



ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.  
SUPPORTIVE HOUSING GRANT  
WEST PALM BEACH, FLORIDA

01-AT-251-1002  
NOVEMBER 3, 2000

OFFICE OF AUDIT  
SOUTHEAST/CARIBBEAN DISTRICT

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Issue Date	November 3, 2000
Audit Case Number	01-AT-251-1002

TO: Jack Johnson, Director, Office of Community Planning and Development, 4DD

FROM: Nancy H. Cooper  
District Inspector General for Audit-Southeast/Caribbean, 4AGA

SUBJECT: Adopt-A-Family of the Palm Beaches, Inc.  
Supportive Housing Grant  
West Palm Beach, Florida

As part of a nationwide review of HUD's Continuum of Care, we audited the 1996 Supportive Housing Grant (No. FL14B960102) awarded to Adopt-A-Family of the Palm Beaches, Inc. (AAF).

AAF's activities were consistent with its application and AAF timely spent grant funds for eligible activities. However, AAF needed to improve administration of the program, and our report contains three findings requiring action by your office.

Within 60 days, for each recommendation made in this report, please give us a status report on: (1) corrective action taken; (2) proposed corrective action and date to be completed; or (3) why action is considered unnecessary. Also, please furnish us copies of any correspondence or directive issued because of this review.

Should you have any questions, please contact James D. McKay, Assistant District Inspector General for Audit, at (404) 331-3369 or Auditor Tony Bailey at (904) 232-1226. We will provide AAF a copy of this report.

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# Executive Summary

As part of a nationwide audit of HUD's Continuum of Care Program, we audited the 1996 Supportive Housing Grant awarded to Adopt-A-Family of the Palm Beaches, Inc (AAF). The audit objectives were to determine whether AAF:

- Implemented activities consistent with its application;
- Spent funds for eligible activities under Federal regulations and applicable cost principles;
- Maintained evidence of measurable results;
- Adequately leveraged funding; and
- Spent funds timely.

We determined AAF implemented activities consistent with its applications, adequately leveraged funding, and timely spent grant funds for eligible activities. However, AAF needed to improve its administration of the program. Specifically, the audit disclosed AAF did not:

- Follow Federal procurement requirements when awarding a professional counseling services contract. Instead, AAF contracted solely with a coalition partner. As a result, AAF and HUD had no assurance that the best service and price were obtained. Furthermore, AAF did not obtain adequate supporting documentation for counseling services expenditures. As a result, grant expenditures totaling \$88,741 were unsupported.
- Provide the agreed level of service for transitional housing. AAF chose to vacate and renovate available units during the grant period. During December 1999, only 15 of the agreed 32 units were available to house homeless families. AAF's withdrawal of the units resulted in a significant reduction in the level of service that violated HUD requirements.
- Provide accurate or complete information in its annual performance reports. AAF did not monitor one goal and underreported other goals. As a result, HUD lacked information to determine whether the grant activities were achieving intended results.

We recommend that you instruct AAF to improve its controls over the program and that you monitor any ongoing or future grants.

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## Exit conference

We presented our findings to AAF and HUD officials during the audit, and held an exit conference on September 20, 2000. AAF provided written comments to our findings on October 3, 2000. We considered the comments and suggestions in preparing our final report. We included excerpts of AAF's comments in each finding and the complete comments as Appendix B.

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**Abbreviations**

AAF	Adopt-A-Family of the Palm Beaches, Inc.
CFR	Code of Federal Regulations
FSO	Florida State Office
HUD	U.S. Department of Housing and Urban Development
OMB	Office of Management and Budget
SAFE II	Stable, Able, Family, Environment (project extension)
SHP	Supportive Housing Program

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# Introduction

## Background

Title IV of the Stewart B. McKinney Homeless Assistance Act authorized the Supportive Housing Program (SHP). The program is designed to promote the development of supportive housing and services. The program encourages the use of innovative approaches to assist homeless persons and provides supportive housing to enable them to live as independently as possible. Eligible activities include:

- Transitional housing;
- Permanent housing for homeless persons with disabilities;
- New or increased supportive services for homeless people not living in supportive housing; and
- Other types of innovative housing for homeless persons.

Adopt-A-Family of the Palm Beaches, Inc., 2330 South Congress Avenue, Suite 1C, West Palm Beach, Florida 33406, was founded in 1983 and is a not-for-profit 501(c)(3) corporation. As the agency evolved, its target population became families with children who are homeless, at risk of becoming homeless, or have a family member with a medical illness. In 1992, HUD awarded AAF a 5-year Supportive Housing Program (SHP) grant to provide transitional housing and supportive services to 29 homeless families with children.

In 1996, AAF applied for funding to expand Project SAFE to serve additional families by providing transitional housing with support services where homeless families with children can gain self-sufficiency and permanent housing. The expansion program is called SAFE II. HUD funded SAFE II with a 1996 Supportive Housing grant for \$1,102,319. Grant funds were provided for acquisition (\$400,000), operations (\$197,156), supportive services (\$455,529), and administration (\$49,634). The grant agreement was signed by HUD on April 4, 1997, and had a 3-year term.

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## Audit Objectives

We audited the 1996 Supportive Housing Grant. The objectives were to determine whether AAF:

- Implemented activities consistent with its application;
- Spent funds for eligible activities under Federal regulations and applicable cost principles;
- Maintained evidence of measurable results;



- Adequately leveraged funding; and
- Spent funds timely.

### Audit Scope and Methodology

To accomplish our audit objectives, we interviewed HUD and AAF officials; visited the project site; reviewed the grant application, grant agreement, and progress report; and analyzed financial records and participant information.

Total grant charges were \$1,086,477. We judgmentally selected and tested transactions totaling \$320,634 (30 percent). Also, AAF awarded two contracts that we tested for compliance with procurement standards. Further, AAF provided 104 participant families with transitional housing. We judgmentally selected 12 participants (12 percent), for testing measurable results. We also judgmentally selected 10 families (10 percent), for testing extended services. We conducted a site visit to the acquired property to determine whether the units were habitable. The project contained 40 units in 5 buildings. Thirty-two 2-bedroom units were purchased with HUD funds, while the remaining 8 units were purchased with other funds. We judgmentally selected and inspected two units.

Our audit covered the period April 4, 1997, through December 31, 1999. However, we extended the audit period as necessary. We performed the audit work between January and June 2000. We conducted the audit in accordance with generally accepted government auditing standards for performance audits.

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# Inadequate Contracting and Unsupported Costs

AAF did not follow Federal procurement requirements when awarding a professional counseling services contract. Instead, AAF contracted solely with a coalition partner. As a result, AAF and HUD have no assurance that the best service and price were obtained. Furthermore, AAF did not obtain adequate supporting documentation for counseling services expenditures. As a result, grant expenditures totaling \$88,741 were unsupported.

Federal procurement regulations state that:

- All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition (24 CFR 84.43).
- All recipients shall establish written procurement procedures. These procedures shall provide for, among other things, a clear and accurate description of the technical requirements for the service to be procured, and a description of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards (24 CFR 84.44).
- A cost or price analysis shall be made and documented in the procurement files in connection with every procurement action (24 CFR 84.45).
- The recipient shall include provisions to define a sound and complete agreement in all contracts (24 CFR 84.48).

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## Inadequate procurement action

AAF did not have an adequate procurement policy. The two-page policy contained a chart showing the number of bids by dollar amount, and housing and capital improvement issues to consider, such as Davis Bacon, bonding, and real estate acquisition. It did not contain a clear and accurate description of the methods and processes to be followed.

Contrary to Federal regulations, AAF awarded a \$92,726 counseling services contract without benefit of free and open competition and a cost/price analysis.

An AAF official explained they selected the contractor because it was a partner in the SHP grant application and covers the region where the program is located. The official assumed it was acceptable to contract solely with coalition partners involved with obtaining the grant, and did not

## Finding 1

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believe they needed to follow Federal procurement procedures.

Also, the contract did not define a sound and complete agreement because it did not include adequate terms and conditions. The contract included a broad description of services and the yearly cost. There was no scope of services, performance evaluation criteria, contract terms, provisions, or specifications, as required by Federal regulations.

### Unsupported contract payments

OMB Circular A-122, Cost Principles for Non-Profit Organizations, states that costs must be adequately documented.

The contractor did not provide sufficient documentation to support payments. The invoices included the period served and the amount billed. However, there was no description of: services provided, location where services were provided, number of participants served, or a participant roster. As a result, contract costs totaling \$88,741 were unsupported.

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### AAF comments

AAF officials stated they did not believe a formal bidding process was necessary because they used partners to carry out the grant. They also said they requested clarification of the issue from HUD, but had not received a response. AAF officials said they met with three counseling agencies before the grant application was submitted, and obtained prices for providing the services. They explained that they negotiated the price for the first year with a 3 percent increase for years two and three. AAF officials said that in future contracts, they would expand their procurement policies, better document procurement decisions, and further define the scope of services and evaluation criteria.

AAF officials said they obtained documentation supporting the payments to the contractor. The documentation included dates and topics for the groups, sign in sheets for group attendance, counselors' notes for each session, and pre and post-tests for the clients.

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OIG evaluation of  
AAF comments

AAF did not maintain documentation of its attempts to solicit counseling services from various providers prior to submitting the grant application.

AAF did provide additional documentation for the \$88,741 at the exit conference. AAF said they provided the documentation to HUD monitors during their monitoring visit.

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Recommendations

We recommend that you:

- 1A. Review the documentation provided at the exit conference and determine whether the contract costs totaling \$88,741 are adequately supported.
- 1B. Require AAF to revise its procurement policy to comply with Federal requirements.
- 1C. Monitor any ongoing or future grants to assure AAF follows HUD requirements regarding competitive bidding, documentation of procurement decisions, and properly defined scope of services and evaluation criteria.

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## Level of Service Not Provided as Agreed

AAF did not provide the agreed level of service for transitional housing. AAF chose to vacate and renovate available units during the grant period. During December 1999, only 15 of the agreed 32 units were available to house homeless families. AAF's withdrawal of the units resulted in a significant reduction in the level of service that violated HUD requirements.

Title 24 Code of Federal Regulations (CFR) 583.405(a)(1) states that a grant recipient may not make significant changes to an approved program without prior HUD approval. Significant changes include deletions in the types of activities approved for the program.

AAF's technical submission stated it would use \$400,000 of grant funds to purchase an apartment complex. The property would be used to provide supportive housing for 32 families over the 3-year grant period.

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### Occupancy levels

We analyzed participant occupancy to determine whether AAF provided the agreed level of service. AAF's rent rolls indicated participant occupancy steadily increased from May 1997 but did not reach 32 families until January 1999. Participant occupancy stayed at 32 families for 4 months, then steadily declined to 15 families at December 1999. The participant occupancy rate during the grant's third year (May 1999 through February 2000) was 67 percent.

### Units withdrawn from program

AAF officials stated the low occupancy rate was caused by the withdrawal of units from the program. An AAF official explained that they received another grant to renovate the units, and that they had a limited time to use the funding or lose it. As participants left the program, AAF closed the units to complete the renovations. AAF did not seek or obtain HUD approval to reduce the level of service.

AAF's failure to provide 32 units of transitional housing, by withdrawing them from the program, is a significant change that violates program regulations.

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### AAF comments

AAF officials contend they did not make any significant change to their program. They contend they did not change the recipient, the project site, or make additions or deletions in the type of activities. The officials acknowledged they

## Finding 2

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did not get written confirmation from HUD, but said HUD was aware that units were off line. They explained that HUD staff visited the site and saw the rehabilitation in progress, but that HUD's review letter dated December 6, 1999, did not contain any findings. To avoid misunderstandings, they agreed to seek written confirmations of any future program changes.

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### OIG evaluation of AAF comments

We believe a major reduction in available units constitutes a significant change that requires HUD approval. We agree HUD's review letter did not contain a finding concerning units off line. However, we found no evidence that HUD was aware of the extent to which units were taken offline.

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### Recommendations

We recommend that you:

- 2A. Require AAF to house additional homeless families with non-federal funds, to offset the reduced level of services.
- 2B. Instruct AAF to obtain prior written HUD approval and provide full disclosure of any significant changes to any ongoing or future grants.
- 2C. Monitor the level of services provided for any ongoing or future grants.

## Annual Performance Reports Not Accurate or Complete

AAF did not provide accurate or complete information in its annual performance reports. AAF did not monitor one goal and underreported other goals. As a result, HUD lacked information to determine whether the grant activities were achieving intended results.

Title 24 CFR 84.51 requires recipients to submit performance reports that compare actual accomplishments with the goals and objectives established for the period. The report should also provide reasons why established goals were not met, if appropriate, and other pertinent information. Title 24 CFR 583.300(g) states that each grant recipient must maintain any records and make any reports that HUD may require within the time frame required.

### Inaccurately reported goal

AAF listed six performance measures in its grant application. One performance goal was that 50 percent of the adult substance abuser participants would remain clean and sober for 1-year after leaving the program.

AAF reported in its annual progress report for the year ending April 1998 that 58 percent of substance users had remained clean and sober since entering the program. In its April 1999 annual progress report, AAF reported that 61 percent of substance users had remained clean and sober.

We determined that the reported information, however, represented substance abusers who remained clean and sober while still participating in the program. The program had a system in place to monitor participants with substance abuse problems while in the program, but not after they left the program.

An AAF official explained they did not realize they had written the performance goal to track the participant's progress after leaving the program. The official acknowledged they had not monitored this goal as written.

### Information not reported for three goals

AAF did not report information for three of the six goals. The 3 goals were: (1) 50 percent of the adult participants will complete job training within 24 months, (2) 80 percent of adult participants will complete a 6-week parenting program, and (3) 95 percent of pre-school children will be immunized within 6 months of entering the program.



### Finding 3

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An AAF official stated they did not include the goal information because they did not think the goals fit the categories shown on the annual progress report, and assumed the goal information was not required. We reviewed participant information and determined AAF underreported its accomplishments.

HUD relies on the annual performance report in determining grantee accomplishments. Accordingly, AAF needs to exercise care and assure its reports are accurate and complete.

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#### AAF comments

AAF officials contended that the Annual Performance Report did not require reporting on the objectives specified in the grant application. They believed that question 25 on the Annual Performance Report addressed overall goals in three broad categories concerning residential stability, increased skills or income, and greater self-determination. They said they addressed those goals in the Annual Performance Report, and did not receive HUD notice that the other goals should have been reported on.

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#### OIG evaluation of AAF comments

The absence of feedback from HUD does not exempt AAF from proper reporting. The goals were identified in the grant application and 24 CFR 84.51 requires recipients to submit performance reports that compare actual accomplishments with goals.

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#### Recommendations

We recommend that you:

- 3A. Instruct AAF to accurately report its performance for any ongoing or future grants. Any revised goals should be discussed with and approved by HUD.
- 3B. Monitor AAF's reporting of grant accomplishments for any ongoing or future grants.

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# Management Controls

In planning and performing our audit, we obtained an understanding of the management controls that were relevant to our audit objectives. We considered AAF's management control systems in order to determine our auditing procedures and not to provide assurance of the controls. Management is responsible for establishing effective management controls. Management controls include the plan of organization, methods, and procedures adopted by management to ensure that its goals are met. Management controls include the processes for planning, organizing, directing and controlling program operations. They include systems for measuring, reporting, and monitoring program performance.

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## Relevant management controls

We determined the following management controls were relevant to our audit objectives.

- Management philosophy and operating style;
- Eligibility and support of grant activities;
- Management monitoring methods;
- Reliability of financial systems and reporting;
- Accounting for and maintaining control over program disbursements; and
- Measurement of program results.

We obtained an understanding of AAF's procedures and HUD requirements, assessed control risk, and performed various substantive tests of the controls.

## Significant weakness

A significant weakness exists if management controls do not give reasonable assurance that the entity's goals and objectives are met; that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

Based on our review, significant weaknesses existed in the management controls we tested as discussed in the findings.

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# Follow-Up On Prior Audits

This was the first Office of Inspector General audit of the Adopt-A-Family of the Palm Beaches, Inc. grant operations.

Arthur J. Sinnott, Certified Public Accountant, completed the audit of the financial statements for the fiscal year ended June 30, 1999. The report contained no findings related to the objectives of our audit.

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## Schedule of Unsupported Costs

<u>Recommendation</u>	<u>Amount Unsupported<sup>1</sup></u>
1A	\$88,741

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<sup>1</sup> Unsupported amounts do not obviously violate law, contract, policy or regulation, but warrant being contested for various reasons such as lack of satisfactory documentation to support eligibility.

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# AAF Comments



## ADOPT-A-FAMILY *of the Palm Beaches, Inc.*

October 3, 2000

Mr. Jim McKay  
U. S. Department of Housing & Urban Development  
District Office of the Inspector General  
Office of Audit, Box 42  
Richard B. Russell Federal Building  
75 Spring Street, SW, Room 330  
Atlanta, GA 30303-3388

Dear Mr. McKay:

I e-mailed you Adopt-A-Family of the Palm Beaches, Inc. response to the draft audit report for Supportive Housing Grant FL14B960102. Enclosed is a disc copy of the response and the attachments noted in the response.

During the four months the auditors from the Inspector General's Office were at Adopt-A-Family, the agency made every effort to cooperate with the auditor's request in a timely manner. Adopt-A-Family also provided office space, access to the Internet, a copy machine and a fax machine. I was disappointed that the report did not acknowledge this cooperation.

If you need any further documentation please contact me at 561-434-4960 x 19.

Sincerely,

Terry L. Bozarth  
Executive Director

TLB/abj



*Leaders in helping families help themselves.*

2330 S. Congress Ave., Suite 1 - C • West Palm Beach, FL 33406 • 561-434-4960





**Adopt-A-Family of the Palm Beaches, Inc.  
Supportive Housing Grant  
FL14B960102  
West Palm Beach, Florida**

**Draft Report**

**Finding One: Level of Service Not Provided as Agreed**

24CFR 583.405 was cited in the finding. In reviewing this Adopt-A-Family did not make any significant changes to our approved program. We did not change the recipient, the site, additions or deletions in the types of activities listed in Sec. 533.100. When Adopt-A-Family purchased the 32 units they were occupied and the tenants had to be relocated under HUD's relocation regulations. In addition, Adopt-A-Family applied for and received \$424,286 in HOME funds (half loan and half grant) to renovate the apartments at SAFE II. When Jack Johnson, Ann Chavis, Rafael Portuondo, La Vora Bussey and two other members of the Florida State Office, Southeast/Caribbean came for a site visit on September 21, 1999 they viewed two of the renovated units. Terry Bozarth, executive director, explained that a HOME grant/loan had been secured to rehab the units and that each unit would receive new flooring, new air conditioning, new kitchens and new vanities, toilets and sinks in the bathrooms. Ms Bozarth further explained that in order to have room to move families around during the rehab units were not being filled when families left the program. The field office staff viewed two renovated units and saw the rehab in progress. In addition to the executive director, Wendy Tippett and Randy O'Neal Hardin of the Adopt-A-Family staff were present during this meeting. While Adopt-A-Family did not get written confirmation that the Florida State Office, Southeast/Caribbean knew the units were off line. 24CFR 583.405 does not state that permission must be in writing. But in the future to avoid any misunderstanding, Adopt-A-Family will get written confirmation from the Florida State Office, Southeast/Caribbean of any program changes. Attachment I

**Finding Two: Annual Performance Reports not Accurate or Complete**

In the year one Annual Performance Report (APR) Adopt-A-Family reported on three objectives. In the APR, **Question 25 Overall Goals says list your objective(s) for each of the goals listed below, describe your progress in meeting the objective(s) and specify your objective for next year.** The three goals are:

- a. Residential Stability
- b. Increased skills or Income
- c. Greater Self-determination

Adopt-A-Family reported on the three objectives that related to the three APR goals, although all six objectives in the grant proposal were tracked. **When the APR was submitted it was accepted** so Adopt-A-Family was unaware that the other objectives should have been reported on. **The Inspector General's draft audit report reflected**

**Adopt-A-Family exceeded its objectives on the three objectives that were unreported.**

**The objective that 50% of substance abuser clients will remain clean and sober for one year after leaving the program was measured based on the clients who had left the program, but one year had not passed. At the end of the first year Adopt-A-Family realized the problem of measuring participants sobriety after leaving other than self-reporting. Therefore, that objective was changed in the APR for the year two. Adopt-A-Family did monitor all six objectives outlined in the grant. The APR asks what are your objectives for the following year in the areas of residential stability, increased skills or income and greater self-determination. Adopt-A-Family responded by naming new goals for year two and three. The APR does not state that you should be reporting on your objectives from your grant application in year two or three. Attachment II**

### **Finding Three: Inadequate Procurement Action**

#### **1. All procurement transactions shall be conducted in a manner to provide the maximum extent practical, open and free competition (24 CFR 84.43)**

Adopt-A-Family did not believe that a formal bidding process was necessary since its partners experience was used to show capacity in the SHP grant application. Adopt-A-Family has asked for clarification on this issue in a letter dated April 26, 2000 to the Florida State Office, Southeast/Caribbean. The executive director of Adopt-A-Family has been told the matter has been referred to HUD Headquarters. To date Adopt-A-Family has not received an answer concerning this issue. Attachment III

The executive director of Adopt-A-Family, Terry Bozarth, did meet with the following agency directors regarding the mental health counseling services during May 1996 before the SHP grant application was submitted. Robert Bonzzone, executive director, of the Comprehensive Alcohol Rehabilitation Program stated that CARP would only do the substance abuse sessions. CARP's cost for the first year was \$45,000. Ms Bozarth also met with Joe Amato, executive director of the Western Mental Health Center. Mr. Amato quoted a price for the first year of \$45,000, but stated the project was not going to be located in the Western Mental Health Center catchment (service delivery) area so Western Mental Health Center could not provide the mental health counseling services. I then spoke to Carl Morgan, South County Mental Health Center and he also quoted a price of \$45,000. The project was to be located in the South County Mental Health Center catchment area and South County Mental Health Center was willing to provide the mental health counseling sessions. Adopt-A-Family was able to further negotiate a price of \$30,000 for the first year with a 3% increase for year two and three with the South County Mental Health Center. Adopt-A-Family believes it procured an excellent price for the mental health counseling services.

#### **2. All recipients shall establish written procurement procedures. These procedures shall provide for, among other things a clear and accurate description of the**

**technical requirements for the service to be procured, and a description of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards (24 CFR 84.44).**

Adopt-A-Family has procurement procedures in place but is willing to expand these procurement policies to satisfy the auditor.

**3. A cost analysis shall be made and documented in the procurement files in connection with every procurement action (24 CFR 84.45).**

The executive director of Adopt-A-Family, Terry Bozarth, did meet with the following agency directors regarding the mental health counseling services during May 1996 before the SHP grant application was submitted. Robert Bonzzzone, executive director, of the Comprehensive Alcohol Rehabilitation Program stated that CARP would only do the substance abuse sessions. CARP's cost for the first year was \$45,000. Ms Bozarth also met with Joe Amato, executive director of the Western Mental Health Center. Mr. Amato quoted a price for the first year of \$45,000, but stated the project was not going to be located in his catchment (service delivery) area so Western Mental Health Center could not provide mental health counseling services. I then spoke to Carl Morgan, South County Mental Health Center and he also quoted a price of \$45,000. The project was to be located in the South County Mental Health Center catchment area and South County Mental Health Center was willing to provide the mental health counseling sessions. Adopt-A-Family was able to negotiate a price of \$30,000 for the first year with a 3% increase for year two and three. In the future Adopt-A-Family will make note of these meetings and prices in the procurement file.

4. The recipient shall include provisions to define a sound and complete agreement in all contracts (CFR 84.48)

**Adopt-A-Family had a signed contract with South County Mental Center stating the number of groups to be held each week, the topics to be covered with program outlines and the cost per year. In addition, pre and post-tests of participating clients were used as the evaluation criteria. Adopt-A-Family will further define scope of services and evaluation criteria in any future contracts.**

OMB Circular A-122, Cost Principles for Non-Profit Organizations, states that costs must be adequately documented.

Adopt-A-Family does have written documentation of the counseling sessions held.

**In addition copies of the clients pre and post- tests are in the client files.** When the Office of the Inspector General auditor (Fred) was here Adopt-A-Family expressed concern about the confidentiality of clients participating in mental health counseling groups. After the issue of client confidentiality was resolved Adopt-A-Family had the mental health documentation available but the Office of the Inspector General auditor (Fred) did not request it. **When Mr. Tony Bailey, auditor for the Inspector General came for the exit visit on September 20, 2000, the records were made available to him. The following summary was also made available to him: Mr. Bailey suggested that the Florida State Office, Southeast/Caribbean also review the information when it**

**came to audit the next day. In addition to the documentation the following information was given to Mr. Bailey and the Florida State Office staff.**

The total amount paid to South County Mental Health Center for the three-year contract was \$88,741.

There were 140 sessions with 264 counseling hours. A total of 542 clients attended the sessions.

The average attendance per counseling session was 4

The average cost per client hour was \$84.03.

Five staff members of the Florida State Office, Southeast/Caribbean of HUD came to audit on September 21 and 22, 2000. They reviewed the documentation for the mental health counseling groups that were held during the three years of the contract with South County Mental Health Center. The documentation included dates and topics for the groups, sign in sheets for group attendance, counselors' notes for each session and pre and post-tests for the clients attending the groups. All this information was available during the Inspector General's audit but was not requested.

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# Distribution

Executive Director, Adopt-A-Family of the Palm Beaches, Inc.  
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Chief of Staff, S (Room 10000)  
Special Assistant to the Deputy Secretary for Project Management, SD (Room 10100)  
Acting Assistant Secretary for Administration, S (Room 10110)  
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The Honorable Fred Thompson, Chairman, Committee on Governmental Affairs,  
United States Senate, Washington DC 20510-6250  
The Honorable Joseph Lieberman, Ranking Member, Committee on Governmental Affairs,  
United States Senate, Washington DC 20510-6250  
The Honorable Dan Burton, Chairman, Committee on Government Reform,  
United States House of Representatives, Washington DC 20515-6143  
The Honorable Henry A. Waxman, Ranking Member, Committee on Government Reform,  
United States House of Representatives, Washington, DC 20515-4305  
Ms. Cindy Fogleman, Subcommittee on Oversight and Investigations, Room 212,  
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Steve Redburn, Chief, Housing Branch, Office of Management and Budget, 725 17<sup>th</sup> Street, NW,  
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