



OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE

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Interim Inspector General

**Follow-Up Review Report: *Kids Hope Alliance*
*Stop the Violence Program Audit (2020-AR-0002)***

January 14, 2022

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”



The Office of Inspector General

Audit Number 2020-AR-0002

Purpose

The purpose of this report is to document the Office of Inspector General (OIG) follow-up review of the previously issued *Kids Hope Alliance Stop the Violence* (2020-AR-0002), issued *October 6, 2020*. In accordance with the Institute of Internal Auditors (IIA), *Performance Standard 2500 – Monitoring Progress*, the basis of the follow-up review is to determine if the Corrective Action(s) necessary to remedy one (1) Finding and one (1) Observation noted in the audit report were implemented.

Audit Follow-Up

We reviewed the findings and observations noted in the audit report, management responses, and documentation submitted in responses to our follow-up inquiry. The results are as follows:

Finding Number 1: Failure to Obtain Monthly Program Reports

Approximately 6 percent of the monthly program reports (26 out of 440) from November of 2019 to September of 2019, and approximately 15 percent of the monthly program reports (17 out of 120) from October of 2019 to March of 2019, were not obtained as required.

OIG Verification: Kids Hope Alliance updated the *Policies and Procedures Manual Contract and Grant Management Procedures*, on August 1, 2020. KHA reorganized and created a Contract Management Team that is responsible for completing a supervisory compliance review of all contract files. The compliance reviews include validating that the monthly program reports are submitted as required. OIG reviewed the following to confirm:

- A sample of five (5) contract compliance reviews for the month of January 2021, which were completed under the former KHA grant management structure.
- A sample of ten (10) contract compliance reviews for the month of April 2021, which were completed during transitioning/reorganization.

Status: Corrected

Observation 1: Unused Stop the Violence Program Funding

Approximately \$53,297 of the appropriated \$380,416 in Stop the Violence Program funds remained unused as of March of 2020, and remained encumbered as of August of 2020.

OIG Verification: KHA e-mailed a request to the COJ Procurement Division to unencumber the funds by closing out purchase orders and releasing the funds back to the Kids Hope Alliance Trust Fund on *September 3, 2020*. OIG confirmed that the funds were unencumbered on *September 23, 2020*.

In addition, KHA Finance implemented additional procedures to ensure that contracts/purchase orders are liquidated and closed timely. OIG reviewed a copy of the Purchase Order Liquidation request dated *November 9, 2021*, to confirm. The additional procedures to ensure the timely liquidation of encumbered funds are:

- 1) The Contract Compliance Associate provides a spreadsheet to the KHA Finance Director with the final contract payments and confirmation that a check/ACH has been issued to the contracted provider.
- 2) If a balance remains on the contract/purchase order, the KHA Director of Finance sends COJ Procurement an email with the listing of contract/purchase orders to be liquidated and closed.

Status: Corrected

Conclusion

Based on the responses received and verification procedures conducted during the follow-up, we have determined that the necessary corrective action measures were implemented. We would like to thank Kids Hope Alliance for their cooperation and assistance during the follow-up review.