

**Audit of the  
Orange County  
Community Action Division**

**Report by the  
Office of County Comptroller**

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Report No. 403  
November 2009

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November 5, 2009

Richard T. Crotty, County Mayor  
And  
Board of County Commissioners

We have conducted an audit of the Orange County Community Action Division. The audit was limited to a review of operations and expenditures funded with the Community Service Block Grant (CSBG) and the County General Fund. The scope excludes federal funds received by the Division for the Summer Food Service Program Grant as well as activities of the Community Action Board. The period audited was October 1, 2006 through September 30, 2008 with emphasis on transactions occurring in the later part of the audit period.

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

Responses to our Recommendations for Improvement were received from the Division Manager and are incorporated herein.

We appreciate the cooperation of the personnel of the Community Action Division during the course of the audit.

Martha O. Haynie, CPA  
County Comptroller

c: Ajit Lalchandani, County Administrator  
Linda Weinberg, Deputy County Administrator  
Lonnie Bell, Director, Family Services Department  
Karl Anderson, Manager, Community Action Division  
Kran Riley, Chairman, Community Action Board

# EXECUTIVE SUMMARY

## Executive Summary

We conducted an audit of the Orange County Community Action Division (Division). The audit scope included a review of operations and expenditures paid for with Community Service Block Grant (CSBG) funds and County General Funds. The objectives of our audit were to determine whether the programs and services, including community center usage, have clearly defined measurable, objectives that support the Division's mission and are in compliance with certain CSBG grant provisions, County Administrative Regulations and Division policies and procedures. We also determined whether the Division provides adequate oversight and gathers reliable, valid measurement data and supporting documentation to ensure program objectives are met and outcomes are accurately reported. We determined whether expenditures are directly related to the objectives of the Division, properly authorized, adequately documented, and allocated to the appropriate funding source.

In addition, we reviewed the operating structure for opportunities to streamline processes, reduce cost, and more efficiently and effectively manage operations. We did not review funds received by the Division from the federally funded Summer Food Service Program as well as activities of the Community Action Board. The period audited was October 1, 2006 through September 30, 2008 with emphasis on transactions occurring in the later part of the audit period.

### ***Community Center Operations and General Fund Expenditures:***

Based on the results of our testing, the Division's programs and services did not have clearly defined, measurable objectives relative to community center operations and certain uses of the community centers did not support the Division's mission. Procedures and practices for community center operations were not in compliance with County Administrative Regulations and Division procedures. The Division did not gather reliable, valid measurement data and supporting documentation relative to community center operations and did not provide adequate oversight to ensure data was accurately and consistently reported. Except for certain payroll expenses, Division expenditures from the General Fund were related to the objectives of the Division, properly authorized, adequately documented, and allocated to the appropriate funding source. Some items noted from our audit are as follows:

The License Agreements (Agreements) between the County and primary occupants of community center space did not contain specific measurable objectives and outcomes. Evidence of signed Agreements and insurance coverage was not found for many of the primary occupants. The Division did not have written procedures relative to groups that were granted free use of space on an occasional basis. We found that many of the occasional use groups did not have an agreement describing the services they provide at the centers and their benefit to the community. The Division did not provide adequate guidance to primary occupants and occasional use groups for reporting data relative to the

services provided and outcomes achieved. The Division's procedures and practices for private facility rentals were not in compliance with County Administrative Regulations or Board approved fee schedules.

The manner in which the Division utilized on-call labor at the community centers was not in compliance with the County's Personnel Policy or with Florida Retirement System guidelines for enrollment. In addition, the hours reported as worked by on-call staff were not adequately monitored by the Division.

The Division did not have written guidelines for preparing the Monthly Community Center Activity Reports. Data from the monthly reports is compiled and included on reports provided to the Community Action Board as well as the State of Florida. We found that many of the attendance numbers included on the Monthly Activity Reports were not supported.

The performance measure data reported by the Division in the County's budget document for fiscal years 2007 and 2008 was not accurate. The number of clients served was overstated and the cost per client served was understated. In addition, the reported performance measures were not representative of the core operations of the Division.

#### ***Community Service Block Grant:***

Based on the results of our testing, the Division had clearly defined, measurable objectives relative to the CSBG and programs and services provided through CSBG funding supported the Division's mission. The Division was materially in compliance with grant provisions tested; although, we noted certain expenditures that did not qualify for funding through the CSBG. The Division did not gather reliable, valid measurement data and supporting documentation to ensure CSBG objectives were met and did not provide adequate oversight to ensure outcomes were accurately reported. CSBG expenditures were directly related to the objectives of the Division, properly authorized, adequately documented and, except for certain payroll expenses, were allocated to the appropriate funding source. Some items noted from our audit are as follows:

The Division did not have an adequate monitoring process to ensure clients receiving services through CSBG funded contracts and sub-recipient contracts were eligible to receive grant funded services. During our review of contract payments, we noted the Division did not have adequate evidence that 61 percent of the clients served (76 of 125) were CSBG eligible at the time services were received.

As a recipient of CSBG funds the Division is required to prepare and submit a Florida Outcomes Community Action System (FOCAS) report to the State on a quarterly basis. We reviewed a sample of outcome related data included on the final FOCAS Report prepared by the Division for fiscal year 2008 and noted

several instances where the numbers on the FOCAS report did not agree with supporting documents provided by Division personnel. For example, the Division reported the number of clients achieving self-sufficiency as 220, however; supporting documentation showed 137 clients achieved self-sufficiency.

We also identified opportunities to streamline processes, reduce costs, and more efficiently and effectively manage operations. Specifically, we noted six of the Division's 11 community centers are co-located or located within two miles of a Neighborhood Center for Families facility (NCF). We found many similarities between the services provided by the Division and NCF. In addition to the potential duplication of services, we noted seven of the community centers were under-utilized by the Division or the hours of operation were not appropriate considering the activities undertaken. We noted the Division's social services personnel were 100 percent funded through the Community Service Block Grant (CSBG) and because of the lack of a time allocation system, were prohibited from performing tasks that were not directly related to the grant. Because of these limitations, there is a potential for downtime and under-utilization of these positions.

The Division concurred or partially concurred with 38 of the 39 Recommendations for Improvement and steps to implement the recommendations are either underway or planned. The Division responded to each of the Recommendations for Improvement and their response is included herein.



# ACTION PLAN

**AUDIT OF THE ORANGE COUNTY COMMUNITY ACTION DIVISION  
ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
1.	We recommend the Division, in collaboration with the Department, evaluates and takes action to reduce and/or eliminate the potential duplication of services with nearby NCFs.	✓				✓
2.	We recommend the Division performs the following:					
A)	Considers transferring the operation of community centers (or portions of centers) that are primarily utilized by other County offices to that respective office. The Division could maintain space at the centers for their social services staff and have staff at the Division office or other community centers coordinate community events for these locations;	✓			✓	
B)	Evaluate and change the operating hours of community centers to better meet community needs; and,	✓			✓	
C)	Work with groups that utilize community centers outside of core operating hours to better align meeting dates and times.	✓			✓	
3.	We recommend the Division implements controls to ensure the following:					
A)	Overtime is approved in writing prior to being worked. In cases where it is not practical to obtain prior approval, written justification should be provided;	✓			✓	
B)	Staff is only used for activities that directly support the Division's mission;	✓			✓	
C)	The use of temporary labor complies with the County's Policy Manual & Operational Regulations as well as FRS guidelines; and,	✓			✓	

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ACTION PLAN**

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		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
3. D)	Employees are working the hours reported on their timesheets.	✓			✓	
4.	We recommend the Division ensures budget amounts are reasonable based on past performance and anticipated needs. We further recommend that the Department ensures budget amounts submitted are reasonable and requires the Divisions to submit written justification for each line item that has a large budget variance.		✓		✓	
5.	We recommend the Division performs the following:					
A)	Ensures their facility rental procedures and practices are in compliance with County Administrative Regulations; and,	✓			✓	
B)	Ensures the facility rental fees charged are in compliance with the Board approved fee schedule.	✓				✓
6.	We recommend the Division implements adequate checks and balances to ensure facility rentals comply with internal procedures, including those relating to insurance for rentals, and rental fees are correctly calculated and charged.	✓			✓	
7.	We recommend the Division determines the costs associated with rentals of the community centers. In addition, any fee for the use of the community centers should be presented to the Board for approval.	✓				✓

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ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
8.	We recommend the Division establishes criteria in their procedures for defining a primary occupant and includes specific measurable objectives and outcomes in the License Agreements that can be used to justify the primary occupants' free use of County facilities. We further recommend the Division performs the following:	✓			✓	
A)	Implements a process to ensure primary occupants have a current Agreement and insurance coverage on file;	✓			✓	
B)	Enhances the reporting requirements in the Agreement to include a clear definition of the data each partner needs to report based on the services they are providing; and,	✓			✓	
C)	Includes clauses in the Agreement relative to protecting and sharing confidential information, building access, and responsibilities for maintenance of space.	✓				✓
9.	We recommend the Division performs the following:					
A)	Develops and implements procedures on how community centers should handle occasional use partners. The procedures must be in compliance with existing County Administrative Regulations; and,	✓				✓

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ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
9. B)	Works with Risk Management and the County Attorney's Office to determine what agreements and insurance are required for occasional use partners. In addition to the terms and conditions that protect the County, the Agreements should specify the purpose of the group's use of the facility, the benefit the group provides to the community and the group's meeting dates and times.	✓				✓
10.	We recommend the Division develops and implements written guidelines for preparing the Monthly Community Center Activity Reports. The guidelines should include, but not be limited to, defining what events/activities to include on the monthly report, under which category events/activities should be reported and when to use the number of enrollees versus attendance numbers. We further recommend that a review of the Monthly Community Center Activity Reports and Director's Report be added to the Division's quality assurance process to ensure numbers are adequately supported and consistently reported.	✓			✓	
11.	We recommend the Division develops performance measures that better describe their performance, goals, and accomplishments. At a minimum, the Division should strive to separately report the relevant performance measures for each of its funding sources. They should be properly computed and supported. We further recommend that the Department and Division ensures that data gathered, reported and used for decision making purposes is accurate.	✓			✓	

**AUDIT OF THE ORANGE COUNTY COMMUNITY ACTION DIVISION  
ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
12.	We recommend the Division research and consider the feasibility of installing security cameras at all of the community centers as well as devices to limit access to areas where services are provided to children.	✓			✓	
13.	We recommend the Division ceases the practice of providing partners with keys and therefore unsupervised access to County facilities.		✓		✓	
14.	We recommend the Division ensures the following:					
A)	County resources are not used to pay for goods and activities that do not support the Division's overall mission; and,	✓			✓	
B)	Funds budgeted for the Community Action Division are only used to support Community Action operations.	✓			✓	
15.	We recommend the Division, in collaboration with the Department, analyzes whether efficiencies can be gained by utilizing social services staff to provide services that are funded from multiple sources. We further recommend the Division works to develop a more efficient way to cost allocate employee time among multiple funding sources	✓				✓
16.	We recommend the Division performs the following:					
A)	Properly allocates expenses to the administrative cost portion of the CSBG such as costs related to the general management of the grantee organization; and		✓		✓	
B)	Allocates staff time to the appropriate funding source.			✓		

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NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
17.	We recommend the Division performs the following:					
A)	Develops and implements a contract monitoring process to ensure all clients receiving services through CSBG funded contracts and sub-recipient contracts are eligible to receive grant funded services; and,	✓			✓	
B)	Actively monitors the spending of the CSBG funds to ensure only properly approved individuals are paid with the funding.	✓			✓	
18.	We recommend the Division ensures the amount of unobligated funds remaining at the end of any grant years does not exceed 20 percent of the amount awarded. The Division should work with appropriate County personnel to ensure the budget adjustment for the grant modification is approved by the Board within two weeks of receiving the executed document from the State.	✓			✓	
19.	We recommend the Division implements a process to independently ensure grant related outcome data reported to the State is accurately compiled and supported.	✓			✓	
20.	We recommend the Division implements a process to better monitor and allocate client enrollments and distributions for each social services staff. In addition, the Division should perform the following:	✓			✓	
A)	Maintain sufficient contact with clients and ensure social services staff complies with the standards outlined in the Division's procedures;	✓			✓	

**AUDIT OF THE ORANGE COUNTY COMMUNITY ACTION DIVISION  
ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
20. B)	Document client enrollment and approval;	✓			✓	
C)	Document the achievement of CSBG outcomes that are reported to the State with sufficient supporting documentation; and,	✓			✓	
D)	Develop and implement procedures to address the handling of non-case managed clients.	✓				✓
21.	We recommend the Division ensures that a clause prohibiting conflicts of interest is incorporated into all future contracts and other agreements as necessary.	✓				✓
22.	We recommend the Division develops and implements policies and procedures to address the eligibility of County employees to receive CSBG funded services.	✓				✓



# INTRODUCTION

**Background**

The Community Action Division (Division) is a division of the County's Family Services Department (Department), formerly known as the Health and Family Services Department. The Division's mission is to enhance the quality of life by eliminating the causes and consequences of poverty by mobilizing and directing resources through programs that assist, educate, and promote self-sufficiency.

The Division operates 11 community centers throughout Orange County. Eight of the centers are primarily occupied by Head Start. Space at community centers is also occupied by other divisions within the Department such as Youth and Family Services and the Citizens' Commission for Children. The latter operates Neighborhood Centers for Families (NCFs) at three of the community centers. Staffing responsibility for operating and maintaining the centers, and ensuring the centers are open during the operating hours of the occupants, belongs to the Division.

The Division works with various agencies and other groups to provide services to members of the community. These groups are permitted to use space at the community centers at no cost on a permanent or as-needed basis. Some centers are also used by community members and other groups on either a free or fee basis for events such as funeral breakfasts, fraternity/sorority meetings, family reunions, and various other events.

The Division also administers the federally funded Community Service Block Grant (CSBG). The CSBG program was created by the Omnibus Budget Reconciliation Act of 1981 to provide a range of services to assist low-income people in attaining the skills, knowledge, and motivation necessary to achieve self sufficiency. CSBG funds are allocated to various Community Action Agencies (grantees) throughout the State by the Florida Department of Community Affairs (DCA). DCA monitors grantees and collects data related to CSBG outcomes.

The Division utilizes over 60 percent of the CSBG funds to pay salary expenses for the social services employees that

provide case management and referral services to eligible clients. In order to receive grant funded services client households must meet 125 percent of the United States Department of Health and Human Services' low-income poverty guidelines.

For fiscal year 2007, the Division had 55 authorized positions and a total expenditure budget of \$5.4 million. The budget included federal funds of \$1 million from the CSBG and \$1.4 million from the Summer Food Service Program. The source of the remaining funding was from the County's General Fund. For fiscal year 2008, the Division had 54 authorized positions and a total expenditure budget of \$5.5 million. The budget included federal funds of \$1 million from the CSBG and \$1 million from the Summer Food Service Program. The source of the remaining funding was from the County's General Fund.

**Scope and Objectives**

The audit scope included a review of operations and expenditures funded with the Community Service Block Grant (CSBG) and County General Funds. The scope excludes funds received by the Division from the federally funded Summer Food Service Program as well as activities of the Community Action Board. The period audited was October 1, 2006 through September 30, 2008 with emphasis on transactions occurring in the later part of the audit period.

The primary objectives of the audit were to determine the following:

- A) Whether the programs and services, including community center usage, offered by the Division have clearly defined measurable, obtainable objectives that support the Division's mission;
- B) Whether the programs and services are in compliance with certain CSBG grant provisions, County Administrative Regulations and Division policies and procedures;

- C) Whether the Division provides adequate oversight and gathers reliable, valid measurement data and supporting documentation to ensure program objectives are met and outcomes are accurately reported; and
- D) Whether expenditures are directly related to the objectives of the Division, properly authorized, adequately documented and allocated to the appropriate funding source.

To achieve our objectives, we performed tests that are described in our Methodology Section, Appendix A.

**Overall Evaluation*****Community Center Operations and General Fund Expenditures:***

Based on the results of our testing:

- The programs and services did not have clearly defined, measurable objectives relative to community center operations and certain uses of the community centers did not support the Division's mission;
- Procedures and practices for community center operations were not in compliance with County Administrative Regulations and Division procedures;
- The Division did not gather reliable, valid measurement data and supporting documentation relative to community center operations and did not provide adequate oversight to ensure data was accurately and consistently reported, and;
- Except for certain payroll expenses, Division expenditures from the General Fund were related to the objectives of the Division, properly authorized, adequately documented, and allocated to the appropriate funding source.

### ***Community Service Block Grant:***

Based on the results of our testing:

- The Division had clearly defined, measurable objectives relative to the CSBG and programs and services provided through CSBG funding supported the Division's mission;
- The Division was materially in compliance with CSBG grant provisions tested; however, we noted certain expenditures that did not qualify for funding through the CSBG;
- The Division did not gather reliable, valid measurement data and supporting documentation to ensure CSBG objectives were met and the Division did not provide adequate oversight to ensure outcomes were accurately reported; and,
- CSBG expenditures were directly related to the objectives of the Division, properly authorized, adequately documented and, except for certain payroll expenses, were allocated to the appropriate funding source.

In addition, we identified several opportunities within the operating structure to streamline processes, reduce costs, and more efficiently and effectively manage operations. These and other opportunities for improvement are described herein.

**RECOMMENDATIONS FOR  
IMPROVEMENT – COMMUNITY CENTER  
OPERATIONS**



**1. In Collaboration With the Department, the Division Should Evaluate Centers Where a Potential for Duplication of Services Exists With Nearby Neighborhood Centers for Families**

In addition to the 11 community centers operated by the Community Action Division (Division), the County operates 13 Neighborhood Centers for Families (NCFs) through the Citizens' Commission for Children Division (CCC). NCFs are designed to be family-friendly one-stop locations that provide children and families with a multitude of services within their communities. Six of the community centers are co-located or located within two miles of a NCF. We compared the services provided by the Division to those provided by the CCC through the NCFs and found many similarities as noted below:

	<b>Community Action Division</b>	<b>Neighborhood Center for Families</b>
<b>Service Providers</b>	<ul style="list-style-type: none"> <li>■ Non-profit organizations</li> <li>■ Government agencies</li> <li>■ Faith-based organizations</li> <li>■ Civic groups</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-profit organizations</li> <li>■ Government agencies</li> <li>■ Churches</li> <li>■ Civic groups</li> </ul>
<b>Programs / Services</b>	<ul style="list-style-type: none"> <li>■ Case Management</li> <li>■ Information &amp; Referral</li> <li>■ Academic Support</li> <li>■ Parent Education</li> <li>■ Employability Skills &amp; Job Fairs</li> <li>■ After School and Summer Youth Programs</li> <li>■ Senior Activities</li> <li>■ Community Events</li> <li>■ School Supply, Toy, Clothing, &amp; Food Drives</li> <li>■ Health Information, Screening and Immunizations</li> </ul>	<ul style="list-style-type: none"> <li>■ Case Management</li> <li>■ Information &amp; Referral</li> <li>■ Academic Support</li> <li>■ Parent Education</li> <li>■ Employability Skills &amp; Job Fairs</li> <li>■ After School and Summer Youth Programs</li> <li>■ Senior Activities</li> <li>■ Community Events</li> <li>■ School Supply, Toy, Clothing, &amp; Food Drives</li> <li>■ Health Information, Screening and Immunizations</li> <li>■ Alternatives to School Suspension</li> <li>■ Counseling</li> </ul>
<b>Contracted Services</b>	<ul style="list-style-type: none"> <li>■ Congregate Meals</li> <li>■ Employment Skills</li> <li>■ After School Programs</li> </ul>	<ul style="list-style-type: none"> <li>■ Congregate Meals</li> <li>■ Employment Skills</li> <li>■ After School Programs</li> </ul>

**RECOMMENDATIONS  
FOR IMPROVEMENT**



Further, the payroll related expenses for these six community centers combined with the contract costs to operate the nearby NCF's are significant. The following chart illustrates the combined cost:

Community Center Name	Distance to Nearest NCF	Community Action Personnel Costs	NCF Contract Costs	Total Costs
<b>Bithlo</b>	co-located	\$142,014	\$308,065	\$ 450,079
<b>John Bridges</b>	co-located	\$209,587	\$224,232	\$ 433,819
<b>Taft</b>	co-located	\$147,476	\$257,224	\$ 404,700
<b>Maxey</b>	< 1 mile	\$139,121	\$275,221	\$414,342
<b>Hal Marston</b>	< 2 miles	\$107,295	\$238,890	\$346,185
<b>Pine Hills</b>	< 2 miles	\$161,023	\$352,415	\$513,438
<b>TOTALS</b>		\$906,516	\$1,656,047	\$2,562,563

The Family Services Department could reduce costs by combining services offered by both the Division and the NCF. Until the Health and Family Services Department was reorganized in March 2009 to become two departments (the Family Service Department and the Health Services Department), the Division and the CCC were functionally and administratively separated. This likely contributed to the duplication of services listed above. Under the new structure and leadership, steps should be taken to reduce the potential for duplication of services.

**We Recommend** the Division, in collaboration with the Department, evaluates and takes action to reduce and/or eliminate the potential duplication of services with nearby NCFs.

**Management's Response:**

Concur, Planned.

We concur with the recommendation, however it should be noted that, while the services offered by the Community Action Division at the 11 community centers and the CCC at the 13 NCFs appear to be the same, there are only 3 community centers where the NCFs are co-located (Bithlo, John Bridges, and Taft), while there are 8 community



centers, where the NCF is not co-located. Although CCC and CAD offer similar categories of services, several of the services offered within the same category are offered at different locations. The current director is evaluating the services provided within the Family Services Department, which includes the Community Action Division and the Citizens Commission for Children (CCC) who oversees the operation of the NCFs. This evaluation will identify potential duplication of services and the goal is to develop a plan to reduce or eliminate any duplications.

**2. The Division Should Review and Evaluate Community Center Utilization and Hours of Operation**

In addition to the potential duplication of services reported above, we noted some of the community centers were under utilized by the Division or the hours of operation were not appropriate considering the activities undertaken. Based on our review, we found under utilization and/or inefficiencies at seven of the community centers as follows:

- A) Other than social services related to the CSBG, the Division only operated one program at one community center and two programs at a second community center on a regular basis. We reviewed the community centers' sign-in sheets and found that the majority of visits to these community centers were for the Division's social services staff or for programs operated by other County Division's such as Head Start and the CCC.
- B) For three community centers, the core operating hours did not align with the hours the community centers were utilized for programs and services as follows:
  - Other than social services related to the CSBG, the Division only offers three programs at one community center on a regular basis.

The programs include a computer lab, a senior club that meets twice a month from 10:00 a.m. to 12:00 p.m., and a partner-run program that operates daily from 10:00 a.m. to 7:00 p.m. The partner was provided a key to the facility as the Division staffs the community center from 8:00 a.m. to 5:00 p.m. Based on our review of community center sign-in sheets we found very few people utilizing the center prior to 10:00 a.m. and noted most visits prior to 10:00 a.m. were for the social services staff.

- One community center is primarily utilized for a senior program that is operated through a CCC funded contract. The senior program runs daily from 8:00 a.m. to 1:00 p.m. The Division operates a computer lab on a daily basis and has five groups that meet once a month with all but one ending by 1:00 p.m. Based on our review of community center sign-in sheets and observations during site visits, we noted that the community center has very few visitors after 1:00 p.m. However, the community center has eight groups that meet in the evening or on weekends. Most of these groups were given keys to the facility as the Division staffs the community center from 8:00 a.m. to 5:00 p.m.
- One community center has multiple facilities that are primarily occupied by other County divisions such as Head Start and CCC. One of the Division staff members assigned to this community center arrives at 7:00 a.m. (prior to March 2009, arrived at 6:00 a.m.) for food deliveries for programs operated by Head Start. The Division has five groups that meet weekday evenings outside of the core operating hours of Monday through Friday 8:00 a.m. to 5:00 p.m.

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## RECOMMENDATIONS FOR IMPROVEMENT



Audit of the Orange County  
Community Action Division

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- C) At two community centers we noted groups that meet outside of core operating hours on different days of the week. Each of these community centers has two meeting rooms and could rearrange the schedules of the groups to reduce the hours the community center is open, while still allowing the groups to meet after the core operating hours.

The Division could achieve significant savings by transferring under-utilized community centers to more appropriate County Divisions and by rearranging group schedules to better accommodate staffing requirements, staggering employees' hours, or operating community centers at different core hours. The reassignment of staff could aid other community centers while still allowing assistance as needed with coordinating community related events such as job fairs, back-to-school fairs, health fairs, and other activities at the transferred centers.

**We Recommend** the Division performs the following:

- A) Considers transferring the operation of community centers (or portions of centers) that are primarily utilized by other County offices to that respective office. The Division could maintain space at the centers for their social services staff and have staff at the Division office or other community centers coordinate community events for these locations;
- B) Evaluate and change the operating hours of community centers to better meet community needs; and,
- C) Work with groups that utilize community centers outside of core operating hours to better align meeting dates and times.

**Management's Response:**

A) Concur, Underway.

This recommendation is related to the Bithlo and Southwood Community Centers. Bithlo has been transferred to the Parks and Recreation Division, which resolved one of the audit recommendations. We are currently in the process of evaluating utilization of all the community centers including Southwood.

B) Concur, Underway.

CAD evaluated the needs of our community partners and the time that they are required to provide services. Steps were taken to balance their needs with the budget constraints of the County. The Center operating hours have been adjusted to include after hours and weekends to better meet the needs of the community. CAD will continue to review the effectiveness of the change to the operating hours.

C) Concur, Underway.

CAD is reviewing the existing calendar of meeting dates and times for all partner organizations that utilize the community centers. An approach is underway where CAD is working closely with the partner organizations within each community center to better utilize available space and time, whereby some of the organizations that were meeting on different days and times are now utilizing the facility with other organizations on a common night. CAD will continue to utilize this approach to maximize the use of the available space and the most efficient use of staff resources.

**3. Controls Over Casual Labor and Hours Worked  
Need Improvement**

We reviewed the Division's use of overtime and casual labor related to community center operations for the period October 1, 2007 to March 31, 2008. During our review, we noted the following:

- A) Overtime was not properly approved prior to being worked. For 27 of the 45 instances of overtime reviewed, there was no overtime request form on file or the form was approved after the overtime was worked. None of the forms contained an explanation as to why prior approval was not obtained. An overtime request form should be prepared and approved prior to overtime hours being worked. In instances where it is not possible to get approval prior to the overtime being worked, a reason should be documented on the form.
- B) Overtime was used for activities that did not directly support the Division's mission and for which no facility usage fee was paid. Twenty-five percent of the instances (10 of 40) where overtime was used and no rental fee was collected related to assisting with events/activities that did not work toward fulfilling the Division's mission. The Division's mission statement is, "...to enhance the quality of life by eliminating the causes and consequences of poverty by mobilizing and directing resources through programs that assist, educate, and promote self-sufficiency." Nine of the ten noted instances of overtime (45 hours) are related to a banquet for which the sponsor sold tickets to attend and was not requested to reimburse the County for expenses related to this event.
- C) The Division's use of temporary labor did not comply with the County's Personnel Policy Manual and Operational Regulations (Policy) or the Florida Retirement System (FRS) guidelines for temporary positions. The five individuals the Division defined as

on-call employees were all employed on a continuous basis for 10 or more months. Most of the on-call staff worked fixed schedules with fluctuations occurring mainly for weekend rentals. According to the Policy, section 101.3, "temporary employment provides the ability to staff a position that is not continuously budgeted and will not be authorized for more than six (6) months, and/or requires work to be performed intermittently or on an as needed basis." The Policy, section 101.3, also references, "On-Call employment is established by departments/divisions to meet fluctuating workload demands. Employment is intermittent and ceases when the workload diminishes."

We reviewed fiscal year 2008 payroll data for the five on-call employees noted above and found that no FRS contributions were made for these employees. According to the FRS Employer Handbook, on-call positions are defined as "positions filled by employees who are called to work for brief periods and whose work ceases when the work is completed. (If an employee has a work schedule and works consistently month after month, he/she is considered to be filling a regularly established position and should be enrolled in the FRS from the date of employment.)"

- D) During the six month period reviewed, approximately 250 of the 1,000 hours reported as worked by casual labor staff did not correlate with the hours the facilities were open, based on alarm activity reports. For 114 of the 250 hours noted we found that the alarm activity report noted the facility was closed several hours earlier than the end of shift time reported on the casual labor's corresponding timesheet. In addition, while reviewing community center activities, we noted one of the Division's full time employees claimed hours after the community center was reported as closed. For one pay period, we noted over 16 hours claimed as worked by this employee after the facility was reported as closed.

Good internal controls should ensure overtime is approved prior to being worked, staff is not used for activities that do not support the Division's mission, the use of temporary employees complies with County policies and FRS guidelines and the hours reported as worked are accurate. As a result of the Division's control weaknesses, we noted over \$10,000 in unnecessary labor costs during the six month period reviewed. It should be noted that the Division ceased the use of overtime and casual labor as of April 2008. In addition, the full time employee noted as reporting excessive hours left the County's employment.

**We Recommend** the Division implements controls to ensure the following:

- A) Overtime is approved in writing prior to being worked. In cases where it is not practical to obtain prior approval, written justification should be provided;
- B) Staff is only used for activities that directly support the Division's mission;
- C) The use of temporary labor complies with the County's Policy Manual & Operational Regulations as well as FRS guidelines; and,
- D) Employees are working the hours reported on their timesheets.

**Management's Response:**

- A) Concur, Underway.

Controls are currently in place for this recommendation. The Work Hours Overtime Standard Operating Procedure outlines the guidelines to be followed for overtime as it relates to non-exempt employees. Overtime for this group of employees has significantly decreased since April 2008. Management will continue to enforce the adherence to the existing procedure.

B) Concur, Underway.

A number of these events are held to recognize outstanding community contributors, high achievers, economic empowerment activities, community volunteers, presentation of required Community Action Division reports, etc. by organizing community events, widely supported and attended by the local community, where the center is located. Since April 2008, division staff has not been utilizing overtime to support these community activities. CAD will review all activities offered at the community centers as they relate to meeting the goals of the Community Service Block Grant (CSBG) and the mission of the division.

C) Concur, Underway.

Since April 2008, the division discontinued the use of on-call staff and currently complies with policies related to the use of temporary labor and will continue to comply with the County's policy manual and operational regulations, as well as FRS guidelines.

D) Concur, Underway.

Controls are currently in place for this recommendation. The Timesheet Standard Operating Procedure outlines the guidelines to be followed for reporting hours worked for all employees. Management will continue to enforce the adherence to the existing procedure.

**4. Budget Amounts Should Be Reasonable Based on Past Performance and Anticipated Needs**

We reviewed the Division's budget history from fiscal year 2002 to 2008 and noted the Division had consistently exceeded their budgets for overtime and casual labor as illustrated below:



**RECOMMENDATIONS  
FOR IMPROVEMENT**



Budget Fiscal Year	Casual Labor			Overtime		
	Budget	Actual Expenses	Amount Over Budget	Budget	Actual Expenses	Amount Over Budget
2002	\$5,442	\$22,659	\$17,217	\$200	\$11,266	\$11,066
2003	\$2,442	\$24,777	\$22,335	\$15,200	\$15,684	\$ 484
2004	\$25,499	\$37,467	\$11,968	\$300	\$19,479	\$19,179
2005	\$2,442	\$31,619	\$29,177	\$300	\$17,136	\$16,836
2006	\$2,440	\$10,361	\$ 7,921	\$300	\$16,297	\$15,997
2007	\$4,516	\$91,188*	\$86,672	\$300	\$13,141	\$12,841
2008	\$2,440	\$47,503**	\$45,063	\$330	\$ 4,789	\$ 4,459

\* - \$19,070 for student interns in SCORE Program

\*\* - \$15,991 for student interns in SCORE Program

We were informed by Department personnel that divisions within the Department are not prevented from exceeding budget line-items or required to provide explanations for budget overages unless an entire appropriation is exceeded. For the instances noted above, the Division was not required to provide written justification for the overages in the casual labor and overtime line items as they had not exceeded their entire salary appropriation.

Budgets are intended to be both a planning and monitoring tool. Division management should submit reasonable budgets based on how they intend to allocate resources. Departments should ensure that actual expenditures are in line with the amounts budgeted.

**We Recommend** the Division ensures budget amounts are reasonable based on past performance and anticipated needs. We further recommend that the Department ensures budget amounts submitted are reasonable and requires the Divisions to submit written justification for each line item that has a large budget variance.

**Management’s Response:**

Partially Concur, Underway.

As indicated in the audit report, divisions are not required to provide justification for exceeding budget line items unless an entire appropriation is exceeded. In the cases cited, at no time did the appropriation exceed the budgeted amount.

However, the division will ensure that budget amounts are reasonable based on past performance and anticipated needs. In addition, the division will comply with the department's overall policy for reporting variances.

**5. Division Procedures and Fee Schedules Should Comply With Board Approved Administration Regulations and Fee Schedules**

Based on our comparison of facility rental procedures and fee schedules used by the Division to the Board of County Commissioner's (Board) approved Administrative Regulations and Fee Schedule, we noted the following:

- A) Administrative Regulation 8.12 allows County buildings to be used at no cost if the use will not require any additional or unscheduled janitorial, security, or staffing services. During our review of weekend facility rentals by the Division from October 2007 through March 2008 (weekend events required the use of additional labor), we noted that facility rental fees were not collected and a fee waiver was not found for seventy-four percent (79 of 107) of the rentals. On-call labor and/or overtime were used for 50 of the above 79 rentals. The remaining rentals were staffed either by exempt or hourly employees without overtime. Based on Administrative Regulation 8.12, a fee should be charged for facility use where additional costs are incurred by the County. Alternatively, if no fee is assessed, appropriate approval to waive fees should be received.
- B) The facility rental fees charged by the Division are not in compliance with the fee schedule approved by the Board. The facility rental rates charged by the Division for the first four hours of usage and the deposit amount vary from the amounts recorded in the fee schedule adopted by the Board. The amounts charged by the Division and the approved amounts are as follow:

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Fees Charged by Division	Board Approved Fees	Difference
\$25 per hour for the first four (\$100 total)	\$25 for the first four hours	\$75 additional charged by Division
\$10 each additional hour	\$10 each additional hour	None
\$100 refundable deposit	\$50 refundable deposit	\$50 additional charged by Division

County Administrative Regulation 6.06 states, “the Board shall formally adopt a schedule of fees to be charged for County services.” Additionally, “the Office of Management and Budget (OMB) is responsible for publishing a schedule of fees and reviewing all fee revisions. No fee revisions are to be presented to the Board for approval without OMB review.” The fees charged by a County Division may not be changed without approval from the Board.

**We Recommend** the Division performs the following:

- A) Ensures their facility rental procedures and practices are in compliance with County Administrative Regulations; and,
- B) Ensures the facility rental fees charged are in compliance with the Board approved fee schedule.

**Management’s Response:**

- A) Concur, Underway.

CAD has been reviewing all activities offered at the community centers as they relate to meeting the goals of the CSBG and the mission of CAD. The division now requires organizations that cannot demonstrate a community purpose related to our mission, to complete rental agreements and pay the applicable rental fees. Other non-profit organizations providing services that demonstrate a community purpose and relates to CAD’s mission are required to complete a

rental agreement and a fee waiver agreement, which has to be approved by the division manager.

B) Concur, Planned.

In discussion with the former leadership, it was intended the fee schedule to reflect \$25 per hour for the first four hours; however, the board approved a facility rental fee of \$25 for the first 4 hours without the words "per hours." During the time when a facility is being rented, a fee of \$25 for the first 4 hours would not begin to compensate the resource needs (i.e. staff, utilities, etc) required to host an event. The division intends to resubmit the fee schedule as an agenda item to the Board of County Commissioners.

**6. Division Management Should Ensure Facility Rentals Are In Compliance With Internal Procedures**

In addition to the Division's facility rental procedures not complying with County Administrative Regulations, we found instances where the Division's practices did not agree with their own internal procedures. For the facility rentals noted in Recommendation for Improvement no. 5 as having occurred from October 2007 through March 2008 we also found the following:

- The incorrect facility rental fee was charged on two of the 23 rentals where a fee was collected. Although not in compliance with the Board approved fee schedule, the Division's procedures specify the facility rental fees that center staff are required to collect.
- The Division's procedures allow rental applicants to request a fee waiver. The fee waiver request must be submitted to the Division Manager or Department Deputy Director and state the purpose of the proposed event as well as reasons for the waiver

request. To be considered for a fee waiver, the following criteria must be met:

- the group must have Federal Tax Exempt Non-profit status (501C3);
- the event being held must not be a fund-raising activity; and,
- the event should promote positive community interest, and be open to the general public at no cost.

We noted the following in regards to the rentals reviewed:

- A properly prepared and approved fee waiver request was not found for 79 of the 83 rentals where no fee was collected; and,
  - For 71 of 83 unpaid rentals, the events did not qualify for a fee waiver, or due to lack of documentation, we were unable to determine whether the events qualified for a fee waiver.
- The Division's procedures require prospective users to submit a facility rental application and a facility rental agreement as well as proof of or payment for insurance. We noted the following in regards to the rentals reviewed:
    - A signed facility rental application was not located for 89 of 107 rentals;
    - A facility rental agreement was not found for 63 of 107 rentals; and,
    - Evidence of insurance was not located for 66 of 107 rentals.

Concerns relative to facility rental practices were brought to the Division's attention after the Department conducted an internal review in March 2008. We tested all weekend rentals that occurred in August and September 2008 and noted significant improvement in the Division's facility rental practices. However, we found that the incorrect fee amount was charged for thirty-eight percent (3 of 8) of the more current rentals reviewed.

**We Recommend** the Division implements adequate checks and balances to ensure facility rentals comply with internal procedures, including those relating to insurance for rentals, and rental fees are correctly calculated and charged.

**Management's Response:**

Concur, Underway.

CAD has been reviewing all activities offered at the community centers as they relate to meeting the goals of the CSBG and the mission of CAD. The division has revised an existing procedure for facility rental, dated November 2008. This procedure requires the center supervisor to enter all facility rental information into Easy Trak, a software system that will provide checks and balances, transparency and accountability. All rental fees are delivered to the CAD's Business Unit Technician prior to the event. This position will further review the application for completeness and accuracy, and verify that applicable fees are correctly calculated. Additionally, the center supervisor will monitor the duration of all events to ensure adherence to the timeframes in the signed rental agreement. In a case where the event exceeds the time stated in the agreement, the applicable charges will be deducted from the deposit.

**7. Rental Rates Should Be Analyzed**

The Division has not done a study to determine the cost of providing rental services and evaluated the fees to be charged. Further, the rental rates currently charged by the

Division are not sufficient to recover the costs incurred. Weekend rentals are now staffed with existing community center staff either by flexing non-exempt schedules to avoid overtime or by using exempt staff.

For each community center noted as having rentals for August and September of 2008, we noted the following:

- We calculated the payroll expenses (salaries, FICA, retirement, and worker's compensation) to be approximately \$884 for the eight rentals that occurred during that period.
- The amount of fees the County collected for these eight rentals was \$2,008; however a portion of the fees were deposits refunded to the renters (\$800) and charges remitted for insurance (\$303). The net revenue of the eight rentals was \$905.

The difference between the net revenue (\$905) and the payroll expenses (\$884) is only \$21. This does not appear sufficient to cover the additional costs not factored into our calculations (e.g. employee health insurance, utilities, janitorial services, wear on facilities).

The Division should conduct a formal study to determine the cost to utilize community centers. This study should consider staffing, anticipated utility charges, and equipment needed. Upon completion of this study, the revised or adjusted rental rate should be submitted to the Board for approval.

**We Recommend** the Division determines the costs associated with rentals of the community centers. In addition, any fee for the use of the community centers should be presented to the Board for approval.

**Management's Response:**

Concur, Planned.

CAD will research, develop, and recommend to the Family Services Department Director a fee schedule as an agenda item to be submitted to the Board of County Commissioners for approval .

**8. Procedures and Agreements Should Be Improved Relative to Primary Occupants of Community Center Space**

We reviewed documentation and services provided by the community center users that are considered primary occupants. Division procedures do not define what is considered a primary occupant. For purposes of our review, we defined them as any group that has designated space such as classrooms and/or offices or uses a significant portion of a community center on a regular basis such as senior and youth programs. We identified 38 primary occupants: 16 were other County Divisions such as Head Start and Youth and Family Services and 22 were external organizations/groups. During our review of the primary occupants, we noted the following:

- A) A current License Agreement was not found for four of the 22 non-County occupants. According to Division procedures, any agency that is a primary occupant of a community center facility shall be required to sign and abide by a License Agreement (Agreement). In addition, although required by Section 6 of the Agreement, evidence of current insurance coverage was not obtained for six non-County occupants.
- B) The Agreements do not contain specific measurable objectives and outcomes that can be used to justify a primary occupant's free use of County facilities. For 17 of the 22 non-County occupants, community



center personnel could not provide evidence the partners were providing a service in demand by the community and/or that the service justified free use of space. Although many of these occupants provide the community centers with a monthly attendance number (used in statistical reporting) they do not provide detailed reports of activities performed or outcomes achieved.

- C) The primary occupants' reports to the Division were not in a standard format and many did not include the items needed by the Division to assess the effectiveness of programs offered by groups provided with free use of space. Section 8 of the Agreement states, "Each year during the term of this Agreement, the Licensee shall submit monthly reports, twelve (12) in total, documenting the services it has provided on the Premises." However, the Agreement does not provide the occupants with guidelines for what data to report. The Division should provide the occupants with a standard report format that contains all the elements to be reported. This could include a description of services provided and or projects initiated, number of clients served at the community center in the period, and the number of clients that achieved an outcome during the reporting period.
- D) The Agreement used by the Division does not specifically address matters such as protecting and sharing confidential information, building access, responsibilities for maintenance, care of the facility, and goals/objectives.

Procedures should provide clear criteria for defining a primary occupant as well as criteria for determining what groups or services qualify for free use of County facilities on a regular basis. In addition, License Agreements for free use of space should contain the rights, duties and responsibilities of both parties.

**We Recommend** the Division establishes criteria in their procedures for defining a primary occupant and includes specific measurable objectives and outcomes in the License Agreements that can be used to justify the primary occupants' free use of County facilities. We further recommend the Division performs the following:

- A) Implements a process to ensure primary occupants have a current Agreement and insurance coverage on file;
- B) Enhances the reporting requirements in the Agreement to include a clear definition of the data each partner needs to report based on the services they are providing; and,
- C) Includes clauses in the Agreement relative to protecting and sharing confidential information, building access, and responsibilities for maintenance of space.

**Management's Response:**

Concur, Underway.

The division is in the process of revising procedures to include criteria for defining a "primary occupant" of community centers in keeping with the mission of the Community Action Program. Only agencies that provide services to clients that further the mission of the division will be granted primary occupant status with no fees charged for use of space. To be considered as a primary occupant an organization must meet one or more of the following criteria:

- Offer services or resources of value to clients served by the division
- Be registered as a 501 (c ) 3 organization

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- Offer services or resources for individuals and families encountered by the division but for whom the division is not equipped to serve
- Assist in effective joint planning and cooperative service delivery for the public
- Share training or other resources

A) Concur, Underway.

The division is in the process of updating all primary occupant's license agreements and insurance coverage. One of the agreements that expired, has been renewed and the primary agreement and insurance coverage is documented and on file.

B) Concur, Underway.

In each agreement, there is contractual language requiring each partner to report data related to services provided. The division has secured the requisite staff that serves as the quality assurance (QA) administrator who is responsible for ensuring that each agreement has specific measurable objectives and includes a clear definition of the data each partner needs to report. In addition, the QA administrator is responsible for monitoring the partners to ensure that they are meeting the objectives set forth in the agreement.

C) Concur, Planned.

The division will work closely with the County's Risk Management division and the County Attorney's office to revise the agreement to include language with regards to the protection of confidential information, access to the County building and the maintenance of space.

**9. The Division Should Develop and Implement Procedures and Use Agreements for Partners Occasionally Using Center Space**

We reviewed documentation and services provided by the Division's partners that utilize center space on an occasional basis such as one time per week or month. Based on our review of these partners, we noted the following:

- A) The Division does not have standard guidelines explaining what, if any, use agreements and insurance coverage are required for occasional use groups. For the 103 occasional use partners identified, we found that 61 had no facility use agreement and 74 had no evidence of current insurance. Administrative Regulation 8.12 requires that departments/divisions having jurisdiction over those facilities which lend themselves to frequent and/or customary use by the public to establish and set specific use policies. Standard procedures should be prepared detailing instances where the use of agreements and proof of insurance are required.
- B) For 24 of the 103 occasional use partners, community center personnel were not able to provide evidence that the services provided a benefit to the community and supported the Division's mission. There was no documentation on file, such as a use agreement, that specified the purpose of the group's use of the facility, the benefit the group provides to the community and the group's meeting dates and times.

**We Recommend** the Division performs the following:

- A) Develops and implements procedures on how community centers should handle occasional use partners. The procedures must be in compliance with existing County Administrative Regulations; and,
- B) Works with Risk Management and the County Attorney's Office to determine what agreements and

insurance are required for occasional use partners. In addition to the terms and conditions that protect the County, the Agreements should specify the purpose of the group's use of the facility, the benefit the group provides to the community and the group's meeting dates and times.

**Management's Response:**

Concur, Planned.

The division currently confers with Risk Management and the County Attorney's Office for guidance in the preparation and development of a standard license agreement. CAD will work closely with Risk Management and the County Attorney's office to develop a standard operating procedure to address utilization of the community centers by occasional use partners – especially those that are not legal entities.

**10. Guidelines for Preparing and Reviewing the Monthly Community Center Activity Reports Should Be Developed**

Community center personnel prepare monthly reports that are summarized into the Director's Report that is provided to the Community Action Board. Some of the data from the monthly reports is also provided to the State of Florida as outcomes achieved under the CSBG. In addition, the Division uses this data as a performance measure in their budget document related to community center visits.

The Division does not have written guidelines for preparing the Monthly Community Center Activity Reports (monthly reports). In addition, a review of the data included on the monthly reports is not part of the Division's quality assurance process. We reviewed the monthly reports prepared for each community center and the resulting Director's Report for August 2008 and September 2008. Based on our review, we noted the following:

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- No supporting documentation was found for many of the attendance numbers in the monthly reports and some of them did not agree with the supporting documentation. Of the 191 activities included on the monthly reports, we found that 55 did not agree with the supporting documents (23 were higher than what we were able to verify and 32 were lower). No supporting documentation was available to verify the attendance numbers for 71 of the remaining 191 activities reported.
- Data was not consistently reported from center to center. For example, when reporting goal/outcome data some community centers reported the total number of people enrolled in a program one time during the fiscal year and other community centers reported attendance numbers each month even though it was the same people attending.
- The data included on the Director's Reports did not reconcile to the data from the corresponding monthly reports. We were unable to trace 12 of the 20 attendance numbers included on the August 2008 and September 2008 Director's Reports to the respective monthly reports.

Data included on the monthly reports should be accurate as it is compiled and used to report performance to the Community Action Board and the State. As a result, various stakeholders and County management are not being provided with accurate data on which decisions may be based.

**We Recommend** the Division develops and implements written guidelines for preparing the Monthly Community Center Activity Reports. The guidelines should include, but not be limited to, defining what events/activities to include on the monthly report, under which category events/activities should be reported and when to use the number of enrollees versus attendance numbers. We further recommend that a review of the Monthly Community Center Activity Reports

and Director's Report be added to the Division's quality assurance process to ensure numbers are adequately supported and consistently reported.

**Management's Response:**

Concur, Underway.

Over the past few months, the division has worked in a team environment with senior management staff to develop performance measures and clarify reporting guidelines on the clients served and what activities are being provided. CAD is in the planning phase of drafting standard operating procedures for preparing monthly reports. The procedure will clearly define clients served, reportable activities or events, and the method to be used in capturing and reporting the data.

Additionally, the division has acquired an experienced administrator who will serve in the role of quality assurance administrator, reports directly to the division manager and will be responsible for reviewing outcome data from programs, checking its accuracy and working with center managers and programs to ensure that the data is supported by program records. One way this will be accomplished is by requiring back-up in the form of aggregate client-based data to be submitted to the division office with monthly service numbers. Also, to ensure the consistency and accuracy of the data, the division will embark upon training sessions to ensure that all center managers and programs are preparing relevant data for the reports.

**11. The Division Should Improve and Expand Their Performance Measures**

We reviewed the performance measures reported by the Division as well as those reported by the Department in respect to the Division's operations and noted the following:

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- A) The performance measure data reported by the Division in the County's budget document for fiscal years 2007 and 2008 was incorrect. The amounts for the number of clients served and cost of services per client in the budget documents were 18,000 and \$53, respectively. The 18,000 clients served was derived from the community center visits included in the Monthly Community Center Activity Reports. The number of visits contained many duplicate clients which would overstate the number of clients served. Individuals involved in certain programs, such as youth and senior programs, visit community centers numerous times throughout the year. Also, the cost of services per client was understated as only the funds received from the CSBG (approximately \$1 million) were used to determine the cost. The Division also receives money from the County's General Fund (approximately \$3 million) as well as the Summer Food Service Program (approximately \$1 million).
- B) The performance measure in the budget document is not representative of the core operations of the Division. As noted above the Division reported a single measure from a single funding source. It would be more meaningful for the Division to measure the cost per visitor to the cost to operate each center and to separately measure the cost per client served with CSBG funds.
- The Division should report separate performance measures for community center operations, CSBG related activities and Summer Food Service Program activities. We did note that the budget document for fiscal year 2009 differentiates between clients served and community center visits.
- C) The performance measures included in an internal report prepared by the Department were also incorrect and not representative of the Division's core operations. Although the cost of services per client



(\$8,000) reported by the Department included funds the Division received from the County as well through the CSBG, the number of clients served only included clients case managed through the CSBG program (approximately 450). All of the clients that received services from community center programs were excluded. The exclusions included clients that received income tax preparation services and citizens that attended job, health, and back-to-school fairs hosted by the community centers. Also any clients that were assisted by the social services staff but did not become part of the case managed population were excluded.

In addition, a report prepared by the Department in 2008 incorrectly compares the Division's cost per client to those of another Florida county. The cost per client reported for the other county (\$196) only includes the funds that county received through its CSBG (\$2 million). It did not take into consideration the county funds that were used to supplement their CSBG programs (\$1.8 million). The Department considered all clients served by the other county (approximately 10,000) to be case managed; however the other county's budget document states the other County provided supplemental assistance to 9,200 of the 10,000 clients. Also, the Department report incorrectly states the number of employees the other county uses to support their CSBG program. The Department report indicates 12 full time employee's (FTE's) while the other county's CSBG work plan shows 25 FTE's (50% funded by the grant and 50% funded by the county).

To assess progress toward achieving predetermined goals, performance measures should provide timely, relevant, and accurate information. These measures should provide information on how efficiently resources are used to achieve intended program outcomes and on the effectiveness of organizational activities and operations in terms of the contributions to program objectives. The Division should

choose performance measures that describe their performance, goals, and accomplishments. Examples of these measures include, but are not limited to, the number of clients achieving self-sufficiency per employee and the cost to operate each community center per visit by user. This in turn could be used to improve services for County residents. Performance measures should be expressed in units of measure that are the most meaningful to those who must use or make decisions based on those measures. Data used to prepare performance results should be based on complete and accurate information.

**We Recommend** the Division develops performance measures that better describe their performance, goals, and accomplishments. At a minimum, the Division should strive to separately report the relevant performance measures for each of its funding sources. The measures should be properly computed and supported. We further recommend that the Department and Division ensures that data gathered, reported and used for decision making purposes is accurate.

**Management's Response:**

Concur, Underway.

Over the past few months, the division has worked in a team environment with senior management staff to develop performance measures. CAD will explore the options of reporting separate performance measures for community center operations and CSBG related activities. To ensure the accuracy of reported performance measures, the QA administrator will monitor the reporting process to validate that all reported outcomes are accurate and supported by adequate documentation.

## **12. Security at Community Centers Should Be Improved**

As a result of various interviews and site visits, we noted that eight of the 11 community centers do not have security cameras in or around the facilities. Five of the community centers without security cameras are co-located with Head Start programs that provide educational services to pre-school children. At seven of the eight centers with Head Start programs, there were no locking doors to prevent unauthorized access to the area serving Head Start children. However, it should be noted that according to Division personnel, the individual Head Start classrooms are kept locked throughout the day.

During the period from October 4, 2008 to June 19, 2009 the Division recorded 19 "incidents" at the community centers, many of which resulted in calls to 911. These incidents included events such as car accidents, vandalism, break-ins, theft, trespassing and a person at a community center threatening to harm building occupants.

Community centers should be equipped with adequate security devices to deter theft, vandalism, and acts of violence and to assist law enforcement should any of these acts occur. In addition, access should be restricted to areas where services are provided to children.

**We Recommend** the Division research and consider the feasibility of installing security cameras at all of the community centers as well as devices to limit access to areas where services are provided to children.

### **Management's Response:**

Concur, Underway.

The division will work with the Facilities Management Division to research the feasibility and costs associated with installing security cameras and devices to limit access to

areas where services are provided to children at all community centers.

**13. Non-County Partners Should Not Be Provided Keys and Unsupervised Access to County Facilities**

As noted in Recommendation for Improvement No. 2, some community center users were provided keys to County owned facilities. Administrative Regulation 8.12 states that County buildings and other facilities can be made available for use by the public on a “cost use” basis when such buildings or facilities:

- Are open and available and not otherwise required for County use or can be made open and available.
- The space or facility desired is reasonably designed for or can accommodate the desired public use without safety risk, the risk of abuse or harm to County property or breach of County security.
- The use of the space or facility is for a purpose which will not constitute an illegal or immoral activity, a breach of peace or good order or which will not reflect unfavorably upon the County government or the residents of the County.

Allowing access to the facility without County staff being present allows for improper use to occur without timely detection. Keys to County facilities should not be provided to members of the public on a permanent basis.

**We Recommend** the Division ceases the practice of providing partners with keys and therefore unsupervised access to County facilities.

**Management's Response:**

Partially Concur, Underway.

The majority of the organizations that are issued keys are groups that have a significant presence in the community centers. The department director will work with Risk Management and the County Attorney's office to address the concern of issuing keys to partners.

**14. Only Relevant Expenditures Should Be Paid With Division Funds**

We reviewed various expenditures paid through the County's General Fund and noted the following:

- A) The Division incurred expenses that did not support their overall mission to, "enhance the quality of life by eliminating the causes and consequences of poverty by mobilizing and directing resources through programs that assist, educate, and promote self-sufficiency." Specifically, we noted the following:
- Division personnel used a purchasing card to acquire approximately \$1,300 in goods such as paper plates, plastic ware and decorations, for a banquet held in February 2007. The Division did not request reimbursement from the banquet sponsor even though tickets were sold to attend this event. This is the same annual banquet we noted in Recommendation for Improvement No. 3. B) as not supporting the Division's overall mission.
  - We were informed by Division staff that they assisted groups of senior citizens with organizing various out-of-town trips of approximately one-week in duration. The out-of-town trips have been occurring annually since the late 1990's and have included

locations such as New Orleans, New York, Philadelphia, and most recently Cape Cod, Massachusetts. We confirmed through various interviews that one to two of the same Division employees accompanied the seniors on the extended trips since their inception. Division staff also informed us that around the year 2000 the use of “work hours” to accompany senior citizens on extended trips was authorized by senior Department personnel. However, we could not find any written request or authorization for staff to charge the time as “work hours” although it appears to have been a standard practice in the Division. In addition, the Division staff members that accompanied the senior citizens were not required to prepare travel request forms. Other than the staff time used to organize and attend these trips, we did not identify any other County funds that were used to pay for the trips. Salaries for the employees that accompanied the senior citizens were paid out of the General Fund and not from the CSBG.

- B) We also noted expenditures that were incorrectly charged against the Division’s budget. Specifically we noted the following:
- Approximately \$2,000 in transportation fees not related to the Division were charged to the General Fund portion of the Division’s budget. General Funds allocated to the Division were used to pay for buses used for other County purposes such as youth groups from the Cooperative Extension Division and the County’s Employee and Leadership Academy.
  - When reviewing our sample of goods/services acquired with purchasing cards, we noted that the Division had used a purchasing card to pay for temporary labor. According to Division

personnel, the purchases were for temporary labor used to disassemble cubicle dividers at 2100 Michigan Street as part of a remodel for Head Start. The temporary labor purchased on the purchasing card was coded incorrectly to the Division and not to Head Start. The total of temporary labor purchased was \$1,347. In addition to the coding error, payment of temporary labor in this manner can circumvent rules established by the County to control temporary labor in order to meet FRS and other regulations.

Expenses incurred by the Division should support their overall mission. In addition, expenses should be charged to the appropriate cost center.

**We Recommend** the Division ensures the following:

- A) County resources are not used to pay for goods and activities that do not support the Division's overall mission; and,
- B) Funds budgeted for the Community Action Division are only used to support Community Action operations.

**Management's Response:**

Concur, Underway.

Since July 2008, the division has discontinued the support of a staff member to accompany participants on trips. We have drastically reduced the number of Purchase Card holders, which allows for more accountability, and better control on purchasing of items. Procurement cardholders must obtain appropriate approval from the Senior Program Manager or Division Representative to make purchases and all purchases must support the division's overall mission.

**RECOMMENDATIONS  
FOR IMPROVEMENT – COMMUNITY  
SERVICE BLOCK GRANT**



**15. Social Services Staff Should Be Used to Provide Services Funded From Multiple Sources**

The Division's social workers and case workers (social services staff) are 100 percent funded through the Community Service Block Grant (CSBG) and therefore are not permitted to perform tasks that are not directly related to the grant. Since the social services staff cannot perform duties outside of grant related duties, there is a potential for downtime and underutilization of these positions. In addition, inefficiencies can result from not having staff members provide services from multiple funding sources. For example, should a County resident go to a community center in need of job placement services, child care, and assistance with utility bills they would need to go through three eligibility and enrollment processes. The Division's social service staff would verify the resident's eligibility for CSBG funded programs and enroll the resident in case management services to assist with job placement. The resident would be referred to a nearby NCF for child care services through a County funded contract with Community Coordinated Care for Children. The County funded NCF staff would perform their own eligibility and enrollment process. The Division's social services staff would also refer the client to the County's Youth & Family Services Division to complete an eligibility and enrollment process for assistance with utility bills.

The County should make every effort to ensure positions are utilized in an effective and efficient manner. Also, services should be easily accessible to those in need.

Based on information provided by Division personnel, part of the reason the social services staff is 100 percent funded through the grant is because there is no automated process to accumulate and allocate time worked to multiple programs, grants and accounting lines. Currently, for each pay period, the Division must perform a manual journal entry to allocate the time social services staff spends on various programs within the CSBG.

**We Recommend** the Division, in collaboration with the Department, analyzes whether efficiencies can be gained by utilizing social services staff to provide services that are funded from multiple sources. We further recommend the Division works to develop a more efficient way to cost allocate employee time among multiple funding sources.

**Management's Response:**

Concur, Planned.

The division is working with the department to examine a streamlined case management intake process, encompassing the needs and processes of several divisions within the department. This system would eliminate the need for multiple eligibility and enrollment processes; thereby, reducing the amount of time to provide services to the client.

**16. The Division Should Ensure Payroll Expenses Are Allocated to the Proper Funding Source**

We reviewed payroll expenses for the four non-social services staff positions which were funded through the CSBG during fiscal years 2007 and 2008. During our review, we noted the following:

- A) An Administrative Assistant position totaling \$108,000 for both fiscal years was fully funded with the administrative cost portion of the grant. However, United States Department of Health and Human Services' CSBG Information Memoranda No. 37 (IM37) states:

Administrative costs, in the context of CSBG statutory reporting requirements, are equivalent to the familiar concepts of "indirect" costs or "overhead." As distinguished from program administration or management expenditures that qualify as direct program costs, administrative costs refer to central

executive functions that do not directly support a specific project or service. Rather, administrative costs are incurred for common objectives that benefit multiple programs administered by the grantee organization, or the organization as a whole, and as such are not readily assignable to a particular program funding stream. Administrative costs relate to the general management of the grantee organization, such as strategic direction, Board development, Executive Director functions, accounting, budgeting, personnel, procurement, and legal services.

The duties of a Division Administrative Assistant do not involve the activities that administrative costs are related to as described in IM37. Therefore, funding an Administrative Assistant position with the administrative cost portion of the grant is not in compliance with IM37 and is considered a questionable cost. It is likely that most of the activities performed by this position are related to the CSBG; however, they should be paid from other portions of the grant. Any non-CSBG related activities performed by this position should be allocated to the appropriate funding source. In addition, the Division is not tracking the managerial time spent on CSBG activities and therefore does not have a true accounting of administrative costs related to grant operations.

- B) Two Project Coordinator positions were fully funded with the program cost portion of the grant. In relation to these two positions, we noted the following:
- 1) One Project Coordinator, with \$43,000 of payroll expenses charged to the grant, provided information system support to the entire Division. As most of the job duties involved working with systems that supported CSBG activities, it was appropriate to pay a portion of this position's salary expenses with

grant funds. However, we question the \$43,000 cost to fully fund this position through the Grant.

- 2) The other Project Coordinator with \$62,000 of payroll expenses charged to the grant, was initially hired to assist with implementing projects at the various community centers. However, the Coordinator was transferred to manage a community center at the beginning of fiscal year 2008. According to Division personnel, CSBG funds can be used for any position so long as they provide services that benefit the low income community. However, the duties of a Community Center Supervisor include various administrative tasks related to the operation of the centers such as coordinating private rentals that do not necessarily benefit low-income individuals. The CSBG agreement for fiscal year 2008 notes that "The Recipient will use the CSBG funds to provide a range of services and activities having a measurable and potentially major impact on poverty in the communities where poverty is a particularly acute problem." Some of the duties performed by a Community Center Supervisor do not meet these criteria; therefore, we question the \$62,000 cost to fully fund this type of position through the Grant.

**We Recommend** the Division performs the following:

- A) Properly allocates expenses to the administrative cost portion of the CSBG such as costs related to the general management of the grantee organization; and,
- B) Allocates staff time to the appropriate funding source.

**Management's Response:**

A) Partially Concur, Underway.

As stated by the auditor's report, "administrative costs are incurred for common objectives that benefit multiple programs administered by the grantee organization, or the organization as a whole, and as such are not readily assignable to a particular program." The "administrative assistant" position was used to administratively support multiple programs administered by the grantee organization such as food assistance, summer feeding program, toy distribution, client referrals, etc and was, therefore, not readily assignable to a particular program. We will request an opinion from the grantor as to whether this position should be funded through the administrative or other program expenses unit of CSBG.

B) Do Not Concur.

Due to the broad nature and scope of services and activities allowed by the Community Services Block Grant which, per IM 37, includes those that may be considered administrative, the services provided by the project coordinator(s) were appropriately charged. We will request an opinion from the grantor to substantiate.

**17. Items Paid With Grant Funds Should Meet the Grant's Eligibility Requirements**

We reviewed various expenditures paid with CSBG funds and noted the following:

- A) The Division does not have an adequate monitoring process to ensure clients receiving services through CSBG funded contracts and sub-recipient contracts are eligible to receive grant funded services. During

our review, we noted the Division did not have adequate evidence that 61 percent of the clients served (76 of 125) were CSBG eligible at the time services were received. For seven of nine contract payments reviewed, our testing noted that six of the 76 clients were over the income threshold to receive grant funded services. For the remaining 70 clients either no data was available or the income documentation was over a year old at the time services were received. In addition, one of the nine contract payments reviewed was for services provided by a grant sub-recipient. The Division had no evidence that the sub-recipient ensured the clients served with grant funds were eligible. The Division should have a process to verify that clients receiving services through CSBG funded contracts and sub recipient contracts are eligible to receive grant funded services.

Subsequent to the completion of the audit fieldwork, the Division provided evidence that they had verified 12 of the noted clients were income eligible for CSBG funded services after the services were rendered but prior to payment being made.

- B) The Division did not perform appropriate reviews to ensure that individuals enrolled in the County's Students Connecting with Opportunities Resources and Employment (SCORE) program and paid with CSBG funds were eligible to receive these funds. For fiscal year 2008, CSBG grant funds were used to pay 25 internship positions enrolled in the SCORE program. We found that the household income for four of the students was over the 125 percent federal poverty level limit required for CSBG eligibility. For two additional students, income documentation was not available; however, the income amount reported on the application document showed the household income was over the limit allowed by the grant. The Division had no knowledge of one of the students paid

with CSBG funds and, no records were available to determine eligibility.

The Division should have a process to ensure participants in the SCORE program meet the income eligibility requirements of CSBG. Additionally, the Division should verify that only approved individuals are paid with grant funds.

- C) The Division used CSBG funds to pay transportation costs related to senior citizen and youth programs operated by the various community centers. A total of \$11,637 for such transportation costs were charged to the CSBG during our audit period. According to Division personnel they did not confirm that all participants using transportation fully paid for with grant funds were eligible for grant funded services. Some of the local trips paid for with CSBG funds may not be allowable under the grant. According to State Department of Community Affairs (DCA) personnel, all participants on a trip paid for with CSBG funds should be CSBG income eligible.

According to the CSBG Agreement, "The Recipient shall certify each client receiving CSBG funded services as income eligible at 125 percent or less of the current Office of Management and Budget Poverty Guidelines as required by CSBG law. In order to certify each client, the Recipient shall be required to maintain current (less that one year old) source documentation of income eligibility." The Agreement also requires the Recipient to retain sufficient records demonstrating its compliance with the terms of the Agreement, and the compliance of all subcontractors or consultants to be paid from funds provided under this Agreement.

In relation to the above noted items, the County may be required to reimburse the State of Florida approximately \$56,600 for the questionable costs charged to the grant.

**We Recommend** the Division performs the following:

- A) Develops and implements a contract monitoring process to ensure all clients receiving services through CSBG funded contracts and sub-recipient contracts are eligible to receive grant funded services; and,
- B) Actively monitors the spending of the CSBG funds to ensure only properly approved individuals are paid with the funding.

**Management's Response:**

- A) Concur, Underway.

Even though we believe the majority of clients have been eligible for services received, the audit indicated that in many cases evidence of eligibility was missing or out of date. Having correct and up to date eligibility status will be a targeted outcome monitored as part of the division's quality assurance process. In addition, a check and balance process will be implemented whereby the division senior coordinator will review each case and verify eligibility status before a client is enrolled in any Community Action program, either by the division or a sub-recipient contract.

The contract monitoring review process will include ensuring that all clients receiving services meet the required CSBG eligibility guidelines. Additionally, the division has acquired an experienced administrator who will conduct contract compliance and quality assurance reviews to insure that the division is following all County policies and procedures, as well as the state and federal regulations and guidelines. This individual has successfully managed state and federal contracts and funds for the past 25 years and will be tasked with developing an integrated quality assurance and compliance process with more effective internal control procedures.



B) Concur, Underway.

The audit indicates that the household income for 4 of the 25 internship positions were over 125 percent federal poverty level required for CSBG eligibility. To ensure only properly approved individuals are paid with the CSBG funding, after the initial eligibility have been conducted by the social services staff, the senior coordinator will verify the client's eligibility before clients are enrolled and receiving benefits into the program. As part of the enrollment process, client's information is entered into the Easy Trak, a software system that provides checks and balances, transparency and accountability and also automatically calculates income data based upon the current poverty guidelines. Also, CAD's monitoring review process will include ensuring that all clients receiving services meet the required CSBG eligibility guidelines.

Additionally, the division has not transported any clients since 2008. In the event that the need for transportation or similar services in the future, an individual eligibility determination form will be required for each client served.

**18. The Division Should Ensure Unused CSBG Funds Do Not Exceed the Amount the State Is Required to Re-Contract in the Next Fiscal Year**

According to the CSBG Agreement, "funds allocated in this contract and not obligated by the Recipient during the contract period, will be returned to the Department at the time of close out. Unobligated funds in excess of 20 percent of the amount allocated to the Recipient will be surrendered to the Department. The balance of unobligated funds up to 20 percent will be re-contracted to the Recipient during the next contracting cycle."

**RECOMMENDATIONS  
FOR IMPROVEMENT**



For two of the three grant years reviewed we found that the amount of unobligated funds exceeded the 20 percent the State is required to re-contract to the County during the next contracting cycle. It should be noted that although the threshold percentage was exceeded, the County was re-contracted all remaining funds.

Fiscal Year:	2006	2007	2008
Total Grant Awarded:	\$1,081,474	\$1,044,100	\$1,043,312
Total Spent During Fiscal Year:	\$(804,975)	\$(806,855)	\$(969,214)
Remaining Balance:	\$276,499 <sup>1</sup>	\$237,245	\$74,098
Percent of Amt. Awarded not Used:	25.57% <sup>1</sup>	22.72%	7.10%
Total Re-Contracted in Next Grant Award:	\$222,775	\$237,390	\$74,412
Percent of Unused Attributable to Orange County that was Re-Contracted:	100% <sup>1</sup>	100%	100%

1. Fiscal year 2006 was the last year CSBG funds for Osceola County were included in the amount awarded to Orange County. Of the \$276k not spent, \$54k is attributable to Osceola County. Therefore the amount of unspent funds attributable to Orange County operations was \$222,775 or 21% of the grant amount awarded. The State re-contracted Orange County's full portion (\$222,775) in the next fiscal year.

Some of the unspent funds may be attributable to the amount of time it takes to get the budget adjustment processed once the executed modification agreement is received from the State. For example, in fiscal years 2007 and 2008, it took 75 and 47 days respectively from the date the executed modification was received from the State to the date the budget adjustment was put on the Board consent agenda and approved. In both years there were only two months remaining in the grant year to spend the funds awarded in the modifications.

The County is at risk of losing unobligated CSBG funds that exceed the 20 percent the State is required to re-contract to the County during the next contracting cycle.

**We Recommend** the Division ensures the amount of unobligated funds remaining at the end of any grant years does not exceed 20 percent of the amount awarded. The Division should work with appropriate County personnel to ensure the budget adjustment for the grant modification is

approved by the Board within two weeks of receiving the executed document from the State.

**Management's Response:**

Concur, Underway.

The unspent funds allocated by the State, have always been re-contracted during the next contracting cycle; therefore, the Citizens of the County have not been negatively impacted and their needs have been met. During the 2009 Fiscal Year, a monthly analysis of the funds was conducted. Consequently, we spent over 95% of the funds during the FY 2009, which would have been higher had the state executed the modification in a timely manner. Additionally, we worked closely with the appropriate County personnel to ensure that the budget modification for the grant was approved by the Board within less than 30 days. The division will continue to employ this approach.

**19. Grant Related Outcomes Reported to the State Should Be Supported and Accurate**

As a recipient of Community Service Block Grant (CSBG) funds the Division is required to prepare and submit a FOCAS (Florida Outcomes Community Action System) Report to the State on a quarterly basis. The FOCAS report contains data relative to the number of clients achieving, working toward, or terminated from grant related outcomes. These outcomes include, but are not limited to, assisting clients that are unemployed obtain employment and assisting clients with education needs such as obtaining GEDs, employment skills, and post secondary education. The coversheet of the FOCAS Report contains the total number of households served as well as the total number of households that have become self-sufficient. The data reported by the various Community Action Agencies throughout the State are compiled by the State and reported to the federal government.

We reviewed a sample of outcome related data included on the final FOCAS Report prepared by the Division for fiscal year 2008. We noted several instances where the numbers on the FOCAS report did not agree with supporting documents provided by Division personnel. For example, the total number of households on the FOCAS report was less than the support showed (878 reported versus 939 supported) and the total number of households achieving self-sufficiency was greater on the FOCAS report than the support showed (220 reported versus 137 supported). We also noted the Division does not have an employee independent of the report preparation process reconcile the data included on the FOCAS Report to the supporting documentation. Data reported relative to programs supported by grant dollars should be adequately supported and accurate.

**We Recommend** the Division implements a process to independently ensure grant related outcome data reported to the State is accurately compiled and supported.

**Management's Response:**

Concur, Underway.

CAD will implement a process whereby the quality assurance administrator will be responsible for reviewing outcome data from programs, checking its accuracy and working with center managers and programs to ensure that the data is supported by program records. This will be accomplished by requiring back-up in the form of aggregate client-based data to be submitted to the division office with monthly service numbers. Also, to ensure the consistency and accuracy of the data, the division will embark upon training sessions to ensure that all center managers and programs are preparing relevant data for the reports.

**20. A Process to Better Monitor and Allocate Client Enrollments and Distributions Should Be Implemented**

The fiscal year 2008 Workplan submitted to the State reported that the Division expected 213 clients to achieve at least one of the following outcomes:

- Unemployed and obtained a job; and,
- Employed and obtained an increase in employment income.

We noted that the Division did not accomplish its goal. Our review found that only 137 clients achieved the outcomes, or 36 percent fewer than included in the Workplan. In reviewing the reasonableness of achieving this outcome, we noted there did not appear to be a method to equitably distribute case loads among social services staff. The distribution of clients enrolled in self-sufficiency programs ranged from two to 52 per social services staff person. Additionally, from this review we noted that there was a broad variance in the number of clients carried by social services staff at the various community centers. This inequitable distribution places a disproportionate amount of work on some social services staff and makes it difficult to adequately monitor the files and perform the needed guidance and follow-up.

As part of our testing, we reviewed files for a sample of 45 clients who received CSBG funded services from the Division's social services staff. Of these clients, 22 were enrolled in the self-sufficiency program and received case management services and 23 received limited services such as referrals to other agencies (non-case managed). Relating to this review, we noted the following:

- A) Case Management efforts were not adequate in 16 of the 22 case managed files reviewed. For 12 of these files there was no evidence that home visits occurred and no evidence that weekly contact was made with

clients during their first three months of enrollment. In addition, two of these files had no evidence that contact was made with the client since February 2008 and September 2008, respectively. However, as of May 2009, both files indicate that social services staff is actively monitoring the clients' progress toward achieving outcomes. Best practices require regular contact be maintained with clients to ensure they stay on track to complete outcomes and achieve self sufficiency. In addition, Division procedures for case management require social services staff to make an initial home visit during the intake process to assess the living conditions and home environment of the clients. The procedures also require social services staff to document in their case notes contact with all new clients on a weekly basis for the first three months after their initial enrollment.

- B) Management's review and approval of program eligibility was not evident in six of the case management files and 17 of the non-case management files. Further, we found that three of the non-case managed clients in our sample were over the income threshold permitted by the CSBG Agreement. For four of the non-case managed files the income amount reported was not adequately supported (no physical files were found for three of these) and program eligibility was not determinable.

In addition, when reviewing data in the Division's client database, we noted that the date of application and the decision date for acceptance into the program were often the same. The files must be delivered from the community centers to the main office for the Program Manager to perform a review. As couriers do not pick up from the community centers on a daily basis, it is apparent the Program Manager was not reviewing and approving the clients. The Program Manager had stated that he reviews the client applications and provides final approval for program

acceptance; however, this process is not formally documented in the Division's procedures.

- C) Adequate evidence to support the achievement of an outcome was not found in five of the 22 case managed files and three of the 23 non-case managed. Appropriate documentation should be maintained to support goals reported as achieved.
- D) The Division does not have written procedures specific to the non-case managed clients. Therefore, social services staff does not have guidelines on what documents they are required to obtain from clients as well as documents these clients should complete. For many of the non-case managed files, we noted important documents required in the procedures for case managed files were not present. For instance, the following evidence was missing from the non-case managed client files:
- An initial assessment was not present for three files. The assessment is used to determine the areas of the family's overall situation;
  - A Case Plan and Partnership Agreement signed by the client was not present in 18 files. This document is used as a tool to discuss the client's barriers to self-sufficiency identified and the interventions recommended; and,
  - A signed client Rights and Responsibilities Form was not present in 16 files. This agreement documents the client's commitment to work on the goals and interventions selected.

These documents help to assess and effectively manage the non-case managed clients.

Client enrollments should be monitored and procedures and actions taken should be prepared and documented to help ensure expected outcomes are achieved.

**We Recommend** the Division implements a process to better monitor and allocate client enrollments and distributions for each social services staff. In addition, the Division should perform the following:

- A) Maintain sufficient contact with clients and ensure social services staff complies with the standards outlined in the Division's procedures;
- B) Document client enrollment and approval;
- C) Document the achievement of CSBG outcomes that are reported to the State with sufficient supporting documentation; and,
- D) Develop and implement procedures to address the handling of non-case managed clients.

**Management's Response:**

Concur, Underway.

The division will develop and implement a process that will better monitor enrollments and distributions of workload for each social services staff. The division has a process in place to address workload disparities among different community centers by clustering staff around neighboring community centers so that geographical assignments may be changed to supplement high traffic areas and more efficiently utilize staff at lower traffic areas. The assignment of staff and caseloads in an efficient manner is not an exact science due to the need to provide client access at different locations throughout the county. These locations vary in population density and client service need. The division will put in place a process to facilitate a reasonable distribution of clients per staff member, avoiding large disparities between workloads, and using available resources



efficiently. This process will ensure a review of staff workload at least monthly.

A) Concur, Underway.

The senior coordinator responsible for the supervision of the social services staff will provide regular file review and supervision to the staff. The quality assurance administrator will conduct reviews as part of a continuous service delivery improvement. The review will be conducted quarterly to ensure that the social service staff complies with the standards outlined in the division's procedures. The review will also ensure that the staff continues to provide high quality services and to identify barriers and opportunities in service delivery. Following the completion of the review, the senior coordinator will explain the findings of the review, and will clarify questions or issues pertaining to the review. The social service staff member will be provided with a copy of the File Review Checklist of the files that were reviewed. Files found to be out of compliance with division procedures during the review are expected to be corrected within 30 days when possible.

B) Concur, Underway.

Client enrollment and approval will be documented by the senior coordinator. The division's Community Service Block Grant (CSBG) Eligibility Review Form will be used to review, enroll and approve clients into the Family Self Sufficiency Program (FSSP). The senior coordinator must sign and date each review form to indicate his approval or denial of a client's enrollment in the FSSP.

C) Concur, Underway.

CAD will ensure that the achievement of CSBG outcomes reported to the state must be documented with sufficient supporting documentation in the case files. The quality assurance administrator will be

responsible for reviewing the outcome data, checking its accuracy, and working with the social services staff to ensure that outcomes are supported by sufficient documentation.

D) Concur, Planned.

The division will revise the current Intake and Assessment Process procedures for case managed clients, to include the non-case managed clients. This procedure will adequately address the process for intake procedures, eligibility verification, documentation, and decision notification.

**21. A Conflict of Interest Clause Should Be Added to Contracts With Outside Entities That Receive CSBG Funds**

The CSBG Agreement between the County and the Florida Department of Community Affairs states,

No member, officer, or employee of the grantee, or its delegates or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest direct or indirect, in any contract, subrecipient agreement or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. The grantee shall incorporate or cause to be incorporated in all such Agreements, a provision prohibiting such interest pursuant to the purposes of this subsection.

We reviewed five contracts the Division entered during our audit period and noted that none of the contracts included wording to prevent conflicts of interest as required in the

CSBG Agreement. Contracts with outside parties that receive CSBG funding should contain a clause outlining the prohibition of transactions that could appear to be a conflict of interest. The lack of a conflict of interest clause could hamper the County's ability to take recourse in the event a conflict occurs.

**We Recommend** the Division ensures that a clause prohibiting conflicts of interest is incorporated into all future contracts and other agreements as necessary.

**Management's Response:**

Concur, Planned.

The division will coordinate with the Risk Management and Purchasing Divisions and the County Attorney's office to ensure that the clause prohibiting conflict of interest is incorporated in all future contracts and other agreements as necessary.

**22. A Policy on Providing CSBG Funded Services to County Employees Should Be Implemented**

The Division does not have procedures regarding County employees who apply for and receive CSBG funded services. From a report of households that received CSBG services during fiscal year 2008, we identified 15 clients that were actively employed by the County at the time that they were enrolled in the program. Eight of these employees received direct financial assistance payments totaling \$11,952.

Without appropriate procedures to provide guidance to staff concerning employee enrollment in CSBG funded programs, it is possible for CSBG funded services to be provided to County employees who do not qualify for such services.

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## RECOMMENDATIONS FOR IMPROVEMENT



Audit of the Orange County  
Community Action Division

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**We Recommend** the Division develops and implements policies and procedures to address the of County employees to receive CSBG funded services.

**Management's Response:**

Concur, Planned.

In order to prevent a possible conflict of interest, the division will develop and implement a procedure that requires Division Manager or designee approval to enroll County employees in the CSBG program.

# APPENDIX A - METHODOLOGY

***Community Center Operations and General Fund Expenditures:***

For each of the 11 community centers, we reviewed center sign-in sheets for two consecutive months to determine the number of people that visit each center as well as the time of day and purpose of the visits. We also reviewed License Agreements to determine the meeting dates and times of the various groups permitted to use center space. We compared the actual usage to the centers' core operating hours to assess whether center usage was adequate to keep centers open and staffed by Community Action personnel. We compared the services provided at the community centers to those provided at nearby Neighborhood Centers for Families to assess possible duplication of services.

We compiled a list of groups with assigned space at each of the community centers as well as a list of groups that are provided with free use of center space on a periodic basis, such as once per week or once per month. We performed the following:

- Reviewed the services provided to assess whether they benefit the community and support the Division's mission;
- Reviewed reports submitted to verify whether they contain the number of clients served and outcomes achieved. We used these reports to assess whether these partners are providing a service in demand by the community and such demand justifies free use of space;
- Tested whether free use of space was in compliance with Division procedures and County Administrative Regulations, and,
- Reviewed documentation for evidence of a properly executed License Agreement and proof of insurance that meets County requirements.

We reviewed the License Agreement utilized by the Division to determine whether it addresses procedures for protecting and sharing confidential information, goals and objectives, reporting requirements, facility access, and responsibilities for facility maintenance.

We reviewed facility use agreements, community center calendars, receipt books, and facility access reports to compile a list of facility rentals that occurred on weekends from October 1, 2007 through March 31, 2008, and from August 1, 2008 through September 30, 2008. For all rentals identified, we tested whether there was a properly completed and approved facility rental application and facility use agreement. We also examined for proof of insurance was provided or purchased for the rental.

## Appendix A – Methodology

- If no fees were paid, we assessed whether the use qualified for a fee waiver and whether an approved fee waiver request was on file. We also evaluated whether free use of community center space was in compliance with Division procedures and County Administrative Regulations.
- If fees were paid, we tested whether the fee amount collected was in accordance with the Division's fee schedule as well as the Board of County Commissioners approved fee schedule. We also verified whether fees recorded were deposited timely and the method of payment complied with Division procedures.

We obtained timesheets and payroll data from October 1, 2007 through March 31, 2008 for non-exempt and casual labor staff assigned to the community centers and performed the following:

- Determined the amount of overtime and casual labor used;
- Compared amounts paid for overtime and casual labor to amounts budgeted;
- Compared hours reported as worked on timesheets to the times the facilities were reported as open; and,
- Checked whether written approval was obtained for overtime prior to it being worked.

For the last two months of the audit period, we examined the Monthly Community Center Activity Reports for completeness and accuracy. We compared the data reported to calendars, sign-in sheets, facility use agreements, and other measurement data. We also compared attendance numbers included on the monthly Directors Report to the Monthly Community Center Activity Reports to assess whether data was accurately reported to the Community Action Board.

We reviewed the performance measures included in the County's budget document for fiscal year 2007 and fiscal year 2008. We interviewed Division staff to determine how the measures reported were calculated. We evaluated the measures used and assessed whether these measures were the most useful for evaluating the Division's operations.

We obtained the Division's log of donated goods and volunteer hours for fiscal year 2008 and performed the following:

- Compared items on the log to supporting documentation to test the log for accuracy;

- Reviewed values assigned to donated items and volunteer time and assessed whether they were reasonable;
- Tested whether donated goods qualifying as fixed assets were reported to Property Accounting; and,
- Examined the Division controls for the safeguarding and accounting of controlled items such as gifts cards, event tickets, and cash.

We performed site visits and interviewed Division personnel to determine which, if any, community centers were equipped with security cameras. We obtained and reviewed all incident reports filed by the community centers during our audit period. Using this data and knowledge of how the community centers were utilized we assessed whether facility security was adequate.

We selected a sample of expenditures paid with County General Funds during our audit period and determined whether the payment was adequately supported and the purchase was properly approved and supported the Division's mission.

***Community Service Block Grant:***

We obtained a copy of the FOCAS report the Division submitted to the Department of Community Affairs for the fourth quarter of fiscal year 2008. We selected a sample of goals reported and examined whether the data reported was accurate.

We selected a sample of CSBG clients and reviewed both the physical and electronic files for evidence of documentation and data required by Division procedures. We examined files for evidence of an assessment of the clients needs, a Case Plan and Partnership Agreement signed by the client, a signed client application, a Clients Rights and Responsibilities form, identification documentation, income documentation, and demographic information. We also performed the following:

- Determined whether income amounts reported were supported with adequate documentation or a declaration of income form and that income information on file was no more than one year old;
- Tested income amounts reported to determine whether clients met income guidelines for CSBG funded services (125% or less of OMB Poverty Guidelines) at time of acceptance to the program and, if applicable, in subsequent years;
- Reviewed client files to determine whether they were current and actively monitored and for evidence of signatory approval by the Program Manager for



client acceptance into the program. We examined whether acceptance into the program preceded any assistance provided to clients;

- Reviewed case management files for evidence that a home visit was performed and that the client was contacted on a weekly basis during the first three months of enrollment in the program;
- Assessed whether clients have been in the program for over two years; and,
- Assessed whether there was adequate documentation in the file to support the achievement of the goal in the Division's database.

We obtained a report of payments made for direct client assistance (e.g., utility assistance, tuition assistance, rent/mortgage payments) on behalf of CSBG clients during the audit period. We selected a sample of 35 payments and performed the following:

- Tested whether clients were income eligible for CSBG funded services using income documentation in the clients' files;
- Examined whether appropriate documentation was in the clients' files to support the payment (e.g., for those clients receiving rental or mortgage assistance, determined there were copies of the lease agreement or mortgage bill); and,
- Confirmed the payments were properly approved by appropriate Division personnel.

We obtained a report of payments, other than direct client assistance, made with CSBG funds during fiscal year 2008. Our sample primarily included purchasing card transactions and contract payments. We reviewed supporting documentation to assess whether it was appropriate to use CSBG funds for the goods and/or services purchased.

We obtained a list of all social services personnel that were employed by the Division during our audit period and performed the following:

- Determined the number of application and enrollments each social services employee completed during fiscal year 2008; and,
- Compared the total number of enrollments to the CSBG Workplan to assess whether a sufficient number of clients were enrolled for the Division to accomplish the goals they outlined in the CSBG Workplan.

We compared a report of clients enrolled in the CSBG program during fiscal year 2008 to a report of individuals employed by the County during the same period. For all CSBG clients that were identified as current or former employees of the County we performed the following:

- Determined whether any direct financial assistance payments were made on their behalf with CSBG funds, and if so, we tested whether the individual was income eligible to receive CSBG funded services; and,
- Reviewed Division policies and procedures to determine whether the Division provided written guidance on providing CSBG funded services to County employees.

We reviewed modifications made to the CSBG budget during fiscal years 2007 and 2008. We determined whether any modifications resulted in line item changes of more than 20 percent. If so, we checked whether the budget modifications were submitted to the State for approval at least 30 days prior to the implementation date.

We tested the matching funds provided by the County for the CSBG during fiscal years 2007 and 2008 to confirm whether the amount was equal to at least 20 percent of the CSBG funds received. We also determined that at least 10 percent of the matching funds provided by the County were not from in-kind sources.

We reviewed contracts with agencies providing services paid for with CSBG funds to determine whether the contracts contained language to prohibit direct or indirect conflicts of interest during the contract term and one year after.

We determined the County employees whose payroll expenses were paid with CSBG funds and performed the following:

- Identified the employees paid with the administrative portion of the CSBG funds and assessed whether this use of funds was consistent with the requirements of the United States Department of Health and Human Services' Informational Memo No. 37; and,
- Identified the employees paid with the services and direct client assistance portions of the CSBG funds and examined whether the duties performed by the employees supported the objectives of the grant.

The scope of our audit did not include testing of funds received by the Division from the federally funded Summer Food Service Program or activities of the Community Action Board.