



CITY OF SAN ANTONIO

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June 14, 2018

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SUBJECT: Audit Report of Department of Human Services After School Challenge Program

Mayor and Council Members:

We are pleased to send you the final report of the Department of Human Services After School Challenge Program. This audit began in August 2017 and concluded with an exit meeting with department management in May 2018. Management's verbatim response is included in Appendix B of the report. The San Antonio Police Department management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kevin W. Barthold".

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
City of San Antonio

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CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Department of Human Services

After School Challenge Program

Project No. AU17-C04

June 14, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Department of Human Services (DHS), specifically the After School Challenge Program. The audit objectives and conclusions follow:

Determine if contract administration is effective to ensure compliance with key terms of the contract and accuracy of performance measures.

DHS has established policies and procedures to monitor contract compliance with the After School Challenge Program. Bi-annual, annual and end of contract reviews are conducted by contract monitors to validate the accuracy of performance measures reported by participating districts, and compliance with key contract terms.

Although contract monitors are performing the required reviews, we determined that the annual program performance and end of contract reviews conducted need improvement. Specifically, we noted the following:

- The timing of the reviews is not adequate to ensure that self-reported performance measures are accurate.
- Support documentation used by contract monitors to complete the reviews is not consistently kept on file.
- DHS managers are approving internal review forms completed by contract monitors without verifying supporting documentation.

Other Matters Noted:

A recent audit, DHS Haven for Hope Contract Administration, was completed with similar findings regarding contract monitoring processes. DHS Management was in the process of addressing those findings while this audit was being performed.

DHS Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 7.

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Background

The After School Challenge Program (ASCP) provides children a safe place to receive homework assistance and tutoring, study, participate in recreational activities, and eat a nutritious snack. The ASCP is operated in eight school districts within 144 elementary and middle schools by district employees and subcontractors. The ASCP is available to students currently enrolled in a participating school and in fiscal year 2017 the ASCP provided services to approximately 12,325 participants.

COSA has an interlocal agreement with each school district which details the minimum number of days services are to be provided, times of operations, minimum enrollment for each district, and the fees to be charged to participating families which are reimbursed to COSA. The program fees charged to participating families is based upon the Federal Poverty Level (FPL). ¹ The following chart details the ASCP fees set by the agreements:

After School Challenge Program Fees		
	185% of FPL and Below	186% and over of FPL
Annual cost for 1st Child	\$25.00	\$260.00
Each additional child	\$15.00	\$160.00
Annual maximum per family	\$55.00	\$580.00

The City reimburses each district for allowable costs as long as the district maintains an average daily attendance of 85% of contracted enrollment. The agreements also require districts to maintain participant records and an inventory of all items obtained with City funds. The following chart is a summary of the reimbursement costs and fee collections for the program during fiscal year 2017.

¹ A measure of income issued every by the Department of Health and Human Services used to determine eligibility for certain programs and benefits.

After School Challenge Program Financial Summary Fiscal Year 2017				
School District	Authorized Reimbursement Amount	Actual Expenses Reimbursed	Remaining Reimbursement Amount	Program Fees Collected
East Central	\$124,200	(\$122,756)	\$1,444	\$34,854
Edgewood	\$168,750	(\$168,615)	\$135	\$18,910
Harlandale	\$375,000	(\$374,391)	\$609	\$65,395
North East	\$317,900	(\$317,900)	\$0	\$110,993
Northside	\$221,000	(\$185,786)	\$35,214	\$14,710
San Antonio	\$1,532,780	(\$1,531,642)	\$1,138	\$248,469
South San	\$75,000	(\$75,000)	\$0	\$8,705
Southwest	\$40,600	(\$40,600)	\$0	\$10,633
Total	\$2,855,230	(\$2,816,690)	\$38,540	\$512,669

COSA's Department of Human Services (DHS) is responsible for administering and monitoring contract deliverables, reviewing school district program expenses, and tracking performance measures. Contracts should be administered in accordance with the Contract Administration & Monitoring Protocol for Delegate Agencies/Contractors.

Audit Scope and Methodology

The audit scope covered After School Challenge Program activities and services between October 2016 and January 2018.

We interviewed key personnel from the Department of Human Services (DHS) and various school districts. We reviewed City contracts, balanced scorecard performance plans, and the DHS monitoring process in place by the contract and fiscal monitors. Specifically, we reviewed program performance reviews, end of contract reviews, fiscal reviews, site snack menus, program staff qualifications, inventory listings, and program fees.

We relied on computer-processed data in SAP to review expenses to determine allowability. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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

Audit Results and Recommendations

A. Inadequate Department Reviews

DHS has established policies and procedures to monitor contract compliance with the participating After School Challenge Program districts. Contract monitors conduct annual and end of contract reviews to validate the accuracy of performance measures reported by the agency; in addition to, compliance with contract terms.

Although contract monitors are performing the required reviews, we determined that the process for conducting the required reviews needs improvement. Specifically, the timing of the reviews is not adequate to ensure that self-reported performance measures are accurate. In addition, supporting documentation used to complete the reviews is not kept on file by the contract monitors.

We noted that program performance reviews completed for fiscal year 2017 were conducted in April 2017, excluding March, April, May, August, and September data. As a result, the State of Texas Assessments of Academic Readiness (STAAR) tests results, which is a performance measure, were not available at that time and could not be evaluated.

Furthermore, end of contract reviews which validate that the school district is compliant with the fiscal year 2017 contract terms were conducted in January and February of 2018, four months into the fiscal year 2018 contract. Without timely end of contract reviews, school districts are not being held accountable for complying with contract terms.

Finally, DHS management is approving internal review forms completed by contract monitors without verifying supporting documentation.

The DHS internal protocol defines the responsibilities and procedures for contract administration and the monitoring of contracts. Throughout the year, contract monitors conduct various types of reviews (i.e. annual program performance and end of contract reviews) to independently verify the accuracy self-reported performance measures by districts.

Inappropriate timing of reviews and inadequate management oversight of work completed by monitors may result in under reported measures and/or errors will not be identified. In addition, non-compliance with contract terms may not be identified timely.

Recommendation

The DHS Director should ensure the following:

- Adequate timing of the reviews conducted by monitors and timely communication of review results to school districts.
- Management is reviewing the accuracy and completeness of the work completed by contract monitors.
- Supporting documentation used by contract monitors to validate performance measures is kept on file.

Appendix A – Staff Acknowledgement

Gabe Trevino, CISA, Audit Manager
Amy Barnes, CFE, CGAP, Auditor in Charge
Sheryl Wardashki, CPA, Auditor

Appendix B – Management Response

**CITY OF SAN ANTONIO
DEPARTMENT OF HUMAN SERVICES**

TO: Kevin W. Barthold, City Auditor

FROM: Melody Woosley, Director, Department of Human Services *mw*

COPIES TO: Maria Villagomez, Assistant City Manager; file

SUBJECT: Management's Response to the Audit of Department of Human Services, After School Challenge Program

DATE: June 8, 2018

This memo transmits the Department of Human Services' (DHS) response to the City Auditor's audit of the Afterschool Challenge Program. DHS has established monitoring protocol and standard operating procedures to monitor compliance of contracts awarded through the biennial Human and Workforce Development Services Consolidated funding process. These procedures are intended to ensure agencies are delivering high quality services while meeting contractual obligations, performance expectations, and applicable rules and regulations of the City of San Antonio and other grant funding sources.

The Department of Human Services is committed to ongoing assessment of monitoring practices and procedures to ensure DHS Contract Administration is effective and provides an accurate reflection of the services provided by funded agencies.

To this end, the Department of Human Services has reviewed the audit report and has implemented the attached corrective actions in response to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	The Director of the Department of Human Services should ensure adequate timing of reviews conducted by monitors and timely communication of review results to School Districts.	5	Accept	Jessica Dovalina, Assistant Director	May 31, 2018
Human Services Department Response – Action Plan This audit reviewed performance contract monitoring reports for four of the eight Independent School Districts (ISDs) that have contracts to operate the After School Challenge Program: Edgewood, Northeast, Northside, and San Antonio. Program Performance Reviews, End of Contract Summaries and End of Year reports were reviewed for all four contracts as well as fiscal compliance. Auditors noted Program Performance Reviews conducted for 2017 for 12 of the 32 measures reviewed were conducted when the actual performance data was not available (STAAR test and grade progression results). These performance measures were collected and verified for End of Year reports. No specific performance measure concerns were identified for the 64 performance measures that were reviewed on the End of Contract Summaries and End of Year reports. However, Auditors noted that these reports were completed 30 to 60 days past the current protocol of 90 days. DHS has revised the contract monitoring calendar to ensure visits are scheduled when data is available for monitoring. Beginning FY 2018, Program Performance Reviews (on-site reviews) for After School Challenge Program contracts will be scheduled August 2018 to ensure that all performance measure data is available at the time of the site visit review. Additionally, the Department of <i>Human Services Contract Administration Monitoring Protocol</i> will be updated to require all End of Contract Reviews are completed within 45 calendars days of the end of the contract term (current protocol is 90 days) to ensure any needed adjustments are made during the first quarter of the new contract term.					
2	The Director of the Department of Human Services should ensure management is reviewing the accuracy and completeness of the work completed by contract monitors.	5	Accept	Jessica Dovalina, Assistant Director	May 31, 2018
Human Services Department Response – Action Plan The DHS Contract Administration and Monitoring Protocol was revised to require submission of support documentation from contracted agencies for desk reviews and monitoring reports. Per the protocol, supervisors are also required to review this support documentation prior to approving reports. Training on the updated protocol and maintenance of support documentation for both contract and fiscal monitoring staff was provided on February 2, 2018 and May 31, 2018.					

Audit of the Department of Human Services
After School Challenge Program

3	The Director of the Department of Human Services should ensure supporting documentation used by contract monitors to validate performance measures is kept on file.	5	Accept	Jessica Dovalina, Assistant Director	May 31, 2018
Human Services Department Response – Action Plan During the performance period reviewed for this audit, the <i>Department of Human Services Monitoring Protocol</i> did not require retention of support documentation in contract monitor files. The DHS Contract Administration and Monitoring Protocol was revised to require retention of support documentation for all on-site and desk reviews. Training on the updated protocol and maintenance of support documentation for both contract and fiscal monitoring staff was provided on February 2 and May 31, 2018 and will be provided on an ongoing basis to ensure consistency.					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,


Melody Woosley

Director

Department of Human Services


Maria Villagómez

Assistant City Manager

City Manager's Office


Date


Date