



CITY OF SAN ANTONIO

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March 2, 2018

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SUBJECT: Audit Report of Department of Human Services Haven for Hope Contract Administration

Mayor and Council Members:

We are pleased to send you the final report of the Audit of Department of Human Services Haven for Hope Contract Administration. This audit began in April 2017 and concluded with an exit meeting with department management in December 2017. Management's verbatim response is included in Appendix B of the report. The Department of Human Services' 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

Haven for Hope Contract Administration

Project No. AU17-C03

March 2, 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 contract administration of delegate agencies within the Haven for Hope campus. The audit objective, conclusion, and recommendations follow:

Determine if the DHS contract administration of delegate agencies within the Haven for Hope campus is effective to ensure compliance with key contract terms and the accuracy of performance measures.

DHS has established policies and procedures to monitor contract compliance with the Haven for Hope delegate agency contracts. Monthly, bi-annual, annual, and end of contract reviews are conducted by contract monitors to validate the accuracy of performance measures reported by the agencies.

Although contract monitors are performing the required reviews, we determined that the annual program performance, biannual in-depth, and end of contract reviews conducted need improvement. Specifically, we noted that the reviews performed are not adequate to ensure that self-reported data is accurate and performance issues are communicated to the respective agencies. In addition, supporting documentation used to complete the reviews is not kept on file by the contract monitors. Furthermore, DHS managers are approving internal review forms completed by contract monitors without verifying the accuracy and completeness of the reviews.

We recommend that the DHS Director ensure that managers of contract monitors review the accuracy of their monitors' work to determine if the monitors' reviews are accurate and complete. In addition, supporting documentation used to validate the performance measures should be kept on file.

Senior management for the Department of Human Services agreed with our recommendations and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 5.

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Background

Haven for Hope is a non-profit organization with a mission of offering a place of hope and new beginnings by providing, coordinating and delivering an efficient system of care for people experiencing homelessness in Bexar County.

In fiscal year 2017, the City of San Antonio (COSA) budgeted approximately \$7 million from its general fund and grant allocation for Haven for Hope and its related campus partners. Haven for Hope, Center for Health Care Services, Family Violence Prevention Services, and the San Antonio Food Bank provide a wide range of services to campus residents. Services include a safe and secure environment; assistance with obtaining employment through education and training opportunities; health resources, such as counseling, medication stabilization, and psychiatric assessments; and food services.

COSA's Department of Human Services (DHS) is responsible for administering and monitoring contract deliverables, paying agency invoices, and tracking performance measures. Contracts should be administered in accordance with the City Procurement Policy and Procedures Manual and DHS' internal protocol.

Audit Scope and Methodology

The audit scope included services provided by Haven for Hope and its campus partners between October 2015 and May 2017.

We interviewed key personnel from the Department of Human Services (DHS), Haven for Hope, Center for Health Care Services, and Family Violence Prevention Services. We reviewed city contracts, balanced scorecard performance plans, and the DHS monitoring process in place by the contract and fiscal monitors.

A judgmental sample of 5 out of 8 agency programs was selected for review. Specifically, we reviewed the annual monitoring schedule, the contract risk assessment, contract administration plans, contract compliance tools, monthly contract monitoring reports, program performance reviews, in-depth reviews, end of contract reviews, and fiscal reviews. The following agencies and programs were reviewed:

Agency:	Program:
Haven for Hope	Residential and Support Services
Haven for Hope	Courtyard Security and Janitorial
Center for Health Care Services	Prospects Courtyard
Center for Health Care Services	In House Wellness Program
Family Violence Prevention Services	Community Based Counseling

We relied on computer-processed data in SAP to determine if agency budgets and invoices were accurately recorded in SAP. 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. In addition, we performed a review on the general access controls and data reliability of the Homeless Management Information System (HMIS)¹ and the ALICE² system.

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.

¹ Used by Haven for Hope and Center for Health Care Services to record/store client data.

² Used by Family Violence and Prevention Services to record/store client data.

Audit Results and Recommendations

A. Inadequate Department Reviews

DHS has established policies and procedures to monitor contract compliance with the Haven for Hope delegate agency contracts. Monthly, bi-annual, annual, and end of contract reviews are conducted by contract monitors to validate the accuracy of performance measures reported by the agencies.

Although contract monitors are performing the required reviews, we determined that the annual program performance, biannual in-depth, and end of contract reviews conducted need improvement. Specifically, we noted that the reviews performed are not adequate to ensure that self-reported data is accurate and performance issues are communicated to the respective agencies. In addition, supporting documentation used to complete the reviews is not kept on file by the contract monitors.

Furthermore, DHS managers are approving internal review forms completed by contract monitors without verifying the accuracy and completeness of the reviews.

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

Without verifying the accuracy of performance measures that are self-reported by the agencies, there's an increased risk that under reported measures and/or errors will not be identified. Consequently, management decisions that affect City resources may be based on inaccurate results.

Recommendations

The DHS Director should ensure that managers of contract monitors review the accuracy of their monitors' work to determine if the monitors' reviews are accurate and complete. In addition, supporting documentation used to validate the performance measures should be kept on file.

Appendix A – Staff Acknowledgement

Sandra Paiz, CFE, Audit Manager
Christopher Moreno, CFE, Auditor in Charge
Reina Sandoval, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

P.O. Box 839966
SAN ANTONIO TEXAS 78283-3966

February 20, 2018

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

RE: Management's Corrective Action Plan for the Audit of Department of Human Services Haven for Hope Contract Administration

The Department of Human Services (DHS) has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	The Human Services Director should ensure that managers of contract monitors review the accuracy of their monitors' work to determine if the monitors' reviews are accurate and complete. In addition, supporting documentation used to validate the performance measures should be kept on file.	3	Accept	Jessica Dovalina, Assistant Director	February 2, 2018
<p>Human Services Department Response – Action Plan</p> <p>Since 2012, the Department of Human Services (DHS) has made significant improvements to the contract execution, administration, and monitoring process to include: creation of a centralized contract monitoring team, development of an agency risk assessment process, and creation of standardized monitoring tools. The current DHS Protocol for monitoring contracts and assessing risk is updated on an annual basis. The Protocol includes contract compliance, program performance and fiscal reviews that are conducted onsite once a year based on an approved monitoring schedule. Additionally, DHS contract monitors conduct two Contract Monitoring Report (CMR) desk reviews to review agency contracted program performance measures.</p> <p>Low performance levels are addressed through corrective action plans from the agency and technical assistance is provided. Lastly, an End of Contract desk review is completed at the end of the contract to document overall contractor performance, final expenditures, findings or concerns, and status of corrective action plans, if implemented. Additionally, assigned Contract Monitors review monthly invoices and agency performance measures as reported on the CMR. Contracts are paid on a cost reimbursement basis. Agencies submit invoices along with a general ledger of expenditures which the Contract and Fiscal Monitors review to approve payments based on the approved budget.</p> <p>This audit reviewed performance contract monitoring reports of five contracts with three agencies: Family Violence Prevention, Haven for Hope, and Center for Healthcare Services (CHCS) for contracts related to services provided at the Haven for Hope Campus. Two of the five contracts had no issues, the other three</p>					

contracts had some calculation errors and source documentation was not kept on file. The audit reviewed a total of 15 reports containing 68 performance measures.

Immaterial Calculations Errors: Of the 68 measures reviewed 5 contained minor calculation errors, for example the expected number of unduplicated clients served under the CHCS In-House Wellness program for the 1st Quarter of FY 2017 was projected at 120; the DHS monitor calculated 140 and the correct amount was 144. Another example is the number of participants stabilized under the CHCS In-House Wellness Program, the FY 2016 End of Contract Report indicated that the number of participants stabilized was 78% and the correct number was 71%.

Performance Metric Overstated: Of the 68 measures reviewed 2 metrics were overstated.

- In the CHCS In-House Wellness program bi-annual report, the number of individuals demonstrating improvement in functional status for the 1st Quarter of FY 2017 was projected at 13, the DHS monitor reported that 90% of the number was achieved; however, the actual was 0%. For the following three quarters of FY 2017 CHCS exceeded this performance goal and 214 individuals demonstrated improvement – the goal for FY 2017 was 85 individuals.
- In the Have for Hope – Residential Services Contract, the DHS monitor reported that all metrics had met expected goals for FY 2016, however one metric, "Percentage of family units filled nightly," achieved a 87% performance and the DHS report indicated it had met 90%.

Source Documentation not kept on file: The DHS monitors did not maintain source documentation on file. The DHS contract monitoring policy has been revised and as of February 2, 2018 all monitors have been trained. Of the 68 measures reviewed there were 6 metrics where source documentation reflected a different result than indicated by the DHS monitor. For example, two metrics under the Haven for Hope Courtyard and Security contract track the number of EMS calls and the percentage of incidents responded to by Courtyard Life Safety Officers. For these measures, the results for the first six months of FY 2017 exceeded expected goals by a higher percentage than the DHS monitor had originally reported. Another metric tracks the nightly average number of beds filled in the Men's and Women's residential centers, the monitor reported 576 beds and the correct number was 591 beds filled on average. One additional metric tracks the nightly average number of beds filled in the Family residential center, the monitor reported 84 beds and the correct number was 75 beds.

DHS Contract Administration & Monitoring Protocol requires Supervisors to review and approve the Contract Monitors' work. DHS has updated the Monitoring Protocol to require Monitors keep support/source documentation on file. Training on the updated protocol and maintenance of support documentation for both contract and fiscal monitoring staff was completed on February 2.

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


Date


Maria Villagomez
Assistant City Manager
City Manager's Office


Date