



Tioga County

Social Service Contracts

2023M-162 | March 2024

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Report Highlights

Tioga County

Audit Objective

Determine whether Tioga County (County) Department of Social Services (Department) officials adequately monitored performance measured contracts with community-based agencies (agencies).

Key Findings

While Department officials generally monitored contracts through reviewing agency reports, in-person meetings with agency staff and firsthand observation of services, they could improve contract monitoring. Three of the 10 contracts we reviewed totaling \$344,210 did not meet contract terms. Officials were either unaware that the agencies did not achieve contract terms or were aware and allowed the contract to continue without termination as follows:

- One agency provided monthly service records that indicated 51 percent of program participants did not meet performance measures.
- A decrease in services provided by an agency went unnoticed for four months.
- Officials did not ensure a contract price reduction was in accordance with contract terms, resulting in approximately \$6,900 of overpayments.
- Agency records were not always complete (i.e., missing required reports and monitoring details).
- Seven contracts were executed, on average, 34 days after services commenced.

As a result, performance measures were not always met and the impact of services intended to improve the well-being of residents is reduced. If contract performance measures are not properly monitored, officials are unable to assure residents that services were delivered as intended.

Key Recommendations

- Improve monitoring efforts by obtaining and reviewing documentation to ensure performance measures are met.
- Negotiate price reductions based on current contract terms.

County officials generally agreed with our recommendations and indicated they plan to initiate corrective action. Appendix B includes our comment on an issue officials raised in their response.

Audit Period

January 1, 2022 – June 30, 2023

Background

The County is governed by an elected nine-member County Legislature (Legislature).

The Legislature is responsible for the general oversight of financial affairs and safeguarding resources.

The Department is 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.

The Commissioner of Social Services (Commissioner) oversees the Department, whose responsibilities include monitoring the performance of contracted services by agencies.

Quick Facts

2023 Department Budget Without Medicaid	\$16.6 million
Amount Disbursed for Department Contracts	\$1.8 million
Amount of Department Contracts Reviewed	\$784,700

Social Service Contracts

What Is Proper Monitoring of Performance Measured Contracts?

Written contract agreements should contain details on performance measures. Execution of the contract should occur in advance of the services provided. Obtaining and reviewing periodic reports on performance measures is essential to ensure that services are provided in accordance with contractual agreements. Department officials should monitor and require the agencies to follow contract terms. For example, they should require that agencies remit agreed-upon reports to provide assurance that the contracted services were delivered. Each agency should submit invoices in a timely manner and Department officials should remit payment in accordance with contract terms.

Department Officials Could Improve Monitoring of Performance Measured Contracts

We reviewed 10 contracts totaling \$784,700 and determined all 10 contained performance measures for the Department to monitor. To varying degrees, all 10 agencies submitted reports to the Department, allowing Department officials to monitor contract terms. Disbursements to all 10 agencies stayed within established contract limits. Excluding minor exceptions that we discussed with officials, agencies met or exceeded the performance measures established in seven of the 10 contracts totaling \$440,490. According to Department officials,¹ performance measures were achieved through monitoring of agency reports, in-person meetings between Department and agency staff and firsthand observation of services due to agency staff being located at Department facilities. The agencies associated with the three remaining contracts totaling \$344,210 either submitted reports that showed performance measures were not met or did not submit complete records to the Department for monitoring (Agencies A, B and C). Department officials did not ensure that these three contracts met the contract performance measures as follows:

Agency A – The Department contracted with Agency A to provide computer skills training and instruction for County residents receiving Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) benefits, not to exceed a total cost of \$27,796. The contract we reviewed covered a six-month period (January 2022 – June 2022) and required reporting of services provided. We identified the following:

¹ Commissioner of Social Services, former Deputy Commissioner, Director of Social Services and the Director of Employment and Transitional Support.

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- The Department either did not receive or did not retain monthly service records from Agency A for two of the six months of the contract period.
 - Department officials did not ensure that program recipients met performance measures. The monthly service records available for four months indicated 26 of the 51 participants (51 percent) were not SNAP or TANF recipients, and four of these 26 participants (15 percent) were non-County residents.
 - Data reported in the year-end report provided by Agency A did not agree with data reported in monthly reports. Out of the 51 participants, 16 (31 percent) had conflicting statuses of whether they were receiving benefits such as SNAP or TANF or not in receipt of these benefits.
 - The County continued to contract with Agency A throughout 2022 and 2023 despite Agency A not meeting performance measures.

The Commissioner told us the main funding source for this contract only covers services to SNAP and TANF individuals, and the use by non-benefit individuals resulted in too high of a cost at the County level. The Commissioner also told us the service was renewed for 2023, as he wanted to give Agency A every chance to meet the performance measures. The former Deputy Commissioner of Social Services (former Deputy) told us that services for non-County residents were occasionally provided because the main funding source allocates funds to multiple counties at the same time. However, the contract specifically stated services were only for County residents. In addition, the former Deputy told us the Department would not renew this contract in 2024 because the agency was not meeting performance measures.

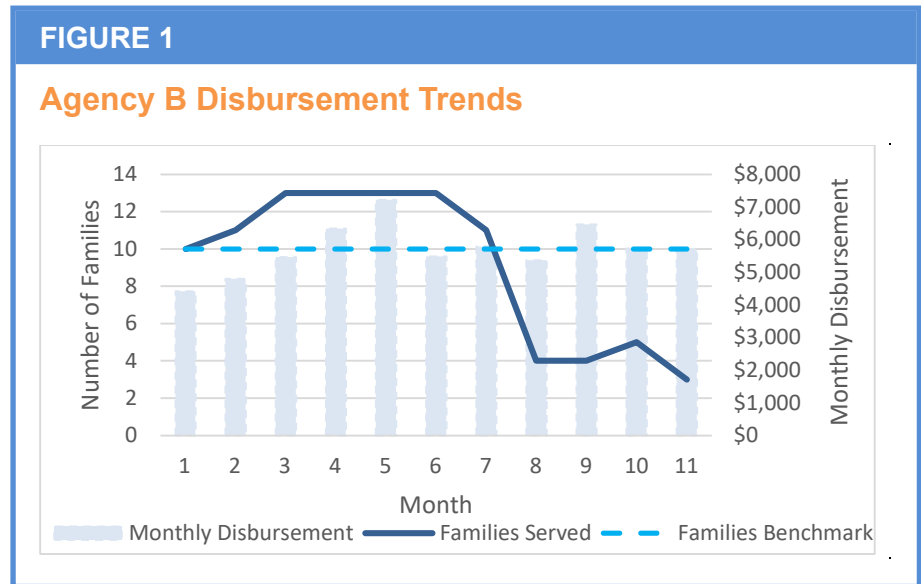
Agency B – The Department contracted with Agency B to provide casework services within a local school district. The contract states services were to be provided for 10 families and their children who reside in the County, and the Department was to be billed monthly for actual expenditures. We identified the following issues:

- Department officials did not ensure that performance measures were met, even though Agency B reports indicated they were not. Agency B provided monthly and annual performance updates that reported the final four months of the contract averaged four families receiving services, not 10 as contracted. However, the monthly amount billed and disbursed remained

relatively similar to the first seven months, where an average of 12 families were provided services (Figure 1).² For example, disbursements per family served averaged \$470 for the first seven months and increased to \$1,455 during the final four months, and Department officials did not question Agency B's basis for the monthly billings.

- County records did not always include the addresses of participating families to enable Department officials to verify

that recipients were County residents. For example, a report for one month during the contract included addresses for four of the 13 participating families. All four addresses listed were within the County, but Department officials could not determine whether the remaining nine families were County residents, based on the reports.



The Director of Social Services (Director) told us she was unaware of the reduced number of families receiving services during the final four months and that Department employees and Agency B staff discuss County residency when a new family starts the program. However, Department officials should monitor Agency B's performance to ensure performance measures are met and require records to ensure families are County residents, in accordance with the contract.

Agency C – The Department contracted with Agency C to provide Multi-Systemic Therapy services to divert court involvement with its child welfare population. The contract stated between 25-30 families would be served under the contract; monthly outcome statistics, along with six- and 12-month summary reports of contract performance, were to be provided to the Department; and a price reduction was available if Agency C incurred a vacancy that lasted more than 30 days. We identified the following issues:

² Executed contract terms were for 12 months; however, Agency B submitted invoices for 11 months.

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- Agency C monthly reports indicated a staffing shortage occurred prior to January 2022 and ran through July 2022. The Department appropriately negotiated price reductions of \$4,234 per month for the contract period ending March 31, 2022, but did not increase the monthly price reduction to correspond to the new contract terms that began in April 2022. Furthermore, the Department did not receive a price reduction in July 2022 even though the monthly report indicated Agency C was still understaffed. The Department could have reduced its disbursements to Agency C by approximately \$6,900 had it received appropriate cost reductions.
 - Agency C submitted records that showed 16 families received services when the contract set a term of between 25 and 30 families to be served (at most 64 percent met). The contract required the Department to pay the same monthly amount to Agency C regardless of the number of families served. If the contract was based on the percentage of families served, the Department could have reduced its disbursements to Agency C by approximately \$96,000.

The former Deputy told us the services provided through the contract benefit the County by preventing additional County expenditures to go towards the juveniles being served by the contract. Furthermore, the former Deputy told us Agency C hired an additional therapist in July 2022 and that individual had to receive training prior to providing services for the Department. However, the contract terms did not outline which party was responsible for covering costs related to onboarding training. The former Deputy agreed he should have negotiated a price reduction based on the new contract terms and told us there was confusion over which contract the reduction covered, due to the timing of the agreement. The former Deputy also told us Department officials did not review or update contract terms, such as the number of families served, prior to executing the contract.

When performance measures are not met, the impact of services intended to improve the well-being of residents is reduced. If complete records are not provided, Department officials are unable to assure residents that contracted services were delivered as intended.

Contract Execution – Seven of the 10 contracts reviewed were signed by the Commissioner after services commenced and one contract was not dated. These seven contracts averaged 34 days late. The former Deputy told us the contract approval process has been an issue identified County-wide and that contracts tend to be delayed in the approval process. When contracts are not in place, performance measures that should be monitored are not established. Executing contracts in advance of services ensures all Department and agency staff are aware of performance expectations.

What Do We Recommend?

Department officials should:

1. Improve monitoring efforts by obtaining and reviewing documentation from agencies to ensure performance measures are met.
2. Ensure services are provided to County residents by receiving records from the agency and verifying their accuracy.
3. Ensure price reductions are negotiated based on contract terms and seek reimbursement, if necessary.
4. Ensure future contracts include payment structure language that addresses when less than the minimum number of families are served.
5. Properly sign, date and execute contracts in advance of services.

Appendix A: Response From County Officials

TIOGA COUNTY, NEW YORK

Office of the Legislative Chair

Ronald E. Dougherty County Office Building 56 Main Street Owego, NY 13827

Martha Sauerbrey Legislative Chair



March 13, 2024

Office of the New York State Comptroller, Binghamton Regional Office
Ann C. Singer, Chief of Municipal Audits
State Office Building, Suite 1702
44 Hawley Street
Binghamton, NY 13901-4417

Re: Audit 2023M-162.

Dear Ms. Singer:

Tioga County would like to thank the New York State Comptroller's Office and its recent audit of contract monitoring within our Department of Social Services, Audit 2023M-162.

We are not in agreement with the comments in bullet #2 of page 6 and the phrase "If the contract was based on the percentage of families served, the Department could have reduced its disbursements to Agency C by approximately \$96,000." Due to the nature of Preventive Services contracting and the overhead that those agencies carry, that is not a reduction that could have occurred without having to terminate the contract and jeopardize successful services that were being provided to the 16 families being served. While Agency C may have been under capacity during the time of the audit, successful prevention of a residential placement from the 16 families being served saves the County tens of thousands of dollars a month.

See
Note 1
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We appreciate the recommendations of the audit and will work towards a successful corrective action plan. Thank you to the audit team and the professionalism exhibited throughout the process. They were a pleasure to work with and again, we welcome the opportunity to improve our day-to-day operations through the recommendations of this audit.

Sincerely,

Martha Sauerbrey
Chair, Tioga County Legislature

Appendix B: OSC Comment on the County's Response

Note 1

Agency C's contract language states "between 25 and 30 families shall be served under this contract." However, the contract language does not indicate what happens when less than 25 families are served. Officials should consider including language that specifies what the payment structure should be when less than the minimum number of families is served when future contracts are negotiated. We clarified the audit recommendation.

Appendix C: Audit Methodology and Standards

We conducted this audit 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. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed key officials to learn the process for contracting with community-based agencies and to gain an understanding of the performance measures the Department monitors.
- We obtained a list of 34 contracts, along with payment histories to vendors coded to the Department, to verify the list's completeness. With each contract, we identified the contract period, contract limit and amount disbursed during our scope period. We then used our professional judgment to select 10 contracts. We sorted the population by vendors and selected seven contracts with the largest disbursements. We selected three additional contracts based on when they were in effect, resulting in a sufficient variety of contracts for testing.
- We determined whether the actual amount disbursed stayed within the contract limits.
- We compared the performance measures identified in contracts to records and reports provided by the agencies to determine whether the services were provided in accordance with the agreements.
- We compared, when available, records in claim packets to monthly, quarterly, semi-annual or yearly reports provided by agencies to determine whether data reported was corroborated.
- We compared the date a contract was signed and executed by the Commissioner with the date services commenced to determine whether an agreement was in place in advance of services occurring.

We conducted this performance audit in accordance with generally accepted government auditing standards (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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Legislature 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 provided to our office within 90 days, pursuant to Section 35 of 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 Legislature to make the CAP available for public review in the County Clerk's office.

Appendix D: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

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www.osc.ny.gov/local-government/academy

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503

BINGHAMTON REGIONAL OFFICE – Ann C. Singer, Chief of Municipal Audits

State Office Building, Suite 1702 • 44 Hawley Street • Binghamton, New York 13901-4417

Tel (607) 721-8306 • Fax (607) 721-8313 • Email: Muni-Binghamton@osc.ny.gov

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