

ULSTER COUNTY COMPTROLLER'S OFFICE

Elliott Auerbach, Comptroller



Family of Woodstock, Inc. Contract Audit

August 15th, 2017

The mission of the Ulster County Comptroller's Office is to serve as an independent agency of the people, to protect the public interest by monitoring County government and to assess and report on the degree to which its operation is economical, efficient and its financial condition sound.

ULSTER COUNTY OFFICE OF THE COMPTROLLER

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*Director of Internal Audit &
Control*

Dear County Officials:

Following is our report on the methodologies and practices utilized by Family of Woodstock, Inc. as part of the execution of five contracts for services with three Ulster County departments. Our review sought to confirm whether adequate internal controls are in place to ensure that contract objectives are efficiently and effectively being met, as well as that accurate processing and billing methods exist.

We generally conclude that the methodology and practices, including the allocation of expenses, pertaining to the management of these contracts for services between Ulster County and Family of Woodstock are generally appropriate; however, certain internal controls governing these activities should be improved.

The reports issued by the Office of the Ulster County Comptroller (“Office”) are an important component in accomplishing the development and promotion of short and long-term strategies to achieve reduced costs and improve service delivery, accountability, and protection for the County’s assets. These reports are expected to be a resource, are designed to identify currently emerging fiscally related problems, and typically provide recommendations for their improvement.

The Office conducted this audit and produced this report in accordance with the Comptroller’s authority as set forth in Article IX, Section 57, first paragraph, and Sections 57(A) and (G) of the Ulster County Charter, as well as applicable New York State laws, rules, and regulations.

If we can be of assistance to you, or if you have any questions concerning this report, please feel free to contact us.

Respectfully submitted,

Ulster County Comptroller

Objectives

The objectives of this audit were to:

1. Review the methodologies and practices surrounding selected contracts for services between Ulster County and Family of Woodstock, including the allocation of expenses.
2. Determine the existence of, and adherence to, the internal controls governing this activity, including compliance with Schedule A and Schedule B requirements.

Background

Ulster County contracts with Family of Woodstock, Inc. (“FAMILY”) for administrative and operational assistance across many social service and public benefit programs in the Ulster County area. These offerings may include homeless shelters and temporary housing, domestic violence services, child care, case management and skills training for adolescents and youth, and various adult programming.

The chart below illustrates FAMILY’s annual budget, the amount of yearly funding the organization receives from Ulster County, and the corresponding percentage attributed to Ulster County’s contribution toward FAMILY’s overall budget:

Year	Annual Budget	Revenues Received from UC*	% of Budget
2014	\$ 8,810,568	\$ 2,202,296	25.0%
2015	\$ 9,081,704	\$ 2,544,552	28.0%
2016	\$ 9,808,695	\$ 2,407,738	24.5%

*Invoices paid during year according to county's financial management system

As is standard practice, each contract between Ulster County and FAMILY contains the “Scope of Services” to be provided, detailing the main goals and objectives to be achieved for initiatives within the agreement. Each contract also includes a schedule of fees, expenses, and submissions for payment, which outline the funding amounts awarded and all required methods of billing.

The five contracts selected for this audit cover a myriad of services, including the following: (1) Independent Living Program; (2) Alternative to Juvenile Detention Project; (3) Residential and Non-Residential Children’s Programs for Families Who Have Survived Domestic Violence; (4) Family House Program; and (5) Transitional Living/Midway Program.

Scope

We audited five FAMILY contracts for services to be provided from January 1, 2016, through December 31, 2016, amounting to \$411,379. The following contracts were tested:

Contract #	Program	Program Description	Contract Amount	Office or Department
2016-027	Independent Living Program	Prepares adolescents age 14-21 for the challenges and responsibilities of living as an adult after discharge from foster care	\$ 75,000	DSS
2016-135	Alternative to Juvenile Detention Project	Diversion services program for low and moderate risk youth age 7-15	\$ 110,000	Probation
2016-244	Residential and Non-Residential Children's Program for Families Who Have Survived Domestic Violence	Residential services for the Washbourne House and non-residential, individual, and group services to parents and children not residing at the domestic violence shelter	\$ 24,000	Youth/Human Services
2016-393	Family House Program	Emergency residential and related respite services to runaway and homeless youth	\$ 113,320	Youth/Human Services
2016-394	Transitional Living Program	Long-term residential and transitional living for adolescents, as well as non-residential case management for runaway and homeless youth	\$ 89,059	Youth/Human Services

Contracts, supporting documents, and invoices were obtained from the County's financial management systems; source documentation was also received from FAMILY to support and verify those invoices. Additionally, this Office reviewed required reporting materials for each contract to ensure that adequate reports exist and are being timely submitted.

Findings & Recommendations

A. Timeliness of Contracts and Invoices:

Findings – Four of the five audited contracts were finalized at least three months after the initial date that services began under the agreements. The late finalization of contracts by the County combined with the lack of timeliness in submissions of invoices by FAMILY resulted in numerous invoices that were dated after they were due, according to the requirements in each contract. The following table shows the date the contract was officially signed by both parties, as well as the number of late invoices for each contract:

Contract #	Date Contract Signed	Total Invoices Billed	# Dated after Due Date	% of Invoices Submitted Late
2016-027	12/4/2015	12	11	92%
2016-135	3/28/2016	12	12	100%
2016-244	4/8/2016	11	3	27%
2016-393	9/13/2016	11	8	73%
2016-394	9/13/2016	11	8	73%

Most of the contracts have quarterly and/or annual reporting requirements with deadlines for submission. However, contracts with monthly reporting requirements do not contain such specific deadlines. The following chart shows how many required quarterly and annual reports have been submitted, as well as the timeliness of those reports, for the three contracts that we noted as having requirements for quarterly and annual reporting:

Contract #	Quarterly Reports Submitted	Annual Reports Submitted	Total Reports Submitted	Total Reports Submitted Late	% Submitted Late
2016-244	3	1	4	3	75%
2016-393	3	1	4	4	100%
2016-394	3	1	4	4	100%

After requesting fourth quarter reports for all contracts, we learned that annual reports were also counted as fourth quarter reports; however, the individual quarterly reports contain additional contract performance statistics that are not included in the annual reports.

Recommendations – We recommend that the contract management process be amended so that a formally signed contract is completed prior to the start of services being rendered. This action will help prevent the late submission of some invoices, as well as mitigate potential risks and liabilities taken by FAMILY for operating a program for several months or longer without a final written contract in place.

We recommend that FAMILY and the County revamp and streamline the timing of the invoice process to ensure that invoices are approved and submitted in accordance with the dates required by the contract. FAMILY and the departments should consider implementing an identical clause regarding an invoice’s due date within each contract’s “Schedule B (Fees, Expenses, and Submissions for Payment)” that could be applied consistently across multiple agreements (e.g. “The Firm shall submit its invoices by the thirtieth (30th) of each month for the Services provided during the previous month.”). Moreover, if consecutive invoices are submitted late then the collaborating department should immediately contact FAMILY and document the reasoning so that together they can execute a corrective action plan.

We recommend that FAMILY investigate their quarterly and annual reporting timeliness in order to determine why deadlines are not being met, which would allow them to develop a mechanism to prevent late submissions in the future. Further, while not a state requirement, FAMILY should begin submitting a stand-alone fourth quarter report and/or provide as much detail within the annual report as is found within each quarterly report because the present reporting structure does not allow for a thorough evaluation of services provided under the contract.

B. Contract Monitoring:

As previously mentioned, each contract includes a “Scope of Services” section, which lists required services to be provided and usually establishes a minimum number of individuals to be served, reporting requirements, anticipated outcomes, planned advertisements, and any other directives. The following chart briefly illustrates four component areas (i.e. Contract Performance, Reporting, Performance Monitoring, and Advertising) as part of the “Scope of Services” section, identifying which areas – if any – have been found to be in need of improvement or remedial action.

Contract #	Scope of Services			
	Contract Performance	Reporting Errors	Performance Monitoring	Advertising
2016-027				
2016-135	x	x		
2016-244	y	x	x	
2016-393	x		x	x
2016-394	x		x	x

x: Finding Noted
y: Unable to Determine

1. Contract 2016-135 (Alternative to Juvenile Detention Project)

Findings

- **Contract Performance** – We determined that approximately 67% of the expected number of assessments for referred youth was performed due to lack of references and low participation.
- **Reporting Errors** – We noted inconsistency in the quarterly and monthly reports, as far as the number of assessments performed. The monthly milestone reports did not agree with the quarterly reports.

Recommendations

- **Contract Performance** – FAMILY and the Probation Department recognized that the number of participants was low and took corrective action, maintaining detailed documentation of evaluations and brainstorming solutions to increase participation. We noted that current program participation has increased since beginning our review – so much so that there is now a waiting list. We have no further recommendation due to the corrective action plan having already been implemented.
- **Reporting Errors** – We recommend that FAMILY and Probation implement a review process over statistical reporting so that data collection for all contract metrics is maintained with adequate oversight and mathematical errors can be more readily detected and corrected. We note that FAMILY has since amended quarterly reporting to ensure that statistics are being accurately documented.

2. Contract 2016-244 (Residential and Non-Residential Children's Program for Families Who Have Survived Domestic Violence)

Findings

- **Contract Performance** – The contract required a specific amount of individuals to be served in a residential setting, as well as a specific amount in a non-residential setting; however, the reporting structure did not distinguish between settings and only reported total number of participants. Due to the reporting structure, we were unable to determine if contract performance requirements were met at each setting.
- **Reporting Errors** – We noted inconsistency in the quarterly and annual reports. The second quarter report indicated one individual over 20 years of age was served, but the annual report indicates that zero individuals in this age group were served.
- **Contract Monitoring** – The reporting structure did not allow for adequate contract monitoring, and no additional documentation in relation to contract performance was available at the time of audit. Therefore, we conclude that contract performance was not adequately being monitored by Youth Bureau.

Recommendations

- **Contract Performance** – FAMILY and Youth Bureau should strengthen their reporting format to actually allow for contract requirements to be measured. FAMILY agreed with this concern during the audit and has already issued instructions to make the differentiation on all future reports. If any requirements are not being met then a corrective action plan should be implemented.
- **Reporting Errors** – We recommend that FAMILY and Youth Bureau implement a review process over statistical reporting so that data collection for all metrics is sufficiently maintained and mathematical errors can be more readily detected and corrected.
- **Contract Monitoring** – Future reports that differentiate residential from non-residential participants should be monitored by FAMILY and Youth Bureau, which will allow for analysis of contract requirements throughout the year and the development of a corrective action plan, if needed.

3. Contract 2016-393 (Family House Program)

Findings

- **Contract Performance** – According to contract reports, we determined that approximately 75% of the targeted number of runaway and homeless adolescents was served in the emergency residential shelter.
- **Contract Monitoring** – The contract performed below expectations throughout the year. Although that annual report indicates that FAMILY attempted more outreach, we could not identify any communication by Youth Bureau to assist in developing a corrective action plan.
- **Advertisements** – We noted that in advertisements of services, FAMILY did not include the required “funded by” language on the promoted images.

Recommendations

- **Contract Performance** – FAMILY and Youth Bureau should jointly implement a corrective action plan to increase participation for the emergency residential shelter or perhaps consider more conservative contract goals in the future.
- **Contract Monitoring** – Family and Youth Bureau should meet regularly to analyze the participation in the program. If a corrective action plan has been implemented then the steps being taken to address the participation in the emergency residential shelter should be documented.
- **Advertisements** – All advertisements should include the language mandated by the contract. Each advertisement must include “Funded by the New York State Office of Children and Family Services through the Ulster County Youth Bureau.”

4. Contract 2016-394 (Transitional Living/Midway Program)

Findings

- **Contract Performance** – According to contract reports, we determined that approximately 84% of the required number of adolescents was served in the long-term adolescent residential transitional living program.
- **Contract Monitoring** – During the first quarter, FAMILY achieved over 43% of the total required number of adolescents served. However, the second and third quarter saw drastic decreases, as the percentage of participants served was only about 7% and 13% of the total amount required, respectively. No joint corrective action plan between FAMILY and Youth Bureau was noted as a response to the second and third quarter results that showed diminishing participation.
- **Advertisements** – We noted that in advertisement of services, FAMILY did not include the required “funded by” language on the promoted images.

Recommendations

- **Contract Performance** – FAMILY and Youth Bureau should jointly implement a corrective action plan to increase the long-term adolescent residential transitional living program or perhaps consider more conservative contract goals in the future.
- **Contract Monitoring** – Family and Youth Bureau should analyze quarterly reporting and meet regularly to address the participation in the program. If reporting suggests that required participations levels will not be met, a corrective action plan should be implemented. The steps being taken to increase participation should be documented throughout the year.
- **Advertisements** – All advertisements should include the language mandated by the contract. Each advertisement must include “Funded by the New York State Office of Children and Family Services through the Ulster County Youth Bureau.”

Observations and Recommendations

A. Budgeting and Allocation of Expenses

During financial testing, we noted an area of concern within contract budgeting and allocation of expenses that should be addressed. A recommendation is provided below as far as how FAMILY could be more transparent in the contract billing and budgeting process.

FAMILY develops a budget for each contract, which includes salary expenses. These expenses are calculated based on the hourly wage of the employees included in the contract and the average hours per week they spend working on the contract (timesheets do not track hours by program). This average weekly wage is then multiplied by 52 weeks to calculate the expected yearly cost of a worker in the contract. However, when actually submitting bills to the County, FAMILY uses a higher weekly expense than the amount calculated in the budget by accelerating the spenddown on payroll to a shorter amount of time (i.e. 49 weeks) to ensure that the contract is fully expended.

Example:

Budget (Step 1)				
Wages/Hr	X	Hours in Contract	=	Weekly Expense
\$ 12.50	X	2.00	=	\$ 25.00
Weekly Expense	X	52 Weeks	=	Annual Expense
\$ 25.00	X	52.00	=	\$ 1,300

Billing (Step 2)				
Annual Expense	/	49 Weeks	=	Weekly Expense
\$ 1,300	/	49.00	=	\$ 26.53
Weekly Expense	X	# of Weeks in Month	=	Monthly Bill Amount
\$ 26.53	X	4.00	=	\$ 106.12

This example shows that the budgeted amount to be expensed would be \$25 per week based on the average hours spent by the employee in the contract; however, due to acceleration in spend down over 49 weeks, the weekly expense would actually be billed at \$26.53. While the annual financial outcome of the contract results in no net difference, there is an overcharge on a weekly basis until the budgeted annual expense is reached – at which time, FAMILY no longer charges the contract for the worker.

The billing methodology displayed above may be the result of two practices. First, FAMILY does not receive payments for services by the County until after contracts have been signed, which is usually well after services have begun. These delayed payments routinely stress FAMILY’s financial operations by putting them in an untenable position of not fully knowing how much funding they will be receiving before beginning services. Second, Youth Bureau imposed minimum monthly expenditure amounts for their three contracts with FAMILY. In effect, Youth Bureau attempted to require FAMILY to increase monthly expenses to support the overall “budgeted amount.” However, if these minimum monthly amounts were billed across the entire year, the total amount billed would actually surpass the not-to-exceed amount of the contract. This practice resulted in all three contracts being fully expended a month earlier than the end date for each agreement.

We also noted that the actual invoice amount for all general expenses is allocated using a complex internal formula developed by FAMILY, and the methods of allocation were not communicated to the County departments. When FAMILY submits an invoice, they only list the allocated amount; they do not include the amount of the actual invoice nor the method for allocating to the contract.

Without a full grasp of the back-up documents and methodology behind FAMILY's billing practices, it is difficult to determine the reasonableness of the amounts and purposes of some invoices.

We recommend that FAMILY communicate its billing methodology to the departments and that an agreed upon billing method be determined. This action would prevent any overcharges in the early stage of the contract. Also, due to the fact that FAMILY does not record the hours that employees spent working on individual programs, it is important for them to communicate to the departments the method and logic of billing for personnel costs. This dialogue would also promote a more transparent billing process, as the County departments would be able to recalculate the bill and ensure accuracy.

B. Self-Assessment for Contract 2016-135

We noted FAMILY was required to unilaterally develop methods for establishing a data collection plan, reviewing the data collection process, evaluating the findings, and evaluating the achievement of program objectives. Self-completion, as well as self-assessment, of these tasks by FAMILY may not be the best practice for internal control. We suggest that the method to assess program success be designed and structured by the County, including components relevant to contract anticipated outcomes and a role for the County within the evaluation process.

Conclusion

In general, we conclude that there is room for improvement in the administration and monitoring of contracts by both FAMILY and Ulster County. While all expenses requested for reimbursement were eligible, back up documentation that includes original invoices and how the invoice is allocated to the contract should be submitted to the department for review. Timeliness of contract deliverables should be reviewed and accounted for in the contract monitoring process, as late submissions delay potential implementation of corrective action plans for any underperforming contracts.

Specifically, Youth Bureau should more diligently monitor contract objectives and communicate any concerns to FAMILY in order to jointly implement corrective action plans similar to what is exhibited by the Probation Department. Moreover, annual not-to-exceed amounts should not simply be used to calculate minimum monthly expenditures. Expenses should be submitted as they are incurred and in accordance with actual invoices.

Prior to release, a draft version of this report was sent to FAMILY and the departments for their review. Any responses received from FAMILY and/or department heads have been incorporated into the final report.

We extend our appreciation to the staff of FAMILY and the departments for their responsiveness and professional courtesy throughout the course of this audit.

Appendix A: Response from Family of Woodstock



FAMILY

A UNITED WAY AGENCY
www.fowinc.org

Michael Berg
Executive Director

ADMINISTRATION

Family of Woodstock, Inc.
POB 3516 - 39 John St.
Kingston, NY 12402
845.331.7080

ADOLESCENT SERVICES

Family House
845.338.5953

Youth Case Management Services
845.331.7080/255.8801/647.2443

MidWay I/MidWay II
845.339.5508/845.647.1346

CHILD CARE SERVICES

Child Care Connections
Ulster County- 845.331.7080
Columbia/Greene Co.- 518.822.1944
Columbia Co. Child Care Subsidy
518.822.0087

DOMESTIC VIOLENCE SERVICES

Washbourne House
845.338.2370
Non-Residential Services
845.338.2370
Evolve
845.331.7080

HOMELESS SERVICES

Darmstadt Shelter
845.331.1395
Family Inn
845.340.1847

ADULT SERVICES

Adult Case Management Services
845.331.7080/255.8801/647.2443
Re-Entry Services
845.331.7080
Health Homes
845.331.7080

HOTLINE/WALK-IN CENTERS

Family of Ellenville
845.647.2443/647.5700
Family of New Paltz
845.255.8801
Family of Woodstock
845.679.2485/338.2370

COMMUNITY SERVICES

Supervised Visitation
845.331.1395
Kingston Cares
845.331.1110

August 30, 2017

[REDACTED]
Ulster County Comptroller's Office
PO Box 1800
Kingston, N.Y 12402

RE: Family of Woodstock, Inc. Audit Findings

Dear [REDACTED],

The following are our responses to your draft audit findings:

A. Timeliness of Contracts and Invoices

While it is true that three of the contracts were finalized significantly after the beginning of the contract year, it should be noted that those contracts, 2016-244, 2016-393 and 2016-394, were with the Youth Bureau involving State Aid to the programs. The delay in contracting was caused by the fact that the State budget was not passed until the end of March and the County could not therefore finalize the contract with Family until they knew what amount the state had allocated in its budget. Contracts 2016-393 and 394 were particularly late because the NYS Office of Children and Family Services did not release the amount of funding for the runaway and homeless Basic Center and Transitional Living Programs until late August. Therefore, it is somewhat distorted to say that the County was late in contracting since it did not have the basis to finalize the contract until the State agencies finalized their allocations.

A fourth contract, 2016-135 was also approved after the start of the contract year. In this case, the Ulster County Legislature had questions about the program and delayed the approval for a month, pending further information.

As to the lateness of our vouchering, it should be noted that much of the lateness was caused by the delay in approving the contracts. It is true that the contracts call for us to voucher 20-30 days after the close of the particular month or quarter, but the contract also allows for the County to pay for vouchers up to 120 days after the time period.

For all of the Youth Bureau contracts, the County auditor had difficulty reconciling the Youth Bureau reports since NYS has dropped the requirement for a fourth quarter report, but instead requires a final annual report which summarizes the year as a whole. It is true that there is information in the quarterly reports that is not contained in the final report format. This information is available upon request from the Youth Bureau.

The County auditor recommends that the County establish a contract before the services are rendered by Family and while this would certainly help Family's cashflow, it is not feasible for Family to stop providing the service until the State budget is passed and the required allocations are made by the state departments, nor is it good practice for the County to sign a contract without knowing how much State Aid is going to be available. Therefore, while it would help Family, I think that the current system of waiting until the numbers are clear is a more appropriate practice for the County.

See Note 1

B. Contract Monitoring

The following are responses about the specific contracts involved:

2016-244 Residential and Non-Residential Children's programs for survivors of domestic violence:

At the time of the audit, the information given to the auditor by the program did not clearly differentiate between those served residentially and those served non-residentially. As a result, the auditor found that he could not determine if contract performance requirements were met. However, subsequent to his initial audit, I sent him the sections of the agency's overview for residential and non-residential domestic violence services, which clearly differentiate services provided residentially from those provided non-residentially. The following are the contracted outcomes and the actual services delivered in 2016:

Proposed: 75 adults will participate in non-residential educational parenting groups at Darmstadt and the Family Inn.

Actual: 175 adult survivors of domestic violence were served non-residentially as follows: **42** adults gained support and learned that they are not alone in dealing with domestic violence through participation in support groups, during which they discussed available community resources, the impact of ongoing court cases, the cycle of violence, issues of power and control, and the effects of domestic violence on their children. **17** adults participated in Domestic Violence Education sessions as required by CPS or area courts. **90** adults, some of whom did not participate in groups, received one-on-one counseling and case management. **26** people sought assistance from our bilingual counselor / case managers with translation assistance.

Proposed: 20 children will attend non-residential children's groups.

Actual: **48** children attended group, doubling the amount from the year prior. Each of the groups include an evening meal where comfortable dinner conversation and sharing about their day is modeled and encouraged, something often not possible in homes where domestic violence is

present. Staff observed that children who regularly attended the groups were more comfortable to express themselves and in general, happier.

Proposed: 3 children will be provided child care.

Actual: Childcare was provided for children under 3 during all groups. Unfortunately, the program did not keep a record of how many children were provided child care.

Proposed: 50 children will participate in residential group and individual sessions at the domestic violence shelter.

Actual: **59** children were served residentially; **1,013** hours of children's activities, participated in by **41** children; **192** hours of individual activity were held for **26** children; and **13** hours of individual counseling sessions for **9** children.

Proposed: 20 parents will participate in residential parenting groups

Actual: Of the **32** parents who resided at the shelter, **21** were provided with individual and group parenting sessions to address their needs. The remaining parents were not interested in receiving parenting services during their shelter stay.

Proposed: 100 parents who have 140 children will seek orders of protection and temporary custody from the Family Court.

Actual: **252** people took a positive step towards protecting themselves and their children by seeking assistance from the program's Family Court Domestic Violence Advocate. Of those petitions **184** resulted in Orders of Protection being issued.

The auditor found that there were reporting errors in this contract. There was an error in the 2nd quarter Youth Bureau report since the program did not differentiate between new participants in the 2nd quarter from those carried over from the 1st quarter. However, this error was found and a revised 2nd quarter report was submitted before the end of the year. It is true that the program has had difficulty with the software recommended that domestic violence programs use and the agency is investing in improving our knowledge of the Apricot software so that these problems will not occur again.

Contract 2016-393 Family House:

It is true that the program only served 75% of the number projected to be served in the year. It should be noted that the way that the projected number to be served has been determined to date has been based on the numbers served in the previous year. The program actually served 91 youth for a total of 116 stays in 2016. This is a substantial amount of service which is more than most of the runaway and homeless youth programs in the state serve in a given year. The contract with the County is intended to provide a service- a runaway and homeless shelter that can serve as many youth as needed. In any given year, that number will vary, but the level of service, which includes a requirement for full-time staffing, always has to be met. Therefore, I

See Note 2

feel it is inappropriate to be criticized if the number served in a given year varies from a previous year.

We have noted that we did not include the funding sources in our promotional language. In fact, the NYS Office of Children and Family Services dropped the requirement to acknowledge them in promotional literature and we have been informed by the Youth Bureau that this requirement will not be included in the upcoming contract renewal.

Contract 2016-394- Transitional Living/MidWay program

The findings that the program only served 84% of those projected and that the program did not serve substantial numbers in the 2nd and 3rd quarters does not accurately reflect the nature of the program. MidWay is a long-term program in which youth are able to stay for 18 or 24 months, depending on whether they have completed high school. In the first quarter of a new contract year, the program will serve the bulk of the youth projected. The fact that the program served 84% of the youth projected is actually a positive for the program, since it reflects that youth are staying longer, which is the goal of the program. Over the last 3 years, the program has had an 88% occupancy rate. Given that youth are not casually accepted into the program, we feel that this is a good number and that the outcomes achieved by the youth demonstrate that the program is accomplishing what it is supposed to.

2016-135- Alternatives to Youth Detention Project (One80 Program)

As the auditors acknowledge, Family and the Probation Department recognized that the number of participants in the program was lower than expected. That number was based on the number served in the previous year. It should be noted that there has been a very significant drop in the number of juvenile delinquents in the County, which, we believe, is in part as a result of the accomplishments of the One80 program in previous years in working with 7-15 year olds. In any case, the Probation Department acknowledged that there were less referrals they could make to the program and encouraged the program to reach out to the schools to address such issues as truancy and youth actions which would lead to long-term suspension. As a result of this outreach, in the first 7 months of 2017, the program has already served 53 youth and will serve many more youth than was originally projected for 2017.

2016-027- Independent Living Program

There were no findings cited in the auditor's report concerning the Independent Living Program.

Budgeting and Allocation of Expenses

The agency will discontinue its practice of accelerating the completion of the contract prior to 12 months. As to the issue raised about billing for general expenses, the methodology that is used by the agency is to first segregate the general operating costs that are only relevant to a particular funded project and then to allocate the broader general operating, such as legal, accounting and space costs, based on the percentage of personnel paid for by each funding source. We have gone over this with our funding sources and therefore did not feel that it was required to state it as part of each invoice.

Self-Assessment for Contract 2016-135

The auditor says that the agency unilaterally develops the outcomes to be achieved by the program and self-evaluates those achievements. This is not accurate. The objectives and outcomes for each program are reviewed with each funding source before the contract is developed. The program then reports to each funding source, either monthly or quarterly, on what portions of the outcomes projected have actually been achieved. The funding source may discuss with the program why a particular outcome is lagging behind what was projected and when this occurs there is generally an agreement between the program staff and the funding source as to what actions will be taken to remedy the situation. It continues to be the responsibility of the funding source to evaluate the performance of the program and recommend the changes as necessary.

█, I would like to thank you for the indepth review and thoughtful recommendations made as part of this audit. While your findings were important, we were pleased that it was recognized that there were no inappropriate expenses vouchered or paid for.

Respectfully Submitted,



Michael Berg
Executive Director

Appendix B: Comptroller's Comments on FAMILY's Response

Note 1

With regard to establishing a contract before services are rendered, our recommendation remains. If the New York State fiscal year is causing delays to the finalization of these contracts then the County and FAMILY should consider modifying the terms of the contract period to align with the State fiscal year and the disbursement of State aid.

Note 2

The Scope of Services section of a contract should clearly and objectively outline the terms, conditions, and anticipated outcomes of the agreement, which may include the number of individuals expected to receive benefits from services that are performed. Accordingly, contract language should expressly state whether any numbers listed as part of anticipated outcomes are mandatory or simply aspirational. While we recognize that operational realities may require some flexibility, it is imperative for contract language to fully reflect this fact without ambiguity. Therefore, the numbers included in the contract's Scope of Services should be scrutinized, attainable, and have a direct relationship to contract success. The contract monitoring and evaluation processes performed by a given department should be based on the deliverables contained within the Scope of Services section of the contract unless another metric for performance evaluation is specified.
