



Audit of
Community Partnerships Division:
Children's Services Administration
Section

Office of the County Auditor

Audit Report

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County Auditor

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Report No. 20-04
October 24, 2019



OFFICE OF THE COUNTY AUDITOR

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October 23, 2019

Honorable Mayor and Board of County Commissioners

We have conducted an audit of the Children's Services Administration 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

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INTRODUCTION

Scope and Methodology

The County Auditor's Office 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 Children's Services Administration 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 voucher payments.

To determine whether funds are used effectively to deliver appropriate, needed human services, we reviewed and evaluated a sample of 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 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 service providers, 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 the 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.

CPD plans, coordinates, administers, and evaluates an 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.



Source: Broward.org

The Children's Services Administration (CSA) Section administers funds dedicated to children's services appropriated by the Broward County Board of County Commissioners (Board). The Board and other major children's service funders in Broward County work in collaboration to develop comprehensive, services within a system of care for children, adolescents, and their families with needs in the areas of Juvenile Justice System,

Behavioral Health, Special Needs, Childcare, Social Service System, Child Welfare, LGBTQ, and Independent Living.

Exhibit 1 presents the total funding for the Children’s Services Administration 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

Children’s Services Administration Section	FY 2017	FY 2018
General Fund	\$16,548,308	\$18,418,050
Federal and State Grants	<u>1,499,073</u>	<u>1,154,589</u>
Total	<u>\$18,047,381</u>	<u>\$19,572,639</u>
Budgeted Positions	12	13

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

The CSA is the recipient of a System of Care Expansion grant from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). In



Working together - Making a difference
Source: OCP2.org

collaboration with the Broward Behavioral Health Coalition (BBHC), an initiative known as One Community Partnership 2 (OCP2) augments the delivery of services to transition-age youth and young adults who experience emotional or mental health challenges that also may include co-occurring substance use, trauma, and other complex issues. This initiative provides the Broward System of Care with transitional support for youth entering adulthood on their way toward resiliency, recovery, and wellness.

Exhibit 2 lists CSA contract partners for FY 2017, and the amount and source of the funding, as well as the types of services provided. As shown, CSA distributed over \$16 million in funding to 23 community partners.

Exhibit 2
Fiscal Year 2017 Funding by Category and Service Provider

Service Provider	Total FY 2017 Funding	Primary Service Type			
		Behavioral Health	Supportive Services	Special Healthcare	Program Operation
Henderson Behavioral Health	\$2,600,157	<input checked="" type="checkbox"/>			
Boys and Girls Club of Broward County	2,406,029				<input checked="" type="checkbox"/>
Broward County School Board	2,171,536	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Broward Regional Health Planning Council	1,930,759			<input checked="" type="checkbox"/>	
Broward Behavioral Health Coalition	955,710	<input checked="" type="checkbox"/>			
Children's Diagnostic & Treatment Center	839,381			<input checked="" type="checkbox"/>	
Broward Children's Center Inc	785,564	<input checked="" type="checkbox"/>			
Achievement & Rehabilitation Center	708,213			<input checked="" type="checkbox"/>	
United Cerebral Palsy of Broward County	633,297				
Legal Aid Service of Broward County	612,435	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Covenant House Florida	551,132	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Harmony Development Center	471,282	<input checked="" type="checkbox"/>			
South Broward Hospital District	454,486	<input checked="" type="checkbox"/>			
JAFCO Respite and Family Resource Center	331,380			<input checked="" type="checkbox"/>	
Broward County Sheriff's Office	299,360				<input checked="" type="checkbox"/>
Lutheran Services Florida	195,425		<input checked="" type="checkbox"/>		
Parent to Parent of Broward County	183,144			<input checked="" type="checkbox"/>	
Camelot Community Care, Inc.	157,881	<input checked="" type="checkbox"/>			
Mental Health Association of Broward	107,199	<input checked="" type="checkbox"/>			
Center for Hearing and Communication	77,900	<input checked="" type="checkbox"/>			
Memorial Regional Hospital	49,488	<input checked="" type="checkbox"/>			
Kids in Distress, Inc.	42,817	<input checked="" type="checkbox"/>			
The Business and Leadership Institute	35,003		<input checked="" type="checkbox"/>		
Total	\$16,599,578				

Source: Compiled by Office of the County Auditor using data obtained from the County's financial systems.

Children's Services Council Special District

The Children's Services Council of Broward County is an independent taxing authority established by the voters in 2000 and reauthorized in 2014 as part of the system of care collaboration of services and interventions. The CSC's mission is to provide leadership, advocacy, and resources necessary to enhance the lives of the children of Broward County, and empower them to become responsible, productive, adults through collaborative planning and funding of a continuum of services.

The organization funds close to one hundred programs that serve children and families, advocates for policies that protect the interests of future generations and provides leadership



that brings the child-serving community together. The CSC works with Community Partners to help "Turn the Curve" in a positive direction on issues like Maternal and Child Health, Family Strengthening, After-School and Out-of-School Time, Kinship Care, Youth Leadership, Advocacy and Employment Support for Youth and Families with Special Needs.

Programs and Program Requirements

CPD sections conduct monitoring of contracted service providers to determine compliance with the requirements of their Agreements and the *Broward County Human Services Department, Community Partnerships Division, Handbook for Contracted Services Providers* 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 in Broward County, or other organizations from which the service 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 includes both administrative and programmatic requirements, including review of human resources policies, fiscal practices, personnel and client files, and insurance management. Service providers are also monitored for completeness, timeliness, and accuracy of data remitted for invoices, and quarterly performance reports submitted to CSA.

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.

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 Improvements presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Provider Monitoring Should be Improved.

We observed inefficiencies in the monitoring process. CSA 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 provider activity 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 five 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 of 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. Although certain tests require unique samples or procedures, the same sample was used for multiple tests. For example, as shown in Exhibit 3, a sample of 30 client files was selected for review at one 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 included by the provider in reporting of the outcome measures being tested.

Exhibit 3 – Results of Using the Same Sample Size for Multiple Tests

Test	Clients Files Selected for Sample That Were		% of Monitoring Sample Not Applicable to Test
	Applicable to Test	Not Applicable	
1	9	21	70%
2	10	20	67%
3	5	25	83%
4	3	27	90%

Source: Compiled by the Office of County Auditor using data from a Children’s Services Section Monitoring Report

- 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. All 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.
- C. Establish adequate segregation of duties over contract management and monitoring, including ensuring employees independent of contract management perform the annual monitoring process.

Management Response: See pages 11 through 13

2. Provider Contract Compliance Should be Improved.

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

- A. Variances and a lack of supporting documentation existed between submitted quarterly report data and supporting documentation observed on-site. During our testing, we noted the following:
 - 1) One provider did not have a mechanism in place to adequately compile total client data and was unable to verify underlying reported performance data.
 - 2) Another provider’s reports included variances between the provider’s supporting documentation and data provided to CSA.
- B. Providers did not meet the contractual requirement for the minimum number of clients served. We noted a contract between Broward County and a provider required a minimum number of clients to be served during the year which the provider failed to meet by nearly 8%, as shown in Exhibit 4.

Exhibit 4 – Variance of Minimum Number of Clients Served

Contractual Minimum	Reported Attainment	Variance
740	682	(7.8%)

We recommend management:

- A1. Strengthen provider internal controls over reported data to ensure all measures are accurately supported by support documentation.
- A2. Improve the monitoring process to identify inaccurate and incomplete reporting by providers.
- B. Ensure appropriate monitoring of significant contract provisions.

Management Response: See pages 11 through 13

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

Written procedures are needed to ensure provider-submitted invoices and other submittals are accurate. We reviewed a sample of 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 identified incomplete 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 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 full completion of checklists within prescribed timeframes.

Management Response: See pages 11 through 13

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: Children's Services Administration
(CSA)

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

In summary, Management concurs with the Audit Report conclusion that CSA 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. Provider Monitoring Should be Improved.	A. Consideration of risk including a rotational, not annual, basis for low-risk items and/or providers.	Agree	A. Children Services Administration Section (CSAS) of 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.	A1. Strengthen provider internal controls over reported data to ensure all measures are accurately supported by support documentation.	Agree	A1. Beginning FY 18, CPD implemented internal controls to strengthen its performance reporting. These controls include data validation within the Division and Office of Evaluation and Planning prior to report submission. A document storage protocol was created to ensure that all performance measure data for the Office of Management and Budget (OMB) and supporting documentation is stored in one central location.

	A2. Improve the monitoring process to identify inaccurate and incomplete reporting by providers.	Agree	A2. As stated previously in response to opportunity for improvement#1, the monitoring process is being revised and will include a performance and data-based review to help identify inaccurate and incomplete reporting. CPD/CSAS anticipates completing this in FY2020.
	B. Ensure appropriate monitoring of all significant contractual provisions.	Agree	B. CPD is reviewing the current monitoring approach as noted in the response to opportunity for improvement #1. The entire process will be reviewed from the tool, timeframe for monitoring, and roles and responsibility of assigned staff. CPD/CSAS anticipates completing this in FY2020.
3. Improvements to Quarterly Report and Invoicing Processing Should be Evaluated.	Management revise written policies procedures, as well as review checklists for the completion of checklists within prescribed timeframes.	Partially Agree	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.