



DEC 26 2001

Office of Audit Services  
Region I  
John F. Kennedy Federal Building  
Boston, MA 02203  
(617) 565-268

A-01-01-02504

Mr. Tom Howard, Executive Director  
Washington County Youth Service Bureau  
and Boys & Girls Club  
P.O. Box 627 – 38 Elm Street  
Montpelier, Vermont 05602

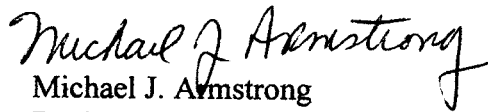
Dear Mr. Howard:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General, Office of Audit Services' (OIG/OAS) report entitled "Review of Administration for Children and Families Runaway and Homeless Street Outreach Program Administered by Washington County Youth Service Bureau and Boys & Girls Club." Should you have any questions or comments concerning the matters commented on in this report, please direct them to the HHS official named below.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), OIG/OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5).

To facilitate identification, please refer to Common Identification Number A-01-01-02504 in all correspondence relating to this report.

Sincerely yours,

  
Michael J. Armstrong  
Regional Inspector General  
for Audit Services

Enclosures – as stated

**Direct Reply to HHS Action Official:**

Hugh F. Galligan, Regional Administrator  
Administration for Children and Families  
U.S. Department of Health and Human Services  
Room 2000, JFK Federal Building  
Boston, Massachusetts 02203

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF ADMINISTRATION FOR  
CHILDREN AND FAMILIES  
RUNAWAY AND HOMELESS STREET  
OUTREACH PROGRAM ADMINISTERED  
BY WASHINGTON COUNTY YOUTH  
SERVICE BUREAU AND  
BOYS & GIRLS CLUB**



**JANET REHNQUIST**  
Inspector General

**DECEMBER 2001**  
**CIN: A-01-01-02504**

# *Office of Inspector General*

<http://www.hhs.gov/>

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Office of Audit Services  
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John F. Kennedy Federal Building  
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(617) 565-2684

December 26, 2001

A-01-01-02504

Mr. Tom Howard, Executive Director  
Washington County Youth Service Bureau  
and Boys & Girls Club  
P.O. Box 627 – 38 Elm Street  
Montpelier, Vermont 05602

Dear Mr. Howard:

This report presents the results of our review of the Administration for Children and Families (ACF) Runaway and Homeless Street Outreach Program administered by the Washington County Youth Service Bureau and Boys & Girls Club (Washington County). The objectives of this review were to assess Washington County's performance in achieving project objectives and complying with the terms and conditions of the grant award and to review Washington County's capability to properly record, account for and report on Federal funds. The review included Street Outreach Program (SOP) awards for the four years ended September 28, 2000.

Based on our review, we believe that Washington County is meeting the SOP grant award goals and objectives in a satisfactory manner and has established an adequate system of financial management controls to properly account for and report on SOP expenditures. We did find some inaccuracies in the number of program participants reported in some quarterly Program Progress Reports for certain program activities. However, Washington County officials took immediate action to establish a formalized policy to correct this situation. As a result, no further recommendations are necessary.

## **BACKGROUND**

The Runaway and Homeless Youth Program (RHY) funds grants for community based service programs to alleviate the problems of runaway and homeless youth. These grants include separate awards for the SOP, which provides for street-based outreach and education and referral services for runaway and homeless street youth who have been subjected to or are at risk of being subjected to sexual abuse and exploitation. Grantees must provide a non-Federal share match of cash or in-kind contributions of at least ten percent of the Federal funds awarded.

Washington County is a community base, private, non-profit organization providing services to assist youth and families of the Washington County, Vermont area. Washington County is the delegate agency for the Vermont Coalition of Runaway and Homeless Youth Programs (VCRHYP). The VCRHYP is comprised of various agencies that provide complete services to runaway and homeless youth. Currently, six of these agencies participate in the ACF's program

to expand services through the SOP awards.

The ACF funded Washington County's SOP with grants of \$100,000 annually during the period September 1996 through September 2000. In addition to the ACF funding for the RHY program, Washington County administers other similar programs and receives funding from private, local, State and other Federal sources. Total funding for the organization during the four years of our audit period was about \$2.1 million, \$1.8 million, \$1.8 million and \$1.6 million, respectively. About 80 percent of the funding comes from Federal sources.

## **OBJECTIVES, SCOPE AND METHODOLOGY**

Our review was made in accordance with generally accepted government auditing standards. We limited our review to Washington County's award for the ACF funded SOP. The objectives of our review were to assess Washington County's performance in achieving project objectives and complying with the terms and conditions of the grant award and to review Washington County's capability to properly record, account for and report on Federal funds. Our review included the SOP grants for the four years ended September 28, 2000.

To accomplish our objective, we reviewed and analyzed:

- quarterly Program Progress Reports and semi-annual Financial Status Reports;
- independent Certified Public Accountant's (CPA) Office of Management and Budget (OMB) Circular A-133 audit reports for fiscal years 1997, 1998, 1999 and 2000;
- ACF's report of the program review of the Runaway and Homeless Youth Program issued in December 1997;
- ACF Regional Office records applicable to the grant and discussed Washington County's past performance in administering the grant with the Regional ACF Program Manager;
- Washington County's written fiscal policies and procedures and we interviewed appropriate staff concerning internal controls over Federal grants.

Due to the limited scope of this audit, we did not test financial transactions, but instead relied on the work performed by the independent CPA's A-133 audit of the organization as a whole and its compliance for the major Federal award programs for the period under review.

We conducted our on site review from July 9 through July 13, 2001, at Washington County's business office in Montpelier, Vermont.

## **RESULTS OF REVIEW**

Based on our review of quarterly Program Progress Reports submitted to ACF, periodic peer-monitored program reviews of the sub-grantees conducted by the VCRHYP staff and a program review conducted by the ACF Regional Office, we believe that the grant objectives are being met.

In this regard, the peer monitored reviews performed in May 2000 and November 1999 and the ACF Regional Office review performed in May and June 1997 indicated that Washington County was meeting the goals and objectives of the program in a highly satisfactory manner.

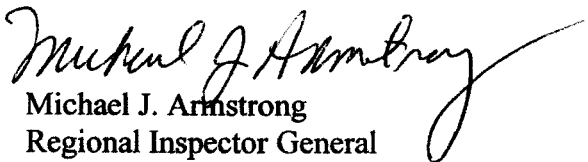
During our analysis of the Program Progress Reports we found that, in some cases, the number of participants in various project activities could not be traced to supporting documentation. We found that the numbers appeared to be overstated because of duplicate counts of the participants. Washington County's grant management policies did not have a formalized procedure to ensure that the number of program participants was adequately documented. Washington County officials agreed and took immediate action to establish a policy and develop a contact form to ensure that the number of participants were fully documented and agreed with the reported figures included in the quarterly Program Progress Reports.

Our review of Washington County's written financial management procedures, discussions with personnel and review of the OMB A-133 audit reports prepared by the CPA indicated that the existing system of internal controls is adequate to properly account for and report on program expenditures. We also noted that all financial reports were submitted to ACF in a timely manner.

#### **CONCLUSION**

Based on our review, we believe that Washington County is meeting the SOP grant goals and objectives in a satisfactory manner and has an adequate system of financial management controls to properly account for and report on SOP expenditures. As noted above, we did find a problem with reporting the number of program participants in the quarterly Program Progress Reports. However, Washington County officials took immediate action to establish a formalized policy which will correct this situation. As a result, no further recommendations are necessary.

Sincerely yours,



Michael J. Armstrong  
Regional Inspector General  
for Audit Services