



A Report
to the
Citizens
of
Salt Lake
County,
the Mayor,
and the
County
Council

A Performance Audit of the

Salt Lake County Division of Youth Services

August, 2008

Jeff Hatch

Salt Lake County Auditor

A Performance Audit of the

**Salt Lake County
Division of
Youth Services**

August, 2008

**JEFF HATCH
Salt Lake County Auditor**

**JAMES B. WIGHTMAN, MBA, MAcc, CPA
Director, Internal Audit**

Audit performed by:

**Celestia Cragun, MBA, CFE
James Fire, MBA/ACC**

Table of Contents

I.	Executive Summary	1
II.	Introduction	4
III.	Scope and Objectives	5
IV.	Summary of Findings and Recommendations	6
V.	Findings and Analysis	8
1.0	Contracts and Grants	8
1.1	Children’s Justice Center	9
1.2	Emergency Care	10
1.3	Family Preservation	12
1.4	Federal Runaway Homeless Youth Grant	13
1.5	VOCA Grant	13
1.6	Youth EmployAbility Service	14
2.0	Capital and Controlled Assets	15
2.1	Controlled assets were not adequately tracked	15
3.0	HIPAA Compliance	16
3.1	A regular back up of ProClaim Win data was not performed	16
4.0	Petty Cash	17
4.1	Each petty cash custodian had sole knowledge of their cash box combinations	17
5.0	Purchasing Card	19
6.0	Examination of Vendor Files for Disclosure Statements	19
6.1	Employee and Volunteer Background Checks	19
6.2	Keypad/Magnetic Reader Door Locks	20
6.3	Surveillance Cameras	20
7.0	Youth Outcome Questionnaire and Satisfaction Survey	21
7.1	Youth Outcome Questionnaire	21
7.2	Satisfaction Survey	22

I. Executive Summary

Background

The purpose of the Division of Youth Services (Youth Services) is to prevent youth from entering the juvenile justice system. Children are brought to Youth Services for any number of reasons. They may simply be unable to get along in their family situation, or they may have run away. Status offenses, such as truancy, possession of alcohol or tobacco, or curfew violation are also actions that may bring a youth to the facility.

Part of Youth Services is the Children's Justice Center, which serves children who have been the victims of sexual abuse, physical abuse, or other crimes involving children. The ultimate goal is to unite the youth with their parents so they can remain in their home. In a case where the child cannot remain in the home, facilities are available on-site for temporary care. Youth Services is open at all times to provide services to and accommodate youth and their families who are in crisis. Services are provided on-campus as well as in the home.

In addition to crisis intervention, Youth Services provides programs to help the older child transition into independent living by providing a means to achieve their high school diploma or GED, and learn skills that will assist them in finding employment.

The audit team performed an operational survey by:

- reviewing the organizational structure of Youth Services to gain an understanding of the programs available through Youth Services;
- reviewing six of ten major contracts and grants to become familiar with the grant and contract process and to determine Youth Services' compliance with requirements of the contracts and grants under their control;
- analyzing the outcomes of the programs to assess Youth Services' effectiveness in administering the coordinating public funds for child abuse treatment and prevention services; and
- reviewing the financial data to determine if proper cash controls were in place and to determine whether capital and controlled assets were properly managed.

In general, we found the operations of Youth Services in compliance with applicable State statute and policy. However, we identified three areas where we recommended improvements. We reported these findings to Youth Services' management, who addressed them without delay. Two of the findings have been corrected and one is in process. The following paragraphs briefly describe these findings and the steps that have been, or are in the process of being taken.

Findings and Analysis

Controlled assets were not adequately tracked. (§2.1 of Report) The I/S Specialist for Youth Services had a general idea of where computer-related controlled assets were located, but further investigation was needed to confirm locations. Asset verification barriers included:

- Mixed use of serial numbers, service tag numbers, or model numbers for asset identifiers.
- Relocation of equipment without Youth Services' IS personnel being notified.

Confusion can result when asset identifiers are not consistent. In addition, when controlled assets are moved without adequate controls in place – such as inventory logs – the risk of losing track of the asset increases. If theft occurred, accountability would be difficult to pin down.

RECOMMENDATIONS:

- 1. Implement a consistent approach to ID tag and track the movement of controlled assets.**
- 2. Train employees to notify in advance Youth Services' I/S personnel of equipment that is being relocated.**

A regular back-up of ProClaim Win data was not performed (§3.1 of Report).

ProClaim Win is an application hosted by Blue Cross Blue Shield and used to enter and transmit Medicaid billing data. The agent laptop computer using *ProClaim Win* to process monthly Medicaid billings is physically secured and fully encrypted, with several layers of password protection.

Youth Services' I/S personnel operated under the assumption that all patient data transmitted via *ProClaim Win*, was subsequently stored on Blue Cross Blue Shield's servers. However, interviews with Blue Cross Blue Shield staff disclosed that all *ProClaim Win* patient data was only stored locally on the originating laptop computer, and not backed up on a separate storage device. Should that computer malfunction or a password be lost, preventing access to *ProClaim Win*, a completely new installation of the application would be required to re-establish access, which would result in the destruction of all patient data and transactions.

As soon as this issue was brought to the attention of Youth Services, immediate action was taken to correct the problem.

ACTION TAKEN:

A routine was written that performs a backup of the database from the laptop computer to a network drive. Youth Services' network drives are backed up nightly by the County I/S Department.

Each petty cash custodian had sole knowledge of their cash box combination. (§ 4.1 of Report). Youth Services' petty cash custodians disclosed that they were the only individuals aware of the cash box combination. Youth Services' petty cash custodians were unaware of Countywide Policy #1062 which requires the fiscal manager to maintain sealed envelopes containing keys or combinations to all cash boxes, cash drawers, and safes. Should an emergency arise where the custodian is absent, these envelopes can be opened by the fiscal manager with a witness present.

Immediately afterward, the combinations should be changed or the key locks re-keyed, with copies again placed in sealed envelopes. The current fiscal manager was recently hired and no action was taken to provide her with combinations or keys in a newly sealed envelope. When this policy was brought to the fiscal manager's attention, action was immediately taken to remedy the situation.

ACTION TAKEN:

In response to our audit observations, all petty cash custodians have been instructed to change the cash box combinations due to the change of fiscal managers.

The new cash box combinations have been provided in sealed envelopes to the Fiscal Manager.

Cash box combinations will be changed annually as required by Countywide policy.

II. Introduction

The stated mission of Youth Services is to:

Provide children, youth, and families in crises with immediate safety, shelter, and support.

This mission is accomplished through several programs designed to serve the youth population from birth to 18 years. The primary services available are *Emergency Care, After-School Programs, Alcohol and Drug Prevention and Treatment, Children's Justice Center, and Youth EmployAbility Services*. Services are provided in several offices throughout Salt Lake County and in Tooele County.

The primary services available are Emergency Care, After-School Programs, Alcohol and Drug Prevention and Treatment, Children's Justice Center, and Youth EmployAbility Services.

Youth Services works to keep families together by providing opportunities for the youth to make changes in their lives to help them mature into productive adults. Crisis counseling for families and youth is offered at no cost to encourage keeping families together and to save youth from entering the juvenile justice system.

Children come to Youth Services for any of a number of reasons. There may be family problems; the youth may have run away or habitually disobeyed parents; or, have committed other "status offenses" such as underage consumption of alcohol or tobacco, truancy, or curfew violation. Status offenses are activities that are deemed offenses when committed by juveniles, because of their age at the time of the activity. The [Federal Sentencing Guidelines](#) state that a "juvenile status offense is a crime which cannot be committed by an adult." (U.S.S.G. § 4A1.2(c) (2)) Placements in Youth Services' facilities may also be directed by State agencies or Court rulings.

When a child arrives at the facility, necessary information is collected and the youth is evaluated by staff to determine their needs, such as mental health or alcohol and substance abuse counseling. Services available at most facilities include assessment, crisis counseling, individual and family therapy, group therapy, parent/youth support and education groups, community agency referral, and short-term voluntary residential placements. If a young person is not able to return home, he or she may stay at the Youth Services' facility for up to 72 hours for further analysis and evaluation. If a family needs additional assistance, other programs are available.

III. Scope and Objectives

This audit examined operations from January 1, 2006 through April 30, 2008.

This audit examined operations of Youth Services from January 1, 2006 through April 30, 2008, and included tests of records that we considered necessary in the circumstances. The scope of this audit was limited to an operational and compliance review and included:

- Review of the history of the Youth Services, beginning in 2001, when it split away from the General Fund (110) to the Grant Fund (120).
- Examination of selected operations for compliance with internal policies and applicable Countywide policies.
- Review of a selection of grants and contracts awarded to Youth Services for compliance with terms and spending outlined in the grant or contract.
- Analysis of performance factors within Youth Services for reasonableness, efficiency, and effectiveness.
- Review of financial data for compliance with Countywide policy and sound business practices.

Our work was designed to achieve the following:

- To gain an understanding of Salt Lake County Youth Services and the programs available to the public.
- To become familiar with the grant and contract process and the implementation of grants and contracts in Youth Services.
- To assess Youth Services' effectiveness in administering and coordinating public funds for child abuse treatment and prevention services.
- To gain an understanding of the manner in which revenue is received and disbursed.

IV. Summary of Findings and Recommendations

#	Finding	Recommendation	Main Report Reference Page
1.0	Contracts and Grants		8
1.1	Children's Justice Center Contract – In compliance	None – Contract compliance is consistent and commendable	9
1.2	Emergency Care Contract – In compliance	None – Contract compliance is consistent and commendable	10
1.3	Family Preservation Contract – In compliance	None – Contract compliance is consistent and commendable	12
1.4	Federal Runaway Homeless Youth Grant – In compliance	None – Grant compliance is consistent and commendable	13
1.5	VOCA (Victim of Crime Act) – Grant In compliance	None – Grant compliance is consistent and commendable	13
1.6	Youth EmployAbility Service Contract – In compliance	None – Contract compliance is consistent and commendable	14
2.0	Capital and Controlled Assets		15
2.1	Controlled assets were not adequately tracked	<ol style="list-style-type: none"> 1. Implement a consistent approach to ID tag and track the movement of controlled assets. 2. Train employees to notify in advance Youth Services' I/S personnel of equipment that is being relocated. 	15
3.0	HIPAA Compliance		16
3.1	A regular backup of ProClaim Win data was not performed.	<i>ACTION TAKEN: A routine was written that performs a backup of the database from the laptop to a network drive. Youth Services' network drives are backed up nightly by the County I/S Department.</i>	17

#	Finding	Recommendation	Main Report Reference Page
4.0	Petty Cash		17
4.1	Each petty cash custodian had sole knowledge of their cash box combination.	<p><i>ACTION TAKEN: In response to our audit observations, all petty cash custodians have been instructed to change the cash box combinations due to the change of fiscal managers.</i></p> <p><i>The new cash box combinations have been provided in sealed envelopes to the Fiscal Manager.</i></p> <p><i>Cash box combinations will be changed annually as required by Countywide policy.</i></p>	18
5.0	Purchasing Card		19
6.0	Security		19
6.1	Employee and Volunteer Background Checks – No negative findings	None	20
6.2	Keypad/Magnetic Reader Door Locks – No negative findings	None	20
6.3	Surveillance Cameras – No negative findings	None	21
7.0	Youth Outcome Questionnaire and Satisfaction Survey		21
7.1	Youth Outcome Questionnaire – No negative findings	None	21
7.2	Satisfaction Survey – No negative findings	None	22

V. Findings and Analysis

We found the Youth Services' operations were generally in compliance with applicable statutes, ordinances, and policies. Our finding and analysis are divided into the following sections:

- Contracts and Grants
- Capital and Controlled Assets
- HIPAA Compliance
- Petty Cash
- Purchasing Card
- Security
- Youth Outcome Questionnaire and Satisfaction Survey

1.0 Contracts and Grants

According to Youth Services' 2007 Annual Report, the Division receives 61.49 percent of its total revenue from contracts and grants. Table 1 below illustrates revenue received.

Youth Services' 2007 Annual Report	
Contract Revenue Sources	Percent of total
DCFS Shelter/Group Home Svc	14.37%
Dept of Workforce Services	12.57%
DCFS Emergency Care	7.21%
Children's Justice Centers	5.29%
DCFS Case Management	4.86%
JJS Receiving Centers	4.39%
JJS Crisis Residential	4.25%
Substance Abuse	3.82%
Runaway and Homeless Youth	1.89%
DCFS Transportation	1.42%
Children's Nutritional Program	0.52%
VOCA (Victims of Crime Act)	0.35%
Discovery Possibilities	0.27%
DCFS Respite Care	0.23%
Miscellaneous	0.05%
Total	61.49%

Table 1. Contract revenue received in 2007 by percentage of total revenue.

We reviewed 6 contracts and grants amounting to 73 percent of the revenue received from contracts and grants. We found that all terms of the contracts were met, thus no findings were issued.

The contracts and grants are billed in accordance with each individual contract. We reviewed 6 contracts and grants amounting to 73 percent of the revenue received from contracts and grants. The six are:

- Children's Justice Center – Attorney General contract
- Emergency Care – DCFS contract
- Family Preservation – DCFS contract

- Runaway Homeless Youth Grant – Federal grant
- VOCA (Victims of Crime Act) – Federal grant
- Youth EmployAbility Services – Utah State Workforce Services contract

The audit team reviewed the above contracts and met with the manager who directs the contract to determine that the terms of the contract were met. Following are the results of those interviews and explanation of the program as applied by Youth Services.

1.1 Children’s Justice Center (CJC)

This contract is between Youth Services and the Attorney General of the State of Utah. The CJC started in the mid-1990s as a result of a law passed by the Utah State Legislature (Utah Code §67-5b-102). The purpose of the CJC is to provide multi-disciplinary, intergovernmental response to sexual abuse, physical abuse, or other crimes involving children where the child is a primary victim or a critical witness, such as in drug-related, child-endangerment cases. The contract renews each year and the current period ended June 30, 2008. Youth Services is to be reimbursed \$407,282 from a legislative appropriation, and \$87,138 in one-time funds. If the one-time funds are not expended in the contract period, the funds may be carried over. The legislative appropriation is not carried over if not spent.

The contract requires that files be maintained for four years, on site. Files of current clients are locked each evening by the caseworker in charge of the individual case. The CJC is not required to have a license to do business because no client stays overnight nor is any therapy provided on site.

There are two CJC sites, one in Salt Lake City, and one in West Jordan. Both sites provide comfortable interview rooms with audio-visual equipment to record interviews. These interviews are conducted by non-involved third parties. Research has shown that children who have been abused are more likely to discuss the abuse with uninvolved third parties. If the child believes that reporting abuse will cause shock or an upsetting reaction to someone they know, they may not reveal all the details of the abuse. Research has also shown that the gender of the interviewer is not important. The recorded interview is reviewed in another room by caseworkers. The case is discussed by representatives from several agencies and the child is referred to the agency best suited to assist. The interview recordings are retained until the case is completed, either by the court or by terms of a plea agreement.

Eligibility for this program is open to any child 1-17 and adults with disabilities (mental disability, etc.). Training is required for those who work with CJC. There are four phases of training that are funded by private grants:

- New multi-disciplinary team members receive two hours of formal training,
- Forensic interviewers are trained in interviewing techniques for three days,
- Multi-disciplinary team members attend an annual six-hour conference hosted by CJC with local presenters, and
- Multi-disciplinary team members attend a State symposium arranged by the Attorney General’s office with national speakers.

Multi-disciplinary meetings are held weekly, alternating between the West Jordan and Avenues venues. From 8:30 to noon, the group discusses juvenile cases, and from 1:30-5:00 pm, they discuss adult offenders with child victims. The following people attend:

- CJC coordinator (who facilitates)
- DA prosecutor
- Case detective
- DA victim advocates
- Guardian ad litem
- Assistant attorney general
- Juvenile probation personnel
- Primary Children's Hospital nurse practitioner, as needed

The services provided to the client are:

- Crisis intervention
- Referral services
- Contracted language translation
- Legal transcriptions
- Advocating for client needs with allied agencies
- Coordination and communication between agencies
- Space for forensic interviews
- Space for medical exams
- Team staffing/prosecution filing
- Parent education materials

The contract requires that CJC reduce trauma to the abused child. They do this by having a child-friendly house, a calm atmosphere, and play areas in a neighborhood setting. No suspects are allowed at the center. CJC coordinates joint responses by investigators to prevent duplicate interviewing. CJC advocates for the child's needs by providing support to parents to ensure stability and peace in the home.

CJC is charged with providing a thorough investigation of child abuse cases. To do this, they coordinate initial responses of involved agencies, provide forensic interviews and medical exams, refer clients to services and counseling, staff cases for criminal prosecution, and provide a safety plan. CJC follows up with clients to ensure the services are completed, and/or with the allied professionals to make certain the case is progressing.

CJC's interests with the State legislature are advocated by the Attorney General's office.

Amounts due from this contract are accrued and paid, but not necessarily when billed. An employee with the Attorney General's office reviews all quarterly reimbursements prior to forwarding them for payment.

Our review of this contract established no findings. Compliance with the terms and conditions of the CJC contract is commendable.

1.2 Emergency Care

This contract is between Youth Services and the Utah Department of Human Services/Division of Child and Family Services (DHS/DCFS).

The purpose of the contract is:

“to provide temporary care in physically unrestricted settings to children who are either alleged to be neglected, dependent, abused or exploited, or who are in the custody of DHS/DCFS and are not able to remain in their current placement (emergency foster care).”

Youth Services is to provide temporary care in licensed settings, which are: *Boys Group Home (BGH), Girls Group Home (GGH), and Christmas Box House (CBH)* or other *Shelter Care Programs* (licensed foster homes). Each facility must be licensed and meet conditions of the contract.

Revenue for this contract is based both on a “Unit of Service” and “Cost Reimbursement.” The revenue for clients in the BGH and GGH is based on a “Unit of Service,” an established amount per day for each client in residence. The amount reimbursed is decided by the Utah State Legislature, and when changed, Youth Services is notified of the change. The revenue for clients in the Shelter Care Programs and the CBH is based on a direct reimbursement for staff salaries.

There are several regulatory and contractual requirements for Youth Services as contractor for the State. According to the contract, the facilities must maintain a business license, which we verified and obtained a copy of. All employees and permanent volunteers must have a BCI background check. The office manager is responsible for completing BCI checks. We reviewed the packet given to new employees and verified that the completed BCI check was in all employees’ files. Employees are also required to sign a Conflict of Interest Form. We confirmed that properly executed and signed forms were in the files we reviewed.

Client records are property of the DHS/DCFS and are stored by DHS/DCFS. Youth Services’ records client information in their computer systems. We reviewed stored client records, selected randomly, and found all required forms in place. Case records are required to contain the following:

- 24-hour team shelter/foster placement information form
- shelter/emergency foster care schooling form
- shelter placement verification letter
- contact information
- mental health checklist
- case log notes

The contract requires that clients and parents be notified of a grievance procedure. We verified that this information was presented to them at the beginning of the screening process.

In the Emergency Care Programs, each client must have daily recreation, an hour of which must be large muscle activity. We reviewed logs for the facilities identifying exercise, including one hour of large muscle exercise, to verify that logs were maintained.

Each client must be medically screened within five days after removal from their home. This screening is provided by a Salt Lake Valley Health nurse through the University of Utah College of Nursing. A health record is kept with each client’s file and every action concerning the client’s health is recorded and maintained for future reference. Transportation to health appointments is required and documented.

Each client in residence must begin school within five days of emergency placement. First consideration is given to keeping the client in his own neighborhood school, but if that is not possible, school is offered on campus at Youth Services.

Daily Population Reports are to be sent to the Contract Specialist. We received and reviewed copies of the required report. If Youth Services is found to be out of compliance with a contract requirement, they receive an on-site visit and have 30 days to correct the problem after the on-site visit. The Quality Assurance Manager reported that Youth Services had not been out of compliance for several years. We did not discover any record indicating an incident of Youth Services being out of compliance.

Billing must be completed on USSDS Form 520. We found the form in the billing folders maintained by the Fiscal Manager. The forms contained the names of the clients, the number of service units or days in residence, and the rate. The forms are sent electronically to DHS/DCFS. When revenue is transmitted to Youth Services, a report accompanies the transmission naming each client paid for in the revenue total. We discovered that revenue was not equally distributed among the BGH, the GGH, and the CBH at the end of the year examined. The explanation provided was that BGH and the GGH may not have a sufficient number of clients to bill for the entire amount appropriated. Nevertheless, because this is a guaranteed minimum contract, funds not used by BGH and GGH are transferred to other services, such as the CBH within the emergency shelter program.

Youth Services was found to be in consistent and commendable compliance with the terms of this contract

1.3 Family Preservation

Family Preservation, also referred to as Case Management, is administered through the Utah Department of Human Services and Department of Child and Family Services (DHS/DCFS). The original contract with Youth Services began July 1, 2005 and has been amended three times through June 30, 2008. The total value of the contract since its inception with Youth Services is \$1,550,900.

Services provided include Case Management and Psycho-Social Assessment for families and children. Case Management provides tracking of progress for families and youth through logs in the State's SAFE database system. To obtain maximum efficiency, therapists also function as case managers. This dual role is effective because typically case managers are not licensed to conduct therapy for families and children.

Records are maintained and stored electronically on the State's SAFE System. The contract requires that specific deadlines be met for updating client records in SAFE. Activity logs within SAFE utilize system time and date stamps to record when activity is entered. We examined a sample log and determined that specific activities did occur within the allowed time frames. The therapist transfers the original hand-written logs to the SAFE system. The hand-written logs are then submitted to the contract compliance officer within the first week of the month. The contract compliance officer will verify the logs in SAFE. Once verification is completed, the original log is transferred to DHS/DCFS to be filed in a permanent record at their location.

Copies of monthly billings and claims for services with supporting documentation were examined in the contract file. The Fiscal Manager stated that monthly billings are emailed to the contractor; however, a printed copy of the email was not in the billing file to assist our effort in verifying timely billing. Contract requirements stipulate that billings must occur within 20 days after the end of the month for that month's billing. The dates of supporting printouts were mostly within the 20-day time limit, while others were delinquent or lacked documentation. After discussions of these issues, the Fiscal Manager agreed that, going forward, emails will be printed and attached to the billing documents. Printed emails will confirm when billing documents are submitted DHS/DCFS.

A requirement of the contract states that DHS would be acknowledged in all printed literature for having funded the printing. We reviewed a brochure for an acknowledgement identifying DHS as a funding source and verified this requirement was met.

The examination of this contract found Youth Services in compliance.

1.4 Federal Runaway Homeless Youth Grant

Grants for Runaway and Homeless Youth programs are authorized by the Federal Runaway and Homeless Youth Act (Title III of the Juvenile Justice and Delinquency Prevention Act of 1974), as amended by the Runaway, Homeless, and Missing Children Protection Act of 2003. The program funds youth shelters that provide emergency shelter, food, clothing, outreach services, and crisis intervention for runaway and homeless youth. The grant is a non-competing award. The shelters also offer services to help reunite youth with their families whenever possible. Any State, unit of local government, public or private agency, Indian Tribe, organization, or institution is eligible to apply for these discretionary funds. Revenue from the grant has remained steady since 2003 at \$200,000 per year. This revenue is applied toward salaries. Youth Services is required to submit a Federal Standard Form 269 semi-annually. We examined completed copies of the form that were maintained in the billing file as required.

In September 2007, a Federal Review Team conducted an extensive audit of the program. There were 19 subjects audited with no conformance issues on any of those subjects. There were five minor recommendations given to improve and enhance the program, but overall the audit reflected a positive assessment of Youth Services' use of the grant.

There were no findings of non-compliance from review of this Grant. Terms and conditions of the contract were consistently and thoroughly complied with.

1.5 VOCA Grant

The purpose of the VOCA Grant is to provide services to child victims of crimes, physical and sexual abuse, and domestic violence. Services include *crisis counseling, information and referral services, criminal justice support, assisting with compensation claims, personal advocacy, and interpretation services for non-English speaking clients.*

Eight specific goals measured the number of victims served under the terms of the grant. The goals were split between primary and secondary victims of crimes. However, due to a State computer conversion to a new system, the method of counting primary and secondary victims is no longer used. All victims

served are counted together since they receive essentially the same services and the new system does not differentiate between primary and secondary victims.

Our review of these 8 goals and the reported third-quarter progress measures revealed that 2 of the goals were nearly 75 percent complete, as would be expected with three-fourths of the year gone by. However, the remaining 6 goals were nearly 100 percent or above. The range was from 92 percent to 211 percent. The reason for the percentages in excess of 100 for some goals relates to a change in the way the State acknowledges direct versus indirect services. Direct and indirect services differ between parents and children. The State agreed to accept the excessive percentages since the change occurred after the contract was finalized.

Financial reports were examined against the limits of categories stipulated in the grant document. None of the limits was exceeded through the third quarter. The contract requires that written requests be submitted for any expenditure that exceeds the budgeted limit by ten percent. The VOCA grant has not experienced expenditures over its budget since the inception of the grant with Youth Services.

We found Youth Services in compliance with the terms of the VOCA grant.

1.6 Youth EmployAbility Service (YES)

YES is a contract that is administered through Utah Department of Workforce Services. It serves youth between the ages of 16 and 21 who have significant barriers to employment. Services include occupational skills training, GED or high school diploma completion, tutoring services, leadership development, mentoring, and internship opportunities.

The contract with Youth Services began in 2005 and was extended through 2008. There are two offices maintained by the YES program. One is located at 1385 South State Street in Salt Lake City, and the other is at 305 North Main Street in Tooele. Although Tooele is in a different county, the State recognizes jurisdictional areas differently than by county boundaries. Tooele and Salt Lake City are classified in the "Mountainland" region and are treated as one contract.

The audit involved examining specific requirements of the contract for compliance. These areas included *controls, eligibility, billing, and reporting*.

Controls for admittance into the program are driven by UWORKS, a state computer application that determines eligibility through a series of tests. Overriding controls can only be administered by authorized State personnel. The contract allows for up to five percent of the population served to be admitted, even if not all elements for admission are met. An example of a condition to override UWORKS control is a single parent receiving food stamps, 22 years of age. Acceptance into the program would be deemed as beneficial to both the participant and the State by helping the participant obtain gainful employment.

A "case edit" is a state implemented control that is used to measure quality. Case edits are determined by the number of times that a caseworker accesses a client record. The contract requires a minimum compliance rate of 88 percent error-free case edits for the contract year. Youth Services has maintained an error-free case-edit rate between 92 and 94 percent. Thus, the case-edit error

rate has been between 6 and 8 percent, well under the contract maximum allowable of 12 percent per year.

Eligibility is driven mainly by income and is time restrictive. Case managers use paystubs and other sources, such as PACMAS, the state food stamp database, to confirm income. In January 2008, the YES contract was modified to reflect a State initiated freeze, which limited applicants into the program. In April 2008, the freeze was lifted and new applicants were allowed. As mentioned earlier, up to five percent of the population served can qualify as a program participant if the State determines it beneficial. There are 22 elements considered for eligibility, all of which are measured when an applicant is entered into the UWORKS system. The YES program had met 84 percent of its goal by the end of its third quarter.

Monthly billings were submitted by the 20th of the following month as required by the contract. Expenditures of obligated funding met the contract requirements.

Contract requirements were met and there were no unfavorable findings to report.

2.0 Capital and Controlled Assets

Our purpose for this step of the audit was to determine if the controls over County capital and controlled assets complied with Countywide Policy #1125, "Safeguarding Property/Assets." As defined in policy, a capital asset is an individual item owned by the County, having an estimated life expectancy of more than one year, and meeting the criteria for capitalization. Currently, the capitalization threshold for an individual item is equal to or greater than \$5,000.

A controlled asset is a personal property item, which is sensitive to conversion to personal use, having a cost of \$100 or greater, but less than the current capitalization threshold amount, \$5,000. Personal communication equipment is considered a controlled asset regardless of the cost of individual items.

Our sample of controlled assets revealed this finding:

2.1 Controlled assets were not adequately tracked.

The I/S Specialist, who is responsible for the movement and tracking of computer-related items had a general idea of where items were, but needed to investigate further to confirm. After investigation, most of the items were located. An additional complication in the verification of items was the mixed and inconsistent use of serial numbers, service tag numbers, or model numbers as identifiers. Typographical errors also hindered verification.

Countywide policy #1125, "Safeguarding Property/Assets", Section 2.2.2 states, "Accounting for all controlled assets within the organization's operational and/or physical custody in accordance with paragraph 4.0 of this policy." Paragraph 4 states, "As mentioned in 2.2 above, general accountability for controlled assets is the responsibility of each organization's Property Manager; however, individual accountability rests with each employee assigned controlled assets." Paragraph 4.3.6 states, "Although it may be impractical to define exact location on the forms in circumstances where property is used by more than one employee, or where it is frequently moved or reassigned, Property Managers should use exact

locations whenever possible (and update them as needed) to establish better control."

Controlled assets that are moved without adequate documentation and controls in place, such as inventory logs with location descriptions, pose the risk of losing track of and accountability for the assets. If theft occurred, it would be difficult to pin down the location of and accountability for the theft.

At the time of our audit, there were two I/S Specialists who managed the computer assets. One worked at Youth Services for six months and the other worked part-time while attending college. Their limited time was occupied with troubleshooting computer problems, moving equipment, and maintaining software. Tracking movement of controlled assets was not a priority. However, employee certification forms supporting the location and existence of assigned assets, as prescribed by Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.12, were maintained on file. In addition, employees at several satellite locations stated they had moved equipment and were able to assist us in locating these assets.

RECOMMENDATIONS:

- 1. Implement a consistent approach to ID tag and track the movement of controlled assets.**
- 2. Train employees to notify in advance Youth Services' I/S personnel of equipment that is being relocated.**

3.0 HIPAA Compliance

Youth Services creates, maintains, transmits, and reports health information during the performance of various contracts. Awareness of the requirement to protect patient health information was paramount throughout the course of this audit.

HIPAA compliance is an increasingly complex issue with the increased use of new technology. The practice of storing patient medical information in a locked filing cabinet is diminishing. Records are now entered into various computer databases that allow scanned documents, multimedia such as video and audio, to be attached by multiple users. Multifunction Peripherals (MFP) such as copiers that can print, scan, copy, fax, and email are also becoming standard office devices. These trends in the storage and transmission of HIPAA protected records present risks that can violate HIPAA standards for maintaining confidentiality.

The following finding was discovered:

3.1 A regular back up of ProClaim Win data was not performed.

ProClaim Win is an application used to enter and transmit Medicaid billing data. It is an application provided by Blue Cross Blue Shield in conjunction with Utah Health Information Network (UHIN). The laptop computer used to process monthly Medicaid billings through ProClaim Win is physically secured in a locking cabinet, in a locked office. The laptop has a power-on password, an encryption

password, and a windows user password. The fully encrypted hard drive uses a 128-bit AES scheme.

We verified that ProClaim Win patient data is stored locally on the originating laptop computer, according to interviews with Blue Cross Blue Shield EDI Support Center staff. However, Youth Services' I/S personnel mistakenly assumed that all ProClaim Win patient data was transmitted and subsequently backed up to Blue Cross Blue Shield's server. HIPAA Administrative Regulation, Section 164.314 Organizational Requirements, Subpart (A) states:

"Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the covered entity as required by this subpart."

Should this laptop computer malfunction or a password be lost, preventing ready access to the ProClaim Win application, a new complete installation of the application would be required to reestablish access and transmit data to Blue Cross Blue Shield EDI Support Center. However, during a new installation of ProClaim Win software, the destruction of all patient data and transactions would occur.

An expectation existed that all patient data was transmitted and subsequently stored on Blue Cross Blue Shield's servers. The UHIN Electronic Commerce Agreement, Part 6, Storage and Retention, states,

"Subscriber is solely responsible for providing and maintaining data backup and retention adequate for its needs...UHIN will maintain a temporary backup of transmitted Transactions as required or permitted by applicable law."

ACTION TAKEN:

A routine was written that performs a backup of the database from the laptop to a network drive. Youth Services' network drives are backed up nightly by the County I/S Department.

4.0 Petty Cash

The Youth Services has nine petty cash accounts with cash fund amounts ranging from \$200 to \$500 for a total of \$3,100. We examined eight of the nine petty cash funds as of April 29, 2008 and found each one balanced exactly. The custodian of the fund not audited was on medical leave, and the fund was not used during that time. We reviewed vouchers in each fund and found purchases were appropriate, and descriptions were adequate. Likewise, vouchers were completed in full, properly authorized, and accompanied by appropriate documentation. Tax was not charged on any purchase, in accordance with Countywide Policy #1203, "Petty Cash and Other Imprest Funds." The following was the single finding in this area:

4.1 Each petty-cash custodian had sole knowledge of their cash box combination.

Youth Services took immediate action to follow Countywide policy #1062 regarding cash box combinations.

Petty cash custodians stated that they had sole knowledge of their cash box combinations. This condition does not comply with Countywide policy #1062 "Management of Public Funds" Section 2.3.2 and 2.3.3 which states, *"The agency fiscal officer will maintain sealed envelopes containing the keys or combinations to all cash boxes, cash drawers, and safes. In the event of an emergency or absence of the Agency Cashier, cash boxes, cash drawers, and safes may be opened as necessary only under conditions of dual control as further explained in 2.7.2. The combination to a safe or cashbox will be changed immediately after the safe has been opened under the emergency condition described above at least once a year, and any time there is a change of incumbents in the positions of Agency Cashier or Cashier. When the combination is changed, a new sealed envelope will be prepared and delivered to the agency fiscal officer. Combinations are confidential and should be known only to the Agency Cashier or Cashier, as appropriate."*

Absent or terminated petty cash custodians prevent access to petty cash. Knowledge that others have access is a good control that deters "borrowed" funds or forced balancing when replenishments are requested. Custodians were unaware of Countywide policy that requires providing a copy of cash box combinations and/or keys to their Fiscal Manager. The recently hired fiscal manager was not provided with and had not requested copies of combinations in newly sealed envelopes.

We also reviewed the number and amount of reimbursements made per year for each fund. Countywide Policy #1203, Section 3.7 states, *"The amount requested shall provide adequate operating funds for approximately **three (3) months.**"*

This totals four reimbursements per year. Of the eight petty cash funds in Youth Services, the Substance Abuse Program has a \$200 fund that was reimbursed twelve times in the last two years. The average reimbursement request for this fund was \$152. There are two Crisis Residential Programs petty-cash funds, one for \$400 and one for \$300. The \$300 fund was recently reduced from \$600, with the remaining \$300 assigned to In-Home Services. The \$400 fund was reimbursed 14 times in the last two years with an average request of \$255. Neither of these funds appeared to be reimbursed excessively, but the custodians should observe usage of these funds and determine if an increase in the fund amount would be warranted.

ACTION TAKEN

- 1. In response to our audit observations, all petty cash custodians have been instructed to change the cash box combinations due to the change of fiscal managers.**
- 2. The new cash box combinations have been provided in sealed envelopes to the Fiscal Manager.**
- 3. Cash box combinations will be changed annually as required by Countywide policy.**

5.0 Purchasing Card

Youth Services has limited use of the purchasing card and its use is closely monitored. Purchases from January 2007 to April 2008 were reviewed and purchases to certain vendors that appeared questionable were more closely examined. The accountant researched each selection and provided backup verifying validity of each purchase.

Youth Services now uses an electronic purchase request, which must be signed by the program manager, fiscal manager, and director prior to any charge on the purchasing card. Cardholders are required to obtain two quotes on all purchases. After the purchase is approved, the cardholder uses the purchasing card to buy the item. Cardholders complete the required Purchasing Log as they make purchases and submit the log once a month, signed by their direct manager and the Fiscal Manager. The accountant then scans the log and sends it electronically to the Contracts & Procurement Purchasing Card Manager. The accountant reports that Youth Services prefers their employees to use the purchasing card over petty cash because it more clearly allocates expenses to the proper object code. Since January 2006, \$8,970 was charged on purchasing cards and \$15,500 was reimbursed through the Petty Cash funds.

6.0 Security

Security for Youth Services is vital due to the sensitive circumstances of services provided. Protection of clients, staff, and assets are provided through three primary approaches:

- ***Employee and Volunteer Background Checks***
- ***Keypad/Magnetic Reader Door Locks***
- ***Surveillance Cameras***

6.1 Employee and Volunteer Background Checks

Background checks, as previously noted, are required by contract. All new employees and volunteers are subject to a background check through the Utah Division of Licensing, even if they are not required to have a professional license for the position. The results of a background check provide only a simple pass or fail notice, details are not included. The employee or volunteer is given an opportunity to appeal the results. If the employee or volunteer fails, they are not allowed to work in Youth Services. All volunteers are required to pass an additional Bureau of Criminal Identification (BCI) background check that uses a fingerprint search in a national crime database.

Various contracts require additional background checks. The YES Program, through the State of Utah, requires *both* a background and fingerprint check. Fingerprints are collected and submitted to BCI. The BCI background check can take several weeks and the employee or volunteer is not allowed to work unsupervised directly with clients until the check is complete. However, if there is urgency, the employee or volunteer can pay a fee to Utah Live Scan, that will provide an immediate background check. The background reports are

maintained in employee files at Youth Services' Administration in accordance with contract requirements.

Adequate measures are taken to ensure the safety of the clientele and staff through background checks. Results of the background checks are adequately protected to maintain confidentiality.

We have no negative findings for this section of the report.

6.2 Keypad/Magnetic Reader Door Locks

Access to all external doors is accomplished by entering a number in a key pad or swiping a magnetic disk near the keypad. The keypad uses a combination that controls access to assigned areas. A magnetic reader also provides encrypted entry and is controlled by a pre-programmed disk. Some internal doors also have the same keypad/magnetic card reader door locks. During normal operating hours, the administrative main door is open for general access, which leads directly to a front desk occupied by a receptionist.

We conducted interviews and sampled paperwork to determine if the door locks are updated timely as required.

When a new hire or termination is initiated, an email is submitted to the Facilities Supervisor. A database that contains the list of all personnel currently provided with codes and access disks is updated. If a termination is processed, the Facilities Supervisor will collect the disk from the terminated employee/volunteer's supervisor and reprogram it. The database is updated and subsequently downloaded to a module that is used to reprogram the door locks. The reprogramming is applied to all external and internal doors by plugging the module in and activating the module. This process normally takes two hours to complete for the entire campus.

There were no findings of non-compliance for this section of our report.

6.3 Surveillance Cameras

An added layer of security at the Youth Services' campus is surveillance cameras installed throughout the facilities to record activities of clients and staff. The streaming video is fed into seven servers and recorded onto hard drives.

The video on the hard drives is not backed-up. It cycles through a routine that will eventually overwrite the streaming video. The length of video stored is dependent on the number of security cameras attached to the server. The Facilities Supervisor said that the retention of video would vary from 30 to 60 days on average. If a request to review or copy any video is received, it is usually within 24 to 48 hours of an incident and easily obtained on the system.

The servers are stored in locked closets, securely mounted to floor bolted racks, ventilated and attached to an uninterruptable power supply (UPS). The access door to the DVD writer and control panel is locked. Only the Facilities Supervisor has keys to the panel and is the only authorized person allowed to burn video to DVDs.

Law enforcement will occasionally request video to present as evidence in court hearings. Internal policy #320, "Security Cameras" provides guidelines for the

use, viewing, management, copying, and distribution of video. The purpose of the policy is to provide security, review any suspected misconduct, review staff performance, and review allegations of misconduct by staff by youth.

We tested to determine if privacy of minors in the Youth Services' main campus could be compromised through unauthorized viewing of surveillance cameras.

The cameras are connected to the computer network and each are assigned a unique IP address. The IP address provides authorized personnel the ability to view cameras as needed. Control of IP addresses should protect the system from outside intrusion through the computer network, thus preventing unauthorized individuals from viewing surveillance video.

We obtained a list of the IP addresses and attempted to gain access through a web browser. Each IP address led to a sign-in screen that requested a user name and password. Attempts to use a common user names, such as Admin or Supervisor failed.

The surveillance system is adequately protected against intrusion from inside and outside of the Youth Services' campus. There are no findings for this section.

7.0 Youth Outcome Questionnaire and Satisfaction Survey

7.1 Youth Outcome Questionnaire

The 2007 Annual Report referred to a Youth Outcome Questionnaire (YOQ) as one of a number of means used to provide the best service to their clients and to improve programs. The YOQ is a questionnaire given to many, but not all, of the Youth Services' clients, at the discretion of the counselors. The questionnaire is usually given on the first or second visit and again on the fourth or fifth visit in a series of counseling sessions. The client completes the questionnaire by recording answers on paper. Youth Services' employees input those answers to the computer system to ensure that no client has access to any computer systems input.

The YOQ is used as a tool to visit with parents of clients to indicate the state of mind of their child. This tool, added to anecdotal evidence gathered by counselors, assists parents in more clearly understanding their child and his or her requirements. The YOQ is also used to help Youth Services distribute the work between counselors. For example, if one counselor has a few clients with high scores, meaning they would need more intensive levels of care, and another counselor's clients score lower, they may shift clients so that clients that require more intensive care are equalized between counselors. The YOQ scores are also used to present to potential contractors and grantors of the benefits of Youth Services.

The YOQ is a subjective test. If the clients are truthful, the test stands as it is. There is a risk that the client may answer the questions by lying, therefore trying to mask their problems. Youth Services feels that in general, clients answer the questions honestly.

7.2 Satisfaction Survey

Clients and parents complete the Satisfaction Survey (Survey), answering questions on a printed form, which is subsequently computer scored. Generally, the test is given in the fall of the year during a two-month period. Youth Services waits until later in the year in order to obtain a larger population to survey. They typically have more clients in the fall of the year after children are back in school and the first report card is received.

The Survey was initially required every year, but DHS/DCFS has become confident that the survey correctly reflects the satisfaction of clients and families and has not required Youth Services to perform the test yearly. The Survey was completed in 2003 and again in 2006 and is expected to be completed again this fall.

This Satisfaction Survey is used in a similar manner as the YOQ. It is used to ensure that personnel perform their jobs appropriately and well, to confirm that programs are satisfying the needs of the clients, and to demonstrate to potential sources of revenue that the system works well and is beneficial to clients and their parents.