

CITY AUDITOR'S OFFICE



Audit of the Department of Youth Development and Social Innovation Safekey Financial Assistance Programs

Report No. CAO 1901-1516-03

February 24, 2016

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CITY AUDITOR

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Safekey Financial Assistance Programs
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BACKGROUND

The Department of Youth Development and Social Innovation provides oversight of the city of Las Vegas (city) Safekey program. Safekey is a before and after school program for children attending kindergarten through 5th grade. Two of the Safekey financial assistance programs overseen by city staff members are:

- *Financial Aid Fund (FAF)*: A city sponsored financial assistance program for income eligible households. Participants must reside in the city to be allocated funding. Assistance is granted on a first come first served basis. 77 households were allocated FAF assistance during the 2014-2015 school year.
- *State of Nevada Child Care and Development Fund Subsidy Program (CCDP)*: Las Vegas Urban League (Urban League) oversees the program that provides financial assistance to income eligible households. Urban League issues Child Care Certificates which indicate the Safekey site, the percentage of assistance, and the eligibility time period for assistance. 238 children were authorized to use the CCDP program at city Safekey sites during the 2014-2015 school year. Our analysis showed that Safekey passes purchased with the CCDP discount were redeemed for 150 of these students.

The city's application program Rec Trac is used to process Safekey passes.

In December 2015, City Council approved the creation of the Department of Youth Development and Social Innovation. The new department was assigned the management of the Safekey program. Prior to the reassignment, Safekey was assigned to the Office of Community Resources.

OBJECTIVES

The objective of this audit was to test the adequacy of the management controls over the Safekey FAF and CCDP programs.

SCOPE AND METHODOLOGY

The scope of the audit was limited to the management controls and transactions for the fiscal year ended June 30, 2015 for the Safekey FAF and CCDP financial assistance programs. The last date of fieldwork was September 28, 2015.

Our audit methodology included:

- Research of applicable guidelines,
- Interviews of city employees and Urban League staff,
- Observations of operations, and
- Analysis and detail testing of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. 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.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no effect on the audit or the assurances provided.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The following findings and conclusions were noted:

Financial Aid Fund (FAF):

- ***Inconsistencies in the FAF Application Review Process:*** Improvements are needed in the application submittal process to ensure that applicants submit the required documentation. (Finding #1)
- ***Errors and Inconsistencies in Allocating FAF Assistance:*** Improvements are needed in the annual income calculation and assistance allocation process to ensure that all household income is included in the annual income calculation and that a consistent process is used to allocate funding. (Finding #2)
- ***Improvements Needed in Monitoring the Usage of FAF Allocations:*** The FAF allocations are not being monitored to ensure that funds are either used by participants or reallocated to other households when not used. (Finding #3)
- ***Improvements Needed over Access to the FAF Secured Folder:*** Eleven employees had access to the FAF secured folder whereas only four employees were involved with the oversight of the FAF program. (Finding #4)

State of Nevada Child Care and Development Fund Subsidy Program (CCDP):

- ***Inaccuracies in the CCDP Safekey Pass Purchase Process:*** Improvements are needed to increase the accuracy of the amounts being charged to the CCDP discount code in Rec Trac for Safekey passes. (Finding #5)
- ***Inaccuracies in Applying CCDP Discounts in Rec Trac:*** The CCDP discount code was used to purchase Safekey passes for 13 students who were not authorized for the Urban League CCDP program. (Finding #6)
- ***Need to Adjust the CCDP Third-Party Receivable Account:*** Without a periodic adjustment to the third-party receivable account, the account balance does not accurately reflect the amounts owed the city. (Finding #7)
- ***Lack of Adequate Segregation of Duties:*** A part-time Safekey employee coordinates all aspect of the CCDP program including the receipt and deposit of

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Urban League reimbursement checks. This process lacks adequate segregation of duties. (Finding #8)

Further information is contained in the sections below.

1. Inconsistencies in the FAF Application Review Process

Criteria

Excerpts from the City's Financial Aid Request Application:

Print names and request information for everyone in the household including income.

Answer the following questions. For each "yes", provide documentation

Does any member of your household:

- *Live in Public Housing or receive Section 8 rental assistance?*
- *Receives or expect to receive public assistance (welfare)?*
- *Receives or expect to receive unemployment benefits?*
- *Work full-time, part-time, or seasonally?*
- *Expect to work for any period of time during the next year?*
- *Receive cash for work?*
- *Receives or expect to receive child support?*
- *Receives or expect to receive alimony?*
- *Receives or expect to receive Social Security or other retirement benefits?*

Required: Copies of the following items are required:

- *Photo ID for head of household*
- *Dependent birth certificates*
- *Monthly income statement for each member of the household*
- *Other income documentation (Proof of assistance with housing, welfare, SNAP, WIC, child support alimony, etc.)*

Condition

Households requesting FAF assistance for the Safekey program are required to submit various forms of evidence to support their financial status. A review of 24 of 77 households which were allocated Safekey FAF assistance for fiscal year ended June 30, 2015 was completed. The review showed that improvements are needed in the application submittal process to ensure that applicants submit the required documentation. The following inconsistencies were found with the household application files:

- Identification was not provided for eight adult members.
- A birth certificate was not provided for one child.
- A birth confirmation was provided instead of a birth certificate for two children. The birth confirmation stated it was not an official record.
- Income documentation was not provided for eight adult members. No explanation was provided for lack of income documentation.

- The applications for two households indicated the households would be receiving public assistance, however no documentation was provided to show what public assistance was received.

Cause

The FAF desk procedures do not provide specific guidelines relating to the process of collecting and reviewing FAF documentation.

Effect

FAF assistance is based upon household size and income sources. Households providing incomplete documentation are given an unfair advantage over households providing complete accurate documentation.

Recommendations

- 1.1 Department of Youth Development and Social Innovation management should update the FAF desk procedures to include detailed instructions on obtaining and reviewing submitted applicant documentation.
- 1.2 Once updated, Department of Youth Development and Social Innovation management should instruct staff on how to review the submitted FAF documentation.

2. Errors and Inconsistencies in Allocating FAF Assistance

Criteria

Excerpts from the City's Financial Aid Request Application:

Print names and request information for everyone in the household including income.

Standardized practices used to calculate annual income amounts and allocate funding to applicable households provide for a consistent and equitable method to allocate limited funding to program participants.

Condition

A review the documentation for 24 of 77 households that were allocated Safekey FAF assistance for the fiscal year ended June 30, 2015 was completed. The following errors and inconsistencies were identified:

Income calculation errors:

Audit procedures included recalculating the household income using completed Financial Aid Request applications and supporting documentation provided by the households. Our audit procedures identified the following income calculation errors.

- For eight households, no income was calculated for an adult member. As noted in Finding #1, the application files did not include any income documentation for these individuals.
- For one household, the file included two pay stubs. Each pay stub was for a month period. The calculated income was twice what it should have been. It appears the income was calculated based upon bi-weekly pay periods rather than monthly pay periods.
- For one household, the annual income was calculated based upon a single pay stub which showed net rather than gross income and did not show the period the pay stub covered.
- For five households, the applicant either indicated on the Financial Aid Request that they would be receiving public assistance or provided public assistance documentation. The calculated income did not appear to include the public assistance amount.
- For 12 households, we were unable to determine how the household income was calculated. For 11 of 12 of the households, it appears the income was incorrectly calculated based upon 12 four week periods rather than correctly using 13 four week periods ($13 \times 4 = 52$ weeks in the year).

Assistance allocation inconsistencies:

As shown below, although same sized households requested assistance for the same number of household members, they did not always receive the same FAF allocation. Our audit procedures identified the following FAF allocation inconsistencies.

- *Three member households:* Five households were eligible for an \$800 allocation. Four household were allocated \$400 and one household was allocated \$800. All five households requested assistance for one member.
- *Four member households:* Eight households were eligible for a \$1,600 allocation. Four households were allocated \$400, two were allocated \$800, and two were allocated \$1,200.
 - \$400 allocation: Three of four households requested assistance for one member whereas the other household requested assistance for two members.
 - \$800 allocation: Both requested assistance for two members.
 - \$1,200 allocation: Both requested assistance for three members.
- *Six member households:* Three households were eligible for a \$2,400 allocation. All households were allocated \$1,200. Two households requested assistance for two members and one household requested assistance for three members.

Improvements are needed in the annual income calculation and assistance allocation process to ensure that all household income is included in the annual income calculation and that a consistent process is used to allocate resources.

Cause

The income calculation and funding allocation process is not clearly defined.

Effect

Potential exists that households were allocated FAF assistance they were not qualified to receive.

Recommendations

- 2.1 Department of Youth Development and Social Innovation management should establish, document, and implement a consistent process to calculate the annual income for FAF households.
- 2.2 Department of Youth Development and Social Innovation management should establish, document, and implement a consistent process to allocate funding for FAF households.
- 2.3 Department of Youth Development and Social Innovation management should implement a standard worksheet for documenting the income calculation and allocation of funding for FAF households. The worksheet should be incorporated into the household documentation file.

3. Improvements Needed in Monitoring the Usage of FAF Allocations

Criteria

Monitoring the usage of allocated assistance allows for the timely reallocation of unused funding.

Condition

Documentation provided by staff showed 77 households were allocated \$44,000 of \$60,000 budgeted for the Safekey FAF program for fiscal year ended June 30, 2015. Our analysis of the use of this funding showed that:

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- \$24,676 of \$44,000 (56%) of allocated funding was used by FAF households during the fiscal year.
- \$19,324 of \$44,000 (44%) of allocated funding was not used by FAF households. \$11,600 (60%) of the unused funding was allocated to 18 households which did not use any of their allocation.
- At the beginning of fiscal year 2015, the Department of Parks, Recreation, and Neighborhood Services was restructured into two departments. The Office of Community Services was assigned oversight of Safekey. The Department of Parks and Recreation was assigned oversight of summer camps and other activities. Both departments awarded FAF assistance for qualified households. The FAF award letters did not specify how the FAF allocations should be used. In addition, Rec Trac was not initially structured to differentiate between the Office of Community Services and the Department of Parks and Recreation FAF allocations. Our analysis identified three households included in the Safekey allocation list that used a portion of their allocation for Park and Recreation activities and eight households not included in the Safekey allocation list that used FAF funding for the purchase of Safekey passes.

Note: In December 2015, Safekey was reassigned to the Department of Youth Development and Social Innovation.

The usage of Safekey FAF allocations were not monitored to identify households not using their allocations, to follow-up with the households to determine whether they planned on using their allocation, and to reallocate unused funding.

Cause

- Many of the elements of the fiscal year 2015 FAF program were in place when the department restructure was announced. Staff did not consider how the restructure would affect the day-to-day operations of the FAF program.
- A process was not established to monitor the usage of the FAF allocations and reallocate funding as needed.
- Rec Trac was not structured to provide timely information on FAF usage.

Effect

The FAF assistance program was developed to assist households afford city programs. By not reallocating unused funds, fewer households received assistance.

Recommendation

- 3.1 Department of Youth Development and Social Innovation management should establish, document, and implement a process to monitor the usage of the FAF allocations and reallocate funds to other households when it is determined the funds will not be used.

4. Monitoring Needed Over Access to the FAF Secured Folder

Criteria

Sensitive information must be properly secured to ensure that the information is only available to those employees with an appropriate business purpose.

Condition

An employee associated with the oversight of the FAF program indicated that access to the FAF secured folder is restricted to those employees who are actively involved with the oversight of the FAF program. Staff members who process the initial FAF applications and supporting documentation can scan these documents into the FAF secured folder; however, they cannot access the folder. On August 4, 2015, audit procedures found that eleven employees had access to the FAF secured folder whereas only four employees were involved with the oversight of the FAF program.

Cause

A process is not in place to periodically confirm that only those employees who are actively involved with the FAF program have access to the FAF secured folder.

Effect

Household documents were not adequately secured.

Recommendation

- 4.1 Department of Youth Development and Social Innovation management should implement a process to periodically verify that access to the FAF secured folder is restricted to those employees actively involved with the program. The process should be documented in the FAF desk procedures.

5. Inaccuracies in the CCDP Safekey Pass Purchase Process

Criteria

Clearly documented desk procedures provide directions on how to process transactions to ensure consistency and accuracy when calculating fees.

Condition

CCDP qualified households purchase Safekey passes at a reduced rate as specified in the Urban League Child Care Certificates. The individual household criterion is documented in a Rec Trac tickler file. To process CCDP discounted Safekey pass purchases, Safekey employees manually calculate the CCDP discount based upon the information in the Rec Trac tickler file and post the calculated discount to the Rec Trac CCDP pay code 16. Households pay the remaining portion of the cost for the Safekey passes.

Audit procedures included reviewing the Safekey pass purchases for ten accounts for the 2014 – 2015 school year. As shown in the table below, these ten households purchased a total of 1,011 Safekey passes during their CCDP discount eligibility periods. We found errors in the calculation of CCDP discounts as shown below:

Household	# of Transactions	# of Passes	Correct	Incorrect	Household Overcharged	Household Undercharged
1	23	104	4	19	0	\$86.50
2	46	218	1	45	\$217.45	\$48.40
3	15	92	5	10	\$185.00	0
4	18	97	18	0	0	0
5	8	54	7	1	\$7.00	0
6	18	148	2	16	0	\$50.05
7	11	43	0	11	\$101.91	0
8	9	65	7	2	\$14.00	0
9	8	23	4	4	\$7.12	\$1.48
10	14	167	14	0	0	0
Totals	170	1,011	62	108	\$532.48	\$186.43

Our audit procedures also identified that reimbursement from the Urban League was not requested for the usage of five Safekey passes.

Households are instructed to either call or go to the Safekey Administration Office to purchase their Safekey passes since the CCDP discount cannot be processed on-line. Households purchased 35 of the above Safekey passes on-line and incorrectly paid the full price for the passes. Since the city is reimbursed by the Urban League for the usage

not the purchase of Safekey passes, audit procedures included verifying whether the usage of Safekey passes was included in the Urban League Child Care Enrollment Attendance Verification (EAV) requests for reimbursement. We found that the 35 passes purchased on-line were included on the EAV and the city was incorrectly reimbursed for the usage of these Safekey passes.

Cause

- Errors occur in manually calculating the CCDP discount since each household has specific criterion.
- Safekey pass purchases processed on-line do not include the CCDP discount.

Effect

CCDP qualified households have been charged incorrectly for their Safekey pass purchases.

Recommendations

- 5.1 Department of Youth Development and Social Innovation management should develop and document desk procedures for staff to use when processing and monitoring the usage of CCDP discounted Safekey passes. Once implemented, staff should be provided training of the process. Consideration should be given to creating an Excel template for staff to use in calculating the CCDP discount.

6. Inaccuracies in Applying CCDP Discounts in Rec Trac

Criteria

Clearly documented desk procedures provide directions on how to process transactions to ensure consistency and accuracy when processing fee discounts.

Condition

Within Rec Trac, the CCDP discount is charged using pay code 16. Audit procedures included querying Rec Trac to obtain all of the Safekey passes purchased using pay code 16 for the fiscal year ended June 30, 2015. An analysis of these entries found that this pay code was used to purchase Safekey passes for 13 students who were not authorized by the Urban League CCDP program. Further review found that these 13 students were members of households who were allocated FAF assistance. In addition, since the wrong pay code was used in Rec Trac, these Safekey pass purchases did not reduce the FAF

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allocations of these households. The following table summarizes the inaccuracies identified in applying the CCDP discount in Rec Trac:

Household	FAF Allotment	FAF Allotment Used	Remaining FAF Allotment	Amount Charged As CCDP	Amount over FAF Allotment
1	\$400.00	\$400.00		\$29.00	\$29.00
2	\$400.00	\$400.00		\$7.50	\$7.50
3/1	\$1,200.00	\$1,200.00		\$10.00	\$10.00
3/2				\$20.00	\$20.00
3/3				\$40.00	\$40.00
4	\$800.00	\$507.00	\$293.00	\$70.00	
5	\$400.00	\$400.00		\$42.50	\$42.50
6	\$400.00	\$400.00		\$8.50	\$8.50
7	\$400.00	\$400.00		\$50.00	\$50.00
8	\$400.00	\$400.00		\$7.50	\$7.50
9	\$800.00	\$700.00	\$100.00	\$63.75	
10	\$400.00	\$400.00		\$37.50	\$37.50
11	\$800.00	\$524.00	\$276.00	\$20.50	
	\$6,400.00	\$5,731.00	\$669.00	\$406.75	\$252.50

Cause

Rec Trac does not prevent staff from charging Safekey pass purchases against the CCDP pay code for households that have not been authorized to use the CCDP discount.

Effect

- No controls exist to prevent staff from using the CCDP pay code for households not authorized for the CCDP discount to process discounted Safekey pass purchases without detection.
- Urban League will not reimburse these charges.

Recommendations

6.1 Department of Youth Development and Social Innovation management should remind staff to only use the CCDP pay code 16 for households authorized by the Urban League for the CCDP program.

6.2 Department of Youth Development and Social Innovation management should document and implement a process to periodically review the CCDP pay code 16 charges in Rec Trac to ensure that the code is only used for households authorized by the Urban League.

7. Need to Adjust the CCDP Third-Party Receivable Account

Criteria

A third-party receivable account represents the amount owed to an entity for services rendered.

Condition

The purchase of Safekey passes using pay code 16 establishes a third-party receivable in Rec Trac that is transmitted to Oracle via interface. The third-party receivable account balance in Oracle does not accurately show the amount owed to the city from Urban League for the following reasons:

- Urban League reimburses the city based upon usage of Safekey passes rather than the purchase of Safekey passes. The balance in the third-party receivable account shows the dollar amount of unreimbursed Safekey pass purchases.
- Under the Urban League agreement, reimbursement is determined by the number of hours a student attends Safekey each day. Part-time attendance for a student six years or older is defined as less than three hours. Full time attendance is defined as more than three hours.

To further demonstrate this, the following example shows the dollar impact on the third-party receivable account for a student who was authorized a 100% reimbursement and attended both the morning and afternoon Safekey sessions.

	Part-Time Attendance	Full-Time Attendance
Purchase -Morning Pass CCDP amount	\$7.00	\$7.00
Purchase - Afternoon Pass CCDP amount	\$7.50	\$7.50
Total Receivable Recorded in Oracle	\$14.50	\$14.50
Amount Eligible for Reimbursement from Urban League	\$7.50	\$15.00
Amount Remaining in Receivable Account after Reimbursement	\$7.00	(\$.50)

The \$7.00 remaining in the third-party receivable account after reimbursement will never be reimbursed by the Urban League since the receivable amount exceeds the eligible reimbursement amount due to the student's part-time attendance. Therefore, without an adjustment, this amount will incorrectly remain indefinitely in the third-party receivable account balance.

In addition, as noted throughout the audit report, errors in processing CCDP transactions have occurred. These errors also impact the third-party receivable account balance, as follows:

- Using the wrong CCDP reimbursement percentage. (Finding #5)
- Not requesting reimbursement for the usage of Safekey passes. (Finding #5)
- Requesting reimbursement for Safekey passes purchased on-line. (Finding #5)
- Using the CCDP pay code 16 for Safekey pass purchases for students not authorized by the Urban League. (Finding #6)

Without a periodic adjustment to the third-party receivable account, the account balance does not accurately reflect the amounts owed the city.

Cause

Staff did not consider how the various elements of the CCDP Safekey pass purchases would affect the third-party receivable account balance.

Effect

The third-party receivable balance does not accurately reflect the amount owed to the city from the Urban League for the reimbursement of Safekey pass usage.

Recommendation

- 7.1 Department of Youth Development and Social Innovation management in coordination with Finance staff should implement a process to periodically adjust the CCDP third-party receivable account balance to reflect the collectable amount. The process should be documented in the CCDP desk procedures.

8. Lack of Adequate Segregation of Duties

Criteria

A fundamental element of management control is the segregation of key duties to ensure that:

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- The functions of authorizing, processing, recording, depositing, and reviewing transactions are not completed by the same employee
- One employee does not have the opportunity to initiate and conceal errors or fraud in the performance of their job duties.

City of Las Vegas Cash Handling Procedure (FN3021)

Procedure Step 3.

The designated employee deposits all revenue collections within 24 hours of receipt.

Condition

A part-time Safekey employee coordinates all aspects of the CCDP program, as follows:

- Receives Urban League Child Care Certificates and initiates the process to set up the accounts in Rec Trac.
- Coordinates with Urban League staff on issues that arise with the CCDP program.
- Coordinates with parents of children who have been authorized to purchase discounted Safekey pass.
- Coordinates with Safekey staff members responsible for the preparation of the EAV requests.
- Submits EAV requests to Urban League monthly for reimbursement of Safekey passes.
- Monitors and reconciles each CCDP household account to ensure the city is reimbursed appropriately for all Safekey passes used.
- Receives and completes the deposit of the Urban League reimbursement checks.

The Urban League reimbursement checks are initially sent to city hall and then forwarded to the part-time employee who processes the checks for deposit. This process does not ensure that the checks are deposited within 24 hours of receipt as required by the city's Cash Handling Procedure (FN302a).

An employee independent of the CCDP program does not ensure that payments are deposited.

Cause

Management trusts their staff to properly coordinate the various elements of the CCDP process.

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Effect

Employees have the opportunity to initiate and conceal errors or fraud in the performance of their job duties.

Recommendations

- 8.1 Department of Youth Development and Social Innovation management should implement a process to have an employee independent of the CCDP program receive and prepare the CCDP deposits.
- 8.2 Department of Youth Development and Social Innovation management should request that Urban League forward the CCDP reimbursement checks directly to the Safekey Administration office for deposit.

MANAGEMENT RESPONSE

1. Inconsistencies in the FAF Application Review Process

Recommendation 1.1

- 1.1 Department of Youth Development and Social Innovation management should update the FAF desk procedures to include detailed instructions on obtaining and reviewing submitted applicant documentation.

Management Plan of Action

1. Management will create a step by step process for the front line staff to follow for intake of the FAF application. *(Please see Draft #1 for the Financial Assistance Intake Process and acknowledgment form)*
2. Management will train front line staff on the new Financial Assistance Intake Process and staff will sign and date acknowledgment form. This training will take place yearly or when a new person is hired. *(Please see Draft #1 for the Financial Assistance Intake Process and acknowledgment form)*

Estimated Date of Completion – March 2016

All training documents have already been created, however the department requests 90 days to allow time to get the new Financial Assistance Application created, approved and printed, so that training can be completed.

Recommendation 1.2

- 1.2 Once updated, Department of Youth Development and Social Innovation management should instruct staff on how to review the submitted FAF documentation.

Management Plan of Action

1. Management will train front line staff on the intake process and staff will sign and date the acknowledgment form. This training will take place yearly or when a new person is hired. *(Please see Draft #1 for the Financial Assistance Intake Process and acknowledgment form)*

Estimated Date of Completion – March 2016

All training documents have already been created, however the department requests 90 days to allow time to get the new Financial Assistance Application created, approved and printed, so that training can be completed.

2. Errors and Inconsistencies in Allocating FAF Assistance

Recommendation 2.1

- 2.1 Department of Youth Development and Social Innovation management should establish, document, and implement a consistent process to calculate the annual income for FAF households.

Management Plan of Action

- Management will redesign the Safekey Financial Assistance Application, which will give applicants prior notice of all required documents. The new Safekey Financial Assistance Application Form will also require the applicant to acknowledge that information provided is true and correct. *(Please see Draft #2 for the suggested redesign Safekey Financial Assistance Application Form)*
2. Management will create a excel worksheet (Financial Assistance Worksheet) to calculate the annual income for FAF applicants. *(Please see Draft #3 for the Financial Assistance Worksheet)*
3. Management will create a step by step process on how to complete the Financial Assistance Worksheet. Staff will be trained and have to sign and date the acknowledgment form for training. *(Please see Draft #4 for the Financial Assistance Worksheet Process and acknowledgment form)*

Estimated Date of Completion – March 31, 2016

All training documents have already been created, however the department requests 90 days to allow time to get the new Financial Assistance Application created, approved and printed, so that training can be completed.

Recommendation 2.2

- 2.2 Department of Youth Development and Social Innovation management should establish, document, and implement a consistent process to allocate funding for FAF households.

Management Plan of Action

1. Management will create an Income Guideline Chart for staff to verify the scholarship allotment. *(Please see Draft #4 for the Income Guideline Chart)*

2. Management will create a step by step process on how to apply the Income Guidelines Chart for the scholarship allotment. Staff will be trained and have to sign and date an acknowledgment form for training. *(Please see Draft #4 for the Income Guideline Chart process)*

Estimated Date of Completion – March 31, 2016

All documents are created, however the department request 90 days to allow time to do internal testing.

Recommendation 2.3

- 2.3 Department of Youth Development and Social Innovation management should implement a standard worksheet for documenting the income calculation and allocation of funding for FAF households. The worksheet should be incorporated into the household documentation file.

Management Plan of Action

1. Management will create a Financial Aid Income Worksheet *(Please see Draft #3 for the Financial Aid Income Worksheet)* which will be scanned to the household documents in the Rec Trac system if the applicant is approved.
2. If approved the Processor will then prepare the award letter for the family stating their percentage of assistance, maximum amount of the award they can receive and any usage deadlines or restrictions. The Participant Scholarship Award Letter *(Please see Draft #5 for the Participant Scholarship Award Letter)* will also be scanned to the household documents in the Rec Trac system.

Estimated Date of Completion - March 31, 2016

While all documents are created the department requests 90 days to allow time to do internal testing.

3. Improvements Needed in Monitoring the Usage of FAF Allocations

Recommendation 3.1

- 3.1 Department of Youth Development and Social Innovation management should establish, document, and implement a process to monitor the usage of the FAF allocations and reallocate funds to other households when it is determined the funds will not be used.

Management Plan of Action

1. Management will create a monthly process; which will direct the Safekey Processor to monitor FAF funds for each household approved. Staff will monitor usage, household caps, and reallocation for non-use. *(Please Daft #6 for the Financial Assistance Process)*

Estimated Date of Completion – March 31, 2016

While all documents are created the department requests 90 days to allow time to do internal testing.

4. Monitoring Needed over Access to the FAF Secured Folder

Recommendation 4.1

- 4.1 Department of Youth Development and Social Innovation management should implement a process to periodically verify that access to the FAF secured folder is restricted to those employees actively involved with the program. The process should be documented in the FAF desk procedures.

Management Plan of Action

1. The new Financial Assistance Intake Process does not allow any scanning of documents. All applications will be processed and secured on-site in a locked file for the eligible year. After the eligible year all Financial Assistance Applications will be placed in records retention in accordance with City policy. *(Please Daft #6 for the Financial Assistance Process)*

Estimated Date of Completion - March 31, 2016

While all documents are created the department requests 90 days to allow time to do internal testing.

5. Inaccuracies in the CCDP Safekey Pass Purchase Process

Recommendation 5.1

- 5.1 Department of Youth Development and Social Innovation management should develop and document desk procedures for staff to use when processing and monitoring the usage of CCDP discounted Safekey passes. Once implemented,

staff should be provided training of the process. Consideration should be given to creating an Excel template for staff to use in calculating the CCDP discount.

Management Plan of Action

1. Management will create a step by step process for the front line staff to follow for intake of the CCDP certificates/participants. *(Please see Draft #7 for the Safekey CCDP Intake Process and acknowledgment form)*
2. Management will create a step by step process for the front line staff to follow for processing a CCDP payment. This process will include an Excel spreadsheet with an automated payment calculator which will reduce errors in calculating discounts. All payments must be made in person or on the phone *(Please see Draft #8 for the CCDP payment Process and acknowledgment form)*

Estimated Date of Completion – March 31, 2016

While implementation will happen immediately the department requests 90 days will allow time to do internal testing.

6. Inaccuracies in Applying the CCDP Discounts in Rec Trac

Recommendation 6.1

- 6.1 Department of Youth Development and Social Innovation management should remind staff to only use the CCDP pay code 16 for households authorized by the Urban League for the CCDP program.

Management Plan of Action

1. Management will train front line staff on the intake process and staff will sign and date an acknowledgment form. This training will take place yearly or when a new person is hired. *(Please see Please see Draft #8 for the CCDP payment Process and acknowledgment form)*

Estimated Date of Completion – March 31, 2016

While all documents are created the department requests 90 days to allow time to do internal testing.

Recommendation 6.2

- 6.2 Department of Youth Development and Social Innovation management should document and implement a process to periodically review the CCDP pay code 16 charges in Rec Trac to ensure that the code is only used for households authorized by the Urban League.

Management Plan of Action

1. Management will create a monthly process; which will direct the Safekey Processor to monitor CCDP pay codes for each household approved. They will monitor to ensure that it is only used by approved CCDP households. *(Please Draft #7 for the CCDP Intake Process)*

Estimated Date of Completion – March 31, 2016

While all documents are created the department requests 90 days to allow time to do internal testing.

7. Need to Adjust the CCDP Third-Party Receivable Account

Recommendation 7.1

- 7.1 Department of Youth Development and Social Innovation management in coordination with Finance staff should implement a process to periodically adjust the CCDP third-party receivable account balance to reflect the collectable amount. The process should be documented in the CCDP desk procedures.

Management Plan of Action

1. Management will create a quarterly process; to adjust the CCDP third-party receivable account balance to reflect the uncollectable amount. *(Please Draft #7 for the CCDP Intake Process)*

Estimated Date of Completion – June 2016

While we are working on developing this process, it is contingent upon an agreement with the Urban League on a single rate of reimbursement. We are also working with the IT Department and the Rec Trac vendor to find a report capable of capturing the information necessary to reconcile the CCDP accounts. We would then like the opportunity to work with City Finance to ensure that the system that we develop can accurately balance the CCDP accounts.

8. Lack of Adequate Segregation of Duties

Recommendation 8.1

- 8.1 Department of Youth Development and Social Innovation management should implement a process to have an employee independent of the CCDP program receive and prepare the CCDP deposits.

Management Plan of Action

1. Management will develop a process wherein the assigned department Financial Analyst will prepare the CCDP deposits. *(Please Draft #7 for the CCDP Intake Process)*

Estimated Date of Completion – December 2015

Recommendation 8.2

- 8.2 Department of Youth Development and Social Innovation management should request that Urban League forward the CCDP reimbursement checks directly to the Safekey Administration office for deposit.

Management Plan of Action

1. Management has made a request to the Urban League that the CCDP reimbursement checks be sent directly to the Safekey Administration office.

Estimated Date of Completion – December 2015