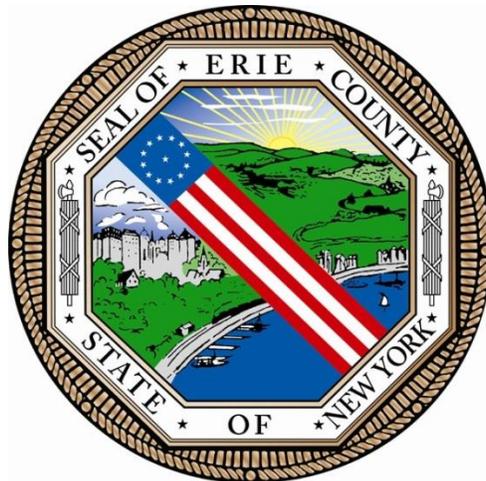


December 2015

**Review of the Trinity Services Group LLC
Food Service Contracts at the Youth Detention Facility
October 1, 2014 thru March 31, 2015**



**STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER**

**HON. STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER'S OFFICE
DIVISION OF AUDIT & CONTROL
95 FRANKLIN STREET
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December 10, 2015

Erie County Legislature
92 Franklin Street 4th Floor
Buffalo, New York 14202

Dear Honorable Members:

The Erie County Comptroller's Office has completed a review of the food service contracts at the Youth Detention Facility (Facility) with the Trinity Services Group LLC (Trinity) for the six month period of October 1, 2014 through March 31, 2015.

Our objectives were to determine whether:

- The invoices submitted by Trinity were accurate, adequately documented, and incurred for services provided under the contractual agreements.
- The Facility adequately reviewed and approved the invoices.
- The payments made by the Department of Social Services (DSS) were proper.

To accomplish these objectives, we reviewed the contractual agreements for 2014 and 2015, the Facility's billing records, its internal controls over contractual charges, and the level of compliance with contractual terms.

We conducted our review in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our review to adequately assess those operations of the Facility that are included within our review scope. We believe that our review provides a reasonable basis for our findings, conclusions and recommendations.

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BACKGROUND

The Youth Detention Facility, under the auspices of the Erie County Department of Social Services, provides secure detention services for youths under age 16. The Facility has the ability to house up to 64 youths in a pod-style environment.

Trinity provides three meals and two/three snacks each day to the Facility's youths and lunch and dinner to eligible staff with direct supervision of the youths. Trinity is reimbursed by Erie County per the contractual agreement. Two separate contracts were in effect for the six month period of our review. The contract in effect for 2014 was an extension of the original contract dated 2009. For 2015, the Facility opted to utilize the New York State Education Department (NYSED) contract.

Some of the 2014 and 2015 contract provisions are detailed below.

Provisions for 2014 Contract

- This contract specifically identified staff eligible to be served free a lunch or dinner as three staff per floor or one staff per eight or less youths. Additionally, eligible staff member must have direct supervision of the youths in the residential units.
- The contract states the Facility and Trinity employees, administration and guests may purchase meals at the option and direction of the Facility at prices approved by the Facility.

Provisions for 2015 Contract

- The contract does not indicate staff is eligible for free meals.
- The contract states that the Facility employees may purchase meals at the option and direction of the Facility. Additionally, the contract states the meal charges for staff must be equal to or more than the over 60% reimbursement rate for a free meal plus sales tax.
- The contract dictates a point of service accountability method for meal counts. Meals shall be served and proper accurate participation records shall be maintained which must ensure that accurate categorical meal counts are obtained at the point of service for reimbursement purposes.

REVIEW FINDINGS

I. Erie County Overbilled for Meals

We were informed that the Facility utilizes the 1:8 ratio staff to youths. Based on daily shift reports provided to us, there was an average of 32 youths in the Facility's care each day which equates to four staff per mealtime (Lunch and Dinner only) that were eligible for free meals.

Although four staff is in line with the contract as worded, we determined our finding somewhat differently. We thus did not follow the contract exactly as worded but chose to calculate on the conservative side. As a result, our revised calculation indicated that there would be nine eligible staff members receiving free meals at lunchtime and dinnertime. This is based on the four staff members from the 1:8 ratio noted previously plus three staff assigned to youth supervision involving transporting youths to the downtown facility and two additional floating staff providing relief coverage within the youth pod/residential areas for safety and behavioral issues when needed. Also included in our calculation for overbilled meals are the extra youth meals billed above the daily youth head count noted on the daily population reports.

The excess meals being served, which were over and above the nine eligible meal counts, are considered saleable meals. No monies were collected by Trinity for these saleable meals. Instead, the cost of these meals was passed on to Erie County.

Utilizing nine staff as the maximum allowable number for lunch and dinner for staff billing and the daily population reports for the maximum allowable number for youth meals, our review of all six months of the scope period revealed that the County was overbilled by Trinity for 1,581 meals totaling \$10,649.52.

Presented below are the details of our findings by month:

October 2014 – there were 297 meals overbilled in the amount of \$1,992.87.

November 2014 – there were 218 meals overbilled in the amount of \$1,462.79.

December 2014 – there were 246 meals overbilled in the amount of \$1,650.66.

January 2015 – there were 271 meals over billed in the amount of \$1,831.96.

February 2015 – there were 237 meals overbilled in the amount of \$1,602.12.

March 2015 – there were 312 meals overbilled in the amount of \$2,109.12.

WE RECOMMEND that management of the Facility and Trinity work together to implement a more accurate and fully supportable meal count process. Further, **WE RECOMMEND** that the provisions of the contract regarding staff meals be strictly adhered to in order to prevent excess meals from being served and ultimately charged to the County.

II. Contract Administration Weaknesses

Our evaluation of the internal control structure over contract operations disclosed weaknesses in the Facility's administration of the contract and with respect to certain contract provisions.

We noted that:

- No accurate meal count is taken at the time of meal distribution/point of service for either staff or youths. The meal count is based on direct communication with the Intake Department two hours prior to serving time and verified on a weekly basis with the daily detention shift reports for youths and staff populations. This same population count is used for billing of meals to Erie County.
- There is no way of identifying the youths and staff eligible for a meal at mealtime distribution. Although all the youths are eligible to receive meals, there is no way to identify whether the youths are in the housing pods, in transit or downtown because the counts were taken previously. The Facility's Policy and Procedure Manual - Policy Number 40-01 Food Service Management, does not clearly state the process or procedures the staff and/or contracted service employees should follow with regard to obtaining meal counts or eligible staff for free meals.
- There is inadequate oversight by the Detention Facility Supervisor with respect to the nature of the contract, its stipulations and requirements. There was no physical proof provided in the documentation we received that showed verification of meal counts or authorization to pay food service invoices by the Facility.

In the 2014 contract extension, approval and audit of reimbursements should be by the authorized designated Facility employee. The Facility had identified the Detention Facility Supervisor as the person primarily responsible to supervise and audit all financial related operations including reimbursement requests by Trinity.

In the 2015 NYSED contract, the Facility shall perform edit checks on participation records prior to the preparation and submission of claims for reimbursement. Furthermore, the contract identifies the Detention Facility Supervisor or Deputy Commissioner of Youth Services to approve and audit reimbursement claims for validity. Based on the invoices and supporting documentation provided, we could not confirm that this process was completed by the Facility's designated employee for verifying the reimbursement claims (invoices), for accuracy of meal count summary reports or for detailed participation records of eligible staff meals.

As a result, Erie County has no assurance that Trinity's meal counts are accurate and justified.

In order to ensure that Erie County is not paying for excess meals served to ineligible staff or paying for extra meals above the actual youth head count at mealtime,

WE RECOMMEND that:

- Detailed procedures and policies be developed describing the process and timing for meal counts.
- Management of the Facility and DDS should determine a reasonable and appropriate number of staff meals that would be eligible to be served at lunch and dinner; and establish procedures that provide reasonable assurance that those entitled to the meals actually receive the meals. The implementation of these recommendations may take away some of the ambiguity in the contract wording and resolve the inconsistencies in billing.
- The Detention Facility Supervisor or the Deputy Commissioner of Youth Services sign and date invoices as well as the meal summary reports prior to payment of invoices as proof of approval for validity in meal counts and accuracy of eligible youths and staff for free meals.

AUDIT COMMENT

Prior to awarding any future food service contract, or before renewing the contract with the current vendor, Erie County Division of Purchase, DSS and the Facility's administration should work together to update the bid specifications that are consistent with the current practices followed by both the Facility and Trinity.

RESULTS OF EXIT CONFERENCE

On December 22, 2015, an exit conference was held with the Commissioner of the Department of Social Services where the contents of the report were discussed. The Commissioner was in general agreement with our Findings and Recommendations and he provided us with his written response which is summarized in Appendix A.

ERIE COUNTY COMPTROLLER'S OFFICE

cc: Hon. Mark C. Poloncarz, County Executive
Albert F Dirschberger, PhD., Commissioner, Department of Social Services
Robert W. Keating, Director of Budget and Management
Erie County Fiscal Stability Authority

APPENDIX A – DSS Commissioner’s Response

In summary, we performed a compliance review of the food services contract with Trinity. Our review was contract specific and did not include the programmatic needs of the Youth which were not a part of this contract.

At the exit conference on December 22, 2015, our Office received a written response from the Commissioner of DSS. Below, we are providing a summary of his written comments together with our evaluation of those comments.

Finding I. Trinity Overbilled for Meals

The Commissioner disagreed with the Comptroller’s decision to calculate the number of staff allowed to have meals by using a number of nine eligible staff for meals versus the number of meals billed for staff. After his review, the Commissioner stated that the contract did not clearly address the number of staff allowed meals. In addition, the Commissioner noted that the review did not take into consideration the programmatic needs of the Youth.

The calculations utilized by the auditors did not follow the exact wording of the contract which would have corresponded to only four eligible staff and doubled the amount of the overbilling. Instead we utilized staffing and relief from the pods/residential units as eligible for meals which was to the benefit of the auditee. Once again, the Comptroller’s Office reiterates that program needs were not considered because they are outside the purview of contract compliance.

Finding II. Contract Administration Weaknesses

The Commissioner responded that although there are differing interpretations of the number of staff eligible for meals, he does agree with the recommendation that Youth Detention and Trinity Services Group work together to implement a more accurate and supportable meal count process. To that end, Youth Detention and Trinity Services Group are working together to establish a new meal count process, train staff on the process, and implement the process.

The implementation of our recommendation should result in a meal count that is accurate and supportable.