

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF GRANT NO. 07-CY-0485
ACF DISCRETIONARY GRANT
FOR THE PERIOD
09/01/1997 – 08/31/2000**



**JANET REHNQUIST
INSPECTOR GENERAL**

**NOVEMBER 2001
A-07-01-01052**



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Office of Audit Services

Region VII
601 East 12th Street
Room 284A
Kansas City, Missouri 64106

CIN: A-07-01-01052
November 7, 2001

Mr. James Fox
Executive Director
Youth Emergency Service Corp
6816 Washington Ave.
University City, MO 63130

Dear Mr. Fox:

This letter report will provide you the results of our review of Grant No. 07-CY-0485, a discretionary grant awarded by the U.S. Department of Health and Human Services – Administration for Children and Families (ACF). Youth Emergency Service (YES) received a basic center grant totaling \$519,000 to administer a program for runaway and homeless youth. The grant period was September 1, 1997 through August 31, 2000.

Our objectives were to assess the achievement of the grant objectives and to determine compliance with grant terms and conditions. We found that YES was able to materially accomplish the grant objectives. However, they did not fully comply with the grant's terms and conditions. Progress reports were not filed promptly according to instructions issued by ACF officials. YES did not comment on our conclusion and recommendation.

Background

YES is a non-profit organization located in University City, Missouri. For 31 years, YES has provided shelter, counseling, and follow-up services to runaway and homeless youth in the St. Louis metropolitan area. YES currently has 12 beds for runaway and homeless youth. The grant was to be used to remove the youth from possible physical and emotional danger, reunite youth with their families or place them in another safe environment, provide access to a continuum of care, and assist the youth in finding a long-term problem resolution.

On January 1, 2000, YES merged with Epworth Children & Family Services. On this date the leadership of the two organizations was combined. Each of the organizations maintained their fundamental structure.

The shelter received funding from ACF grant no. 07-CY-0485, the United Way, and on a fee-for-service basis. Over the three-year grant period from September 1, 1997 to August 31, 2000, YES received \$519,000 from ACF. The grant was a basic center grant established for the purpose of providing funding for the payroll at the facility.

Objective Scope and Methodology

The objectives of this review were to assess the achievement of the grant objectives and to determine compliance with grant terms and conditions. Our review was conducted in accordance with generally accepted government auditing standards, except that we have not included YES's views concerning our conclusion and recommendation. We solicited, but did not receive, a response from YES concerning our review. YES's failure to comment on our conclusion and recommendation does not affect the results of our review. Our review of internal controls was limited to those controls necessary to meet the objectives of our review.

We analyzed the grant applications to determine program objectives. Progress reports were reviewed and compared with source documentation to assess achievement. The frequency that reports were submitted was compared with reporting requirements.

We reviewed audit reports prepared by the independent certified public accounting firm Baird, Kurtz, and Dobson. We reviewed financial statements, the organization chart, and chart of accounts to assess internal controls.

Results of Review

Based on our review, we determined that YES materially achieved the following objectives proposed in the grant:

- Serve runaway, homeless, troubled and neglected youth and their families;
- Provide easily accessible emergency shelter and other services in a structured, caring environment to youth, ages 12 to 18 years old;
- Provide youth with case management services and counseling;
- Provide prevention services;
- Work with schools to meet the educational needs of the shelter residents;
- Concentrate on the resolution of immediate crises and help youth to decide upon a constructive course of action;
- Strengthen family relationships and encourage stable living conditions for youth;
- Function as advocates for youth, creating new services when needed and positively influencing the existing services;
- Provide youth with an opportunity to exercise responsibility within a realistic framework of behavior expectations;
- Offer 24 hour access to crisis intervention, counseling support, and referral to those in need via a 24 hour telephone help-line;
- Provide community education and awareness; and
- Provide training, supervision, and support to members of the community wanting to help as volunteers in YES programs.

However, we determined that YES did not fully comply with grant terms and conditions. Required progress reports were not filed in a timely manner.

According to OMB Circular A-110, Subpart C, Sect. __.51(b), “The Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in paragraph .51(f), performance reports shall not be required more frequently than quarterly or, less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semiannual reports shall be due 30 days after the reporting period.”

YES submitted reports on a quarterly basis throughout the grant period. All but two of these reports were submitted more than 30 days after the reporting period.

Our limited review of internal controls showed that YES has the internal controls to operate efficiently and effectively.

Conclusion and Recommendations

YES successfully completed the objectives of the basic center grant. However, with respect to timely reporting, YES did not meet the terms and conditions of this award. We recommend that YES establish some written procedures to ensure that progress reports are submitted in a timely manner.

Auditee Response:

YES did not comment on our conclusion and recommendation.

INSTRUCTIONS FOR AUDITEE RESPONSE

Final determinations as to actions to be taken on all matters reported will be made by the HHS action official identified below. We request that you respond to the recommendation in this report within 30 days from the date of this report to the HHS action official, presenting any comments or additional information that you believe may have a bearing on final determination.

In accordance with the principles of the Freedom of Information Act (Public Law 90-23), OIG, OAS, reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to the exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5).

Sincerely,

A handwritten signature in black ink, appearing to read "James P. Aasmundstad".

James P. Aasmundstad
Regional Inspector General for
Audit Services, Region VII

Enclosure

HHS Action Official:
Ms. Linda Lewis
Regional Administrator, Region VII
HHS/Administration for Children and Families
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