



*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

WILLIAM C. THOMPSON, JR.
Comptroller

**Audit Report on
Brookwood Child Care and Its
Compliance with Its Child Care Agreement
July 1, 1999, to June 30, 2000**

FM02-151A

June 24, 2002

*The City of New York
Office of the Comptroller
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**Audit Report on
Brookwood Child Care and Its
Compliance with Its Child Care Agreement
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EXECUTIVE SUMMARY

Brookwood Child Care (Brookwood) is a not-for-profit organization that provides foster care services and administers funds to children in foster boarding homes and therapeutic boarding homes. Foster care providers are reimbursed for expenses according to a per diem rate based on a formula developed by the New York State Office of Children and Family Services. The per diem rate is limited to the Maximum State Aid Rate (MSAR) established by the New York State Office of Children and Family Services and the New York City Administration for Children's Services (ACS).

This audit determined whether Brookwood: maintained adequate internal controls over the recording and reporting of its expenses, revenues, and days-of-care; was paid based on the appropriate per diem rate in accordance with the New York State standards of payment, ACS regulations, and accurate days-of-care data; and complied with certain promulgated announcements and regulations stated in the New York State *Standards of Payment*, and the City's *CWA Foster-Care Reimbursement Bulletin No. 92-5*.

For Fiscal Year 2000—July 1, 1999, to June 30, 2000—ACS reimbursed Brookwood \$9,328,314 for providing services to 918 individuals in its Regular and Therapeutic Foster Boarding Home programs. In addition, Brookwood received \$234,797 from ACS for its Independent Living Skills Program, an educational program for individuals in its care who are at least 14 years of age.

Brookwood generally complied with the financial provisions of its child care agreement and with State and City regulations. When ACS performed its Fiscal Year 2000 closeout for Brookwood, it determined that ACS owed Brookwood \$237,844.¹ However, we found that Brookwood inaccurately classified and incorrectly reported days-of-care on its Report of Actual Expenditures DSS 2652 and Care Day Census and Pass-Through Calculation, the documents upon

¹ At the end of each year, ACS determines the amount due to or from its foster care agencies by performing year-end closeout calculations. In the closeout process, ACS uses agency submissions to determine whether ACS owes the agency money or the agency owes ACS.

which ACS based its closeout. In addition, Brookwood made errors and misclassifications in its reported expenses and paid its foster parents at rates that were lower than the approved rates. Moreover, Brookwood owes the City \$79,588 because it did not use all of the Independent Living Skills Program funds that it received from ACS. At the same time, ACS owes Brookwood \$105,651 because it was not paid for all of its Foster Boarding Home Program expenses. Consequently, ACS owes Brookwood \$26,063 rather than the \$237,844 determined by the closeout.

We recommend that Brookwood include only those expenses allowed in the New York State *Standards of Payment for Foster Care of Children* and the City's *CWA Foster-Care Reimbursement Bulletin No. 92-5*, report its days-of-care accurately and in accordance with New York State and ACS regulations, determine the amount by which each foster parent was underpaid for Fiscal Year 2000 and make the appropriate retroactive payments. In addition, we recommend that ACS pay Brookwood only \$26,063, rather than the \$237,844 determined by the ACS year-end closeout, and ensure that Brookwood complies with this report's recommendations.

ACS, which responded for Brookwood and itself, stated that both agreed with the audit's findings and recommendations. ACS also responded that Brookwood agreed to: include only those expenses allowed by New York State Regulations and ACS on its Report of Actual Expenditures DSS 2652; report its days-of-care accurately and in accordance with New York State and ACS regulations; and calculate the amount of underpayments made to each foster parent and make the appropriate retroactive payments. ACS further stated it will pay Brookwood \$26,063 instead of the \$237,844 determined by the closeout, and that it had notified Brookwood in writing to comply with the audit's recommendations.

INTRODUCTION

Background

Brookwood Child Care (Brookwood) is a not-for-profit organization that provides foster care and other social services in New York City. Brookwood operates a Regular Boarding Home Program and also a Therapeutic Boarding Home Program that provides foster care services to children with special needs.

Foster care providers are reimbursed for expenses based on a per diem rate that is calculated according to a formula developed by the New York State Office of Children and Family Services—formerly the Department of Social Services (DSS). The per diem rate is limited to the Maximum State Aid Rate (MSAR) established by the New York State Office of Children and Family Services and the New York City Administration for Children's Services (ACS). In addition, these reimbursements are governed by the rules and regulations found in the New York State Department of Social Services's *Program Manual for Standards of Payment for Foster Care of Children* and the City's *CWA Foster-Care Reimbursement Bulletin No.92-5* and applicable amendments.

For Fiscal Year 2000—July 1, 1999, to June 30, 2000—ACS reimbursed Brookwood \$9,328,314 for providing services to 918 individuals in its Regular and Therapeutic Foster Boarding

Home programs. In addition, Brookwood received \$234,797 from ACS for its Independent Living Skills Program, an educational program for individuals in its care who are at least 14 years of age.

Objectives

Our audit objectives were to determine whether Brookwood:

- maintained adequate internal controls over the recording and reporting of its expenses, revenues, and days-of-care;
- was paid based on the appropriate per diem rate in accordance with the New York State standards of payment, ACS regulations, and accurate days-of-care data; and
- complied with certain promulgated announcements and regulations stated in the New York State *Standards of Payment*, and the City's *CWA Foster-Care Reimbursement Bulletin No. 92-5*.

Scope and Methodology

To achieve our audit objectives, we reviewed and abstracted the rules and regulations governing foster care reimbursements in the New York State *Program Manual for Standards of Payment for Foster Care of Children* and the City's *CWA Foster-Care Reimbursement Bulletin No.92-5* and applicable amendments. We reviewed Brookwood's certified financial statements and matched the revenues and expenses recorded on its general ledger to the total amounts reported on those certified statements.

We evaluated Brookwood's internal control structure over the recording and reporting of revenue, expenses, and days-of-care for its foster care programs. To gain an understanding of its operations, we reviewed Brookwood's organizational chart, conducted a walk-through of its operations, and documented the results through memoranda.

To verify whether the expenses Brookwood charged to its foster care programs were accurate and allowable, we obtained and reviewed Brookwood's Report of Actual Expenditures DSS-2652 and matched each reported expense item to the related account(s) in the general ledger and to appropriate worksheets. We selected a random sample of expenses and traced them to documentation, such as invoices and canceled checks. We also verified whether the salaries of Brookwood personnel were charged to the correct cost centers and programs, and whether health insurance payments, social security payments, and pension contributions were actually for Brookwood employees assigned to its foster care programs.

We determined whether the revenue that Brookwood received from ACS was accurate and was reported correctly on Brookwood's Report of Actual Income DSS-2654. In that regard, we matched each reported revenue amount to the corresponding amounts in the general ledger and trial balance. We then traced the reported revenue to ACS payment records for accuracy.

In addition, we obtained Brookwood's Admission Reports, Movement Reports, and case files, and compared them to various documents submitted to ACS to verify whether Brookwood billed ACS for the correct number of care days. We also verified whether the payments made by ACS to Brookwood matched the amounts paid by Brookwood to the foster parents and verified whether specific expenses charged to ACS complied with New York State and ACS guidelines.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the City Comptroller's audit responsibilities as set forth in Chapter 5, §93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with officials from Brookwood and ACS during and at the conclusion of this audit. A preliminary draft report was sent to Brookwood and ACS officials and discussed at an exit conference on June 6, 2002. On June 11, 2002, we submitted a draft report to Brookwood and ACS officials with a request for comments. We received a response from ACS on June 19, 2002, in which ACS also replied for Brookwood.

ACS responded that Brookwood agreed to: include only those expenses allowed by New York State Regulations and ACS on its Report of Actual Expenditures DSS 2652; report its days-of-care accurately and in accordance with New York State and ACS regulations; and calculate the amount of underpayments made to each foster parent and make the appropriate retroactive payments. ACS further stated it will pay Brookwood \$26,063 instead of the \$237,844 determined by the closeout, and that it notified Brookwood in writing to comply with the audit's recommendations.

The full text of the ACS comments is included as an addendum to this final report.

**OFFICE OF THE COMPTROLLER
NEW YORK CITY**

DATE FILED: JUNE 24, 2002

FINDINGS AND RECOMMENDATIONS

Brookwood generally complied with the financial provisions of its child care agreement and with State and City regulations. However, Brookwood owes the City \$79,588 because it did not use all of the Independent Living Skills Program funds that it received from ACS. At the same time, ACS owes Brookwood \$105,651 because it was not paid for all of its Foster Boarding Home Program expenses. The net effect is that ACS owes Brookwood \$26,063. In addition, Brookwood made errors and misclassifications in its reported expenses and paid its foster parents at rates that were lower than the approved rates. These issues are discussed in further detail in the following sections of this report.

Brookwood Owes ACS \$79,588 for Unused Independent Living Skills Program Funds

Brookwood received \$234,797 from ACS for its Independent Living Skills Program. However, Brookwood's Report of Actual Expenditures DSS-2652 claimed that program costs for the year totaled \$156,464. In addition, Brookwood's books and records contained \$1,255 in claimed expenses that should not have been charged to the Independent Living Skills Program since they were for other programs or were unallowable. Therefore, actual expenses were \$155,209. Consequently, Brookwood owes ACS \$79,588 (\$234,797 - \$155,209) in unused program funds.

ACS Owes Brookwood \$105,651, \$132,193 Less Than the \$237,844 it Would Have Paid for the Fiscal Year 2000 "Closeout"

Brookwood is owed \$105,651, not the \$237,844 that ACS would have paid based on its year-end closeout for Brookwood.² At the end of each year, ACS determines the amount due to or from its foster care agencies by performing year-end closeouts. In the closeout process, ACS uses agency submissions to determine whether ACS owes the agency money or the agency owes ACS. When ACS performed its Fiscal Year 2000 closeout for Brookwood, it determined that ACS owed Brookwood \$237,844. However, Brookwood inaccurately classified and incorrectly reported days-of-care on its Report of Actual Expenditures DSS 2652 and Care Day Census and Pass-Through Calculation, the documents upon which ACS based its closeout.

² Based on its closeout procedures, ACS would have paid Brookwood \$237,844, the difference between Brookwood's reported costs and ACS' advances. However, ACS decided not to pay Brookwood until our audit was completed.

Specifically, Brookwood's Careday Reports and Year-End Careday Reconciliation indicated that it provided 212,221 regular days-of-care and 10,518 therapeutic days-of-care.³ However, Brookwood overstated its regular days-of-care by 1,662 days and overstated its therapeutic days-of-care by 106 days. In addition, our classification of the regular days-of-care for Regular Foster Boarding Home differed from Brookwood's.⁴ For example, our calculations disclosed that Brookwood paid its foster parents for 26,046 special days-of-care and 6,341 exceptional days-of-care; however, Brookwood reported that it paid for 19,091 special days-of-care and 10,446 exceptional days-of-care.

In addition, Brookwood included \$135,430 in expenses on its Report of Actual Expenditures DSS-2652 that are not allowable in establishing the final rate under New York State and ACS regulations. These expenses included \$99,620 in administrative expenses charged to the Regular Boarding Home Program and the Therapeutic Boarding Home Program and \$35,810 in pass-through expenses.⁵

We disallowed administrative expenses totaling \$87,515 for investments fees, legal fees incurred by a non-foster care program, food and beverages for meetings, etc., that are not allowable according to State and City regulations. We disallowed \$12,105 in administrative expenses for school supplies and crib expenses, which are reimbursed separately by ACS. Our disallowances did not affect the amount due to Brookwood since our computed operating per diem rates still exceeded the maximum per diem rate even after we recalculated program costs.

Furthermore, Brookwood's reported pass-through expenses for its Regular Boarding Home Program were overstated by \$10,793 and its Therapeutic Foster Boarding Home Program were overstated by \$25,017. (See Appendices I and II for our detailed calculations of the amounts ACS owes Brookwood for Brookwood's Regular and Therapeutic Foster Boarding Home Programs.)

Foster Parents Not Paid At Correct Rates

Brookwood did not pay its foster parents the Cost of Living Adjustments (COLA) approved by the New York State Office of Children and Family Services for Fiscal Year 2000. As a result, Brookwood underpaid its foster parents by \$0.34 to \$1.04 per day per child, depending on the age of the child and the level of care provided. Based on our calculations, Brookwood owes its foster parents \$101,924.

³ Careday Reports, submitted monthly to ACS, list the children in the foster care programs and the number of billable days for each child. Movement Reports indicate reimbursable absences (e.g., weekend visits with biological parents) and non-reimbursable absences (e.g., legal detention beyond seven days) from foster care programs.

⁴ Regular days-of-care can be classified as "normal," "special," or "exceptional," depending on the level of care. "Special" and "exceptional" days-of-care are for children who have physical or psychological problems; their foster parents are paid at higher per diem rates.

⁵ Administrative expenses are those expenses incurred by Brookwood and are reimbursed at the lower of either the operating rate (based on actual expenses) or the maximum rate approved by ACS. Pass-through expenses are those expenses incurred directly on behalf of the children and Brookwood and are fully reimbursed by ACS.

Recommendations

We recommend that Brookwood:

1. Include only those expenses allowed in the New York State *Standards of Payment for Foster Care of Children* on its Report of Actual Expenditures DSS-2652.

ACS Response: “Brookwood will include only those expenses allowed in the New York State Standards of Payments for Foster Care of Children on its Report of Actual Expenditures DSS-2652.”

2. Include only those expenses allowed in *CWA Foster-Care Reimbursement Bulletin No. 92-5* and applicable amendments on its Report of Actual Expenditures DSS-2652.

ACS Response: “Brookwood will include only those expenses allowed in the CWA Foster-Care Reimbursement Bulletin No. 92-5 and applicable amendments on its Report of Actual Expenditures DSS-2652.”

3. Report its days-of-care accurately and in accordance with New York State and ACS regulations.

ACS Response: “Brookwood will report its days-of-care accurately and in accordance with New York State and ACS regulations.”

4. Determine the amount by which each foster parent was underpaid for Fiscal Year 2000 and make the appropriate retroactive payments. In addition, Brookwood should seek reimbursement from ACS for these retroactive payments.

ACS Response: “Brookwood will calculate the amount of underpayments made to each foster parent and make the appropriate retroactive payments. Brookwood will submit the appropriate claims to ACS for reimbursement of the retroactive payments.”

We recommend that ACS:

5. Not pay the \$237,844 determined by the ACS year-end closeout. Instead, pay only \$26,063 to Brookwood.

ACS Response: “ACS will pay Brookwood Child Care \$26,063.”

6. Ensure that Brookwood complies with this report’s recommendations. In that regard, ACS should issue a written notice to Brookwood requiring that these recommendations be implemented.

ACS Response: “ACS notified Brookwood, in writing, that they are required to comply with the Comptroller’s recommendations.”

APPENDIX I

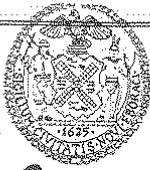
**BROOKWOOD CHILD CARE
REGULAR FOSTER BOARDING HOME (FBH)
STATEMENT OF BASIS FOR PER DIEM RATE AS AUDITED
JULY 1, 1999 to JUNE 30, 2000**

	<u>TOTAL</u> <u>EXPENSES</u>	<u>ADMINISTRATIVE</u> <u>EXPENSES</u>	<u>PASS-THROUGH</u> <u>EXPENSES</u>
TOTAL REPORTED EXPENSES PER DSS-2652	\$ 8,838,566.00	\$ 4,562,640.00	\$ 4,275,926.00
LESS: AUDIT DISALLOWANCES	<u>\$ (101,375.00)</u>	<u>\$ (90,582.00)</u>	<u>\$ (10,793.00)</u>
TOTAL EXPENSES AS AUDITED	<u>\$ 8,737,191.00</u>	<u>\$ 4,472,058.00</u>	<u>\$ 4,265,133.00</u>
ACS PAID DAYS OF CARE	210,662	210,662	210,662
UNPAID DAYS OF CARE PER BROOKWOOD	<u>1,559</u>	<u>1,559</u>	<u>1,559</u>
TOTAL DAYS OF CARE	212,221	212,221	212,221
LESS: DISALLOWED DAYS OF CARE	<u>(1,662)</u>	<u>(1,662)</u>	<u>(1,662)</u>
TOTAL AUDITED DAYS OF CARE	<u>210,559</u>	<u>210,559</u>	<u>210,559</u>
OPERATING PER DIEM RATE	<u>\$ 41.50</u>	<u>\$ 21.24</u>	<u>\$ 20.26</u>
MAXIMUM PER DIEM RATE		<u>\$ 19.37</u>	
FINAL PER DIEM RATE	<u>\$ 39.63</u>	<u>\$ 19.37</u>	<u>\$ 20.26</u>
<u>CALCULATION OF AMOUNT DUE TO ACS (AGENCY)</u>			
FINAL PER DIEM RATE AS AUDITED	\$ 39.63	\$ 19.37	\$ 20.26
AUDITED DAYS OF CARE	<u>210,559</u>	<u>210,559</u>	<u>210,559</u>
TOTAL AMOUNT DUE TO AGENCY FOR FBH	<u>\$ 8,344,453.17</u>	<u>\$ 4,078,527.83</u>	<u>\$ 4,265,925.34</u>
AMOUNT ADVANCED BY ACS FOR FBH	<u>\$ 8,240,629.00</u>		
TOTAL DUE TO AGENCY	<u>\$ 103,824.17</u>		

APPENDIX II

**BROOKWOOD CHILD CARE
THERAPEUTIC FOSTER BOARDING HOME (TFBH)
STATEMENT OF BASIS FOR PER DIEM RATE AS AUDITED
JULY 1, 1999 to JUNE 30, 2000**

	<u>TOTAL</u> <u>EXPENSES</u>	<u>ADMINISTRATIVE</u> <u>EXPENSES</u>	<u>PASS-THROUGH</u> <u>EXPENSES</u>
TOTAL REPORTED EXPENSES PER DSS-2652	\$ 1,123,572.00	\$ 636,407.00	\$ 487,165.00
LESS: AUDIT DISALLOWANCES	\$ (34,055.00)	\$ (9,038.00)	\$ (25,017.00)
TOTAL EXPENSES AS AUDITED	<u>\$ 1,089,517.00</u>	<u>\$ 627,369.00</u>	<u>\$ 462,148.00</u>
ACS PAID DAYS OF CARE	10,453	10,453	10,453
UNPAID DAYS OF CARE PER BROOKWOOD	<u>65</u>	<u>65</u>	<u>65</u>
TOTAL DAYS OF CARE	10,518	10,518	10,518
LESS: DISALLOWED DAYS OF CARE	<u>106</u>	<u>106</u>	<u>106</u>
TOTAL AUDITED DAYS OF CARE	<u>10,412</u>	<u>10,412</u>	<u>10,412</u>
OPERATING PER DIEM RATE	<u>\$ 104.64</u>	<u>\$ 60.25</u>	<u>\$ 44.39</u>
MAXIMUM PER DIEM RATE		<u>\$ 61.47</u>	
FINAL PER DIEM RATE	<u>\$ 104.64</u>	<u>\$ 60.25</u>	<u>\$ 44.39</u>
<u>CALCULATION OF AMOUNT DUE TO ACS (AGENCY)</u>			
FINAL PER DIEM RATE AS AUDITED	\$ 104.64	\$ 60.25	\$ 44.39
AUDITED DAYS OF CARE	<u>10,412</u>	<u>10,412</u>	<u>10,412</u>
TOTAL AMOUNT DUE TO AGENCY FOR TFBH	<u>\$ 1,089,511.68</u>	<u>\$ 627,323.00</u>	<u>\$ 462,188.68</u>
AMOUNT ADVANCED BY ACS FOR TFBH	<u>\$ 1,087,685.00</u>		
TOTAL DUE TO AGENCY	<u><u>\$ 1,826.68</u></u>		



Addendum I - Response from the
Administration for Children's Services

ADMINISTRATION FOR CHILDREN'S SERVICES
150 WILLIAM STREET - 19th FLOOR
NEW YORK, N.Y. 10038

WILLIAM C. BELL
Commissioner

June 19, 2002

Mr. Roger D. Liwer, Assistant Comptroller for Audits
The City of New York Office of the Comptroller
Bureau of Audits
1 Centre Street, Room 1100
New York, NY 10007-2341

Re: NYC Comptroller's Audit Report FM02-151A
Brookwood Child Care and its Compliance With Its Child Care Agreement

Dear Mr. Liwer:

Thank you for sharing with us the Draft Report for the above captioned audit.

Attached is our response to your recommendations and our Audit Implementation Plan (AIP). We would like to thank the Comptroller's Office for the professionalism of your staff while conducting this audit.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "William C. Bell".

William C. Bell

Attachments

**Addendum I - Response from the
Administration for Children's Services**

City of New York Office of the Comptroller
New York City Administration for Children's Services
Brookwood Child Care
Audit Number FM02-151A

Administration for Children's Services
Response to Recommendations
June 19, 2002

ACS was pleased to have confirmation from the Comptroller's audit report that "Brookwood Child Care generally complied with the financial provisions of its child care agreement and with State and City regulations."

Recommendations 1 and 2

Brookwood will include only those expenses allowed in the New York State Standards of Payments for Foster Care of Children on its Report of Actual Expenditures DSS-2652.

Brookwood will include only those expenses allowed in the CWA Foster-Care Reimbursement Bulletin No. 92-5 and applicable amendments on its Report of Actual Expenditures DSS-2652.

Recommendation 3

Brookwood will report its days-of-care accurately and in accordance with New York State and ACS regulations.

Recommendation 4

Brookwood will calculate the amount of underpayments made to each foster parent and make the appropriate retroactive payments. Brookwood will submit the appropriate claims to ACS for reimbursement of the retroactive payments.

Recommendations 5 and 6

ACS will pay Brookwood Child Care \$26,063.

ACS notified Brookwood, in writing, that they are required to comply with the Comptroller's recommendations.

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER FM02-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 1: Brookwood should include only those expenses allowed in the New York State Standards of Payments for Foster Care of Children on its Report of Actual Expenditures DSS-2652.

RESPONSIBLE MANAGERS' NAME: FATIMA GOLDMAN, EXECUTIVE DIRECTOR, BROOKWOOD CHILD CARE

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	DATES		DOCUMENTATION	COMMENTS
		START	END		
Brookwood will include only those expenses allowed in the New York State Standards of Payments for Foster Care of Children on its Report of Actual Expenditures DSS-2652.	Jeffrey Victor, Fiscal Director, Brookwood Child Care	Fall 2002	Continuing	The next SOP, due in the fall of 2002.	

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER FM02-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 2: Brookwood should include only those expenses allowed in the CWA Foster-Care Reimbursement Bulletin No. 92-5 and applicable amendments on its *Report of Actual Expenditures DSS-2652*.

RESPONSIBLE MANAGERS' NAME: FATIMA GOLDMAN, EXECUTIVE DIRECTOR, BROOKWOOD CHILD CARE

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	DATES		DOCUMENTATION	COMMENTS
		START	END		
Brookwood will include only those expenses allowed in the CWA Foster-Care Reimbursement Bulletin No. 92-5 and applicable amendments on its Report of Actual Expenditures DSS-2652.	Jeffrey Victor, Fiscal Director, Brookwood Child Care	Fall 2002	Continuing	The next SOP, due in the fall of 2002.	

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER FM02-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 3: Brookwood should report its days-of-care accurately and in accordance with New York State and ACS regulations.
RESPONSIBLE MANAGERS' NAME: PATIMA GOLDMAN, EXECUTIVE DIRECTOR, BROOKWOOD CHILD CARE

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	DATES		DOCUMENTATION	COMMENTS
		START	END		
Brookwood will report its days-of-care accurately and in accordance with New York State and ACS regulations.	Jeffrey Victor, Fiscal Director, Brookwood Child Care	06/02	Continuing	Care Day Reports and Movement Reports.	

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER F902-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 4: Brookwood should determine the amount by which each foster parent was underpaid for Fiscal Year 2000 and make the appropriate retroactive payments. In addition, Brookwood should seek reimbursement from ACS for these retroactive payments.

RESPONSIBLE MANAGERS' NAME: FATIMA GOLDMAN, EXECUTIVE DIRECTOR, BROOKWOOD CHILD CARE

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	DATES		DOCUMENTATION	COMMENTS
		START	END		
Brookwood will calculate the amount of underpayments made to each foster parent and make the appropriate retroactive payments. Brookwood will submit the appropriate claims to ACS for reimbursement of the retroactive payments.	Jeffrey Victor, Fiscal Director, Brookwood Child Care	06/02	09/02	Reconciliation and Payments to Foster Parents.	

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER FM02-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 5: ACS should not pay the \$237,844 determined by the ACS year-end closeout. Instead, pay only \$26,063 to Brookwood.

RESPONSIBLE MANAGERS' NAME: TOM WELSH, DIRECTOR AUDIT SERVICES ACS

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	DATES		DOCUMENTATION	COMMENTS
		START	END		
ACS will pay Brookwood Child Care \$26,063.	Antoine Gaultier, Assistant Director, Contract Audit	07/02	07/02		

**Addendum I - Response from the
Administration for Children's Services**

ADMINISTRATION FOR CHILDREN'S SERVICES
AUDIT IMPLEMENTATION PLAN
NEW YORK CITY COMPTROLLER'S AUDIT NUMBER PM02-151A
BROOKWOOD CHILD CARE AND ITS COMPLIANCE WITH ITS CHILD CARE AGREEMENT

RECOMMENDATION # 6: ACS should ensure that Brookwood complies with this report's recommendations. In this regard, ACS should issue a written notice to Brookwood requiring that these recommendations be implemented.

RESPONSIBLE MANAGERS' NAME: TOM WELSH, DIRECTOR FOR AUDIT SERVICES ACS

CORRECTIVE ACTIONS TO BE TAKEN	RESPONSIBLE PERSON	START DATE	END DATE	DOCUMENTATION	COMMENTS
ACS notified Brookwood, in writing, that they are required to comply with the Comptroller's recommendations.	Antoine Gautier, Assistant Director, Contract Audit	06/02	Continuing	Letter to Brookwood Child Care.	