opportunities for Improvement Recommendations.

C: Mayor and Broward County Commissioners
Monica Cepero, Deputy County Administrator
Kimm R. Campbell, Human Services Department Director
Darrell Cunningham, Community Partnerships Division Director

August 12, 2019

Human Services Department HIP Management Response

Opportunity for Improvement #	Finding Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
<p>1. Management should continue to Align Goals and Performance Measures with Current Best Practices</p>	<p>A. Continue to implement and incorporate the consultant recommendations into the 'A Way Home Plan'.</p> <p>B. Continue to revise the funding allocations to align with the NAEH recommendations.</p>	<p>Agree</p>	<p>A. The County received the new 2018 "A Way Home Plan" in January of 2019, authored by The Corporation for Supportive Housing (CSH). On February 27, 2019, the plan was presented and approved by the Continuum of Care Board (CoC).</p> <p>B. The NAEH recommended the creation of a robust Rapid Rehousing (RRH) program. From 2016 to 2018, there was a 51% increase in funding for supportive housing (inclusive of RRH) versus a 21% increase in emergency shelter funding. In FY19, the County continued to increase funding of supportive housing. The lack of affordable housing in Broward County has impacted the progress in creating a robust RRH program. It has been challenging to find rental units with reasonable rent at fair market value that will pass a Housing Quality Inspection. In partnership with the United Way of Broward County, Homeless Initiative Partnership (HIP) has a landlord recruitment program that is guided by the Continuum of Care Advisory Board Housing Action Committee.</p>
	<p>C1. Revise OMB performance objectives to better reflect the stated goals of the HIP section.</p>	<p>Agree</p>	<p>C1. The current performance measures under the Office of Management and Budget only include measures related to \$15,592,667 of general fund homeless services. However, the HIP budget is comprised of \$10,240,773 of Federal and State funds as well. CPD will work to ensure performance objectives are reflective of the entire funding for CoC services.</p>
	<p>C2. Evaluate the annual OMB Performance Measures projected outcome results and work with providers throughout the year to ensure goals are attained.</p>	<p>Agree</p>	<p>C2. HIP QA staff work with providers on a monthly and quarterly basis to review reports, correct data related Homeless Management Information System (HMIS) issues and monitor performance via an onsite visit on an annual basis.</p> <p>C3. Beginning FY 18, CPD implemented internal controls to strengthen its performance reporting. These controls include data validation within the Division</p>

Human Services Department HIP Management Response

August 12, 2019

Opportunity for Improvement #	Finding Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
	C3. Strengthen internal controls over data reported to OMB to ensure all measures are accurately reported.	Partially Agree	and Office of Evaluation and Planning prior to report submission. A document storage protocol was created to ensure that all OMB measure data and supporting documentation is stored in one central location.
2. Improvements to Provider Monitoring Should be Evaluated.	A. Consideration of risk including a rotational, not annual, basis for low-risk items and/or providers; B. Separate and unique samples to ensure data being tested is applicable to the test being performed and to better identify discrepancies in reported outcome measures; and C. Establish adequate segregation of duties over contract management and monitoring, including ensuring employees independent of contract management perform the annual monitoring process.	Agree	A. Community Partnerships Division (CPD) is reassessing its approach to provider monitoring and will be instituting a risk assessment tool. Additionally, monitoring tools will be customized to address specific requirements related to funding. It is expected that these changes will be implemented in Fiscal Year 2020. B. Randomized samples applicable to the test being performed will be selected and samples will be representative of the entire fiscal year, as well as previous fiscal years to identify inconsistencies or issues with documentation, quality and compliance. C. CPD is committed to establishing adequate separation of duties between finance, contract grant administrator and quality assurance staff whenever feasible. There are a limited number of contract management staff, however efforts will be made to assign staff to monitor providers that they do not manage.
3. Improvements to Provider Invoicing and Reporting Should be Evaluated	A. Revise invoice receipt procedures to reduce inefficient practices.	Partially Agree	A. The current invoice submittal process is consistent with County standards and HUD requirements; however, CPD will re-evaluate the invoice submittal capabilities within HMIS to explore interface capability with PeopleSoft.

August 12, 2019

Human Services Department HIP Management Response

Opportunity for Improvement #	Finding Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
	<p>B. Create a template for match reimbursement and ensure that providers receive clear guidance on template usage and match calculation procedures.</p>	<p>Agree</p>	<p>B. In January 2019, the division reviewed and revised its template to ensure alignment of the match documentation with the grant funding process and contract requirements. Match submissions by Providers must adhere to the same supporting documentation requirements as reimbursable expenditures. Providers are given technical assistance on Cash Match and In-Kind Match throughout the year as needed. Additionally, there is an annual provider training that includes guidance on template usage and match calculations.</p>
	<p>C. Revise policies and procedures to include best practices regarding completion of the Invoice and Quarterly/Demographic Report checklists.</p>	<p>Partially Agree</p>	<p>C. CPD has a clear policy and procedure that includes a checklist; the division tracks and reports the overall processing time via an OMB Performance Measure. Staff have been trained on the policy and procedure. CPD is committed to revising the policies and procedures to include more specific timelines for each staff to complete the invoice and Quarterly/Demographic Report checklists. CPD will implement an internal quality assurance process to ensure compliance.</p>
	<p>D. Create and utilize an internal checklist for the receipt and review of quarterly reports for HUD contracts.</p>	<p>Agree</p>	<p>D. Effective July 1, 2019, HIP will utilize the existing Quarterly Report/Demographic Report checklist for the receipt and review of quarterly reports related to general funded services for all United States Department of Housing & Urban Development (HUD) grant funded services.</p>
<p>4. Provider Contract Compliance Should be Improved.</p>	<p>A1. Assist providers in strengthening internal controls over reported data to ensure all measures are accurately reported and supported.</p>	<p>Agree</p>	<p>A1. In FY19, outcomes were revised to align more uniformly with system performance measures. The County has already conducted trainings with the providers on the various reports in HMIS, including outcome reports, that will be submitted via HMIS as of FY2020.</p>
	<p>A2. Improve the monitoring process to identify inaccurate and incomplete reporting by providers.</p>	<p>Agree</p>	<p>A2. As stated previously in recommendation #1, the monitoring process is being revised and will include a performance and data-based review to help identify inaccurate and incomplete reporting.</p>

Opportunity for Improvement #	Finding Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
	<p>A3. Ensure that providers receive clear guidance regarding how to report outcome attainment.</p> <p>B. Revise the standard HMIS reports to allow for reporting that correlates to reporting requirements and allows reports to be generated by providers</p>	<p>Agree</p> <p>Agree</p>	<p>A3. In FY18, CPD conducted individualized trainings for all providers regarding outcomes. In FY19, HIP ensured outcomes were more in line with the system performance measures. These efforts helped to standardize the data across providers which will improve the analysis of the system performance.</p> <p>B. HIP is working with the HMIS team and the contracted software vendor to provide onsite and/or remote technical assistance to create custom reports. Requirement gathering sessions will occur during training sessions scheduled for summer/fall 2019. The intent is to increase the ability of staff and providers to create custom reports that allow for the automation of reports that align with the outcomes.</p>
	<p>C1. Ensure appropriate monitoring of all significant contractual provisions.</p>	<p>Agree</p>	<p>C1. CPD is reviewing the current monitoring approach as noted in recommendation #1. The entire process will be reviewed from the tool, timeframe for monitoring, and roles and responsibility of assigned staff.</p>
	<p>C2. Strengthen internal controls to ensure County does not provide reimbursement when contractual criteria have not been met.</p>	<p>Agree</p>	<p>C2. CPD will ensure that the existing invoice policy and procedures are followed by all staff and will implement a quality assurance process to ensure compliance.</p>
<p>5. Provider Contract Provisions Should be Evaluated.</p>	<p>A1. Simplify outcome measures by limiting the number of parameters within each measure.</p> <p>A2. Ensure that future contracts align indicators with the data collection methodology and providers</p>	<p>Agree</p> <p>Agree</p>	<p>A1. Since FY18, all outcomes have limited parameters for each measure.</p> <p>A2. Since FY18, all outcomes have clear methodology aligning with the measure, including more details to provide clear guidance on data collection and reporting.</p>

August 12, 2019

Human Services Department HIP Management Response

Opportunity for Improvement #	Finding Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
	receive clear guidance on how to report outcomes.		
	A3. Ensure that future contract language is written to ensure that the outcome is controllable by the provider.	Agree	A3. Since FY18, all contracts have outcome measures that are controllable by the provider.
	A4. The format for outcome measure reports should be consistent across all providers.	Agree	A4. CPD will be standardizing outcome measures to ensure they are consistently displaying the impact of the entire system.
	B. Revise compensation structures which inadvertently or unfairly penalize providers.	Partially Agree	B. CPD will review the financial penalty guidelines and consider revisions.