



Audit of
Community Partnerships Division:
Health Care Services Section

Office of the County Auditor

Audit Report

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

Audit Conducted by:
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Report No. 20-03
October 24, 2019



OFFICE OF THE COUNTY AUDITOR

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October 24, 2019

Honorable Mayor and Board of County Commissioners:

We have conducted an audit of the Health Care Services 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 and grant 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 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.

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
Monica Cepero, Deputy County Administrator
Kimm Campbell, Director, Human Services Department
Darrell Cunningham, Director, Community Partnerships Division

Broward County Board of County Commissioners

Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Dale V.C. Holness • Nan H. Rich • Tim Ryan • Barbara Sharief • Michael Udine
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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 unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted an audit of the Health Care Services 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 and tested entities' compliance with these provisions based upon a sample of service provider invoices, audited financial statements, County monitoring reports, and quarterly performance reports. In addition, 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 accounting voucher payments.

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. We did not audit the Ryan White Program (HIV/AIDS Services). The audit period was October 1, 2016 through September 30, 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 and grant 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's (CPD) mission is to work collaboratively with community partners (including funders, nonprofit and for-profit entities, faith-based organizations, governmental entities, advocates, and consumers) to assure that community-based human services are cost effective, coordinated, and performance-based in meeting the needs of residents. CPD's goal is to create a comprehensive system of care that addresses the issues of health (physical, special needs, and behavioral health), shelter, and safety.

The CPD plans, coordinates, administers, and evaluates a comprehensive array of human service programs for children and adults through the Children's Services Administration Section, Health Care Services Section (including the Ryan White Program (HIV/AIDS) Services), and the Homeless Initiative Partnership Section.

The Health Care Services Section (HCS) administers funds dedicated to providing services to individuals with health care, behavioral health, mental health, and special health care needs in Broward County. HCS is responsible for the professional oversight, as well as fiscal and contract administration, of the delivery of health care services and related support services.

The general philosophy for services funded under HCS is to ensure that:

- ❖ Services provided to eligible Broward County residents in need of health-related services are both targeted and specialized. The goal of these services is to develop skills through the delivery of health-related care that maintain consumers of such services in the least restrictive environment possible.

- ❖ Funded agencies providing health services share the philosophy that the expected outcome from services received by consumers will produce self-sufficiency.

The County’s health delivery system is anchored by an established public, primary health care system comprised of two tax-assisted hospital districts offering inpatient and emergency care, and outpatient primary medical care services. More than 300,000 County-funded primary care encounters are delivered annually.

Healthcare services in Broward County are complemented by a local health department that is supported in part by funds provided by the County under Florida Statutes. The Veterans Services Administration also operates two outpatient clinics located in central and west Broward County.

Exhibit 1 presents the total funding for the Healthcare Services Section for Fiscal Years 2017 and 2019, and the number of budgeted positions.

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

Health Care Services Section	FY 2017	FY 2018
General Fund	\$20,588,690	\$21,821,918
Federal and State Grants	<u>17,366,907</u>	<u>16,316,163</u>
Total	<u>\$37,955,597</u>	<u>\$38,138,081</u>
Budgeted Positions	18	18

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

County funding is intended to augment health and support services provided in the local health delivery system by providing residents with access to health-related services that are traditionally not provided within the continuum of care. Additionally, County funding helps to bridge access to services while clients are on a waitlist or expand access when service caps or other restrictions prevent clients from maintaining their ability to reside in the least restrictive environment as possible. The delivery of funded services is provided to clients in a coordinated manner across federal, state, and local programs and assists the service provider in continuously monitoring applicable waitlists to ensure that the County is the payer of last resort.



Source: BrowardHealth.org

Exhibit 2 lists HCS contract partners for FY 2017, and the amount of the funding provided to each entity, as well as the primary types of services they provide. As shown, HCS distributed over \$34 million in funding to more than 20 community partners.

Exhibit 2
Fiscal Year 2017 Funding by Category and Service Provider

Service Provider	Total FY 2017 Funding	Primary Service Type			
		Primary Care	Mental/ Special	Local Match	Ryan White (HIV/AIDS)
North Broward Hospital District	\$9,971,180	<input checked="" type="checkbox"/>			
South Broward Hospital District	6,728,657	<input checked="" type="checkbox"/>			
Broward Regional Health Planning Council	2,789,895			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AIDS Healthcare Foundation	2,653,146				<input checked="" type="checkbox"/>
Florida Department of Health	1,880,796	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Care Resource Community Health Centers	1,474,300		<input checked="" type="checkbox"/>		
State of Florida	1,387,473				
Poverello Center Inc	1,376,537				<input checked="" type="checkbox"/>
Henderson Behavioral Health Inc	1,321,643		<input checked="" type="checkbox"/>		
Broward House Inc	1,308,287			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nova Southeastern University	1,154,148				<input checked="" type="checkbox"/>
Broward Community & Family Health	403,832				<input checked="" type="checkbox"/>
Achievement & Rehabilitation Center	297,133	<input checked="" type="checkbox"/>			
Community AIDS Resource Inc	292,598				<input checked="" type="checkbox"/>
Smith Mental Health Associates	179,320		<input checked="" type="checkbox"/>		
Archways	175,982			<input checked="" type="checkbox"/>	
Mental Health Association of Broward	174,540		<input checked="" type="checkbox"/>		
Healthy Mothers, Healthy Babies	160,982	<input checked="" type="checkbox"/>			
Women in Distress of Broward County	144,288	<input checked="" type="checkbox"/>			
Legal Aid Service of Broward County	127,584				<input checked="" type="checkbox"/>
Foot Print to Success Clubhouse	126,550			<input checked="" type="checkbox"/>	
Broward Housing Solutions	100,838			<input checked="" type="checkbox"/>	
Broward Health	88,084				<input checked="" type="checkbox"/>
Center for Hearing & Communication	76,266	<input checked="" type="checkbox"/>			
Positive Outcomes	35,387				<input checked="" type="checkbox"/>
Broward Partnership for The Homeless	33,836			<input checked="" type="checkbox"/>	
Sunserve	25,349			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NAMI Broward	19,364			<input checked="" type="checkbox"/>	
Latinos Salud	10,925				<input checked="" type="checkbox"/>
Two administrative vendors	178,786			<input checked="" type="checkbox"/>	
Total	\$34,697,706				

Prepared by Office of County Auditor using data from PeopleSoft

Programs and Program Requirements

CPD Sections conduct monitoring of contracted service providers (local nonprofits, social service agencies) to determine compliance with the requirements of their respective agreements at least once annually. When the service provider has agreements with more than one CPD Section, the Sections may conduct joint monitoring. CPD may also jointly monitor a service provider's services with the Children's Services Council, the Department of Children and Families, the Florida Department of Health, or other organizations from which the service provider receives funding. The County considers an agency's monitoring findings and responsiveness to corrective actions in future contract renewal and funding decisions.

Performance or 'outcome' measurement is the regular collection of specific information by service providers 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.

The annual monitoring and evaluation process includes both administrative and programmatic requirements, including review of human resources policies, fiscal practices, personnel and client files, and insurance management. Quarterly performance reports are reviewed by County staff to assess the service provider's attainment of performance goals as reflected by positive client outcomes. Service providers are additionally monitored for the completeness, timeliness, and accuracy of data remitted within invoices and quarterly performance reports submitted to HCS.

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. Service Provider Monitoring Should be Improved.

We observed inefficiencies in the monitoring process. HCS staff conducts monitoring of service providers to determine compliance with contractual requirements and to provide assurances regarding the accuracy of data. Site visits are performed annually from February through June, and report upon service provider activities from October of the prior year through the start of the site visit. The monitoring process is performed in a limited time frame, often of less than one week. We reviewed the monitoring reports for four service 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 service 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 of lower risk than ensuring the accuracy of performance results. Further, the current method applies the same procedures to all service 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. Although certain tests require unique samples or procedures, the same sample was used by HCS staff for multiple tests. For example, as shown in Exhibit 3, a sample of 15 client files was selected for review at one service provider location to test compliance with each of the reported outcome measures. However, as demonstrated in the Exhibit, most of the sampled clients were not considered by the service provider in reporting of one of the outcome measures being tested.

**Exhibit 3
Results of the Use of a Generic Sample Selection**

Test	Monitoring Site Visit Reporting			% of Monitoring Sample Not Applicable to Test
	Met	Not Met	N/A	%
1	1	0	14	93%
2	15	0	0	0%

Source: Compiled by the Office of County Auditor using data from CPD monitoring documentation

- C. We noted a lack of segregation of duties between the contract administration and the 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. One of the four service provider monitoring reports reviewed was 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 service provider entity. Monitoring and compliance reviews should be performed by an individual independent of contract administration.

We recommend management revise monitoring process procedures to include:

- A. Consideration of risk, including a rotational, not annual, basis for low-risk items and/or service 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.
- C. Adequate segregation of duties over contract management and monitoring to ensure employees independent of contract management perform the annual monitoring process.

Management Response: See pages 10 through 12

2. Service Provider Contract Compliance Should be Improved.

To ensure compliance with contractual requirements, underlying documentation remitted to HCS by the service providers should be adequately reviewed. Service providers are required to report quarterly performance results. Service 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-funded services are impacting the community. We noted the following concerns:

- A. Data reported in the quarterly reports is not able to be adequately reviewed for accuracy using the Client Services Management System (CSMS) software. CSMS is a case management system used to track client data and service delivery, but it is not a robust data analytics and reporting tool. This results in reliance upon the annual monitoring process to verify data accuracy and completeness. We noted HCS staff is unable to utilize CSMS to validate quarterly performance data. If CSMS could be used, the validation process could become more efficient, thereby saving staff time.
- B. Local Match funding contributions by service providers may not be in compliance with contractual requirements. We noted that the County’s contract with one service provider had a local participation requirement of 75-to-25 state-to-local funding ratio. We found that actual local funding amount contributed to the program was 16.9%, not 25%, as shown in Exhibit 5. The difference appears to be due to a calculation discrepancy between the match amount and the contractual percentage requirement.

**Exhibit 5
Local Match Funding for FY 2017**

Description	Amount	Calculated % of total	% per Contract
Local Match Amount	\$ 119,937	16.9%	25%
State Funding	<u>590,994</u>	<u>83.1%</u>	<u>75%</u>
Total Funding Amount	<u>\$ 710,931</u>	<u>100%</u>	<u>100%</u>

Source: Compiled by the County Auditor from contract data provided by CPD

It is important that controls be in place to reasonably ensure contract compliance. Without such controls, the risk of noncompliance remaining undetected is increased, and program goals may not be achieved.

We recommend management:

- A. Review the software capabilities of CSMS to ensure the software meets the needs of its users.
- B. Ensure local match amount calculations meet contractual requirements.

Management Response: See pages 10 through 12

3. Improvements to Quarterly Report and Invoice Processing Should Be Evaluated.

Written procedures are needed to ensure service provider-submitted invoices and other submittals are accurate. We reviewed a sample of service provider invoices and quarterly reports 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 identified incomplete invoice and quarterly report review procedures by County staff. Departmental policies and procedures did not include timeframes to complete all review processes, including resolution of inaccuracies; completion of required service provider attestations; and documentation of the completion of processes and concerns by staff. This increases the possibility that some reviews may not be done on a timely basis. When used properly, checklists can be an effective tool to safeguard process integrity.

We recommend management revise written policies and procedures, as well as review checklists, for the accurate completion of checklists.

Management Response: See pages 10 through 12

MANAGEMENT'S RESPONSE



BERTHA W. HENRY, County Administrator
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

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

FROM: Bertha Henry
County Administrator

DATE: October 17, 2019

RE: Management Response to the Office of the County Auditor's Audit of
Community Partnerships Division: Health Care Services Section (HCS)

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

In summary, Management concurs with the Audit Report conclusion that HCS 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 or partially agrees with.

Attached you will find detailed responses to each of the Opportunities for Improvement listed in the Audit Report.

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

Opportunity for Improvement #	Narrative/Recommendation	Agree, Disagree, Partially Agree	Management Response
1. Improvements to Provider Monitoring Should be Evaluated.	A. Consideration of risk including a rotational, not annual, basis for low-risk items and/or providers.	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. 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.	Agree	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 consistencies or issues with documentation, quality and compliance.
	C. Establish adequate segregation of duties over contract management and monitoring, including ensuring employees independent of contract management perform the annual monitoring process.	Partially Agree	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.
2. Provider Contract Compliance Should be Improved.	A. Review the software capabilities of CSMS to ensure the software meets the needs of its users.	Agree	A. HCS is currently transitioning to the Provide Enterprise (PE) data management system, which is being developed to track client level data, service delivery, contractual outcomes and performance measures while ensuring data accuracy and completeness. PE also includes an in-depth performance measure module, with associated reports, that will be programmed to analyze compliance with contractual requirements and performance measures.

	<p>B. Ensure Local Match calculations meet contractual requirements.</p>	<p>Partially Agree</p>	<p>B. Florida Statutes Section 394.76(9)(a) related to local match, provides “[t]he amounts and participation shall be at least that amount which, when added to other available local matching funds, is necessary to match state funds.” The required local match amount is determined by Broward Behavioral Health Coalition (BBHC), the local Managing Entity. Consistent with Florida Statutes, local match funds are not exclusively County funds; local match can be a combination of other funding sources, which includes Broward County as a potential funding source. In this instance, BBHC amended their agreement with the Provider to increase the funding, which increased the match amount. BBHC provided the match requirement and that amount was paid to the Provider, thus we have met the requirement. CPD is reviewing the current Local Match process and the contractual shell. The entire process will be reviewed from application to the agreement execution and amendment process to ensure compliance with Florida Statutes.</p>
<p>3. Improvements to Quarterly Report and Invoicing Processing Should be Evaluated</p>	<p>Revise written policies procedures, as well as review checklists, for the completion of checklists within prescribed timeframes.</p>	<p>Partially Agree</p>	<p>CPD has a clear policy and procedure regarding quarterly reports and invoice processing that includes a checklist. The division further tracks and reports the overall processing time through a Performance Measure with the Office of Management and Budget. Staff have been trained on the policy and procedure. While there are clear policies in place, 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. Furthermore, CPD will implement an internal quality assurance process to ensure compliance.</p>