



OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE

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Interim Inspector General

Follow-Up Review Report: *Kids Hope Alliance*
Faith-Based Program Audit (2019-AR-0001)

January 19, 2022

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”



The Office of Inspector General

Audit Number 2019-AR-0001

Purpose

The purpose of this report is to document the Office of Inspector General (OIG) follow-up review of the previously issued *Kids Hope Alliance (KHA) Faith-Based Program Audit* (2019-AR-0001), issued *September 21, 2020*. In accordance with the Institute of Internal Auditors (IIA), *Performance Standard 2500 – Monitoring Progress*, the basis of the follow-up review is to determine if the Corrective Action(s) necessary to remedy two (2) Findings and one (1) Observation noted in the audit report were implemented.

Audit Follow-Up

We reviewed the finding(s) and observation(s) noted in the audit report, management response, and documentation submitted in response to our follow-up inquiry. The results are as follows:

Finding Number 1: Lack of Agreement Oversight

KHA did not provide oversight of the Faith-Based Program Agreements from October of 2018 to mid-February of 2019, a period of approximately four months. Case Managers were not assigned to monitor the Faith-Based Program Agreements until mid-February of 2019.

OIG Verification: Kids Hope Alliance updated the *Policies and Procedures Manual Contract and Grant Management Procedures*, on August 1, 2020. KHA has taken steps to improve the management process and oversight of contracts/grants which include a reorganization of their Contract and Grant Managers. KHA provided OIG with a listing of contract agreements as of August 2021, which identified the Contract Managers assigned to each contract/grant.

Status: Corrected

Finding Number 2: Failure to Obtain Monthly Program Reports

Approximately 33 percent of the monthly program reports (25 out of 76) were not obtained from the participating vendors as required.

OIG Verification: Kids Hope Alliance updated the *Policies and Procedures Manual Contract and Grant Management Procedures*, on August 1, 2020. KHA reorganized and created a Contract Management Team that is responsible for completing a supervisory compliance review of all contract files. The compliance reviews include validating that the monthly program reports are submitted as required.

In addition, KHA Contract Managers are required to attend a semi-annual grant/contract management refresher training to fortify compliance with the written contract/grant procedures.

OIG reviewed the following documents to confirm remediation:

- A sample of five (5) contract compliance reviews for the month of January 2021, which were completed under the former KHA grant management structure, confirming receipt of the monthly program reports.
- A sample of ten (10) contract compliance reviews for the month of April 2021, which were completed during transitioning/reorganization, confirming receipt of the monthly program reports.
- A copy of the sign-in sheet for the semi-annual grant/contract refresher trainings conducted on the following dates:
 - October 6, 2020
 - October 7, 2020
 - October 8, 2020
 - April 6, 2021
 - April 15, 2021
- A listing of KHA Contract Management staff.

Status: Corrected

Observation 1: Unused Faith-Based Program Funding

As of July of 2020, approximately \$12,455 of the original \$50,000 of Faith-Based Program funds remained unused. This figure represents approximately twenty-five (25%) percent of Faith-Based Program funding.

OIG Verification: KHA provided a copy of documentation to confirm that the five (5) purchase orders were closed and liquidated. In addition, KHA implemented additional procedures to ensure that contracts/purchase orders are liquidated and closed timely. OIG reviewed a copy of the Purchase Order Liquidation request dated *November 9, 2021*, to confirm.

The additional procedures to ensure the timely liquidation of encumbered funds are as follows:

- 1) The Contract Compliance Associate provides a spreadsheet to the KHA Finance Director with the final contract payments and confirmation that a check/ACH has been issued to the contracted provider.
- 2) If a balance remains on the contract/purchase order, the KHA Director of Finance sends COJ Procurement an email with the listing of contract/purchase orders to be liquidated and closed.

Status: Corrected

Conclusion

Based on the responses received and verification procedures conducted during the follow-up, we have determined that the necessary corrective action measures were implemented. We would like to thank Kids Hope Alliance for their cooperation and assistance during the follow-up review.