

THOMAS P. DINAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 27, 2019

Ms. Sheila Poole
Commissioner
Office of Children and Family Services
52 Washington Street
Rensselaer, NY 12144-2834

Re: Financial Oversight of the
Advantage After School Program
Report 2019-F-27

Dear Commissioner Poole:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of Children and Family Services to implement the recommendations contained in our audit report, *Financial Oversight of the Advantage After School Program* (Report [2016-S-39](#)) issued February 13, 2018.

Background, Scope, and Objective

New York State created the Advantage After School Program (Program) in 2000 to provide high-quality youth development opportunities to school-age children and youth during the hours directly after school. Research indicates that children who participate in quality after-school programs have higher school attendance and academic achievement, and are less likely to be involved in risky behaviors during after-school hours. The Office of Children and Family Services (OCFS) administers the Program, including providing oversight and monitoring, through its Division of Child Care Services' Advantage After School Program Unit (Division).

The Program offers a range of educational, recreational, and cultural age-appropriate activities that integrate what happens in the school day with less formal learning experiences, and encourages active participation among children, youth, and parents in the design and delivery of activities. Programs operate five days per week during the regular school year and may have evening hours, particularly when serving older adolescents.

Through a Request for Proposals (RFP) process, OCFS awards contracts to eligible not-for-profit community and faith-based organizations (collectively referred to as

Providers) pursuant to submitted plans. Providers must describe how funds will be used as well as the expected outcomes of proposed services. Additionally, Providers must determine the maximum number of children expected to participate in the Program on any given day throughout the year, referred to as the Maximum Average Daily Attendance (MADA). Currently, OCFS caps awarded funds to Providers at \$2,000 per child; therefore, the maximum annual funding a Provider is eligible to receive is its MADA multiplied by \$2,000. Contracts awarded through the RFP are for five years and range between \$80,000 and \$280,000 per year, contingent upon funding availability. Providers may receive up to three awards and may operate up to two Program sites within the same region.

As of September 1, 2018, OCFS reported having contracts with 139 Providers to operate Programs at 176 sites serving about 16,000 children and youth across the State. Program funding for State fiscal year 2019-2020 totaled \$33 million.

Our initial audit examined whether OCFS has adequate controls in place to ensure that money provided to selected community organizations is spent in accordance with Program guidelines and whether these controls are functioning as intended. We found OCFS had some controls to limit Program contract spending, including a maximum cost per child of \$1,375 at the time (currently \$2,000), and a maximum allowable contract budget. However, there was a risk that Providers could exceed the maximum cost per child if they served significantly fewer children than their MADA, but did not reduce their expenditures proportionally. Based on observations of Program attendance at selected Providers during a sample time period, the cost per child on five contracts ranged from \$1,981 to \$5,332. Additionally, we identified \$38,514 OCFS paid to six Providers for Program expenses that could not be supported or included errors, with the majority of the expenses resulting from personnel costs that lacked documentation supporting the amounts and/or methodologies used for allocation to the Program.

The objective of our follow-up was to assess the extent of implementation, as of August 29, 2019, of the two recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

OCFS officials have made some progress in addressing the issues identified in our initial audit. Of the initial report's two recommendations, one was partially implemented and one was implemented.

Follow-Up Observations

Recommendation 1

Use available information, such as average attendance on quarterly reports, contract expenditure data, and attendance reviewed during Program Manager visits, to identify contracts with an increased risk of exceeding the maximum cost per child and/or serving significantly fewer children than their MADA. For contracts with increased risk, implement steps to monitor contract service levels and spending, and take appropriate corrective action, which may include redirecting future funds to other sites or providers.

Status – Partially Implemented

Agency Action – OCFS identifies, through on-site Program reviews, Providers with Program attendance below their contracted MADA and makes recommendations to help them improve attendance. If these efforts are not successful, OCFS officials stated they will reject the Provider's voucher and require resubmission based on revised attendance. However, OCFS did not provide us with supporting documentation of instances where it has adjusted funding amounts or redirected funds.

Recommendation 2

Based on the identified risk factors, include a review of selected approved claims in existing Program monitoring efforts.

Status – Implemented

Agency Action – OCFS officials stated they have implemented a claims review process that requires each selected Provider to submit all supporting documentation for one of its quarterly claims. OCFS also requires the Provider to submit a spreadsheet with the breakdown of claimed expenses by category (e.g., personal services, travel, program supplies). To complete its review, OCFS compares the documentation to the spreadsheet to determine whether they match. Officials state they began this process with 6 providers and expanded to approximately 29 (of 139 providers). Of the 29 reviewed claims, OCFS has found issues with 1 and continues to work with this Provider.

Major contributors to this report were Scott Heid, CGAP; Vicki Wilkins, CIA; and Jeffrey Dormond.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Office of Children and Family Services for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Heather Pratt, CFE
Audit Manager

cc: Bonnie Hahn, Audit Liaison