



Rockland County Department of Social Services Service Contracts

Report of Examination

Period Covered:

January 1, 2013 — August 12, 2014

2014M-368



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

June 2015

Dear County Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and County governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of Rockland County Department of Social Services, entitled Service Contracts. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

Rockland County (County) serves approximately 320,900 residents within a 174-square mile area and is governed by a 17-member Board of Legislators (Board). The elected County Executive is the County's chief executive officer and is responsible for oversight of County operations. The County provides a wide range of services to its residents, including public safety, employment assistance, health care, maintenance of County roads and parks, and temporary assistance to individuals and families. County budgets were approximately \$751 and \$753 million for 2013 and 2014, respectively.

The Department of Social Services (Department) is the County department responsible for providing temporary help to eligible individuals and families with social service and financial needs to assist them with leading safe, healthy and independent lives. An appointed Commissioner oversees the Department. The Department's budgets for 2013 and 2014, not including amounts budgeted for Medicaid, were approximately \$170 and \$160 million, respectively.

Scope and Objectives

The objectives of our audit were to examine internal controls over agency agreements. Our audit addressed the following related questions:

- Did Department officials monitor community-based agencies to ensure that services provided and payments made were in accordance with contractual agreements?
- Did County officials seek competition prior to awarding contractual agreements to agencies?

Audit Results

Department personnel need to improve their monitoring of service contracts. Contract agencies did not always submit performance and financial reports and records that indicated how they met their performance targets and whether they adhered to the program budget, as required by contract. When agencies did submit those reports, Department officials did not always verify the information. Specifically, in 2013, four agencies running six programs for a total of \$525,755 did not submit any performance reports; two agencies that provided services for a total cost of \$65,747 submitted all the required quarterly performance reports, but officials did not request and review supporting documentation; one agency submitted all required performance reports but did not meet four out of six performance targets; and one agency submitted reports for only six months. In addition, the Department paid agencies a total of \$1,191,319 without receiving the required financial reports and/or supporting documentation.

We also found that the County did not follow its own procurement policy and seek competition, such as issuing requests for proposals (RFPs) for some services that the Department contracted for. County officials contracted with four agencies for six programs totaling \$525,755 without using the RFP process.

Without continuous monitoring and clear consequences for failing to meet performance targets, there is a risk that agencies will use public funds without providing the contracted services. Furthermore, without sufficient supporting documentation to verify services were received, County officials do not have adequate assurance that they are paying for valid County expenditures. In addition, without seeking competition for contracted services, County officials do not have assurance that they are paying the lowest possible price or acquiring services without favoritism.

Comments of Local Officials

The results of our audit and recommendations have been discussed with County officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Except as specified in Appendix A, County officials generally agreed with our findings and indicated they plan to initiate corrective action. Appendix B includes our comments on issues County officials raised in their response.

Introduction

Background

Rockland County (County) serves approximately 320,900 residents within a 174-square mile area and is governed by a 17-member Board of Legislators (Board). The elected County Executive is the County's chief executive officer and is responsible for oversight of County operations. The County provides a wide range of services to its residents, including public safety, employment assistance, health care, maintenance of County roads and parks and temporary assistance to individuals and families. County budgets were approximately \$751 and \$753 million for 2013 and 2014, respectively.

The Department of Social Services (Department) is the County department responsible for providing temporary help to eligible individuals and families with social service and financial needs to assist them with leading safe, healthy and independent lives. An appointed Commissioner oversees the Department. Within the Department, the Operations, Analysis and Planning unit (monitoring unit) is headed by a Coordinator whose responsibilities include monitoring service providers (agencies). The County Finance Department is responsible for making payments to the agencies subsequent to the Department's review of the claims submitted by the agencies. The Department's budgets for 2013 and 2014, not including amounts budgeted for Medicaid, were approximately \$170 and \$160 million, respectively.

Objectives

The objectives of our audit were to examine internal controls over agency agreements. Our audit addressed the following related questions:

- Did Department officials monitor community-based agencies to ensure that services provided and payments made were in accordance with contractual agreements?
- Did County officials seek competition prior to awarding contractual agreements to agencies?

Scope and Methodology

We examined the Department's internal controls over contractual agreements for the period January 1, 2013 through August 12, 2014. We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.

**Comments of
Local Officials and
Corrective Action**

The results of our audit and recommendations have been discussed with County officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Except as specified in Appendix A, County officials generally agreed with our findings and indicated they plan to initiate corrective action. Appendix B includes our comments on issues County officials raised in their response.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the New York State General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the County Clerk's office.

Contract Monitoring

The Department provides and manages a wide range of social welfare programs. To accomplish its mission, the Department enters into agreements with community-based agencies to provide services that enhance families' ability to live together, enable individuals to remain in their homes, minimize the risk of abuse or neglect, and provide for specialized care in residential settings when necessary. Department officials are responsible for monitoring contractual agreements to ensure that all services are provided in accordance with the agreements, and vouchers for payment are properly supported and contain all required documentation prior to payment. Reports and records provided by agencies should be verified by Department personnel responsible for oversight. The Finance Department should ensure that the agencies provide adequate support for their claims prior to making payments.

Department personnel need to improve their monitoring of service contracts. Department staff did not always verify the accuracy of the required reports submitted by the agencies. In addition, Department officials approved vouchers for payment even though contracted agencies did not always submit performance and financial reports. Agencies also did not submit all required records that supported how they met their performance targets and adhered to the program budget as required in their contracts. Specifically, in 2013, four agencies running six programs for a total cost of \$525,755 did not submit any performance reports; two agencies that provided services for a total cost of \$65,747 submitted all the required quarterly performance reports but no supporting documentation was available to verify the accuracy of the reports because Department officials had not requested that the agencies provide such records; and one agency that provided services for a total cost of \$12,500 submitted all required performance reports but did not meet four out of six performance targets. In addition, the Department paid eight agencies a total of \$1,191,319 during the audit period without receiving the required financial reports and/or supporting documentation. As a result, County officials do not have adequate assurance that all payments to agencies represent proper County charges.

Performance Reports

Obtaining and reviewing periodic reports on performance target outcomes is essential to ensure that services are provided in accordance with contractual agreements. The Department should monitor and require the agencies to follow the terms set forth in contracts. For instance, the Department should require that agencies provide agreed-

upon reports along with adequate backup documentation¹ to provide assurance that the contracted services were provided. Department personnel responsible for overseeing these services should verify the validity and accuracy of program statistics supplied in the reports.

Performance measures or targets are established for each agency in their respective contracts. Agencies are required to submit monthly or quarterly reports, depending on the individual contracts, that detail and validate their achievement or lack of achievement of performance measures. The final report submitted at the end of a contract period should show whether annual goals were met. The Department's monitoring should verify the accuracy of the report prior to the contract's final payment. In addition, new contracts have an on-site evaluation after completion of the first year to allow the Department to determine whether agreed-upon performance targets are being met. If the agency meets its targets, a "trusted relationship" is established and no further visits take place.

During our audit period, we identified 24 agencies that had 30 contracts² with the Department totaling approximately \$2.3 million. To determine if the Department is properly monitoring its contracts with the agencies, we reviewed nine agencies with 12 contracts³ with budgets totaling approximately \$1.3 and \$1.0 million in 2013 and 2014, respectively.

In 2013, four of the nine agencies, which operated six programs, did not submit any performance reports to the Department and were paid a total of \$525,755. Each of these agencies were paid their full contract amount even though no reports were provided to the Department showing that these agencies fulfilled the contracted services. Unlike the other agencies, they submitted claims directly to the County Finance Department instead of to the Department for review and approval of payment.⁴ As a result, these six programs were not monitored by the Department in 2013 and could have been paid

¹ Backup documentation consists of records to show that information provided in the reports is factual and accurate. Such information could include the names of clients; number of beds provided, number of phone calls or meetings held with clients; number of meals delivered, etc.

² Each program has its own individual contract.

³ See Appendix B, Audit Methodology and Standards, for details on our selection process for agencies included in our sample.

⁴ Prior to 2014, four agencies providing six programs were not monitored through the Department. Although these agencies were providing programs for the Department, the claims for payments were submitted directly to the County Finance Department. This arrangement allowed those agencies to avoid Department monitoring. In 2014, the County Executive directed that these four agencies be held to the same standards as the other agencies.

for services that were not provided. In 2014 these four agencies were required to be monitored by the Department and began submitting required reports to the Department.

In addition, another agency operating one program (paid a total of \$50,000) did submit the required quarterly performance reports, but Department officials did not request backup documentation for review. A different agency, operating three programs, was paid a total of \$138,727. This agency did not submit required quarterly reports for two of the programs totaling \$122,980. Also, another agency, operating one program, submitted only two reports instead of the required four. Since these agencies did not submit all the required quarterly performance reports, they could have been paid for services that were not provided. The Department requires that agencies keep backup documentation for the reports filed and make it available upon request. The monitoring unit did not request and review the backup information for any of the reports. For the first half of 2014, the agencies were submitting most of their required reports. However, the Department continued not to request or review the backup information for any of the reports. Therefore, the Department did not know if the reports submitted were accurate and could have been paying for services that were not performed.

Furthermore, one agency, which oversees court supervised parent visitations, submitted all performance reports but did not meet four out of the six contract performance targets. The four performance targets that were not achieved were:

- The goal of 16 supervised parent visitations was not met; only 11 such visitations occurred.
- The goal of 300 visiting hours was not achieved; only 232 visiting hours were accomplished.
- The goal of 30 children being visited was not achieved; only 22 children were visited.
- The goal of 35 percent of children being reunited with their parents was not met; 20 percent of the children were actually reunited with their parents.

This agency was paid \$12,500 for all claims submitted in 2013 even though it did not meet its performance targets. In 2014, this agency submitted the required performance reports. The agency had until the end of 2014 to fulfill its performance targets, which was after the completion of our fieldwork.

When an agency has not met its targeted performance outcomes, as in the case above, the monitoring unit meets with the agency to address the reasons. The monitoring unit does this to assist the agencies with being successful in their delivery of services to the Department. There are no financial penalties for holding agencies accountable for failing to meet contractual agreements, which weakens the effects of any monitoring. Furthermore, since the Department does not continue to perform on-site visits of agencies once they have established a “trusted relationship,” there is no assurance that agencies will continue to meet their goals. Without periodic monitoring and clear consequences for failing to meet performance targets, there is a risk that agencies will receive public funds without providing the contracted services.

Financial Reports

The Department should obtain financial reports along with supporting records to ensure that payments made to agencies are consistent with program budgets. Service contracts between the Department and agencies stipulate that standard County vouchers for payments must be submitted with supporting documentation of the actual costs incurred.⁵

Agencies did not always submit financial reports as required by the contracts. Furthermore, when reports were submitted, there were no supporting records for the expenditures listed on the reports. We tested the same nine agencies and found that eight agencies paid \$1,191,319 did not submit sufficient (or any) documentation to support costs that were incurred. Some of these agencies contained more than one discrepancy.

- Four agencies, which had six programs with quarterly reporting requirements, did not submit any financial reports during 2013. These agencies submitted claims on a semi-annual basis, with the final claims submitted and paid in October 2013, before the end of their contract period on December 31, 2013. Therefore, there is an increased risk that payments made to these agencies may not be for expenditures allowed in the contracts. These agencies received a total of \$525,755 in 2013. In 2014, the agencies began submitting financial reports with each claim.
- One agency with one program was required to submit six quarterly reports during our audit period but did not submit any reports.⁶ The Department’s accounting unit’s personnel indicated that this occurred because of an oversight and that,

⁵ This would include the financial report or budget status report, payroll records, paid receipts and canceled checks.

⁶ Reports supporting four vouchers totaling \$35,000 and two vouchers totaling \$17,500 paid in 2013 and 2014, respectively, were not submitted.

in the future, the accounting unit will ensure that all claims submitted have the required financial report and supporting documentation before approving them for payment.

- Financial reports were submitted for 33 vouchers totaling \$613,064 during our audit period. However, there was no required supporting documentation to support that the amounts were for actual program costs. We found that four agencies did not submit supporting documentation for 17 reports totaling \$349,801 in 2013 and six agencies did not submit supporting documentation for 16 reports totaling \$263,263 in 2014.

Without the required financial reports and supporting documentation, Department officials do not have assurance that payments to agencies were for legitimate County expenses.

Recommendations

County and Department officials should:

1. Require that agencies submit all performance and financial reports with supporting documentation of actual costs as stipulated in their contracts.
2. Implement procedures, including making periodic on-site visits, to verify that agencies are meeting contractual performance targets and establish penalties if contractual agreements are not met.
3. Implement procedures which will allow Department officials to identify un-submitted reports and back-up documentation. Payments to providers should not be processed until required reports are received.

Contract Procurement

It is the responsibility of the Board to safeguard County assets by procuring goods and services in a prudent and economical manner. Under General Municipal Law (GML), competitive bidding is not required for the procurement of professional services that involve specialized skill, training and expertise; use of professional judgment or discretion; and/or a high degree of creativity. However, GML requires the Board to adopt written policies and procedures for the procurement of goods and services that are not subject to statutory competitive bidding requirements, such as professional services and items that fall below bidding thresholds.

The County's procurement policy requires using a request for proposals (RFP) process for the procurement of services. Purchases and contracts totaling between \$35,001 and \$100,000 require a formal RFP and County Executive approval; purchases and contracts of more than \$100,000 require a formal RFP and County Executive and County Legislature approval. The procurement policy also provides for specific steps when a procurement is deemed sole source.

County officials contracted with four agencies for six programs totaling \$525,755 without using the RFP process as required in the County's procurement policy. These contracted services were approved by the Legislature and were included in the County's adopted annual budget. However, such approvals are not valid substitutes for the RFP process required in the procurement policy. Amounts paid and services procured without using a competitive process included the following:

- Meals to low-income individuals and families that are in crisis, sick or homebound totaling \$171,000.
- Immigration services and employment assistance free to any County resident totaling \$103,455.
- Child care services to 28 children whose mothers are not working totaling \$80,655.
- Advocacy and support to hospitalized and home-bound patients and their caregivers, including shuttle buses for patients, visitors and family members to and from local and area medical facilities totaling \$61,490.

- Support services to hospitalized and home-bound patients and their caregivers, including visitations, advocacy, translations, medical supplies/equipment and an emergency hotline totaling \$61,490.
- Assistance regarding available human services such as parenting skills training, mentoring, benefits eligibility and enrollment, mental health referrals, and services for special needs youth and the elderly totaling \$47,665.

Because County officials did not follow the County's procurement policy and use an RFP process to obtain these services, they have no assurance that the County is paying the lowest possible price or acquiring services without favoritism.

Recommendation

4. County officials should comply with the County's procurement policy and use a competitive process, such as an RFP process, when procuring professional services.

APPENDIX A

RESPONSE FROM COUNTY OFFICIALS

The County officials' response to this audit can be found on the following pages.



**COUNTY OF ROCKLAND
OFFICE OF THE COUNTY EXECUTIVE**

Allison-Parris County Office Building
New City, New York 10956
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Edwin J. Day
County Executive

May 20, 2015

Ms. Tenneh Blamah
Chief Examiner of Local Government and School Accountability
State of New York
Office of the State Comptroller
Newburgh Regional Office
33 Airport Center Drive, Suite 103
New Windsor, NY 12553

Dear Ms. Blamah:

The Rockland County Department of Social Services (DSS) received the Draft Service Contracts – Report of Examination, Period Covered: January 1, 2013 – August 12, 2014 from the Office of the State Comptroller. At the outset, DSS wishes to express its appreciation for the professionalism of the Comptroller staff throughout the audit review process.

The draft audit indicates concerns that Rockland County did not accurately monitor receipt of Performance and Financial Reports by contract agencies and that County officials did not follow the County's procurement policy. The results of the draft audit and its recommendations have been carefully considered. We are using this experience as a "call to change" to identify opportunities to make our evaluation of services provided by contract agencies more efficient and to ensure the proper use of public funds. We appreciate the acknowledgement that an improvement in reporting, requiring performance target outcomes, and accountability on the part of contract agencies was noticed by the examiners when contracts were migrated to the Department of Social Services in 2014, the end of the audit period.

We welcomed the opportunity to meet with [REDACTED] at the exit conference on May 19, 2015. A number of issues were discussed and agreed to regarding proposed changes to the Draft Service Contracts – Report of Examination, Period Covered: January 1, 2013 – August 12, 2014 from the Office of the State Comptroller, and we are grateful to have received a revised version of the report from the audit staff so promptly after our meeting. For the purpose of this response, we have temporarily numbered the pages of the

report, with page 1 starting on Executive Summary (attached). The issues still outstanding regarding language revision needed in the report are:

- Page 5: Reference to the change in language regarding required supporting documentation is acknowledged, however, there are still numerous references throughout the report to supporting documentation having been required.
- Pages 7, 8: Remove all reference to “accounting unit” (see **1 Agency Running 1 Program (Children’s Village)**). In addition, there is a discrepancy in the language at the bottom of Page 7 which refers to quarterly reports, and Footnote 6, which refers to vouchers. (There is documentation that all vouchers submitted by Children’s Village in 2013 and 2014 were paid by DSS. Therefore, we are assuming the auditors were referring to quarterly financial reports.)

See Note 1 Page 23
See Note 2 Page 23
See Note 3 Page 23

The draft report refers to four agencies that had six contracts. It is important to note that for a number of years, including 2013, these six contracts were specifically designated for funding as line items in the County's Adopted Budget. DSS did not select these contractors nor submit a funding request for them in its Departmental Budget submission. Although funding for these contracts was placed in the DSS budget annually, DSS had no involvement in selection, contract preparation, monitoring or outcome measurement of the contract awardees. As noted in your audit, the contract payments were made by other County departments, and DSS is unaware of any requirements to provide Performance or Financial Reports. These contracts were migrated to DSS management for the first time in late February 2014.

During 2014, DSS's Operations, Analysis and Planning Unit (OAP) and Legal staff worked diligently with four agencies on five of the six contracts so that they would be in compliance with DSS contract standards for 2015. DSS recommended that the sixth contract (RODA Youth/Child Care Services) not be renewed in 2014 because DSS has a Child Care Subsidy Program that pays per child of eligible working parent(s), and not directly as grants to child care centers. To be eligible for a DSS Child Care Subsidy, the parent(s) must be working towards self-sufficiency. The RODA program does not include this eligibility requirement and pays for the operation of the child care center. With this one exception, these agencies' proposals now include performance goals, quarterly reporting requirements, and additional supporting documentation that are reviewed prior to voucher processing.

OAP Unit is responsible for monitoring service program contracts in the Department of Social Services. In addition, the three-person Unit develops plans and funding applications for administering agency programs and prepares local policies and procedures to implement State and Federal regulations and administrative directives. It also oversees agency allocations and expenditures, maximizes resources, and develops Annual Agency Achievements and Strategies for submission to the County Executive as well as the County's Child and Family Services Plan required by the State.

Although different contract programs have different reporting requirements, all agencies are monitored according to the terms of their agreements. Depending on the service to be provided, need, target population, service delivery, staffing, performance outcomes, budget, and reporting requirements during the contract period are all discussed in detail with each potential contract agency prior to recommending that DSS move forward with the contracting process.

After the contract is fully executed and services are being delivered, typically, quarterly vouchers are submitted to DSS with financial and performance outcome reports. OAP staff review this information to ensure that all services were provided and target goals and all provisions of the contract were met. Each quarterly voucher and performance report is reviewed for contract compliance, and discrepancies are addressed with the agency prior to vouchers being submitted to DSS Accounting for payment processing. Vouchers from contract agencies that are paid per child, family, or adult are reviewed, verified, and approved by the appropriate services caseworker before being processed for payment. No vouchers are processed, and in some cases vouchers are held, until DSS is assured that all provisions of a contract are satisfied.

OAP has continually reviewed its contract monitoring processes and makes changes to improve accountability of service providers and strengthen efficacy of DSS contract monitoring procedures, for example:

- Developed a Financial Report Form for contract agencies to submit with each quarterly voucher and at the end of the contract period.
- Conducts an annual program review.
- Annually reviews and enhances the program information required from contract agencies for the Service/Program Proposal Form. Recent revisions include requirements to:
 - Identify and report any other funding received for the same program.
 - Submit staffing plans and program staff resumes.
- Developed a Site Visit Report Form to record observations of program participants, services being delivered, staff present, etc., which is submitted to the Commissioner of Social Services for review and approval.
- Increased the number of site visits and included an appropriate DSS program representative to participate in each visit.

During the audit process, OAP also made an effort to incorporate suggestions from the Office of the State Comptroller, Division of Local Government and School Accountability Examiners during late 2014 including:

- Requesting additional supporting documentation for Performance Target Outcomes in 2015 contracts, specific for each agency.
- Requesting financial back-up documentation (payroll records, equipment/supply receipts, travel logs, etc.), to support one quarterly voucher during the contract period.

- Further increase the number of site visits with an appropriate DSS program representative.

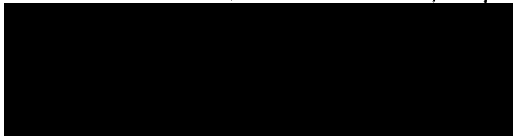
The draft report contains four “recommendations” that pertain to two contract areas: Contract Monitoring and Contract Procurement. In the attached, we have addressed each recommendation.

A hard copy of this letter is being mailed today under separate cover; and our Corrective Action Plan will follow within the next 90 days.

Sincerely,

Edwin J Day
County Executive

CC: Alden H. Wolfe, Legislative Chairman
Aron B. Wieder, Majority Leader
Christopher Carey, Minority Leader
Stephen F. DeGroat, Commissioner of Finance and Budget
Robert Bergman, County Auditor
Susan Sherwood, Commissioner, Department of Social Services



CONTRACT MONITORING- Recommendations

Performance and Financial Reporting

RECOMMENDATION 1 (Page 8): *Require that agencies submit all performance and financial reports with supporting documents of actual costs as stipulated in their contracts.*

4 Agencies Running 6 Programs (\$525,755). These contracts were administered by the County of Rockland until late February 2014.

Agency	Program	Contract Amount	Oversight Responsibility	
			2013	2014
Bikur Cholim	Community Action Program – provides patients, their caregivers and families with advocacy and support.	\$61,490	The County of RocklandNon-DSS	DSS
Bikur Cholim	Human Services Information & Referral Program – provides assistance about programs and services to low-income residents.	\$61,490	Non-DSS	DSS
RCDC	Human Services Program – provides benefit eligibility and enrollment, case management, immigration services, etc.	\$103,455	Non-DSS	DSS
RODA	Human Services Program – provides information and referral about human services.	\$47,665	nNon-DSS	DSS
RODA	Youth/Child Care Services – operates a childcare center for 28 low-income pre-school children.	\$80,655	Non-DSS	*Non-DSS - See prior reference (Page 1) to this program and DSS's 2014 recommendation for non-renewal.
Share	Food Lifeline Project – provides meals to low-income individuals and families in crisis.	\$171,000	Non-DSS	DSS

- These agencies did not submit Performance Reports in 2013. *These agencies were not required by the County to submit Performance Reports.*
- These agencies did not submit Financial Reports in 2013. *These agencies were not required by the County to submit Financial Reports.*

DSS has made the following changes relative to the above recommendation/audit results.

- contracts (see cover letter), so that they would be in compliance with DSS contract standards. 2015 Service Proposals for these agencies include performance goals and require quarterly reporting tools that will be reviewed prior to voucher processing.
- Agencies are required to provide back-up documentation for one quarter during the contract period. In addition, all DSS contracts have always included a clause that states: **"8. FINANCIAL RECORDS/AUDIT: ...Such records shall be made available to RCDSS for inspection or audit upon request..."**

1 Agency Running 3 Programs (\$138,727).

Agency	Program	Contract Amount	Oversight Responsibility	
			2013	2014
Bikur Cholim	*Community Action Program – provides patients, their caregivers and families with advocacy and support.	\$61,490	nNon-DSS	DSS
Bikur Cholim	*Human Services Information & Referral Program – provides assistance about programs and services to low-income residents.	\$61,490	Non-DSS	DSS
Bikur Cholim	**Community Support Liaison – Liaison assists Ultra-Orthodox & Hasidic Jewish families who are at-risk or currently involved with CPS.	\$15,747	DSS	DSS

- This agency did not submit quarterly reports for two programs* (\$122,980). *These agencies were not required by the County to submit Performance and Financial Reports in 2013.*
- Monitoring Unit did not request and review backup documentation. *These agencies were not required by the County to submit Performance Reports.*

*These agencies are also mentioned in above audit finding.

**This program service contract has been administered and monitored by DSS for a number of years. Quarterly reports have always been required and submitted, and supporting documentation is provided directly to Child Protective Services (CPS) and Family Assessment Response (FAR) supervisors.

DSS has made the following changes relative to the above recommendation/audit results.

- These contracts were migrated to DSS in late February, 2014. During 2014, OAP staff worked diligently with this agency on the first two contracts noted above, so that they would be in compliance with DSS contract standards. 2015 Service Proposals include performance goals and require quarterly reporting tools that will be reviewed prior to voucher processing
- Agencies are required to provide back-up documentation for one quarter during the contract period. In addition, all DSS contracts have always included clause that states: "8. **FINANCIAL RECORDS/AUDIT:** ...Such records shall be made available to RCDSS for inspection or audit upon request..."

1 Agency Running 1 Program (\$50,000).

Agency	Program	Contract Amount	Oversight Responsibility
VCS	Relatives as Parents Program – provides support services for relatives raising children.	\$50,000	DSS

- This agency submitted quarterly reports, but did not provide backup documentation.
- Monitoring Unit did not request and review backup documentation.

DSS has made the following changes relative to the above recommendation/audit results. We have requested, and will review, the following supporting documentation for 2015:

- A copy of the signup sheet for RAPP Support Group attendees to support the number of attendees reported.
- A copy of the VCS RAPP database showing active relatives and children involved in the program at the end of the quarter to support the number reported.

1 Agency Running 1 Program.

Agency	Program	Contract Amount	Oversight Responsibility
Center for Safety & Change	Non-Residential Domestic Violence Services	\$400,679	DSS

- This agency submitted only two quarterly reports instead of required four.
- Monitoring Unit did not request and review backup documentation.

As noted throughout this document, changes will be made by DSS to implement procedures to identify un-submitted reports and back up documentation. Payments to providers have not and will not be processed until reports required at the time of voucher submission have been received and reviewed.

Two Agencies Provided Services for a Total of \$65,747.

Agency	Program	Contract Amount	Oversight Responsibility
VCS	*Relatives as Parents Program – provides support services for relatives raising children.	\$50,000	DSS
Bikur Cholim	**Community Support Liaison Services	\$15,747	DSS

- These agencies submitted quarterly performance reports but did not provide supporting documentation.

DSS has made the following changes relative to the above recommendation/audit results.

**We have requested, and will review, the following supporting documentation for 2015:*

- A copy of the signup sheet for RAPP Support Group attendees to support the number of attendees reported.
- A copy of the VCS RAPP database showing active relatives and children involved in the program at the end of the quarter to support the number reported.

***This program service contract has been administered and monitored by DSS for a number of years. Quarterly reports have always been required and submitted, and supporting documentation is provided directly to Child Protective Services (CPS) and Family Assessment Response (FAR) supervisors. A redacted report can be made available.*

Court Ordered Supervised Parent Visitations (\$12,500).

Agency	Program	Contract Amount	Oversight Responsibility
Mental Health Association of Rockland	CASA	\$12,500	DSS

- This agency submitted all Performance Reports but did not meet the following four (of six) performance targets in 2013:
 - 11 out of 16 supervised parent visitations met
 - 232 out of 300 visiting hours accomplished
 - 22 out of 30 children visited
 - 20% of children were reunited with parents (35% goal)

DSS does not control the number of children or clients or the number and length of visitations. Visitations are conducted pursuant to a court order. DSS works with open services case clients who have made sufficient progress in the Family Treatment Court and are permitted to visit with their children who have been removed to foster care or guardianship. Reunification decisions are made by the Family Treatment Court. The performance targets are the maximum number the contract agency would work with under the contract. An RFP for this program was issued for the 2015 contract year, and the Performance Outcomes in the contract reflect achievable categories and goals.

DSS Paid Agencies Paid \$1,191,391 Did Not Submit Sufficient (or any) Documentation

DSS has made the following changes relative to the above recommendation/audit results.

As noted throughout this document, changes will be made by DSS to implement procedures to identify un-submitted reports and back up documentation. Payments to providers have not and will not be processed until reports required at the time of voucher submission have been received and reviewed.

RECOMMENDATION 2 (Page 8): *Implement procedures, including making periodic on-site visits, to verify that agencies are meeting contractual performance targets and establish penalties if contractual agreements are not met.*

DSS will increase the number of site visits conducted by OAP and appropriate program staff in 2015 so that each program contract agencies will be visited at least once during its contract period. During a site visit, DSS staff will ask to inspect program and financial records.

No vouchers are or will be processed, and in some cases vouchers will be held, until DSS is assured that all provisions of a contract are satisfied. The decision of whether or not to assess penalties for non-compliance of program service contracts would have to be made at the County, not the Department, level.

RECOMMENDATION 3 (Page 8): *Implement procedures, which will allow department officials to identify un-submitted reports and back up documentation. Payments to providers should not be processed until required reports are received.*

DSS will request financial back-up documentation (payroll records, equipment/supply receipts, travel logs, etc.), to support one quarterly voucher during the contract period for each program contract agency.

OAP staff reviews quarterly vouchers submitted to DSS with financial and performance outcome reports to ensure that all services were provided and target goals and all provisions of the contract were met. Each quarterly voucher and performance report is reviewed for contract compliance, and discrepancies are addressed with the agency prior to payment being processed. Vouchers from contract agencies that are paid per child, family, or adult are reviewed, verified, and approved by the appropriate services caseworker before being processed for payment. No vouchers are processed, and in some cases vouchers are held, until DSS is assured that all provisions of a contract are satisfied.

CONTRACT PROCUREMENT- Recommendations

RECOMMENDATION 4: *County officials should comply with the County's Procurement Policy and competitive process, such as an RFP process, when procuring professional services.*

County officials contracted with four agencies for six programs without using the RFP process as required in the County's Procurement Policy (\$525,755).

Service	Agency	Amount Paid	Procurement Responsibility
Meals to Low-income Individuals & Families	Share	\$171,000	County of Rockland Procured via Budget entry.
Immigration Services	Rockland Community Development Corp. (RCDC)	\$103,455	.County of Rockland
Child Care Services to Non-Working Mothers	RODA	\$80,655	.County of Rockland
Support to Hospitalized & Home-Bound Patients	Bikur Cholim	\$61,490	.County of Rockland
Support to Hospitalized & Home-Bound Patients	Bikur Cholim	\$61,490	.County of Rockland
Available Human Services for Special Needs	RODA	\$47,665	.County of Rockland

This Recommendation is acknowledged.

APPENDIX B

OSC COMMENTS ON THE COUNTY’S RESPONSE

Note 1

We modified language related to backup documentation for performance reports, as discussed at the exit conference. However, language related to supporting documentation for financial reports was not affected; therefore, we did not modify it.

Note 2

The report is accurate. Accounting personnel stated that it was their unit’s oversight to pay the agency even though the agency had not submitted the financial reports required by the contract.

Note 3

We modified footnote 6 to include the word “report.” The Department’s observation was correct.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the County's Department of Social Services to determine if the Department adequately monitored community-based agencies to ensure that services provided and payments made were in accordance with contractual agreements. To accomplish the objectives of this audit and obtain valid audit evidence, we performed procedures that included the following steps:

- We interviewed key officials to learn the process for contracting with community-based agencies and to gain an understanding of the components of a typical Department contract. In addition, we learned how agencies submit claims for services and how those claims were reviewed and paid. Further, we obtained an understanding of how the contractual agreements were monitored.
- We obtained a list of 24 agencies running 30 programs and then selected a judgmental sample of nine agencies operating 12 programs. We selected six programs where the contract exceeded \$35,000 and had stipulated performance targets. We then selected the other six programs based on Department officials' concerns that agencies were getting paid with no oversight or controls over the contracted programs. Because our sample was judgmentally selected, the results of our testing should not be projected to the entire population of service providers.
- We obtained and reviewed the 12 selected program contracts to determine the terms of the agreement.
- We obtained and reviewed the claims packages for each of the 12 programs within the audit period to determine if payments were made in accordance with the contracts and the Department's policies.
- We obtained performance reports for the 12 programs and any backup documentation available to determine whether the agencies met their contract goals.
- We reviewed the available RFP documentation for the 12 programs to verify how the agencies were selected.
- We reviewed the minutes of the Legislature's proceedings.

We conducted this performance audit in accordance with GAGAS. 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.

APPENDIX D

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