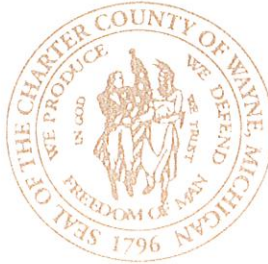


Office of Legislative  
**Auditor General**

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December 19, 2019

**FINAL REPORT TRANSMITTAL LETTER**

Honorable Wayne County Commission:

Enclosed is our final copy of the Office of Legislative Auditor General's Performance Audit Report on the Department of Health, Human and Veterans Services, Community Corrections-Wayne County Residential Alternative to Prison (WRAP) Program, DAP No. 2018-57-002. The report was accepted by the Committee on Audit at its meeting held on December 11, 2019 and formally received by the Wayne County Commission on December 19, 2019.

We are pleased to inform you that officials from the county provided their full cooperation. If you have any questions, concerns, or desire to discuss the report in greater detail, we would be happy to do so at your convenience. This report is intended for your information and should not be used for any other purpose. Copies of all final reports of the Office of Legislative Auditor General can be found at our website at: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

Marcella Cora, CPA, CIA, CICA, CGMA  
Auditor General

**REPORT DISTRIBUTION**

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**Wayne County Executive**

**County of Wayne, Michigan**  
**Department of Health, Human and Veterans  
Services, Community Corrections**  
**Wayne County Residential Alternative to Prison  
(WRAP) Program**  
**Performance Audit**  
**October 21, 2019**  
**DAP NO. 2018-57-002**

***EXECUTIVE SUMMARY***

**Type of Engagement, Scope, and Methodology**

The Office of Legislative Auditor General (OAG) conducted a performance engagement of the Department of Health, Human and Veterans Services, Community Corrections-Wayne County Residential Alternative to Prison (WRAP) Program (the Program). This type of engagement provides an objective analysis to assist management and those charged with governance and oversight.

Our objective for this engagement was to assess the administration, oversight and monitoring of the WRAP Program.

The scope of our work primarily covered the period of October 1, 2016 through March 31, 2018. The fieldwork for this engagement was substantially completed on October 21, 2019. The principle methodology used for this engagement was limited to interviews with key members of management, inquiries, examination of documents, and analytical procedures.

**Introduction**

The mission of the Wayne County Department of of Health, Human and Veteran Services (HHVS), Community Corrections is to positively impact the quality of life and public safety in Wayne County through coordinated crime reduction efforts, effective criminal justice partnerships, and evidence-based offender services. Their purpose is to provide treatment, alternative program options, case management, and other supportive services to adult felony offenders enrolled in HHVS Adult Probation Programs so they can lead productive and crime-free lives. Community Corrections collaborates with a wide range of criminal justice system practitioners to plan,



develop, and administer community-based confinement alternatives for adult offenders. Community Corrections works in partnership with criminal justice stakeholders to implement effective programs and services designed to strengthen offender accountability. They are the lead agency for the county's implementation of the Michigan Community Corrections Act (Public Act 511); and work with the local Community Corrections Advisory Board (CCAB) to develop Wayne County's Annual Comprehensive Plan.

In Fiscal Year 2016, in partnership with the MDOC, Wayne County launched the Wayne County Residential Alternative to Prison Program. The Program is designed to provide the 3<sup>rd</sup> Circuit Court with additional sentencing options to address probation violators demonstrating new criminal behavior and who may otherwise be considered prison bound. The Program provides vocational and cognitive programming in a secure, highly-structured setting at the Detroit Reentry Center (DRC).

### Summary of Issues

<b>Audit Objective</b>		
<b>Objective: Assess the Administration, Oversight and Monitoring of the WRAP Program</b>		
<b>Issues Identified</b>	<b>Type of Issue</b>	<b>View From Responsible Officials</b>
#2018-01 – Excess Billing/Payment for KPEP Program Sessions.	Significant Deficiency	Agree
#2018-02 – Session Outcomes Not Documented on Attendance Records.	Significant Deficiency	Agree
#2018-03 – Invoiced Program Sessions Exceed Maximum Allowed.	Significant Deficiency	Agree
#2018-04 – Lack of Adequate Instructor Experience/Credentials.	Significant Deficiency	Agree
#2018-05 – Excess Billing/Payment of Guidance Center Program Sessions.	Significant Deficiency	Agree
#2018-06 – Incomplete Attendance Records – Guidance Center.	Significant Deficiency	Agree
#2018-07 – WRAP Participants Not Receiving Nationally Recognized Certification.	Material Weakness	Agree

### Views of Responsible Officials

We shared the results of our audit with Community Corrections management and provided issues and recommendations based on our audit. Officials within Community Corrections agreed in principle with all seven (7) issues and 15 recommendations. According to management, they have started to address the recommendations and plan to take action to address the areas noted in our report. See the report for management's comments.

### **Corrective Action Plan**

A Corrective Action Plan (CAP) will be requested approximately 30 days after this report is formally received and filed by the Wayne County Commission. If sufficient corrective action is not taken, a follow-up review may be necessary.



# REPORT DETAILS

## **PURPOSE / OBJECTIVE**

The Office of Legislative Auditor General (OAG) conducted a performance audit of the Department of Health, Human and Veterans Services, Community Corrections – Wayne County Residential Alternative to Prison (WRAP) Program (the Program). This type of engagement provides an objective analysis to assist management and those charged with governance and oversight. The information provided can help improve performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action and contribute to public accountability.

Our objective for this engagement was to assess the administration, oversight and monitoring of the WRAP Program, with a primary focus on the services provided to program participants by contracted service providers.

## **SCOPE**

We conducted this performance audit in accordance with Generally Accepted Governmental Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our issues and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our conclusions based on our audit objective.

The scope of our work primarily covered the period of October 1, 2016 through March 31, 2018. The fieldwork for this engagement was substantially completed on October 21, 2019.

## **METHODOLOGY**

To address the objective outlined for this engagement and obtain an understanding of the WRAP Program activities, we conducted inquiries, analytical procedures, and interviewed management officials in the Department of Health, Human and Veteran Services, Community Corrections. We performed walkthroughs of the activities to gain an understanding on how services provided by the service providers are monitored and billed. We also gained an understanding of the methodologies used for calculating how services are billed by the providers. Our fieldwork procedures primarily focused on operations of the WRAP Program, Community Corrections oversight and monitoring of the program, and two (2) service providers.



Finally, we met with management officials to discuss our issues, obtain their input, and their concurrence and/or disagreement with the report's conclusions, issues and recommendations.

## BACKGROUND

The mission of the Wayne County Department of Health, Human and Veteran Services (HHVS), Community Corrections is to positively impact the quality of life and public safety in Wayne County through coordinated crime reduction efforts, effective criminal justice partnerships, and evidence-based offender services. The purpose of Community Corrections is to provide treatment, alternative program options, case management, and other supportive services to adult felony offenders enrolled in HHVS Adult Probation Programs so they can lead productive crime-free lives. They collaborate with a wide range of criminal justice system practitioners to plan, develop, and administer community-based confinement alternatives for adult offenders. They also work in partnership with criminal justice stakeholders to implement effective programs and services designed to strengthen offender accountability. Community Corrections is the lead agency for the county's implementation of the Michigan Community Corrections Act (Public Act 511); and works with the local Community Corrections Advisory Board (CCAB) to develop Wayne County's Annual Comprehensive Plan.

In Fiscal Year 2016, in partnership with the Michigan Department of Corrections (MDOC), Wayne County launched the Wayne County Residential Alternative to Prison Program. The Program is designed to provide the 3<sup>rd</sup> Circuit Court with alternative sentencing options to address probation violators demonstrating new criminal behavior and who may otherwise be prison bound. The Program provides cognitive and vocational programming in a secure, highly-structured setting at the Detroit Reentry Center (DRC). Another objective of the program is to provide the participants with job skills in order to transition to the workplace.

### Financial Data

The WRAP Program contracted with two (2) service providers, Kalamazoo Probation Enhancement Program (KPEP) and the Guidance Center, Inc. (TGC), to provide the cognitive and vocational programming sessions. Based on information obtained from Community Corrections and the Wayne County Department of Management and Budget (M&B) we determined the total invoiced amounts paid by the county for the scope period of October 2016 through March of 2018 were \$446,676.

Service Provider	Budgeted Amount	Paid Invoices
Guidance Center*	\$230,465	\$253,091
KPEP	\$207,865	\$193,585
<b>Totals</b>	<b>\$438,330</b>	<b>\$446,676</b>

\* The Guidance Center was provided a budget adjustment of \$17,600 in FY 2017

### Performance Data

Each year Community Corrections provides reports on an annual and semi-annual basis to the MDOC. These reports show the number of enrollees in the program along with the number of successful completions and the rates of recidivism.



Based on our review, we identified the WRAP Program administered by the county had a total of 174 participants during our scope period of October 1, 2016 through March 31, 2018. According to information provided by Community Corrections management for our scope period, the number of enrollees by service provider and their completion rates is listed in the table below:

Service Provider	New Enrollees	Completion Rate
Guidance Center	171	163 or 95%
KPEP	174	150, or 86%

Based on discussions with Community Corrections management, cognitive behavioral program sessions are administered to participants by KPEP and TGC administers the Skills, Tasks and Results training sessions along with ServSafe Food Handling training sessions to participants.

### **ASSESS THE ADMINISTRATION, OVERSIGHT AND MONITORING OF THE WRAP PROGRAM.**

We assessed the internal control environment over administration, oversight, and monitoring, of the HHVS Community Correction's Wayne County Residential Alternative Program as well as the contract agreement(s) with two (2) service providers. The two service providers were to provide both cognitive behavioral programming and vocational training to persons sentenced to the Detroit Reentry Center. The internal control environment is the set of standards, policies, processes, and structures designed to provide reasonable assurance of the achievement of business objectives.

Public Act 511 identifies a "Community Corrections Program" as a program that is operated by or contracted for by a city, county, or group of counties, or is operated by a nonprofit services agency, and is an alternative to incarceration in a state correctional facility or jail. The act dictates Mid-Year and Year-End Reports are to be provided to the Michigan Department of Corrections (MCO) detailing the success of the outlined program objectives and achievement of performance measures.

The engagement fieldwork was designed to assess Community Corrections management's administration of the WRAP Program; oversight and monitoring of program performance and objectives; as well as assessing whether adequate documentation supported compensation for the contracted services.

#### **Conclusion**

Based on our review and assessment, the Department of Health, Human and Veterans Services, Community Corrections officials have administrated the Kalamazoo Probation Enhancement Program and The Guidance Center, Inc. (TGC) contracts to ensure services were performed as required in the respective contracts. However, the OAG identified areas where internal controls could be strengthened to further enhance monitoring of contract compliance and ensure adequate and sufficient documentation is provided to support the compensation for services.



## **Excess Billing/Payment for Kalamazoo Probation Enhancement Program Sessions**

As part of the Wayne County Residential Alternative to Prison Program, the county entered into a contract with the Kalamazoo Probation Enhancement Program for providing cognitive programming to persons sentenced to the Detroit Reentry Center. The Kalamazoo Probation Enhancement Program agreed to conduct Moral Reconciliation Therapy (MRT) sessions and facilitate completion of the Courage to Change (CTC) interactive journaling program sessions.

The contract between Wayne County and KPEP identified the services to be performed and the applicable fee schedule as shown below:

### **Appendix B – Compensation**

Service	Description	Rate
Moral Reconciliation Therapy	Group and individual counseling using structured group exercises and prescribed homework assignments	\$25 per person/per session (Max. 18 sessions/person)
MRT Workbooks	Materials for distribution to participants	Reimbursement – Max. \$30/workbook
Courage to Change Interactive Journaling @ System	Structured journaling sessions	\$25 per person/per session (Max. 18 sessions/person)
Courage to Change Journals	Getting Started, Substance Abuse, Responsible Thinking, and Skills for Successful Living	Reimbursement – Max. \$30/journal workbook
MRT Certification Training		Reimbursement - Max. \$500 per trainee (Three trainees Max.)
Professional Staff attendance at 3 <sup>rd</sup> Circuit Court Status Conferences	Provide progress to Judges during client's status conferences	\$75/hour - Max. 3 hours per status conference.

To assess compliance, we utilized Audit Command Language (ACL) software to randomly select 15 program participants from the total program population of 174, or approximately 9%. The total program population consisted of participants enrolled during the engagement scope (October 1, 2016 – March 31, 2018). We subsequently obtained the respective program attendance records for the 15 participants and cross-referenced the program session attendance records to the vendor's billing invoices.

From the testing procedures conducted, we determined KPEP has invoiced and received payment for MRT and CTC program sessions that were not supported by the completed program attendance records. Additionally, the invoiced sessions included repeated programming sessions identified with an "R" (Redo) on the respective attendance records. However, we found no language in the contract that allowed for payment of repeated sessions. As a result, we were unable to verify the appropriateness of these charges.

Specifically, on the basis of the reconciliation of the testing sample conducted, we determined approximately 31 program sessions (MRT and CTC) that were invoiced and paid but were not supported by the required attendance record(s). Specifically:

- 1) We identified overpayments of approximately \$775 for program sessions that had no attendance sheets.
- 2) In addition, the reviewed invoices included 89 repeated sessions for the 15 program participants occurring during the engagement scope that were billed at the rate of \$25 per



session; this equated to a cost of \$1,875 for repeated MRT sessions and \$350 for repeated CTC sessions, or a total of \$2,225.

In summary, we identified potentially \$3,000 in overbilling from the KPEP vendor over the period of review for the 15 program participants included in the OAG's testing sample, or 9% of the total population.

Further, we were informed by Community Correction's management that a program manager is responsible for conducting monthly on-site visits to the DRC which include validating program attendance and reviewing invoice billings. However, based on the noted deficiencies in the invoice billings tested, additional on-site procedures may be necessary.

It appears sufficient measures have not been implemented to ensure invoiced MRT and CTC program sessions are supported and validated by the required attendance record(s). Moreover, it appears established criteria does not exist to substantiate the appropriateness of billing for repeated programming sessions.

Also, by not ensuring invoices correspond to the requisite attendance records and are properly documented by program instructors to identify the outcome of each session has resulted in overpayment to KPEP in the amount of \$3,000 from our sample of 9 percent of total program participants. In essence, additional overpayments may exist for the balance of the program population as well.

#### **Recommendation # 2018-01 – Significant Deficiency**

We recommend management within the Department of Health, Human and Veteran Services, Community Corrections develop the following procedures:

- a) Ensure each invoiced program session is supported by the required attendance record prior to authorization of payment to the service provider; and,
- b) Formal language should be developed and included in the agreement that dictates the authority to invoice for repeated MRT and CTC programming sessions.

#### **Views of Responsible Officials**

Management agrees with the recommendations. Health, Human & Veteran Services will implement a procedure to review the accuracy of submitted invoices. HHVS will also review the curriculum to determine the appropriateness of repeated sessions. If any changes are required after the review, programming changes will be implemented and will be appropriately reflected in contract modifications, if determined necessary.

#### **Session Outcome(s) not Documented on Attendance Records**

The contract between Wayne County and KPEP, requires adequate record keeping as outlined below:

#### **Quality Assurance Plan**

*"To ensure that clients are provided with services that meet best practice standards and that client file maintenance meets minimum program standards. Systematic record keeping is essential for operation and evaluation of services provided, and for determining further action to be taken.*



- *Individual, group and support group attendance.*
- *Description of facilitator's observations and evaluations during individual and group counseling sessions.*

Based on our review program facilitators have not ensured that individual session outcomes are appropriately documented on each of the required attendance records. Moreover, it appears program managers within Community Corrections have not exercised sufficient monitoring to identify and report the information absent from the required attendance records.

Specifically, during our review of the contractor's attendance sheets/records for 15 program participants, we determined numerous Moral Reconciliation Therapy and Courage to Change session outcomes (i.e., Pass/Fail) were not documented on the provided and reviewed attendance records. Additionally, we identified numerous attendance records that included no documentation of the session title.

In summary, we found 76 records for the attended programming sessions (43 MRT; 33 CTC) for the 15 participants either:

- 1) Did not include the documented outcome (pass/fail) for a session, and/or,
- 2) Did not identify the session title for the date in question.

We assert the reviewed attendance records could not be utilized to substantiate accurate billing/payment and/or program completion. We calculated the total charges for these 76 programming sessions at \$25 each to be \$1,900 (MRT = \$1,075; CTC = \$825).

As a result of our review and assessment, Community Corrections was not always receiving accurate information with regard to the session outcome as determined by the program facilitators. Additionally, there could be exposure for program participants if viewed to be in violation of their respective court orders due to the absence of complete, consistent attendance records documenting the required achievement benchmarks. Lastly, participants may not be viewed as receiving the full complement of programming sessions afforded to them via the program curriculum, nor can these sessions be adequately assessed for future programming strategies.

#### **Recommendation # 2018-02 – Control Deficiency**

We recommend management within the Department of Health, Human and Veteran Services establish measures to ensure each participant attendance record includes a documented outcome/determination for each attended programming session and the respective session title(s).

#### **Views of Responsible Officials**

Management agrees with the recommendation. HHVS will implement a procedure that will require the program manager to verify/confirm the outcome of the presented goals.

#### **Invoiced Program Sessions Exceed Maximum Allowed Without Authorization**

The contract between Wayne County and KPEP requires review and approval for payment of services based on the authorized fee schedule. The contract also requires that additional program participation sessions in excess of 18 sessions must be authorized in advance by the Program Manager on an as-needed basis.



From our sample of 15 program participants, we assessed the billings from the KPEP service provider and compared the program participants' attendance sheets to determine if the number of program sessions was billed according to contract provisions.

From the testing conducted, we determined 11 of the 15 selected participants MRT and CTC sessions totals exceeded the 18-session maximum allowed per the contract. Specifically, 167 sessions (73 MRT; 94 CTC) were attended and invoiced in excess of the 18-session maximum.

To determine if the excess sessions were appropriate, we requested documentation of the authorized approvals for the participants whose program treatments exceeded the 18-session maximum. Community Corrections management explained the requisite authorized approvals were not available as they had not been completed.

The lack of advance authorization was the result of the KPEP facilitators not ensuring the appropriate authorization was obtained to support the billing of sessions that exceeded the 18-session maximum identified in the contract agreement. In addition, Community Corrections management did not establish adequate procedures to ensure that billings containing sessions that exceeded the 18-session maximum were disallowed when authorization was not approved in advance.

According to Community Corrections officials, the contract language may need to be amended to increase the session requirements for both MRT and CTC programming sessions, which, as currently written, do not accurately reflect the number of sessions they deem are required and maybe needed for successful program completion.

As a result of the noted condition, the County was invoiced and made payments to the contractor for unauthorized program sessions that totaled \$4,175.

#### **Recommendation # 2018-03 – Significant Deficiency**

We recommend management within the Department of Health, Human and Veteran Services, Community Corrections:

- a) Re-evaluate their existing invoice review procedures to include a reconciliation of program attendance sheets to vendor invoices in order to validate the accuracy of billings.
- b) Establish measures to be taken to ensure appropriate authorization is obtained and documented to support adherence to the contract agreement.
- c) Consider reviewing the contract agreement between KPEP and Wayne County to determine the accuracy and applicability of the current language and determine if revision is necessary on future contracts.

#### **Views of Responsible Officials**

Management agrees with the recommendations. HHVS has implemented an approval process which requires the vendor to identify the number of additional sessions needed for completion. The Approval Request for additional Moral Reconciliation Therapy and Courage to Change sessions is emailed to the CC Program Manager who will sign the document and note the date of approval. The Community Corrections Program Manager retains the approved session forms in the HHVS-Community Corrections Site Visit Folder.



### **Lack of Adequate Instructor Experience/Credentials**

The contract agreement for the services to be provided in furtherance of the WRAP Program by the service provider required program facilitators to possess proper experience/credentials in order to conduct programming sessions and administer examinations.

Specifically, Appendix A – Scope of Services “Staffing Requirements” of the contract requires:

*“Contractor shall ensure that only certified ServSafe Instructors and Registered ServSafe Proctors implement the training/testing of participants.”*

And,

*“Contractor shall ensure the S.T.A.R.T. personnel possess management and/or teaching experience in the hospitality industry.”*

Based on our assessment, Community Corrections management did not establish sufficient procedures to ensure program facilitators had obtained the required certification(s), management and/or teaching experience prior to and subsequent to executing the contract.

Specifically, Community Corrections procured a service provider, The Guidance Center, Inc. (TGC) to provide vocational program sessions to participants at the DRC. The vocational program, Skills, Tasks, and Results Training (S.T.A.R.T), is a nationally recognized program for training individuals in the “Food Handling” industry. In addition, the contractor was to provide participants introductory skills in Hospitality Services, Guest Room Operations and Food and Beverage. The overall objective for these types of training is to have WRAP program participants acquire job training skills during completion of their sentencing/programming at the DRC.

We conducted a review of certifications held by facilitators of the ServSafe training to assess that instructors’ certificates were valid and current for the scope of our review. In order to validate the certificates held, we requested supporting documents from Community Corrections management and reviewed information from the ServSafe website. Additionally, we requested documentation from the Community Corrections management in order to validate that S.T.A.R.T. and/or ServSafe training program facilitators had the necessary management/teaching experience and were credentialed in the hospitality industry prior to the contract being executed by the county.

Based on our review, we noted the following:

- We searched the ServSafe website, which lists all obtained certifications related to the ServSafe training program, and could not locate the certifications for the three (3) facilitators that were identified as the instructors on program attendance sheets reviewed during our testing period.
- We requested from Community Corrections management copies of ServSafe training instructor certifications for the three (3) instructors and were informed that none of the three (3) instructors had certifications during the period of our review. According to a communication from The Guidance Center, Inc. (TGC), two (2) of the three (3) instructors were not required to possess the ServSafe training instructor certification prior to them being hired by TGC. Also, management stated TGC was not able to provide the ServSafe credentials for the other instructor.



- To assess the instructors' management/teaching experience in the hospitality industry, a requirement within the contract, we requested and reviewed their resumes. We determined, based on our review of the three (3) resumes, that one (1) instructor did possess the requisite experience; however, the remaining two (2) instructors did not have management/teaching experience in the hospitality industry.
  - While a letter provided by a TGC Workforce Development Supervisor indicated two (2) of the instructors possessed hospitality instruction experience, our review determined one (1) instructor did not have hospitality experience and the other received his experience while providing instruction at the Detroit Reentry Center.
  - The letter from TGC stated that the three (3) instructors were not required to provide the proof of experience outside of their resumes at the time of hire.
- All three (3) identified instructors were responsible for and provided ServSafe training instruction to all 15 WRAP Program participants within our sample.

It appears the S.T.A.R.T./ServSafe training instructors representing the contractor did not possess the appropriate hospitality management/teaching experience and/or the ServSafe training certification(s) required to serve as program instructors.

As a result, the WRAP Program contractor (The Guidance Center, Inc.) was in violation of their respective contract agreement by allowing their instructors to conduct programming sessions without proper experience/certification. Consequently, WRAP Program participants may not have received adequate instructions due to the lack of appropriate certifications and/or teaching experience for the program instructors.

Lastly, it could be questioned that hospitality/food services are being provided in the community by program participants who may not have received adequate instruction to perform their duties. ServSafe training certifications provided to program participants by instructors who were not appropriately certified themselves, may have resulted in the issuance of hospitality/food service certifications that may not be considered valid.

#### **Recommendation # 2018-04 – Significant Deficiency**

We recommend the Department of Health, Human and Veteran Services, Community Corrections management:

- a) Establish procedures to ensure WRAP Program instructors have the appropriate certifications and management/teaching experience prior to executing the contractual agreement with the Program service providers.
- b) Ensure a periodic review is conducted over the contract period for program facilitators to verify credentials are current and maintained.

#### **Views of Responsible Officials**

Management agrees with the recommendations. HHVS will establish procedures to ensure that program facilitators possess the required certification(s), management and/or teaching experience needed to instruct the probationers. The credentials will be reviewed annually during the minimum program standard review.

### Excess Billing/Payment for The Guidance Center, Inc. Program Sessions

The county entered into a contract with The Guidance Center, Inc. (TGC) to provide ServSafe training certified instructors and proctors to implement the Skills, Tasks and Results Training (S.T.A.R.T.) sessions. Participants would receive introductory skills in Hospitality Services, Guest Room Operations and Food and Beverage Services together with the ServSafe food handler training program at the Detroit Reentry Center as part of the Wayne County Residential Alternative to Prison Program. Participants successfully completing a minimum of 150 hours and passing the required tests would receive a ServSafe training certificate designed for a smooth transition from the classroom into the workforce. The S.T.A.R.T. program is divided into three (3) modules. Participants are required to attend a minimum of 45 hours for Modules 1 and 2 and a minimum of 60 hours to complete Module 3.

Other specific contract provisions included:

- Section 8 – Compensation - *The County will not pay the contractor for overtime, holiday or other premium charges or other benefits in addition to those stated in Appendix B.*
- Appendix A – Scope of Services *requires the contractor to implement the Skills, Tasks and Results Training (S.T.A.R.T.) program and the ServSafe training, a food handler program. Classes will be held 3 to 4 hours per day, Monday through Friday.*
- Appendix B – Compensation of the contract between Wayne County and The Guidance Center Inc. dictates:  
*“Review and approval of payment of services shall be based on the following cost per person.”*

Module #1 (3 weeks in length) - Customer/Guest Services	\$267.75 per week
Module #2 (3 weeks in length) – (Hotel) Rooms Division	\$163.62 per week
Module #3 (4 weeks in length) - Food and Beverage and Test Prep	\$122.71 per week
Total Cost Per Participant – 10 weeks	\$1,784.95

To assess compliance, we randomly selected 15 program participants, or approximately 9 percent, from among the total of 171 enrolled during the engagement scope (October 1, 2016 – March 31, 2018). We obtained the respective program attendance records; assessed them for completion in the following areas: attended dates, class recorded time, participants and facilitator signatures.

Based on our review, we determined TGC invoiced and received overpayment for the S.T.A.R.T. program/ServSafe training sessions that were not supported by the required program attendance records. We identified the following:

- To complete the program, participants’ projected minimum number of cumulative class time hours was 2,250 (150 hrs x 15); however, we determined the 15 participants attended a total of 1,031 hours, averaging 68.72 hours per participant compared to the 150 projected hours per participant.



- The Guidance Center, Inc. billed for weeks when there were facilitator/participant absences, and no scheduled class sessions and holidays (i.e., Thanksgiving, Christmas, New Year, Martin Luther King, Memorial and Labor Day).
- The average overpayment per Participant amounted to \$824.
- As a result, we determined the above conditions resulted in overpayment of approximately \$12,361.

Based on our assessment, sufficient measures have not been implemented to ensure invoiced S.T.A.R.T./ServSafe training sessions are reviewed against the participant's attendance record for accuracy and completeness. In addition, Community Corrections management has not adequately monitored the participants' hours to ensure they are meeting the minimum program course requirements.

By not ensuring participants' attendance records are compared to the contractor's monthly invoices for accuracy and prior to payment, we determine an overpayment of \$12,361 has occurred. Given the fact our sample population represented only 9 percent of the total enrollment population during our scope period; the overpayment amount could be much higher. Because of the noted conditions, risk exposure exists if the overpayment of program expenses could be deemed unallowable costs and may impact future program awards.

In addition, by not ensuring participants' are completing the minimum hours for the ServSafe training and certification, the participants' lack of sufficient training hours could impact their future employment status.

#### **Recommendation # 2018-05 – Significant Deficiency**

We recommend that management within the Department of Health, Human and Veteran Services, Community Corrections:

- a) Develop procedures to ensure each invoiced program session for the S.T.A.R.T. and ServSafe training programs are compared to the required attendance record prior to authorization of payment to the service provider.
- b) Enhance monitoring of participants' program hours to ensure the pre-requisite number of training hours is achieved prior to the completion of the ServSafe training program.

#### **Views of Responsible Officials**

Management agrees with the recommendations. HHVS is entering into an agreement with a new vocational provider for the Wayne Residential Alternative Probation (WRAP) Program in FY 2020. The compensation will be determined by specific services rendered during the invoiced period rather than on the basis of weekly compensation. This provision will allow the Program Manager to accurately account for services rendered on specific days. Additionally, the vendors will follow the county's schedule for holiday closures and refrain from providing classroom instruction on those days. The curriculum's length will be incorporated into the agreement to ensure that the participants are meeting the minimum program course requirements.

#### **Incomplete Attendance Records – The Guidance Center, Inc.**

The Guidance Center, Inc. program's Skills, Tasks and Results Training and ServSafe sessions, was established for participants to have a smooth transition from the classroom into the Hospitality Industry workforce.



The contract between Wayne County and The Guidance Center, Inc. required the contractor to maintain complete attendance reports for all participants in the Skills, Tasks and Results Training and ServSafe food handlers training program.

In order to assess the accuracy of the billings submitted by TGC for classes attended by participants, we compared the participants' attendance records maintained by the class instructors to the billings submitted by TGC.

We also reviewed site visit reports conducted by the HHVS Program Manager. The Program Manager completes a Monthly Site Visit Report for participants enrolled in the S.T.A.R.T. and ServSafe program to assess services performed and validate billings. We found the Site Visit Report also included a corrective action plan for exceptions noted.

Specifically, based on selected attendance records for our sample of 15 of the S.T.A.R.T. and ServSafe training program participants, we assessed the documents to verify whether attendance sheets for each participant actually supported the participant's class attendance and completion of the program sessions. Attendance sheets were reviewed for:

- 1) Daily participant verification signature for each day of the week;
- 2) Class date and the respective start and end time;
- 3) We compared participants' daily signatures; and,
- 4) Instructor's weekly signature and sign-off date.

Based on our review of the 15 program participants' weekly attendance records we identified the following exceptions:

- Four (4) participant's attendance reports were completed without any exceptions;
- Four (4) participant's signatures were missing on one or more attendance sheets;
- Nine (9) participants were missing the sign-off date on their weekly attendance sheets;
- Five (5) participants appeared to complete (i.e., sign-off and date) their weekly attendance sheet on Monday. However:
  - We found participants that signed-off on the attendance sheet on Monday for the entire week had subsequent notations made on their attendance sheets when absences occurred and/or the participant was not able to attend class during the week.
  - In addition, we noted instances where the participants' signatures on the attendance sheets appeared to be inconsistent for the different weeks reviewed.
- We also noted three (3) participant's attendance reports were missing the instructor's signature and/or sign-off date.

The Guidance Center, Inc. instructor(s) and the CC Program Manager (reviewer) failed to ensure the attendance reports were accurate and completed as required by the contract. In addition, we found the Program Manager in June 2017 informed the contractor to have an additional staff person overlook the data prior to the information being entered into the Case Management System (CMS) to mitigate errors.

Inaccurate and incomplete attendance sheets for participants' completing S.T.A.R.T./ServSafe training certification increases the likelihood of billing errors and brings into question the participants' actual attendance of program sessions. In addition, without complete and accurate documentation (attendance sheets), a reviewer cannot verify the accuracy of the attendance records, which could result in the county over/underpaying on its billings.

#### **Recommendation # 2018-06 – Significant Deficiency**

We recommend management within the Department of Health, Human and Veteran Services ensure the following:

- a) Instructors maintain attendance records as outlined by the contract to support participants completion of the S.T.A.R.T. and ServSafe training program; and,
- b) Program Managers ensure that all records are properly documented in order to verify that submitted billings are accurate.

#### **Views of Responsible Officials**

Management agrees with the recommendations. HHVS will establish procedures to ensure that the program facilitators are properly documenting records in order to verify that billings are submitted and documented. HHVS will also ensure that the program facilitators maintain the participants' records as outlined by the contract.

#### **WRAP Program Participants Not Receiving Nationally Recognized ServSafe Training Certification**

***The National Restaurant Association*** is a restaurant industry business association in the United States, representing more than 380,000 restaurant locations. It also operates the National Restaurant Association Educational Foundation. The association was founded in 1919 and is headquartered in Washington D.C.

- The National Restaurant Association issues the nationally recognized ServSafe training certification upon successful completion of the requisite exam.
- The National Restaurant Association recognizes the ServSafe Food Handler Certificates for a three-year period.

The National Restaurant Association provides the ServSafe training educational material for WRAP Program participants seeking the Food Handler certification.

The contract between Wayne County and The Guidance Center, Inc. requires the following:

- *“Offenders participating in the WRAP Program will have an opportunity to earn nationally recognized career/technical certifications.”*
- *“Classes will be held 3 to 4 hours per day, Monday through Friday.”*
- *“Contractor will be responsible for ensuring participants completing/passing the training receives the necessary certificates.”*

As previously indicated, we determined our sample of 15 participants in the WRAP Program did not receive/complete the required 150 classroom hours of Skills, Tasks and Results Training (S.T.A.R.T.) and ServSafe training program sessions identified within the professional services



contract between Wayne County and The Guidance Center, Inc. (service provider). However, according to Community Corrections management, all 15 program participants were determined to have successfully completed the S.T.A.R.T. and ServSafe training.

Based on our review, it appears the program participants may not have received the nationally recognized career/technical certificate as stipulated in the contract with the contractor. To validate the nationally recognized Food Handler certifications, we searched the National Restaurant Association ServSafe training website database for the 15 participants' certifications. For the 15 participants, we could not validate that any of the participants were listed within the database.

In addition, we requested from Community Correction's program management copies of the ServSafe training certificates issued for the 15 participants. We received certificates for 13 of the 15 participants. We were informed 2 of the 15 participants' certificates were not available.

We found all 13 participants received manually-issued certificates from the contractor. The certificates were signed and dated by an employee of the contractor who was a certified ServSafe Food Handler training instructor/proctor. A proctor is the person registered by ServSafe who can order exam booklets and administer the exams. However, the proctor was not one of the identified ServSafe training instructors at the Detroit Reentry Center (DRC).

We subsequently contacted the National Restaurant Association, the administrator of the ServSafe brand, to determine if these certificates were nationally recognized. The National Restaurant Association customer service representative explained the following:

1. For participants who complete the exam in person (rather than online), certified ServSafe training examination proctors order answer sheets and exams from the ServSafe training website. Upon completion by the participants, the proctor returns the exams and requisite answer sheets to the National Restaurant Association for scoring and issuance of the ServSafe nationally recognized ServSafe training certificate. In turn, the participant would receive an email from the National Restaurant Association prompting them to create an account on the ServSafe training website and print their certificate.
2. We were informed that a sample of the issued certificate of completion is included as part of the training manuals.
3. Electronically-issued certificates contain a certificate number and expiration date. This type of certificate can be verified within the ServSafe training database.

The certificates received/reviewed were issued and dated by the proctor. However, it appears the exams were also scored by the proctor, who subsequently issued the manual certificates. The certificates did not contain a certification number or expiration date that is indicative of the nationally recognized certificate issued by the National Restaurant Association.

In addition, we found no evidence the answer sheets and exams were submitted to the National Restaurant Association to be graded in order to obtain the nationally recognized certificate. As a result, we found the manually-issued certificates were not verifiable through the ServSafe training database, and therefore, not nationally recognized by the National Restaurant Association.



Based on our review and assessment, Community Corrections management has not established sufficient procedures to monitor the contractor administering the ServSafe training program to WRAP Program participants to ensure the participants are meeting the requisite number of educational hours. In addition, CC management did not ensure the issued exams were sent to the National Restaurant Association in order for the participants to obtain the nationally recognized ServSafe Food Handler Training Certification.

By not ensuring the contractor followed the requisite ServSafe training educational and certification process, the WRAP Program participants may not be receiving adequate training to meet the National Restaurant Association's criteria to receive the ServSafe Food Handler Training Certification. This could pose a public health concern and/or impact the participant's employment. In addition, because the contractor manually issued the ServSafe Food Handler Training Certificates without the National Restaurant Association's approval, the issued certificates were not verifiable on the National Restaurant Association database and could prove harmful to WRAP participants seeking potential employment opportunities.

#### **Recommendation # 2018-07 – Material Weakness**

We recommend the Department of Health, Human and Veteran Services, Community Corrections management:

- a) Establish procedures to ensure WRAP Program participants receive/complete the appropriate contractual program session hours for the Food Handler Training Certification.
- b) Develop and implement policy and procedures to ensure the contractor is required to send participants' exams to the National Restaurant Association for approval and issuance of the nationally recognized certificate.
- c) Ensure the contractor informs the WRAP Program participants that the ServSafe training certification is only valid for a three-year period and the exam must be retaken.

#### **Views of Responsible Officials**

Management agrees with the recommendations. HHVS will establish procedures to ensure that the WRAP participants receive/complete the appropriate contractual classroom hours required for the curriculum indicated in their proposal. Additionally, HHVS will develop and implement policy and procedures that require the contractor to ensure that the examinations are processed and scored accurately to ensure that the results and subsequent certificates issued are nationally recognized by the authorizing body.

### **OAG OVERALL CONCLUSION**

The Department of Health, Human and Veteran Services, Community Corrections is responsible for administering the Wayne County Residential Alternative to Prison (WRAP) Program. Through participation in the Program, and in accordance with their respective Court Order(s)/Order(s) of Probation participants receive cognitive behavioral programming and vocational training, to include, but not limited to, Hospitality Services, Guest Room operations and Food and Beverage, which affords participants the opportunity to obtain viable employment once released from the DRC.



Based on our review, we identified several areas for enhancing internal controls over the accuracy of invoicing and payment for contracted services. In addition, corrective measures and procedures will need to be implemented to ensure documentation is adequately reviewed and provided to support the payment for program services. The lack of monitoring program participant data (i.e. invoices, attendance sheets, etc.) could put the program at risk.

Community Corrections management indicated that they agreed in principle with all seven (7) issues and 15 recommendations identified in our report. We strongly encourage management of Department of Health, Human and Veterans Services, Community Corrections-Adult Residential Program ensure the recommended internal controls identified in this report are considered in order to mitigate and manage the risk related to the WRAP Program operations.

As of our report date, Community Corrections management informed us the Guidance Center, Inc. is no longer a service provider for the WRAP program. A new service provider was being procured to provide program services.

A Corrective Action Plan will be requested approximately 30 days after this report is formally received and filed by the Wayne County Commission. If sufficient corrective action is not taken, a follow-up review may be necessary.

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This report is intended solely for the information and use of the Wayne County Department of Health, Human and Veteran Services and the Wayne County Commission and is not intended to be and should not be used by another other than these specified parties. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Sincerely,

A handwritten signature in black ink that reads "Marcella Cora". The signature is fluid and cursive, with the first name "Marcella" being larger and more prominent than the last name "Cora".

Marcella Cora, CPA, CIA, CICA, CGMA  
Auditor General

# **Appendix A**

## **Definition of Internal Control Deficiencies**



**Control Deficiency (low risk)**

A control deficiency exists when the internal control design or operation does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect or correct errors in assertions made by management on a timely basis. A deficiency in design exists when (1) a control necessary to meet the control objective is missing or (2) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not met.

A deficiency in operation exists when a properly designed control does not operate as intended, or when the person(s) performing the control does not possess the necessary authority or qualifications to perform the control effectively.

**Significant Deficiency (medium risk)**

A matter that, in the auditor's judgment, represents either an opportunity for improvement or significant deficiency in management's ability to operate a program or department in an effective and efficient manner. A significant deficiency in internal control, or combination of deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report data reliably in accordance with applicable criteria or framework such that it is more than a remote likelihood that a misstatement of the subject matter that is more than inconsequential will not be prevented or detected.

**Material Weakness Deficiency (high risk)**

A significant deficiency that could impair the ability of management to operate the department in an effective and efficient manner and/or affect the judgment of an interested person concerning the effectiveness and efficiency of the department. A significant or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of subject matter will not be prevented or detected.