

OFFICE OF THE CITY CONTROLLER



**PARKS AND RECREATION DEPARTMENT
AFTER SCHOOL ACHIEVEMENT PROGRAM
CONTRACT COMPLIANCE AUDIT OF
MOUNTAIN TOP LEARNING CENTER**

Annise D. Parker, City Controller

Steve Schoonover, City Auditor



ANNISE D. PARKER

OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

April 21, 2005

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Parks and Recreation Department (Department)
Contract Compliance Audit of Mountain Top Learning Center
After School Achievement Program Services (Report 05-08)

Dear Mayor White:

The City Controller's Office Audit Division has completed a contract compliance audit of Mountain Top Learning Center (Mountain Top) After School Achievement Program services (ASAP). The audit objective was to determine whether Mountain Top complied with contract terms during the 2003-2004 school year. The primary focus was to assess individual program related expenses to determine if they were appropriate, adequately supported, and in compliance with contract terms and federal regulations.

The report, attached for your review, concluded that Mountain Top complied with ASAP contract terms and federal regulations, except in the area of reporting average daily attendance. Draft copies of the matters contained in the report were provided to Department and Mountain Top personnel. The finding and recommendation are presented in the body of the report and the views of responsible officials as to actions being taken are appended to the report as Exhibit I.

We appreciate the cooperation extended to our auditors by both Department and Mountain Top management during the course of the audit.

Respectfully submitted,

Annise D. Parker
City Controller

xc: City Council Members
Anthony Hall, Chief Administrative Officer
Michael Moore, Chief of Staff, Mayor's Office
Joe Turner, Director, Parks and Recreation Department
Judy Gray Johnson, Director, Finance and Administration Department

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SCOPE AND PURPOSE

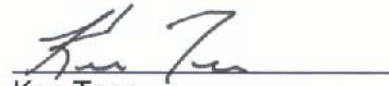
We have completed a contract compliance audit of the After School Achievement Program (ASAP) administered by Mountain Top Learning Center (Mountain Top) at their 8420 Alameda Genoa location. The period audited was the 2003-2004 school year. The audit objective was to determine whether Mountain Top complied with the terms of its contract. The primary focus was to assess individual program related expenses to determine if they were appropriate, adequately supported, and in compliance with contract terms and federal regulations. Due to the audit period being the 2003 – 2004 school year, we were unable make unannounced visits of scheduled activities to verify that programming actually occurred as indicated on Program Components Reports.

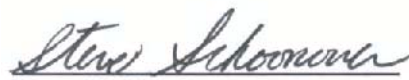
The scope of our work did not constitute an evaluation of the overall internal control structure of Mountain Top Learning Center at their 8420 Alameda Genoa location or their internal controls related to the contract. The scope of the audit was limited to determining whether program related expenses were appropriate, adequately supported, and in compliance with contract terms and federal regulations. This audit was executed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

CONCLUSION

Based on the results of the audit, we conclude that the Mountain Top Learning Center complied with ASAP contract terms and federal regulations, in the areas tested, during the 2003 – 2004 school year, except for the finding noted in the report.


Scott Haiflich
Auditor-in-charge


Ken Teer
Audit Manager


Steve Schoonover
City Auditor

INTRODUCTION

During the 2003-2004 school year, Mountain Top was in their first year of providing ASAP services at the 8420 Almeda Genoa location. Their grant amount was \$40,000, which required an in-kind match of \$10,000. Cash match amounts are not required until the second and subsequent years of ASAP services. Under the terms of the contract, they were to provide services to participants in four component areas: Academic Enhancement, Personal Skills Development, Enrichment, and Community Involvement. The contract required a minimum average daily attendance of 50 participants. Programming was to be provided for at least two hours per day and until at least 5:30 pm, on at least four weekdays while school was in session.

Mountain Top received program funds on a reimbursement basis by submitting reimbursement requests with supporting documentation attached for allowable expenses incurred. In addition to reimbursement requests, periodic reports were required providing statistical information such as the total number of participants enrolled, average daily attendance, number of participants from low-income and moderate income households, the ethnic breakdown of participants, program activity, and the percentage of students with improved grades, school attendance and behavior.

AUDIT FINDING AND RECOMMENDATION

AVERAGE DAILY ATTENDANCE

BACKGROUND

Exhibit B, Sec. II. A. 3., of the Agreement requires contractors to maintain a minimum average daily attendance of 50 participants per site.

FINDING

Mountain Top management developed a method of recording daily attendance that was unreliable. Parents and guardians were expected to sign participants in and out of the facility daily on a form provided by Mountain Top. We calculated average daily attendance for the months of February and March 2004. Based on sign-in/out sheets, average daily attendance in February was 26 and 30 in March. However, reported average daily attendance for February and March 2004 was 45 and 52, respectively. Mountain Top Management commented that parents and guardians were not consistently signing participants in and out of the program, explaining the difference in reported average daily attendance and the numbers reflected on sign-in/out sheets.

RECOMMENDATION

We recommend that ASAP Administration incorporate monitoring procedures to verify that programs comply with average daily attendance requirements specified in the agreements. Those procedures should include unannounced visits of program activities and participant counts to verify the accuracy of reported attendance. ASAP Administration should also ensure that the method recording daily attendance is adequate and reliable.

EXHIBIT I



CITY OF HOUSTON

Parks and Recreation
Department

Interoffice

Correspondence

To: Annise Parker, City Controller

From: Joe Turner, Director

Date: March 17, 2005

Subject: DEPARTMENT RESPONSE TO
CONTRACT COMPLIANCE AUDIT FOR
MOUNTAIN TOP LEARNING CENTER
AFTER SCHOOL ACHIEVEMENT
PROGRAM

The department agrees with the finding and recommendation of this audit report.

Mountain Top Learning Center is currently a recipient of After-School Achievement Program (ASAP) funds for the 2004-2005 school year. The finding indicated inaccurate reporting of the average daily attendance. The recommendation in the audit has been remedied through the newly implemented Program Guidelines, effective July 2004. All participating ASAP providers have been informed and provided with a copy of the Program Guidelines. The Program Guidelines address the identified recommendation in the following manner:

1. Section II. Average Daily Attendance pg. 3-5

Minimum Average Daily Attendance - Each ASAP site is required to maintain a minimum average daily attendance of 45 participants per site. Each participating site is required to provide the City with a monthly Average Daily Attendance Report by the 15th of each month, unless that date falls on a weekend or City holiday, in which case it shall be due on the next working day.

B. Adjustment of Reimbursement for Failure to Meet Monthly Daily Attendance Requirement - In the event a site has failed to meet the City's required *Minimum Average Daily Attendance* of children for 2 consecutive reporting months or for any 3 sporadic months during a Program Year, and is unable to demonstrate a reasonable cause for the downward deviation from the *Minimum* required, The City will adjust the amount of the site's reimbursable monthly expenses by an amount equivalent to the monthly shortfall for each such month.

The City ASAP administrators currently conduct unannounced monitoring visits to ensure contract compliance. Through the monitoring visits the ASAP administration is able to obtain actual counts of the participants, and review the recorded daily attendance log for adequacy.

Handwritten signature of Joe Turner in black ink.

Joe Turner, Director
Parks and Recreation Department

Cy: Doug Earle
Cheryl D. Johnson
Twonda J. Thompson

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CONTROLLERS

**Views of Responsible
Officials**