



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Audit Report

2023-A-0002

**Community Based Agency
Contract Between Palm Beach
County and The Urban League
of Palm Beach County, Inc.**

November 28, 2022



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OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

AUDIT REPORT 2023-A-0002

DATE ISSUED: NOVEMBER 28, 2022



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COMMUNITY BASED AGENCY CONTRACT BETWEEN PALM BEACH COUNTY AND THE URBAN LEAGUE OF PALM BEACH COUNTY, INC.

SUMMARY

WHAT WE DID

We conducted an audit of the Community Based Agency Contract between Palm Beach County (County) and The Urban League of Palm Beach County, Inc. (Agency), Contract Number R2019-1452, for the Project Moving Forward program (Contract). This audit was performed as part of the Office of Inspector General, Palm Beach County (OIG) 2021 Annual Audit Plan.

Our audit focused on the management of the Contract, related invoicing and payment activities, and contractual requirements and deliverables for the period October 1, 2019 through May 31, 2022.

WHAT WE FOUND

We found control weaknesses for the County’s review and oversight relating to

the Agency’s payment requests. Our audit identified **\$61,318.26** in questioned costs¹ for insufficient documentation of work performed and noncompliance with the Contract attestation requirements and **\$88,442.86** in identified costs² for units of service³ paid by the County not within the Contract’s terms or scope of work.

The County paid the Agency for activities that did not meet the Contract definition of “units of service” or lacked sufficient documentation

We tested 349⁴ daily log entries totaling 439 units of service to determine if the services for which the County paid were performed and complied with specifications outlined in the Contract. We found:

- The County incorrectly compensated the Agency for 181 entries totaling 185 units of service that did not comply with the Contract definition of units of

¹ Questioned costs can include costs or financial obligations incurred pursuant to: a potential violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

² Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers’ burden.

³ The Contract defines a “unit of service” as one hour of staff time in direct client services or in related indirect work that may annually include case management services, group sessions/meetings, workshops, parental/caregiver support through phone or in person contacts.

⁴ This sample was selected from a total of 6,430 units of service compiled from October 2019 to September 2021 payment requests.

service. There were 57 entries totaling 88.50 units of service that lacked sufficient documentation to show that the work was performed for the Contract.

- There were 2 entries totaling 2.00 units of service that lacked sufficient information in the daily log description for the Agency to locate supporting documentation.

We identified all daily log entries that described work related to program referrals.⁵ We concluded the Contract definition of a “unit of service” and the Contract’s scope of work did not refer to work related to program referrals, who are not yet and may not become program participants. We found the County compensated the Agency for 1,773.00 units of service related to program referrals.

We considered the 185.00 units of service totaling **\$8,356.45** that were not in compliance with the Contract definition of units of service and the 1,773.00 units of service totaling **\$80,086.41** related to referrals that were not within the scope of work to be **identified costs** because the County may be able to recoup the amount from the Agency.

We considered the 89.00 units of service paid by the County that lacked sufficient supporting documentation or sufficient

information in the daily log entry’s description totaling **\$4,087.88** to be **questioned costs**.

Noncompliance with the Contract attestation requirements

We reviewed the required cover memo attestation for 31⁶ payment requests and found seven (7) lacked an original signed statement by the CEO or designee in violation of the Contract. These payment requests were paid by the County and totaled \$73,740.04. As a result, **\$57,230.38⁷** is considered a **questioned cost** for non-compliance with the Contract.

Additionally, the CEO designated the Senior Vice President of Programs to sign the cover memos; however, the County did not obtain documentation of the CEO’s designation.

WHAT WE RECOMMEND

Our report contains two (2) findings and five (5) recommendations. Implementation of the recommendations will assist the County 1) in strengthening internal controls and 2) ensuring compliance with Contract requirements.

County management partially concurred with our findings. While disagreeing in part, it accepted the recommendations. We have included the County’s management response as Attachment 1.

⁵ Referrals are potential program participants referred to the Agency. Case managers make phone and in-person contacts to determine if the referral is eligible and interested in joining the program. Therefore, a referral is not yet a program participant (i.e. client) and may not become one.

⁶ The payment requests available for review were October 2019 through May 2022. The September 2020 cover memo included August 2020 and September 2020.

⁷ To avoid duplicating costs, the total amount of non-compliant payment requests of \$73,740.04 was reduced by identified and questioned costs totaling \$16,509.66 already noted in Finding #1, resulting in \$57,230.38 in questioned costs.

BACKGROUND

The County issued a Request for Proposals (RFP) for Community Based Agencies on March 11, 2019, to provide services in approved Action Areas identified in the Youth Master Plan (YMP).⁸ The County's Youth Services Department (YSD) along with other youth-serving partner agency members of the *Birth to 22: United for Brighter Futures* (Birth to 22) coalition participated in a collaborative process employing a collective impact framework to develop the YMP, which is entitled, "Strengthening the Steps to Success." The YMP contains six (6) Action Areas, and this RFP solicited services for one (1) of those six (6) Action Areas: Removal of Community Stressors & Systematic Barriers - Ensure Safety and Justice.

YSD received ten (10) proposals for this Action Area, and recommended six (6) agencies for funding by the Board of County Commissioners (BCC). The Agency submitted a proposal for a program titled, *Project Moving Forward* to provide evidence-based integrated services to address the personal struggles and challenges of disadvantaged minority youth in Palm Beach County in the Department of Juvenile Justice System (DJJ) and to limit youth duration in DJJ by keeping them crime free and focused on developing long term goals.

On September 10, 2019, the BCC approved the Contract with the Agency. The Contract Scope of Work states that the Agency will provide case management, life skills groups, gang intervention strategies, and parental support for court-involved youth offenders between the ages of 12 and 16. The overall goal of the Contract is to reduce and prevent those youth offenders with current sanctions from re-offending. The Contract is for three (3) years beginning October 1, 2019 through September 30, 2022. The contract funding amount is \$153,575.00 for each of the three years, not to exceed \$460,725.00. The Contract was administered by the YSD.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objectives of the audit were to determine whether: 1) the controls were adequate to effectively manage the Contract and related activities; 2) invoices were properly documented, reviewed, and approved to avoid possible fraud, waste, and abuse; 3) the Contract was effectively managed; and 4) contractual requirements were met and agreed upon deliverables were received.

The initial audit scope included, but was not be limited to, the current Community Based Agency Contract and related activities for October 1, 2019 to May 31, 2022.

The audit methodology included, but was not limited to:

- Performing data reliability and integrity assessments of related computer systems;
- Reviewing policies, procedures, and related requirements;

⁸ http://pbcbirthto22.com/pdf/YS_Birth%20to%2022_Youth%20Master%20Plan_09.pdf

- Performing process walk-throughs and conducting a review of internal controls related to the management of contracts and related expenditures;
- Interviewing appropriate personnel;
- Reviewing records, reports, contracts, and agreements; and
- Performing detailed testing of selected transactions.

As part of this audit, we completed a data reliability assessment for the SAMIS, CBA Portal, and Advantage computer systems used by the County to process agency invoices and reports and record expenditures. We determined that the computer-processed data contained in these computer systems was sufficiently reliable for purposes of the audit.

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

FINDINGS AND RECOMMENDATIONS

Finding (1): The County compensated the Agency for activities that did not meet the definition of units of service under the Contract or lacked sufficient documentation.

The Contract states,

ARTICLE 3 – PAYMENTS TO THE AGENCY

- A. The COUNTY shall pay to the AGENCY for services rendered under this Contract not to exceed a total amount of FOUR HUNDRED SIXTY THOUSAND SEVEN HUNDRED AND TWENTY-FIVE DOLLARS (\$460,725). **The AGENCY will bill the COUNTY on a monthly basis, or as otherwise provided, at the amounts set forth in the attached Exhibit B (Unit Cost of Service Rate and Definition) for services rendered toward the completion of the attached Scope of Work...** [Emphasis added]
- B. **The program and unit cost of service rate and definition for this Contract are set forth in the attached Exhibit B.** All requests for payments of this Contract shall include an original cover memo on the AGENCY'S letterhead signed by the Chief Executive Officer, or Designee, which cover memo, in a format acceptable to COUNTY, shall include, but not be limited to, the following language, marked appropriately and if applicable, justification provided. [Emphasis added]

"All expenses included in this claim [] were [] were not incurred in accordance with the provisions of the Agreement/Contract; and total

administrative expenses did not exceed fifteen percent (15%)." [If not, please provide justification].

...

EXHIBIT A

SCOPE OF WORK

...

Services:

- Provide case management services for 100 youth offenders between the ages of 12-16.
- Encourage and support youth to complete court ordered sanctions as predetermined by the Urban League during intake.
- Strengthening parental/caregiver support through monthly contacts by phone or in person.
- Group sessions focusing on gang resistance, academic success, peer pressure, anger management and life skills will be conducted in various locations based on zip codes.
- Promote community engagement and connectedness through restorative justice service projects.

...

EXHIBIT B

UNIT COST OF SERVICE RATE AND DEFINITION

The Scope of Work to be completed by the AGENCY as defined in Exhibit A, consist of submission to the COUNTY of certain "deliverables" as expressly indicated below. **Compensation for the work tasks stated herein shall be in accordance with the following Unit Cost of Service Rate and Definition:**

...

Unit Cost of Service Rate Definition	Unit Cost of Service Rate	Total Cost of Service
A unit of service is defined as one hour of staff time in direct client services or in related indirect work that may include case management services, group sessions/meetings, workshops, parental/caregiver support through phone or in person contacts. [Emphasis added]	\$45.17	\$153,575 annually

...

Deliverables Description:

- **Proof of Payroll Expense** (examples include copies of paystubs, automated payroll reports)
- **Daily log** (examples include time attendance records, activity log)
- **Cover Memo/Invoice** (signed by authorized representative, including statement as to all units being claimed were 100% allocated to the Scope of Work)

We selected two different samples. For the first sample, we randomly selected a sample of eight (8) payment requests/invoices paid by the County for the months October 2019 through September 2021 and reviewed the supporting daily logs⁹ submitted with the Agency's payment requests. We reviewed the payment requests for compliance with the Contract specifications. We identified 130 daily log entries totaling 150.5 units of service for further testing. For the second sample, we compiled a complete listing of the 5,771 entries from the daily logs submitted with payment requests and paid by the County for the months October 2019 through September 2021, which totaled 6,430 units of service. We selected an additional 219 daily log entries totaling 288.50 units of service paid for review based on the description of work, potential duplication of services performed, work performed on a weekend or holiday, and if the daily log was signed by the supervisor prior to the date of work.

We met with the Agency to discuss the sampled units of service and review related supporting documentation to determine if the services paid by the County were performed and complied with specifications noted in the Contract.

Out of the 349 sample entries, totaling 439 units of service tested, we found the following:

- The County incorrectly compensated the Agency for 185.00 units of service supported by 181 daily log entries for activities that did not meet the definition for a unit of service under the Contract, e.g. Lunch breaks.
- There were 57 entries totaling 88.50 units of service that lacked sufficient documentation to support that the work was performed for the Contract. For example, the Agency did not retain documentation regarding referrals to the program, such as the referral form and notes from phone or in-person contacts.
- There were 2 entries totaling 2.00 units of service that lacked sufficient information in the daily log description for Agency personnel to locate supporting documentation. As a result, we could not verify whether the work was performed for the Contract.

The County paid for 195.00 units of service totaling **\$8,356.45** that were not in compliance with the Contract definition of units of service. We considered this amount an identified cost because the County may be able to recoup that amount from the Agency. We

⁹ The Agency's case managers working on the Project Moving Forward program prepared a daily log detailing the activities performed for the program. The case manager and program manager both signed and dated each daily log. The signed daily logs were submitted as supporting documentation with the payment request.

considered the 90.50 units of service that lacked sufficient supporting documentation or sufficient information in the daily log entry's description to locate supporting documentation totaling **\$4,087.88** questioned costs.

We also found the County compensated the Agency for 1,773.00 units of service related to program referrals from October 1, 2019 through September 30, 2021 or 28% of the total 6,430 units of service we compiled. The Agency's program manager explained to us that they receive participant referrals via a "referral form" that they distribute to schools and agencies with which they regularly work. Case managers make phone and in-person contacts to determine if the referral is eligible and interested in joining the program and referred to this work as a "pre-case" activity. Therefore, a referral is not yet a program participant (i.e. client) and may not become one. We concluded the Contract definition of a unit of service and the Scope of Work did not refer to work related to referrals.

The County informed us that the Contract was intended to include payment to the Agency for work related to processing referrals prior to an individual becoming a client. The County management further stated that they interpreted the Contract's scope of work under "Encourage and support youth to complete court ordered sanctions as predetermined by the Urban League during intake" to include the processing of referrals and considered referrals "related indirect work" payable under the Contract. We understand the County's interpretation; however, **the language in the Contract is not sufficient to make it clear that the work related to processing referrals prior to the individual becoming a client falls within the definition of a unit of service in direct client service or related indirect work.** The referrals summed to a significant portion of the total units of service paid by the County between October 2019 through September 2021, which merits more delineation to support the County's interpretation.

The 1,773.00 units of service for work related to referrals were not within the scope of work defined in the Contract. As a result, **\$80,086.41** is considered an identified cost that the County may be able to recoup from the Agency.

Agency personnel stated that the County informed them to not include lunch breaks in the payment requests. We verified that starting with the April 2020 and continuing through the September 2021 payment request, the Agency did not bill the County for lunch entries noted on the daily logs. Therefore, this issue has been partially resolved.

The County's YSD Outreach and Community Programming (OCP) Division personnel stated that the Finance, Contracting & Administrative Services (FCA) Division was responsible for reviewing Agency units of service for compliance with the contract; however, the FCA Division personnel told us that the OCP Division's personnel was responsible for reviewing documentation submitted to the County for compliance with the Contract. Therefore, it appears that there is some confusion amongst County staff as to who has the duty and responsibility to review daily log entries, and the County was not consistently reviewing the daily log entries to ensure units of service paid were in compliance with the Contract.

Recommendations:

- (1) The County consider recouping the \$88,442.86 paid to the Agency that was not in compliance with the Contract definition of unit of service or scope of work.
- (2) The County enhance its review and oversight by consistently reviewing Agency payment requests and supporting documentation, such as daily logs, to identify, follow-up on, and exclude from payment, if applicable, units of service that are not in compliance with the contract terms or scope of work.
- (3) The County include work related to referrals within the scope of work and the definition of “units of service,” in future contracts, where applicable.

Management Response Summary:

YSD agrees with the finding in part and disagrees in part. Of the 185 units of service identified as not complying with the Contract definition of units of service, we contend that only 163.5 units were ineligible. Agency activity referenced as Service Learning Project, Webinar/Training, Day Planning, Correspondence with client, and Phone correspondence meets the Unit Cost of Service Rate Definition as “related indirect work”.

Agency activity referenced as “referrals” meets the Unit Cost of Service Rate Definition as “related indirect work” providing case management services (assess the needs and situation of each youth, plan and connect to relevant services, manage their case, communication and follow-up) and is also in support of the services outlined in the Scope of Services, Exhibit A, “Encourage and support youth to complete court ordered sanctions as predetermined by the Urban League during intake.” If the Urban League did not review referrals and reach out to youth and families, the youth would not be able to complete their court ordered sanctions. When addressing the needs of the population of youth to be served under this contract, it is anticipated that many of the youth will not follow-through and become clients.

- (1) YSD will seek to recover \$7,385.30 (163.5 units) from Urban League. The majority of these units were related to paid lunches. We do not intend on taking steps to recoup \$80,086.41 (1,773 units) as it is YSD’s position these units met the contract definition. The balance is identified as allowable by YSD Staff. YSD will, however, review the contract language to ensure the language is clear in future contracts. The contract in question expired on September 30, 2022 and was not renewed.

OIG Comments:

The Agency could not provide us with any documentation to support that the activity referenced as Service Learning Project, Webinar/Training, Correspondence

with client, and Phone correspondence was actually performed, e.g. emails, memos, phone logs, meeting minutes, training certificates, etc. Therefore, the units of service associated with these activities paid by the County were considered questioned costs. Units of service referenced as Day Planning were not included in the questioned or identified costs.

Although processing referrals is a necessary part of the Agency's work in preparation for identifying and serving clients, Exhibit B states that compensation is for work tasks in accordance with the unit cost of service rate and definition set forth therein. The referrals summed to a significant portion of the total units of service paid by the County to the Agency between October 2019 through September 2021 (prior to Agency providing evidenced-based integrated services as described in its proposal), which merits more delineation and specificity to support the County's interpretation and to ensure that the program objectives are met.

(2) Although YSD believes that the vast majority of the questioned costs were eligible for payment, we do agree that further enhancements to the approval process can be, and have been, made. The approval process has been changed since this discrepancy was reported. YSD has two reviewers and one approver in the workflow. The first reviewer is responsible for auditing the hours billed and verifying all backup per the contract. The second reviewer verifies all units are within the Unit Definition of the contract, the signatures provided are from an approved signer and that the reimbursement complies with the contract. The approver verifies that both reviewers have not overlooked anything before approving for payment.

(3) YSD agrees with this recommendation. This contract expired on September 30, 2022. Future contracts will more clearly define what is included within a unit of service.

Finding (2): The County compensated the Agency for payment requests that lacked original and properly signed cover memos as required by the Contract.

The Contract states,

ARTICLE 3 – PAYMENTS TO THE AGENCY

...

C. The program and unit cost of service rate and definition for this Contract are set forth in the attached Exhibit B. **All requests for payments of this Contract shall include an original cover memo on the AGENCY'S letterhead signed by the Chief Executive Officer, or Designee**, which cover memo, in a format acceptable to COUNTY, shall include, but not be limited to, the following

language, marked appropriately and if applicable, justification provided.
[Emphasis added]

"All expenses included in this claim [] were [] were not incurred in accordance with the provisions of the Agreement/Contract; and total administrative expenses did not exceed fifteen percent (15%)." [If not, please provide justification].

...

EXHIBIT B

UNIT COST OF SERVICE RATE AND DEFINITION

The Scope of Work to be completed by the AGENCY as defined in Exhibit A, consist of submission to the COUNTY of certain "deliverables" as expressly indicated below. Compensation for the work tasks stated herein shall be in accordance with the following Unit Cost of Service Rate and Definition:

...

Deliverables Description:

- **Proof of Payroll Expense** (examples include copies of paystubs, automated payroll reports)
- **Daily log** (examples include time attendance records, activity log)
- **Cover Memo/Invoice** (signed by authorized representative, including statement as to all units being claimed were 100% allocated to the Scope of Work)

During the testing of the eight (8) sampled payment requests, we found that the cover memo was not signed for two (2) of the eight (8) payment requests reviewed and that the Senior Vice President of Programs, not the CEO, signed the cover memo with attestation in each payment request. As a result, we reviewed all 31¹⁰ payment request cover memos to determine if they were in compliance with the Contract. We found the following:

- Twenty-four (24) of the 31 cover memos were signed by the Senior Vice President of Programs.
- Seven (7) of the 31 cover memos reviewed had the Senior Vice President of Programs' typed name rather than an original signature. The Agency provided us with emails where the Senior Vice President of Programs had approved the cover memo.
- There was no documentation of the CEO designating the Senior Vice President of Programs to sign the payment request cover memos.

¹⁰ The payment requests available for review were October 2019 through May 2022.

- In addition to the cover memos, the May 2020 through May 2022 payment requests included a copy of the same undated statement signed by the CEO certifying that the Agency did not include expenses in the payment requests that were funded by the government CARES Act or Payroll Protection Program, and that all expenses included in the payment requests were in accordance with the Contract.¹¹

The CEO and Senior Vice President of Programs told us that because some of the cover memos were during the COVID-19 pandemic, everyone was working remotely and the cover memos were approved via email. The Senior Vice President of Programs told us the County did not explicitly approve using email in lieu of an original signed cover memo, but that the County did not reject the payment requests submitted with a typed signature.

The CEO confirmed to us that the statement signed by him was his signature but did not confirm whether the statements were copies of the same original signed statement. The Agency's Accountant, who compiled and submitted the payment requests to the County, told us that she submitted the same signed CEO statement with each payment request.

We reviewed the payment request audit logs and found the County's review process did not identify the non-compliant cover memos nor that the CEO signed statements were not originals. Additionally, the County did not obtain documentation showing the Agency's CEO designated the Senior Vice President of Programs to sign the cover memos. After we met with the Agency regarding the CEO's designation, the CEO provided a written designation to the County.

The Senior Vice President confirmed she reviewed the payment requests for accuracy and compliance with the Contract before they were submitted to the County. However, there was a lack of sufficient documentation to show that she was designated by the CEO to sign the cover memo.

The seven (7) payment requests with cover memos lacking an original signed statement by the CEO or designee did not comply with the Contract. These payment requests were paid by the County and totaled \$73,740.04. As a result, **\$57,230.38**¹² is considered a questioned cost for non-compliance with the Contract.

Recommendations:

- (4) The County enhance its review of payment requests by including review of the cover memo to ensure it is an original and signed by the CEO or documented designee.**

¹¹ This statement was not required by the Contract and was an additional request by the County after the start of the COVID-19 pandemic.

¹² To avoid duplicating costs, the total amount of non-compliant payment requests of \$73,740.04 was reduced by identified and questioned costs totaling \$16,509.66 already noted in Finding #1, resulting in \$57,230.38 in questioned costs.

- (5) The County obtain a written designation from the CEO when another individual signs the cover memo attesting to the accuracy and compliance of the payment request.

Management Response Summary:

YSD agrees in part with this finding and disagrees in part. Contract Article 1 states “The AGENCY’S representative/liaison during the performance of this Contract shall be Marie Sanches, Senior Vice President, (telephone no. 561-833-1461).” The contract was signed by Agency CEO Patrick Franklin, and thus he has provided written delegation to the Senior Vice-President within the body of the contract. We do agree with the findings regarding the email approvals and the non-original signatures, but note that this was during Covid, when obtaining original signatures was difficult when most staff was working remotely.

(4) & (5) Staff is in agreement with these recommendations and has already implemented enhanced review procedures. All reimbursements beginning in FY2023 will only be approved if signed by CEO or if a written delegation of signature authority has been signed by the CEO. Staff started collecting the signature authorities in September and October for current contracts and will ensure we have such delegations on file for future payment requests. YSD is also considering amending the contract language to make it clear that the agency representative identified in Article 1 is a designated representative.

All agencies have been advised what constitutes a valid digital signature for their cover memos and all pages in the invoice/cover memo will need to be dated. This will be enforced going forward.

SUMMARY OF POTENTIAL FINANCIAL AND OTHER BENEFITS IDENTIFIED IN THE AUDIT

Questioned Costs

Finding	Description	Questioned Costs
1	Lack of sufficient documentation for work performed	\$ 4,087.88
2	Cover Memos not in compliance with the Contract	\$ 57,230.38
TOTAL QUESTIONED COSTS		\$ 61,318.26

Identified Costs

Finding	Description	Identified Costs
1	Units of Service paid not within the Contract definition	\$ 8,356.45
1	Units of Service paid not within the Contract scope of work	\$ 80,086.41
TOTAL IDENTIFIED COSTS		\$ 88,442.86

ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the Palm Beach County's Youth Services Department's staff and The Urban League of Palm Beach County's staff for their assistance and support in the completion of this audit.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

ATTACHMENT

Attachment 1 – Palm Beach County's Youth Services Department's Management Response

ATTACHMENT 1 – PALM BEACH COUNTY'S YOUTH SERVICES DEPARTMENT'S MANAGEMENT RESPONSE



Youth Services Department
50 South Military Trail, Suite 203
West Palm Beach, FL 33415
(561) 242-5700
FAX: (561) 242-5708
www.pbcgov.com/youthservices



**Palm Beach County
Board of County
Commissioners**

Robert S. Weinroth, Mayor

Gregg K. Weiss, Vice Mayor

Maria G. Marino

Dave Kerner

Maria Sachs

Melissa McKinlay

Mack Bernard

County Administrator


Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

Official Electronic Letterhead

Date: November 21, 2022

To: Hillary Bojan, Director of Audit
Office of Inspector General, Palm Beach County

From: Tammy K. Fields, Director 
Palm Beach County Youth Services Department

CC: John Carey, Inspector General
Office of Inspector General, Palm Beach County

Subject: Draft Audit Report/Management Response, CBA
Contract between Palm Beach County and The Urban
League of Palm Beach County, Inc.

It was a pleasure meeting with you and the team on November 1, 2022 to discuss the draft audit report. Thank you for your time and support during the audit process. The Youth Services Department (YSD) appreciates the time, attention and cooperation exhibited throughout the audit process. Our goal is to improve our processes whenever possible. Below is our response to the various items in the report.

Finding (1): The County compensated the Agency for activities that did not meet the definition of units of service under the Contract or lacked sufficient documentation.

Management Response:

YSD agrees with the finding in part and disagrees in part. Of the 185 units of service identified as not complying with the Contract definition of units of service, we contend that only 163.5 units were ineligible. Agency activity referenced as Service Learning Project, Webinar/Training, Day Planning, Correspondence with client, and Phone correspondence meets the Unit Cost of Service Rate Definition as "related indirect work".

Agency activity referenced as "referrals" meets the Unit Cost of Service Rate Definition as "related indirect work" providing case management services (assess the needs and situation of each youth, plan and connect to relevant services, manage their case, communication and follow-up) and is also in support of the services outlined in the Scope of Services, Exhibit A, "Encourage and support youth to complete court ordered sanctions as predetermined by the Urban League during intake." If the Urban League did not review referrals and reach out to youth and families, the youth would not be able to complete their court ordered sanctions. When addressing the needs of the population of youth to be served under this contract, it is anticipated that many of the youth will not follow-through and become clients.

Draft Audit Report Response – The Urban League of Palm Beach County, Inc.
Palm Beach County Youth Services – Page 2 of 3
November 21, 2022

IG Recommendations:

(1) The County consider recouping the \$88,442.86 paid to the Agency that was not in compliance with the Contract definition of unit of service or scope of work.

YSD Response:

Youth Services Department (YSD) staff reviewed the Excel Spreadsheet file tabs provided by the Office of Inspector General and highlighted each activity description that meets the Unit Cost of Service Rate Definition under the Contract. The review by YSD resulted in identifying the number of units and total cost for allowable as well as unallowable activity.

- a. \$80,086.41 (1,773 units) of the amount recommended to be recouped were considered referrals, which we do not intend on taking steps to recoup as it is YSD's position these units met the contract definition. YSD will, however, review the contract language to ensure the language is clear in future contracts. The contract in question expired on September 30, 2022 and was not renewed.
- b. Of the remaining \$8,356.45, YSD staff is in agreement that \$7,385.30 (163.5 units) was not in compliance. The majority of these units were related to paid lunches. YSD will seek to recover this amount from Urban League.
- c. The balance of \$1,693.87 (37.5 units) is identified as allowable by YSD staff. The allowable units include activities such as home visits, school visits, developing session plans and contacting referrals. This \$1,693.87 includes an offset of \$722.72 (16 units) that was deducted in the calculation of 185 units in order to avoid duplicate referral costs identified in Item 1.a. above.

(2) The County enhance its review and oversight by consistently reviewing Agency payment requests and supporting documentation, such as daily logs, to identify, follow-up on, and exclude from payment, if applicable, units of service that are not in compliance with contract terms or scope of work.

YSD Response:

Although YSD believes that the vast majority of the questioned costs were eligible for payment, we do agree that further enhancements to the approval process can be, and have been, made. The approval process has been changed since this discrepancy was reported. YSD has two reviewers and one approver in the workflow. The first reviewer is responsible for auditing the hours billed and verifying all backup per the contract. The second reviewer verifies all units are within the Unit Definition of the contract, the signatures provided are from an approved signer and that the reimbursement complies with the contract. The approver verifies that both reviewers have not overlooked anything before approving for payment.

(3) The County include work related to referrals within the scope of work and the definition of "units of service," in future contracts, where applicable.

YSD Response:

YSD agrees with this recommendation. This contract expired on September 30, 2022. Future contracts will more clearly define what is included within a unit of service.

Draft Audit Report Response – The Urban League of Palm Beach County, Inc.
Palm Beach County Youth Services – Page 3 of 3
November 21, 2022

Finding (2): The County compensated the Agency for payment requests that lacked original and properly signed cover memos as required by the Contract.

Management Response:

YSD agrees in part with this finding and disagrees in part. Contract Article 1 states “The AGENCY'S representative/liaison during the performance of this Contract shall be Marie Sanches, Senior Vice President, (telephone no. 561-833-1461).” The contract was signed by Agency CEO Patrick Franklin, and thus he has provided written delegation to the Senior Vice-President within the body of the contract. We do agree with the findings regarding the email approvals and the non-original signatures, but note that this was during Covid, when obtaining original signatures was difficult when most staff was working remotely.

IG Recommendations:

(4) The County enhance its review of payment requests by including review of the cover memo to ensure it is an original and signed by the CEO or documented designee.

YSD Response:

- a. Staff is in agreement with this recommendation and has already implemented enhanced review procedures. All reimbursements beginning in FY2023 will only be approved if signed by CEO or if a written delegation of signature authority has been signed by the CEO. Staff started collecting the signature authorities in September and October for current contracts and will ensure we have such delegations on file for future payment requests. YSD is also considering amending the contract language to make it clear that the agency representative identified in Article 1 is a designated representative.
- b. All agencies have been advised what constitutes a valid digital signature for their cover memos and all pages in the invoice/cover memo will need to be dated. This will be enforced going forward.

(5) The County obtain written designation from CEO when another individual signs the cover memo attesting to the accuracy and compliance of the payment request.

YSD Response:

Please see item 4a. above for same response.