



Internal Control Weaknesses Found in Marion S. Barry Summer Youth Employment Program

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Why ODCA Did This Audit

The Council enacted legislation in 2015 directing ODCA to “conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives.” This review of management and internal controls of the Marion S. Barry Summer Youth Employment Program (MBSYEP) during 2015 and 2016 is the last of four ODCA reports intended to fulfill the Council’s directive.

What ODCA Recommends

This report includes 19 recommendations to improve the management and internal controls of MBSYEP, including the following:

1. DOES should establish and regularly update a policies and procedures manual that covers all aspects of MBSYEP, including staff training.
2. DOES must comply with statutorily-mandated wage rates and registration periods for MBSYEP.
3. DOES should implement a new management information system with sufficient internal controls (including an audit trail) to prevent waste, fraud, and abuse.
4. DOES should publish program handbooks for youths and their families on a timely basis.
5. DOES should ensure that MBSYEP is charged only for expenses related to the six-week summer program.
6. DOES should contract for an independent evaluation of MBSYEP by June 1 and publish the results by December 30 of each year, as required by D.C. law.

DOES provided comments (attached at the end of this report) on a draft of the report, and described steps DOES has taken to tighten its internal controls for the summer youth program. ODCA appreciates DOES’ commitment to strengthen internal controls.

For more information about this report, please contact
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What ODCA Found

ODCA found that the Department of Employment Services (DOES) must significantly strengthen internal controls for the Marion S. Barry Summer Youth Employment Program (MBSYEP), a six-week program that serves approximately 13,000 youths at 500 work or classroom sites. Internal controls comprise the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity and to achieve desired results through effective stewardship of public resources.

Although strong internal controls are particularly important for a large program such as MBSYEP, which represented an investment of more than \$17 million in youth development during fiscal year 2016, many of MBSYEP’s policies, procedures, and systems were ad hoc or underdeveloped during the 2015 and 2016 programs. These shortcomings created a risk that waste and fraud would go undetected while impeding the program’s goal of providing youths with the skills, attitudes, and experience needed to succeed in the workforce.

ODCA identified instances when DOES exceeded legally-mandated wage rates, and hours of work for MBSYEP participants while also failing to abide by statutory registration periods. The lack of written policies, procedures, and training governing youth enrollment, online registration, payroll processing, and other key program elements may have contributed to these violations.

Another critical weakness is the People First management information system that supports MBSYEP operations, which lacks an audit trail needed to document decisions about enrollment, assignments, and pay rates. This weakness was compounded by inadequate access controls and a failure to segregate duties so that no one individual can control all aspects of a transaction. These deficiencies pose risks for waste, fraud, and abuse.

Payroll processing is also inefficient: 18 payrolls were processed for the six-week program in 2016 due to host employer failures to enter participant work hours on time as well as possible system overload. These failures diverted the time of MBSYEP program staff who review payroll resolution tickets.

DOES has failed to comply with MBSYEP accountability and evaluation requirements prescribed by law. Although DOES is required to contract for an independent evaluation of MBSYEP by June 1 of each year and to present the results to the Council by December 30 of each year, DOES did not contract for such an evaluation in 2015 and had not issued the 2016 evaluation report as of this writing. DOES is also required to publish on its website summary data about the demographics of MBSYEP participants, their activities in the program, and their employment after the program by February 1 of each year, but once again this mandate had not been met by the time of this writing.

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Background

The District of Columbia's summer youth employment program has served thousands of youth annually since it began in 1979.¹ In January 2015, D.C. Mayor Muriel Bowser renamed the program the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP) in honor of longtime D.C. Mayor and Councilmember Marion Barry, who established the program during his first term as mayor and championed it throughout his time in public office.² The Department of Employment Services (DOES) administers the program through its Office of Youth Programs.

MBSYEP has been a focus of attention for the Council of the District of Columbia because of its important objectives, scope, and cost. The program seeks to give youths the opportunity to: 1) earn money and gain meaningful work experience, 2) learn and develop the skills, attitudes, and commitment needed to succeed in the workforce, 3) explore career options, and 4) interact with professionals in a supportive work environment.³ More than 13,000 youths were offered positions in MBSYEP during the summers of 2015 and 2016, respectively.⁴ MBSYEP expenditures totaled \$19.3 million in FY 2015⁵ and \$17.3 million in FY 2016.

MBSYEP has typically been a six-week program that provides summer jobs to youths on a first-come, first-served basis. D.C. law provides that MBSYEP shall annually employ between 10,000 and 21,000 youths between the ages of 14 and 21.⁶ In addition, Mayor Bowser persuaded the D.C. Council to include as many as 1,000 young adults between the ages of 22 and 24 during the summer of 2015⁷ to provide "meaningful work experience and individualized support that will help them to identify a

¹ See Office of the City Administrator, "Findings of an Internal Investigation Regarding the District's Summer 2008 Summer Youth Program," August 12, 2008, pp. 6-7, and Susan Curnan, Christopher Kingsley, Lisa LaCava, and Joseph Frees, "Unfinished Work: Building Excellence in Washington, D.C.'s Summer Youth Employment Program," The Center for Youth and Communities, Heller School for Social Policy and Management at Brandeis University, November 9, 2010, p. 4.

² See Mayor's Order 2015-37, issued January 14, 2015.

³ Government of the District of Columbia, "MBSYEP Summer Report," p. 5.

⁴ Data provided by the Department of Employment Services indicate that 13,969 youth were offered summer positions in 2015, and that 13,106 youth were offered summer positions in 2016.

⁵ Although reported FY 2015 expenditures for DOES program code 4820, "Summer Youth Employment Program," were \$18.0 million, an additional \$1.3 million in MBSYEP expenditures were charged to DOES' Year-Round Youth Program and its Local Adult Training Program budgets, raising total FY 2015 expenditures to \$19.3 million.

⁶ See D.C. Official Code §32-241(a)(1)(A).

⁷ See D.C. Act 21-73, the "Youth Employment and Work Readiness Training Emergency Amendment Act of 2015," which took effect on May 26, 2015, and expired on August 24, 2015.

career pathway.”⁸ In March 2016, the Council approved and Mayor Bowser signed legislation authorizing the continued participation of 1,000 individuals aged 22 to 24 in MBSYEP during the summers of both 2016 and 2017.⁹

The high priority attached to MBSYEP and debate about whether to expand the program permanently to include 22- to 24-year-olds have led the Council to seek more information about the program’s outcomes. To that end, the Council appropriated \$200,000 in the FY 2016 budget of the Office of the District of Columbia Auditor (ODCA) to “conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives.”¹⁰

The report presented below, which reviews MBSYEP program management and internal controls, is the last in a series of ODCA reports undertaken to fulfill the Council’s directive to evaluate MBSYEP. The goal is to offer findings and recommendations that will help D.C. policymakers strengthen MBSYEP so it can meet its goals of promoting the career, educational, and social development of District of Columbia youths.

Past experience highlights the importance of sound management and strong internal controls to the effectiveness of MBSYEP. In 2008 and 2009, ODCA, the Office of the Inspector General (OIG), and the Office of the City Administrator issued reports documenting a serious breakdown of management oversight and controls in the 2008 summer youth employment program.¹¹ Due in part to then-Mayor Adrian Fenty’s decisions to extend the program from six to 10 weeks, and continue accepting youths after the application deadline while DOES implemented a new information technology system, the Department was unable to administer the registration and payroll systems properly and the original budget of \$14.5 million soared to \$52.4 million.

⁸ D.C. Department of Employment Services, “DOES to Launch Summer Youth Employment Program Expansion,” press release dated April 6, 2015.

⁹ See D.C. Law 21-112, the “Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016,” which took effect on May 12, 2006, following a required period of congressional review.

¹⁰ See Section 10(b) of D.C. Law 21-76, the “Fiscal Year 2016 Budget Support Clarification Temporary Amendment Act of 2015,” effective February 27, 2016.

¹¹ These reports are as follows: Office of the District of Columbia Auditor, “Letter Report: Responses to Specific Questions Regarding the Department of Employment Services’ 2008 Summer Youth Employment Program, May 4, 2009; Office of the District of Columbia Auditor, “Examination of the 2008 Summer Youth Employment Program Contracts,” August 25, 2009; Office of the District of Columbia Auditor, “Audit of the Department of Employment Services’ 2008 Summer Youth Employment Program,” August 27, 2009; Office of the District of Columbia Auditor, “Auditor’s Review of Fiscal Oversight of the 2008 Summer Youth Employment Program,” September 30, 2009; Office of the Inspector General, “Audit of the Department of Employment Services’ Summer Youth Program,” OIG No. 08-2-28CF, June 17, 2009; and Office of the City Administrator, “Findings of an Internal Investigation Regarding the District’s 2008 Summer Youth Program,” August 12, 2008.

Regarding the 2008 summer youth employment program, ODCA found that, “The lack of efficient and effective financial and management oversight by DOES and the [Office of the Chief Financial Officer] OCFO caused the ... program to fall short of achieving its program objectives and ensuring District assets were properly managed and safeguarded from fraud, waste, and abuse.”¹² Similarly, OIG reported that, “DOES did not establish adequate internal controls for the 2008 SYP ... and the 2008 SYP was susceptible to theft, abuse, and fraud.”¹³

Clearly, the issues of management oversight and control that are the subject of this report are critical to the effectiveness of MBSYEP and the prevention of waste, fraud, and abuse. This report provides a current review of those issues. Specifically, the report examines planning for the summer program, budgeting, registration and eligibility determination, management information systems, training, program standards, program monitoring, and other issues key to the success of the program.

This report is the last in a series, following three other reports on MBSYEP that ODCA issued in 2016:

1. “Review of Summer Youth Employment Programs in Eight Major Cities and the District of Columbia,” issued on April 21, 2016.
2. “Review of Marion S. Barry Summer Youth Employment Program Data and Activities,” issued on June 2, 2016.
3. “Site Visit Observations: 2016 Marion S. Barry Summer Youth Employment Program,” issued on December 21, 2016.

¹² Office of the District of Columbia Auditor, “Audit of the Department of Employment Services’ 2008 Summer Youth Employment Program,” August 27, 2009, p. ii.

¹³ Office of the Inspector General, “Audit of the Department of Employment Services’ Summer Youth Program,” OIG No. 08-2-28CF, June 17, 2009, p. i.

Objectives, Scope, and Methodology

Objectives

Pursuant to the Council's directive to "conduct an evaluation of multiple years of the summer youth jobs program to assess whether the program has met and is meeting program objectives," ODCA examined the management and internal controls of MBSYEP. The objectives of the evaluation were to:

1. Ensure that the program operates effectively and efficiently.
2. Monitor and report on the implementation of the summer 2016 program.

Scope

The U.S. Government Accountability Office (GAO) defines internal control as "a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved."¹⁴ GAO further states that:

Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. Internal control serves as the first line of defense in safeguarding assets. In short, internal control helps managers achieve desired results through effective stewardship of public resources.¹⁵

ODCA examined MBSYEP's management and internal controls for the 2015 and 2016 summer youth programs.

Methodology

To accomplish the objectives of this evaluation, ODCA did the following:

- Reviewed policies and procedures drafted or issued by the Department of Employment Services, the Office of the Chief Financial Officer, and the Office of the Chief Technology Officer.
- Examined the MBSYEP budget and projected participation levels by youths and "host employers."¹⁶

¹⁴ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G (September 2014), p. 5.

¹⁵ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G (September 2014), p. 5.

¹⁶ "Host employers" is the term DOES uses for providers of summer work experience and work readiness activities.

- Verified MBSYEP expenditures and other budget actions, including reprogrammings and intra-district transfers, in the D.C. government's financial management system.
- Reviewed the solicitation and award of vendor contracts and the signing of host employer agreements.
- Examined payroll registers
- Reviewed manual and electronic records pertaining to youth registration, eligibility determination, and program assignments; safekeeping and distribution of debit cards; management information systems; training for program staff and host agencies; and monitoring of host agencies and vendors.
- Observed a demonstration of the "People First" software used to support MBSYEP activities.
- Interviewed DOES and other D.C. government officials involved in the program.

This evaluation report was drafted, reviewed, and approved in accordance with procedures outlined in ODCA's Policy and Procedure Manual.

Audit Results

ODCA's findings on the management and internal controls of the Marion S. Barry Summer Youth Employment Program are detailed below in sections entitled General Controls, Management Information Systems, Planning, Payroll and Compensation, Transportation, and Other Issues of Concern.

I. General Controls

DOES lacks sufficient internal controls on developing and implementing policies and procedures governing MBSYEP operations to ensure the MBSYEP operates efficiently and effectively and its objectives are achieved.

Clear policies and procedures that are established and enforced by management are a foundation for a strong control environment, which provides the discipline and structure for an entity to achieve its objectives. The lack of formal policies and procedures increases the risk that organizational objectives will not be achieved and that fraud and waste go undetected, and suggests insufficient oversight by DOES management, which is responsible for developing and implementing internal controls.

In response to ODCA's request for copies of all written policies and procedures governing MBSYEP operations, DOES provided four standard operating procedures (SOPs) covering:

1. Events, describing logistical arrangements to conduct the annual kick-off; youth registration, orientations, and certifications; and host supervisor orientations.
2. Host Liaisons, describing duties and responsibilities of host liaisons, who serve as DOES' primary point of contact with host employers.
3. Monitoring, describing the duties and responsibilities of DOES program monitors, who are supposed to make three site visits to ensure worksites comply with MBSYEP rules and regulations, as well as the requirements of the host agency agreements.
4. Front Desk/Call Center, describing the customer service responsibilities of call center and front desk headquarters staff.

The SOPs were all in draft form. The dates of issuance, effective dates, review dates, and revision dates were all blank, indicating that the SOPs were not formally implemented. There are currently five formal Youth

Services SOPs published on the DOES Intranet site (last modified on August 8, 2014) and only two are related to MBSYEP.

DOES did not provide any written policies or procedures on how staff should conduct the youth enrollment process, evaluate host employer applications, or assign youth to worksites.¹⁷ When the online MBSYEP application system opens, youths are advised (online and through their MBSYEP portals, which are established when the electronic application is submitted and accepted), that they must attend a certification event, during which they must submit all required documents to be determined eligible for the program.

On its website, DOES also provides a certification event calendar, eligibility document checklist, parental consent form, and list of important dates. In addition, after applicants are certified as eligible, they are advised through their portals that they must attend an orientation session prior to being offered a position. While these activities are necessary and important, they focus on guidance for youth participants and do not provide internal guidance for DOES staff.

When asked to provide written procedures for granting and terminating staff access to People First, the management information system that supports MBSYEP operations, DOES submitted flowcharts indicating that granting and terminating access is done via an email request from a program manager to DOES' Office of Information Technology (OIT). However, this informal process is not fully compliant with DOES Policy Number DOES-SEC-001, Access Control Policy (revised September 2, 2014), which is available on the DOES Intranet site. This matter is addressed in more detail in subsequent sections of the report concerning information technology.

In response to ODCA's request for copies of online registration and online payroll processing systems manuals, OIT officials stated there were none. When asked how DOES employees learn to operate these components of People First, OIT officials responded that employees learn on the job. In the absence of a payroll processing systems manual, OIT provided two two-page documents, a "Project Empowerment Time Management System Time Entry Quick Guide" and a "Project Empowerment Time Management System Payroll Resolution Submission Quick Guide." Although these guides are used by the MBSYEP, they were created for the Project Empowerment Program and the contact listed on the payroll resolution guide works for that program.¹⁸

¹⁷ The process by which a youth is matched to a job is described in a "Youth and Parent Information Packet."

¹⁸ Project Empowerment is described on the DOES web site (www.does.dc.gov) as a transitional employment program for District residents between the ages of 22 and 54 who face multiple barriers to employment.

Recommendation

1. DOES should establish and periodically update a comprehensive policies and procedures manual that governs all aspects of MBSYEP and serves as a basis for internal staff training.

In its March 3, 2017, written comments on a draft of this report (attached in their entirety at the end of the report), DOES disagreed with the finding and stated that policies developed for the 2017 program are adequate. , ODCA will follow up on this corrective action through its recommendation compliance process.

DOES did not consistently comply with legally mandated MBSYEP wage rates.

By law, youth participants are required to be paid specified hourly wage rates by the age groups of 14-15, 16-21, and 22-24. The law also established a range of hourly wage rates for supervisory positions. In 2015 and 2016, the established hourly rate for youths ages 14 to 15 was not less than \$5.25 and the hourly rate for youths ages 16 to 21 was \$8.25. For participants ages 22 to 24, the established hourly rates were \$9.25 in 2015, \$10.50 through June 30, 2016, and \$11.50 as of July 1, 2016 (the 2016 MBSYEP commenced on June 27, 2016). In 2015 and 2016, the law allowed hourly rates ranging from \$9.25 to \$13.00 for supervisory positions.

As discussed below, ODCA observed a number of violations regarding hourly wage rates paid to youth participants. Contrary to the law, which makes exceptions only for supervisory positions, the OYP associate director stated that hourly wage rates are also established according to position titles without regard to age. Although hourly wage rates are established by age group in accordance with the law, People First “super users” (who can perform any People First function) can establish and also override youth participant hourly wage rates.

In published documents, including the 2015 MBSYEP Summer Report, Youth and Parent Information Packet, and Supervisor Handbook, DOES announced that youth participants would be paid the hourly wage rates by age group as required by law. Nonetheless, all MBSYEP youth participants, ages 14 to 15, assigned to the Marion Barry Youth Leadership Institute (MBYLI), which is a year-round youth leadership program administered by DOES, were paid \$8.25 per hour in 2015 and 2016, rather than the “work readiness training rate of not less than \$5.25” required by law. By way of clarification, the law established a minimum rate of \$5.25, and DOES officially adopted a rate of \$5.25 for youths ages 14 to 15.

A file provided by DOES indicated that as of July 19, 2016, 156 youths aged 14 to 15 who were assigned to the MBYLI were paid \$8.25 per hour during the summer of 2016. These youth participants also were allowed to work up to 25 hours per week instead of the maximum 20 hours announced by DOES in published documents. During the summer of 2015, 183 youths aged 14 to 15 assigned to the MBYLI were also paid \$8.25 per hour for up to 25 hours per week.

Although the MBYLI has a separate budget and operates year-round, wages for MBYLI summer youth participants are paid from the MBSYEP budget, and participating in the MBYLI is one of the positions which MBSYEP applicants may choose when they apply to the summer youth program. DOES policy allows host employers to supplement youth participant hourly wage rates. However, as the District government agency responsible for MBSYEP implementation, DOES cannot legitimately

consider itself an external host employer to justify exceeding the required hourly rates.

In other examples of violations, 13 youths aged 14-15 who were assigned to various DOES grantees in 2015 were scheduled to be paid \$8.25 per hour. ODCA reviewed payroll data for five of these participants, whose position titles were camp counselor; songwriter and music producer; fashion intern; mural arts intern; and building, cleaning, and maintenance aide. All five of these participants were paid \$8.25 per hour. Also in 2015, 18 youths who were aged 14-15 and assigned to a DOES grantee, all of whom had the position title of theater and production coordinator/cast member, were scheduled to be paid \$8.25 per hour. ODCA confirmed that three of these youths were paid \$8.25 per hour on the first pay date.¹⁹

A final example of pay violations involve youth participants assigned to the Department of Insurance, Securities, and Banking (DISB), which operated a summer youth Bank on DC program in 2015 and 2016 through an MOU with DOES. Records provided by DOES indicate that 21 youths were assigned to DISB in 2016. ODCA noted that two participants identified as Bank on DC Youth Facilitator Supervisors were paid \$15 per hour and three participants listed as Bank on DC Youth Social Media Analysts were paid \$14 per hour. Even if the three social media analysts were considered supervisors, their wage rates exceeded the \$9.25 to \$13.00 per hour supervisory rates allowed by D.C. law.

In January 2017, Council Chairman Phil Mendelson introduced legislation (Bill 22-54, the “Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2017”), at the request of Mayor Bowser, that would allow DOES to pay 16- to 21-year-old MBSYEP participants an hourly wage of at least \$8.25, while also allowing DOES to pay those in supervisory positions at least the minimum wage (presently \$11.50 per hour) and employ them for more than six weeks. This legislation (which would also permanently authorize the participation of 22- to 24-year-olds) was referred to the Council’s Committee on Labor and Workforce Development. While the bill would have the effect of authorizing some of the violations cited here, until new wage rates are approved, DOES must comply with existing law.

Recommendation

2. DOES must comply with statutorily-mandated wage rates.

¹⁹ Due to numerous late payments to participants, verifying actual payment through the numerous pay ledgers was tedious and time consuming. However, as this appears to be an instance where the rate was tied to the position title, it is likely that all 18 of the assigned youth were paid \$8.25 per hour.

DOES allowed some youths in non-supervisory positions to work more than the maximum six weeks allowed by law.

D.C. law authorizing the summer youth employment program limits employment of youths in non-supervisory positions to a maximum of six weeks. However, after the 2015 program ended on August 7, 2015, 15 youth participants in non-supervisory positions (as indicated by their hourly wage rates) were paid for work performed during the pay period August 9, 2015, to August 22, 2015. Among the 15, 13 were paid \$8.25 per hour (the required rate for youths ages 16 to 21) and two were paid \$5.25 per hour (the rate for youths ages 14 to 15).

The number of non-supervisory youths paid after the summer program ended grew significantly in 2016 (the program ended on August 5, 2016). For the pay period, August 7, 2016 to August 20, 2016, 13 youths were paid \$11.50 per hour (the required rate for participants aged 22 to 24) and one was paid \$8.25 per hour (the required rate for youths 16 to 21). For the pay period, August 21, 2016 to September 3, 2016, 275 youths were paid \$11.50 per hour and 26 were paid \$8.25 per hour. The OYP assistant director stated that a number of youth participants were being “transitioned” into other DOES programs. Thus, these violations were willful.

As noted on the previous page, legislation submitted by the mayor (Bill 22-54, the “Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2017”) would allow DOES to employ MBSYEP youth in supervisory positions for longer than six weeks, but the Council has not acted yet on the legislation.

Recommendation

3. DOES must abide by the statutory limitations on the number of weeks that MBSYEP participants can work.

MBSYEP lacks sufficient internal controls to ensure compliance with the legally-mandated registration period. As a result, DOES did not comply with the legally-mandated registration period for the 2015 MBSYEP or with the mandated registration starting date for the 2016 MBSYEP.

The MBSYEP registration process is composed of two main steps: submitting an online application (youths age 16 and older must also submit a résumé) and submitting required documents to certify eligibility. After completing those steps, all applicants must attend a mandatory orientation session in order to be offered a summer position.

DOES did not comply with the statutorily-mandated registration period for the 2015 program. In addition, DOES did not comply with the mandated registration period start date for the 2016 program.

At the time that registration began for the 2015 MBSYEP, applicable D.C. law required registration to occur **between the second day of January and the first day of April each year** (emphasis added). Registration for the 2015 program did not start until January 30, 2015, acceptance of documents to certify eligibility began on February 5, 2015, and registration was scheduled to end on March 14, 2015. The online application period opened on January 30 and closed on February 20, 2015. In addition, registration for youths ages 22 to 24 took place from April 6, 2015, through April 20, 2015.

In a binder of program information that DOES provided to ODCA, DOES posed the question, “Why was the 2015 deadline for registration March 7, 2015, instead of the required registration period of January 2 through April 1?” DOES answered the question as follows:

The registration period that began in January 2015 was not cut off until April 1, 2015. Due to the program allowing up to 21,000 youth to participate, the Office of Youth Programs chose to have 1 solid deadline instead of multiple ones. This included a soft deadline for participants on March 7, 2015 to encourage faster registrations. MBSYEP was even able to allow some youth to register up to the program start in June due to the 21,000 cap not being filled by the original deadline.

Allowing youths to register for the MBSYEP up to the start of the program in June not only violated the extended March 14, 2015 registration deadline established administratively by DOES, but also the April 1, 2015 deadline established by D.C. law. Moreover, there was never any intent to enroll 21,000 youths, because the target level for MBSYEP enrollment was 14,000 youths for 2015 and 2016, and the program budgets for FY 2015 and 2016 were based on those participation levels.

DOES attributed the April 2015 start for registration of 22- to 24-year-olds to the timing of the legislation that expanded the MBSYEP to include as many as 1,000 young adults in that age group. However, the authorizing legislation was not introduced until May 1, 2015, and took effect on May 26, 2015, meaning that registration of youths ages 22 to 24 began before legislation authorizing their participation took effect.

Inadequate internal controls facilitated OYP's circumvention of the legally-mandated summer youth program registration period as well as the agency-imposed application and registration deadlines. People First super users have the authority to register youth participants without regard to deadlines (one of the key portals used by OYP staff to manage the program does not have timeline restrictions, as described in the report section on management information systems). As a result, DOES was able to increase the likelihood of achieving its MBSYEP enrollment targets.

The database used to track the registration process lacks sufficient internal controls to ensure that youths offered positions meet all registration requirements by the announced due dates. For example, the database contains a column headed Application Date, but there are no columns indicating the date that the applicant was certified as eligible, or the date that the applicant attended mandatory orientation.

As seen in Figure 1 on the following page, for the 14 to 21 age group the 2015 applicant database (as of January 27, 2016) listed 6,814 youths as eligible-certified with application dates of January 30 and 31, 2015, and 2,242 youths as eligible-certified with application dates between February 1 and February 4, 2015. Thus, a total of 9,056 youths were listed as eligible-certified prior to the first certification event, which was held on February 5, 2015. The 9,056 youths were 69% of the 13,058 eligible youths, ages 14 to 21, listed in the database.

Because the database does not contain columns indicating the dates that the applicant was certified as eligible or attended the required orientation session, ODCA could not readily determine if or when youths certified as eligible submitted certification documents or attended orientation sessions. The lack of this information weakens the audit trail.

DOES maintains a form which lists the date on which an applicant is certified. The form includes the applicant's name, last 4 digits of the Social Security Number, and date and time of attendance at the certification event. The form also requires the applicant's signature and the signature and station location of the OYP representative who certified the applicant. In addition, applicant attendance at the mandatory orientation session is documented by a sign-in log which is passed around the room at each session.

As noted earlier, for applicants ages 14 to 21 the deadline for submission of online applications (applications could be submitted online only) for the 2015 MBSYEP was February 20, 2015. As seen in Figure 1, the DOES database indicates that 1,330 applicants were determined eligible-

certified although their applications were submitted after the February 20 deadline. These applications were accepted through July 2015. In addition, another youth was listed as eligible-certified with an application date of February 5, 2014.

Figure 1: Application Dates for Youths Determined Eligible-Certified in 2015

Application Date	Eligible-Certified Ages 14 – 21	Eligible-Certified Ages 22 – 24	Total Determined Eligible-Certified
Jan. 30-31, 2015	6,814	0	6,814
Feb. 1-4, 2015	2,242	0	2,242
Feb. 5-20, 2015	2,671	3	2,674
Feb. 21-28, 2015	558	0	558
March 2015	653	1	654
April 2015	3	884	887
May 2015	9	5	14
June 2015	65	17	82
July 2015	42	1	43
Feb. 5, 2014	1	0	1
Total	13,058	911	13,969

As noted earlier, DOES established an application period of April 6, 2015, through April 20, 2015, for the 22 to 24 age group. As seen in Figure 1, 23 of these youths were determined eligible-certified after the application deadline, with application dates listed from May through July 2015. Further, three of these applicants were listed as eligible-certified with application dates from February 6-11, 2015, although the application period did not start until April 6, 2015.

In addition, one applicant in the DOES database in the 22 to 24 age group was listed as eligible-certified with an application date of March 7, 2015. That applicant was actually the OYP Associate Director and it was noted in the database as a test application. However, the test application was counted in DOES official records for the number of participants aged 22 to 24 in the 2015 MBSYEP.

Subsequent legislation required the 2016 MBSYEP registration period to begin on or before the last day of January and to conclude by the last day of April each year.²⁰ However, registration for the 2016 MBSYEP opened on February 24, 2016, acceptance of documents to certify eligibility for

²⁰ This legislation was the “Youth Employment and Work Readiness Training Amendment Act of 2015,” Title II-D of D.C. Law 21-236, the “Fiscal Year 2016 Budget Support Act of 2015,” effective October 22, 2015.

the 2016 MBSYEP began on February 25, 2016, and registration closed on March 19, 2016, which was the deadline for submission of required documents to certify eligibility for the program.²¹ Thus, DOES failed to fully comply with the law as registration for the 2016 MBSYEP began more than three weeks after the legally-required start date.

DOES provided ODCA with registration files as of June 9, 2016, and as of July 8, 2016. As seen in Figure 2, the registration database as of June 9, 2016, listed 3,585 youths as eligible-certified with application dates of February 24, 2016, although the first certification event was held on February 25, 2016. Further, an additional 71 youths were listed as eligible-certified with application dates of February 22 and February 23, 2016, which was prior to the announced opening of registration on February 24, 2016. In addition, although the deadline for submission of online applications was March 19, 2016, the registration database as of June 9, 2016, indicated that 65 applicants were determined eligible-certified with application dates spanning from March 20, 2016 through the end of June 2016.

Figure 2: Application Dates for Youths Determined Eligible-Certified as of June 9, 2016 and as of July 8, 2016

Application Date	Eligible-Certified as of 6/9/16	Eligible-Certified As of 7/8/16	Increase from 6/9/16 to 7/8/16
Feb. 22, 2016	44	44	0
Feb. 23, 2016	27	27	0
Feb. 24, 2016	3,585	3,826	241
Feb. 25-29, 2016	4,019	4,303	284
March 1-19, 2016	3,693	4,601	908
March 20-31, 2016	9	13	4
April 2016	20	25	5
May 2016	22	33	11
June 2016	14	119	105
Total	11,433	12,991	1,558

Another matter of concern is the fact that the June 9, 2016, registration database listed a total of 22,878 applicants, whereas the July 8, 2016, registration database listed 23,034 applicants. This represents an increase of 156 applicants who were accepted some four months past the registration deadline of March 19, 2016.

Further, Figure 2 indicates the number of youths listed as eligible-certified increased by 1,558 youths to a total of 12,991 youths from June 9-July 8, 2016, which was the end of the second week of the six-week summer

²¹ The online application period opened on February 24 and was originally scheduled to close on March 9, 2016. The closing date for receipt of online applications was later extended to March 19, 2016.

youth program. The June 9 applicant total of 22,878 included 3,082 applicants listed as eligible-not certified. It appears that, from June 9 to July 8, up to 1,558 applicants had their status changed from eligible-not certified to eligible certified. Some of the increase in applicants determined eligible-certified could also have been drawn from the 156 increase in new applicants from June 9-July 8, 2016. DOES also provided a file generated during the fourth week of the 2016 MBSYEP that listed 13,106 youths as having been offered positions. Thus, an additional 115 youths were added to the program after July 8, 2016.

Because the online application deadline and the deadline for submission of documents certifying eligibility for the 2016 MBSYEP was March 19, 2016, it seems clear that DOES continued to register youths and allowed youths to submit certification documents well after the June 27 start of the 2016 program. A more definitive conclusion could be reached if DOES included certification and orientation date fields in the registration database.

Had DOES managed the MBSYEP registration process in accordance with official deadlines for submitting applications and required eligibility documents, the total number of applicants would have been frozen as of the application submission deadline, and the database would not require a category, eligible-not certified, after the registration deadline date. As of that date an applicant would have been designated either certified or ineligible. Strict adherence to the deadlines would have resulted in a 2016 MBSYEP participation level of no more than 11,368 youths (11,433 youths minus the 65 youths determined eligible-certified after March 19, 2016, according to the registration database as of June 9, 2016).

ODCA acknowledges that setting registration timelines and other similar operational matters may be more appropriately addressed by program administrators rather than being required by law. Bill 22-54 (discussed earlier), introduced by Council Chairman Phil Mendelson in January 2017 at the request of Mayor Bowser, would eliminate the statutory registration timelines for MBSYEP, but as of this writing no action had been taken on this legislation. In the absence of such a policy change the agency must comply with statutory registration timeframes. The U.S. Government Accountability Office's Standards for Internal Control in the Federal Government emphasize the importance of management establishing a strong tone at the top and throughout the organization as fundamental to an effective internal control system, which includes compliance with applicable laws and regulations.

Recommendation

4. DOES must comply with legally-mandated MBSYEP registration periods.

II. Management Information Systems

People First, MBSYEP's management information system, lacks sufficient internal controls to prevent waste, fraud, and abuse. The lack of internal controls undermines the effectiveness of MBSYEP operations, compliance with applicable rules, policies, and laws, and the reliability of reported data.

People First, the management information system that supports MBSYEP operations, was developed in-house in 2010 by DOES information technology staff. The system was designed to promote flexibility of MBSYEP operations, including registration of youths and host employers, but did not incorporate strong internal controls. The main user groups are youths, host employers, and OYP staff.

Through the system's youth portal, youths can register for the MBSYEP by submitting an online application, monitor eligibility status, upload résumés, receive email from OYP staff, apply for job assignments, and track hours worked.

Through the employer portal, host employers register online, post jobs, and manage worksite and employee information, including performance evaluations of assigned youths. In addition, host employers have access to the time management system portal, through which they submit youth participant timesheets and manage payroll resolution.

People First 3 (PF3) and Host Youth Admin are key portals utilized by OYP staff to manage the MBSYEP. There are four levels of authority within the PF3 portal, the highest of which also provides access to the Host Youth Admin portal:

1. The Host Youth Admin portal is available only to selected OYP staff, referred to as "super users." These individuals have the highest PF3 level of authority and can perform all of the functions of PF3 power users, CS2 users, CS users, and host employers. The host youth admin portal gives super users access to the employer portal, allowing them to assist host employers in managing assigned youth. The Host Youth Admin portal does not have timeline restrictions.
2. "Power users" have the second highest PF3 level of authority. Power users can both update or modify existing and create new youth and host employer registration files, youth participant timesheets, youth participant orientation/case notes/disqualifications, and worksite visits. They can also update or modify payroll resolution tickets and worksite registration jobs.

3. Customer support 2 (CS2) users have the third highest PF3 level of authority. CS2 users can update youth and host employer registration files, youth participant orientation/case notes/disqualifications, worksite visits and worksite jobs. They can also create new participant orientation and worksite visit files.
4. At the lowest PF3 level of authority, customer support (CS) users can both modify/update and create participant orientation files.

Thus, super users can perform any People First function, including registration and job assignments, without regard to deadlines. They can also establish and modify/update youth participant hourly wage rates, override pay rates, create new job positions, and assign youths to jobs.

The broad authority accorded to super users has allowed OYP to essentially override program rules in order to hire youths after registration has closed and to pay youths at hourly rates inconsistent with legal requirements. As discussed earlier, applicable laws have established MBSYEP hourly pay rates based on age groups 14-15, 16-21, and 22-24, with exceptions applying to supervisory positions only. Nonetheless, OYP management established hourly pay rates for certain positions, regardless of age. For example, D.C. law requires summer youth ages 14 to 15 to be paid an hourly rate of not less than \$5.25, and DOES officially set an hourly rate of \$5.25 for youths ages 14 to 15. However, in 2015 and 2016 youths ages 14 to 15 assigned to the Marion Barry Youth Leadership Institute were paid \$8.25, which is the legislated hourly rate for youths ages 16 to 21. These youths were also allowed to work up to 25 hours per week instead of the maximum 20 hours announced by DOES in published documents.

ODCA also observed a number of discrepancies in reported MBSYEP data. For example, DOES' Summer 2015 MBSYEP Report stated that 10,699 youth participants retrieved SmarTrip cards. ODCA's review of the file used to generate the report indicated that only 10,582 youth obtained the cards. Furthermore OCFO, which maintains the official records, submitted FY 2015 year-end District financial documents indicating that 10,696 cards were issued. In addition, the 2015 MBSYEP Report indicated there were 545 "employer partners," whereas the database provided to ODCA by DOES listed 548 host organizations, of which 75 were not assigned any youths, resulting in 473 actual host employers. As a final example, the Summer 2015 MBSYEP Report identified 20 grant-funded partner organizations but there were actually 21 such organizations.

In particular, there is no systems manual documenting People First's development and design. During the ODCA evaluation period, OIT staff prepared an "as is" document which describes how People First functions. However, the document was in draft form and would not compensate for limited knowledge regarding system development and design.

During interviews, DOES OIT managers confirmed that People First lacks internal controls, there is no systems manual, and no audit trail was built

into the system. They said DOES plans to seek a replacement system rather than rebuilding People First because the system is not documented and tampering with it could cause the system to crash. The new system is not expected to be launched before 2018, meaning that the current system will support MBSYEP operations in 2017. This means internal control weaknesses, which are described in further detail in the following sections, will persist until the system is replaced.

DOES management is aware of People First weaknesses, many of which were documented in an internal report dated March 18, 2016. With regard to external access, the report states, "SYEP has used several public facing admin tools called 'Backdoors' for several years to register Youth past the cutoff date and to view/add/update host sites. These links are public facing with little or no security tied to their access"... "There have been instances where non-DOES employees have been registering and validating incoming participants. This practice allows for access to sensitive data (PII) by Non DOES staff members and is in violation of DOES policies and procedures"... "The PF3 SYEP application has several security concerns: invalid users, participant access, and limited auditing and tracking of transactions." Nonetheless, DOES management has not given priority to taking corrective actions.

In its written comments on a draft of this report, DOES cited the following recently-implemented systems improvements: (1) implementing backend database auditing, which tracks all changes made with date stamps and user IDs, (2) ensuring that the host management portal can only be seen and accessed within the DOES network domain, and (3) requiring that all system users successfully complete security awareness training before gaining access. ODCA will seek to document these enhancements in our compliance reviews.

Recommendation

5. DOES should develop and implement a comprehensive management information system capable of supporting MBSYEP operations and with sufficient internal controls to prevent waste, fraud, and abuse.

People First lacks a required audit trail, which violates D.C. government policy and diminishes the ability to reconstruct transactions, thereby threatening data integrity and management's ability to hold system users accountable.

In violation of OCTO Policy No. OCTO003.310, Information Security Audit Trail Monitoring and Reporting Policy, as a "real time system," People First lacks a required audit trail, or record of a sequence of events (actions performed by a computer) from which a history may be reconstructed. Therefore, there is no history available of actions taken, as the system only shows the log-on ID of the last person who made an entry on a record.

An audit trail provides a critical component in fraud detection. Strict adherence to the creation of an audit trail provides information proving the legitimacy of transactions. The presence of an audit trail not only helps detect fraud, but serves to prevent it. Employees who know that management monitors and tracks their work see less opportunity for fraudulent activity. Currently, there is no audit system in place to monitor People First usage or to detect security breaches, including fraudulent activity.

Recommendation

6. DOES should ensure that a new management information system implemented to support MBSYEP operations includes an audit trail.

DOES did not monitor user access to People First semi-annually or design access to provide the lowest level of privileges needed to perform the user's job functions, in violation of its own policy.

In violation of DOES Policy No. DOES-SEC-001, "Access Control Policy," user access to People First was not monitored semi-annually, and access was not "designed to provide the least privileges necessary to perform the user's job functions." The original list of People First 3 users that DOES provided to ODCA contained 147 individuals, 123 (84%) of whom were "power users" (the second highest PF3 level of authority). Super users were not included on the original list. Power users have the ability to update and/or create host employer and youth registration, participant time, pay resolution tickets, orientation, and worksite assignments. As a point of comparison, OYP had an approved FY 2016 budget of 35 full-time equivalents, whereas there were 147 PF3 users.

After ODCA questioned the large number of People First users, DOES amended the PF3 user list to 81 individuals, representing a reduction of 66 users (see Figure 3 below). Among those removed from the power user category were individuals no longer employed at DOES. The number of power users was reduced from 123 to 39, and the number of users at the third highest PF3 authority level (CS2) was increased from 2 to 21, reflecting a reclassification of authority levels for 19 program monitors (temporary DOES summer employees) who were formerly power users. This indicates that OYP determined that the power user authority level was not required in order for these program monitors to perform their duties. Twenty-one users remained in customer support status.

Figure 3: People First 3 Users and Authority Levels (Excluding Super Users)

Access Level	Primary Function	Original Users	Amended Users	Change
Power User	Read/Update/Create	123	39	(84)
Customer Support 2	Read/Update	2	21	19
Customer Support 3	Read/Update	1	0	(1)
Customer Support	Read Only	21	21	0
Total		147	81	(66)

Recommendation

7. DOES should undertake regular monitoring of user access to People First or a successor management information system, and allow access only to the system functions that users need to perform their duties.

DOES accepted this recommendation in its comments on a draft of this report, and noted that it has (1) reviewed all users for the People First system and “conducted a complete analysis and cleanup,” and (2) started a review of users and their roles for the FY 2017 program. In addition, DOES pledged that its information security unit would run and review a semi-annual report to verify all users and their access privileges.

Employee duties within People First are not properly segregated.

A fundamental element of internal control is the segregation of certain key duties. The basic idea underlying segregation of duties is that no employee or group of employees should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated are:

- Custody of assets.
- Authorization or approval of related transactions affecting those assets.
- Recording or reporting related transactions.²²

Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Contrary to that principle, a People First power user has the authority to create new youth and host employer registrants and enter youth participant time. This raises the possibility that, among other things, a power user could register a youth participant who had not submitted all of the documents required in order to be certified as eligible for the MBSYEP and/or falsely report hours worked on a participant's timesheet.

The lack of internal controls has more serious implications with regard to super users, whose duties are also not properly segregated. As previously mentioned, super users can perform any People First function, including registering and assigning jobs to youth participants, without regard to deadlines. They can also establish, modify, and override youth participant hourly wage rates. Super users can and have registered youth participants who have not met registration deadlines, including submission of online applications, submission of certification documents, and attendance at orientation sessions (see previous finding). Further, super users have the ability to register youth participants even if all the required certification documents were not submitted and participants had not attended mandatory orientation sessions.

Super users also can and have established youth participant hourly wage rates that do not comply with District law (**see report section, General Controls**). In a worst-case scenario, a super user could create a fictitious registrant, assign the fictitious registrant to a host employer (it would not matter if the host employer never saw the registrant), set an hourly wage rate and allowable hours worked for the fictitious registrant, and ensure that the fictitious registrant is paid. The fictitious registrant could even be a real youth who had no official involvement with the MBSYEP.

Currently there are seven super users: the OYP associate director and program manager, three program development specialists, a workforce development specialist, and a payroll coordinator. To provide assistance

²² Institute of Internal Auditors. <https://iaonline.theiia.org/simplifying-segregation-of-duties>

for certain special events such as registering youth participants for Washington Metropolitan Area Transit Authority SmarTrip cards, DOES employees have been assigned super user authority on a temporary basis. For example, 27 program monitors (temporary summer employees) were granted super user authority to assist in SmarTrip card distribution to youth participants at an event held on June 21, 2016. Providing the highest level of People First authority to such a large group of individuals, albeit on a temporary basis, increases the risk of fraud and abuse.

The risk of fraud and abuse is also increased to the extent that employees are aware that there is no audit system in place to monitor People First usage or to detect security breaches. Further, the lack of an audit trail, discussed earlier, increases the difficulty of detecting fraudulent activity.

Recommendation

8. In controlling access to People First or a successor management information system (see Recommendation #7), DOES should segregate incompatible duties while restricting the number of “super users” who can perform any function in People First.

The People First youth portal, which DOES uses to register and communicate with MBSYEP participants, operates effectively.

The youth portal is populated with data provided when a youth participant registers for the program. After registration, participants may re-enter the portal using their email addresses and passwords. The portal shows four boxes as follows:

- Step 1, My Eligibility Status.
- Step 2, My Resume/Bio.
- Step 3, My Orientation.
- Step 4, My Banking.

The youth portal advises that, “You will not receive a job assignment until you have completed each of the required steps...Once you have completed a required step, a green ‘check mark’ will appear signaling completion of that requirement.” After completion of the required steps, the participant is declared eligible to participate in the MBSYEP and is advised to look out for an email on a job assignment, and to continue to check emails and the youth portal for important information and updates.

The youth portal also provides seven tabs for youth participants:

- My Profile, to view the information the youth provided upon registration and edit certain information.
- My Messages, to display messages sent by OYP.
- My Job Applications, to apply for certain positions.
- W4 TAX Forms, to enter tax withholding information.
- My Job Assignment, to show the youth’s job assignment information.
- My Transportation, to choose transportation options.
- My Hours Worked, to track how many hours the participant worked each week.

III. Planning

Inadequate planning for the 2015 and 2016 summer youth programs contributed to inefficiencies in operations, errors in reporting, and non-compliance with D.C. government laws, rules, and regulations.

Careful advanced planning is a foundation for a strong control environment, which provides the discipline and structure for an entity to achieve its objectives. Inadequate planning reduces the likelihood that an organization will achieve its objectives with regard to operations, reporting, and compliance. Planning milestones for MBSYEP include the following:

- Budgeting.
- Projecting youth participation levels.
- Projecting host employer participation levels.
- Registration, including accepting applications and establishing certification and orientation deadlines.
- Executing memorandums of understanding (MOUs) with other District agencies for support services.
- Executing grant and contractual agreements with organizations providing enrichment and workforce development services.
- Projecting requirements for summer program monitors.
- Executing a contract for the legally-mandated annual independent evaluation of MBSYEP.

In response to a request from ODCA for documentation of planning activities to meet these milestones for the 2016 MBSYEP, DOES did not provide documentation but stated that MBSYEP 2016 certification, orientation, and résumé submission deadlines were determined following the launch of the application process on February 24, 2016.

The activities outlined in the previous paragraph to implement the annual program are largely repetitive, and once an adequate plan is developed, subsequent annual plans for the most part would require updating implementation dates for various activities. It is inefficient to wait until after the application process begins to plan for certification, orientation, and résumé submission dates.

The lack of sufficient advance planning had adverse consequences for the effectiveness of the program, as described in other sections of this report. These consequences included:

1. A compressed official time period and late starts for youth registration.
2. A lack of information for participating youths and their parents.
3. Late execution of contracts and MOUs that included unnecessary costs.

Recommendation

9. DOES should adopt and follow MBSYEP planning milestones as part of a comprehensive MBSYEP policies and procedures manual (see Recommendation #1).

In its written comments on a draft of this report, DOES stated that, “The Office of Youth Programs develops a comprehensive project plan prior to the start of each program year that clearly outlines the requirements of the MBSYEP.” Nevertheless, DOES did not document this activity during the audit period. ODCA will follow up on this issue during its recommendation compliance process.

Although MBSYEP staff state they engaged in a variety of training activities during FY 2016, DOES did not document any training related specifically to MBSYEP operations, and did not provide any formal policies regarding training on MBSYEP operations to staff and host employers.

DOES stated that MBSYEP staff had received training during FY 2016 on the following topics:

- Virtual One-Stop.
- Workforce Innovation and Opportunity Act.
- Generating Creative and Innovative Ideas.
- Problem Solving and Decision Making Strategies.
- Dealing with Organizational Change.
- Customer Advocacy.
- Optimizing Your Performance on a Team.

In response to a request for documentation of the training provided to MBSYEP staff and host employers during FY 2016, DOES did not provide supporting documentation, such as agendas or sign-in sheets. Moreover, the topics on the list of training activities provided do not directly focus on MBSYEP operations.

DOES did not document any policies requiring staff training on MBSYEP operations. Together with the lack of formal policies and procedures, including online registration and payroll processing systems manuals discussed earlier, the lack of formal training increased the risk that organizational objectives regarding operations, reporting, and compliance would not be achieved and that fraud and waste would go undetected.

Although DOES did not provide written policies on training for host employers, the department documented training provided to host agencies prior to the start date of the 2016 MBSYEP. On May 3 and 4, 2016, DOES conducted supervisor orientation sessions for the human care contractors, who provided training on work readiness and career exploration to MBSYEP participants, and who also served as host employers. DOES also e-mailed invitations to host employer applicants to participate in webinar sessions, which were held on May 17 and 18, 2016. The purpose of the webinars was to allow the applicants "... to ask questions, learn how to complete your host employer application, select youth, set up position descriptions and review resumes."

In its written comments on a draft of this report, DOES once again cited a variety of training provided to MBSYEP staff, but it did not focus specifically on MBSYEP operations.

Recommendation

10. DOES should develop and implement a formal training plan for MBSYEP staff and host employers that focuses on MBSYEP operations, and incorporate policies for staff training into a comprehensive MBSYEP policies and procedures manual (see Recommendation #1).

DOES failed to publish a 2016 MBSYEP Youth Handbook, and the 2016 Youth and Parent Information Packet was not issued on a timely basis and contained errors regarding wage rates and pay periods.

At the start of the 2016 MBSYEP registration period, a number of important related documents were published on the DOES website. However, the website notation next to the Youth Handbook and the Youth and Parent Information Packet (both of which were made available on the DOES website for the summer 2015 program) indicated, “Coming Soon.” In fact, the 2016 Youth Handbook was never published, and the Youth and Parent Information Packet was issued less than one week before the start of the 2016 MBSYEP, too late to be of help to the prospective program participants or their families.

The Youth and Parent Information Packet included the following subtitles and was clearly intended to be published by the time the opening of the online application period:

- What is the Mayor Marion S. Barry Summer Youth Employment Program?
- When is MBSYEP?
- Is space availability limited this year?
- How do I apply for MBSYEP?
- What if I don’t have Internet access at home?
- What happens after I complete the online application?
- Can college students participate in MBSYEP?
- How do I get program updates after I apply?
- How will I be matched to a job?
- How will youth participants get paid?
- W-4 Tax information.

Given the important topics included, publication of the Youth and Parent Information Packet in late June, less than a week before the start of the 2016 summer program (registration began on February 24, 2016), significantly diminished its value.

The 2015 Youth Handbook provided detailed and useful information that was not available in the 2016 Youth and Parent Information Packet, including the following subjects:

- Orientation on your first day.
- Dressing for the job.
- Verbal communication – Watch what you say!
- Non-verbal communication – Watch what you do!
- Attendance rules.
- Important information about getting paid.
- Important information about your Visa debit card.

- Direct deposit.
- Bank on DC.
- What to do if you have a pay dispute.
- Sexual harassment policy.
- Gender identity and expression policy.
- Harassment and hostile work environments.

The Youth Handbook focuses on detailed information relevant to youth participants whereas the Youth and Parent Information Packet provides more general information. In that regard, the Youth and Parent Information Packet should not be considered a sufficient substitute for the handbook.

In light of the publication of the Youth Handbook and the Youth and Parent Information Packet in prior years, there is no clear reason why these documents were not made available closer to the beginning of the registration process. Further, after a long delay in publishing the 2016 Youth and Parent Information Packet, the packet contained errors in connection with pay rates and pay periods.

In the 2016 Youth and Parent Information Packet, DOES announced that all participants ages 14 to 15 would be paid a “training wage” of \$5.25/hour for up to 20 hours per week, all participants ages 16 to 21 would be paid “the federal minimum wage of \$8.25/hr.” for up to 25 hours per week, and all participants ages 22 to 24 would be paid a wage of \$10.50/hour for up to 30 hours per week.

However, the federal minimum wage was then and remains \$7.25/hour, effective July 24, 2009. Also, the information packet did not note that all participants ages 22 to 24 were required to be paid a wage of \$11.50/hour (the D.C. minimum wage), effective July 1, 2016. In addition, the pay periods in the information packet were incorrect. Figure 4 below shows the pay periods listed in the information packet and the correct pay periods.

Figure 4: Incorrect and Correct Pay Periods for MBSYEP 2016

Incorrect Pay Periods Listed in Information Packet	Correct Pay Periods
Pay Period 1 (June 27 – July 3)	Pay Period 1 (June 27 – July 2)
Pay Period 2 (July 4 – July 10)	Pay Period 2 (July 3 – July 16)
Pay Period 3 (July 18 – July 24)	Pay Period 3 (July 17 – July 30)
Pay Period 4 (July 25 – August 6)	Pay Period 4 (July 31 – August 6)

The 2016 Supervisors Handbook, which was produced for host employers, and which was published at the same time as the Youth and Parent Information Packet (less than a week before the program started), contained the correct pay periods, but also did not indicate that the

\$10.50 hourly wage for youth ages 22 to 24 would increase to \$11.50, as of July 1, 2016.

In its written comments on a draft of this report, DOES stated that the Youth Handbook and the Youth and Parent Information Packet had been combined into a single document available in both English and Spanish. In addition, DOES noted that the 2017 handbooks for youth and host employers were up-to-date and available on the DOES web site.

Recommendation

11. DOES should publish both the Youth Handbook and the Youth and Parent Information Packet, or any successor documents, on a timely basis with accurate information.

Although DOES executed most MOUs in a timely fashion for the provision of structured summer programs during 2015 and 2016, two MOUs were executed late and one was never executed.

For the 2015 and 2016 programs, DOES executed MOUs for the provision of structured summer programs with six District government agencies: Department of Parks and Recreation (DPR); Department of Energy and Environment; Office on Latino Affairs (OLA); Commission on the Arts and Humanities; Serve DC; and Department of Insurance, Securities, and Banking (DISB). In addition, DOES executed an MOU in 2015 with the Department of General Services (DGS), which provided security services for various MBSYEP events.

As seen in Figure 5, all but one of the 2015 MOUs were executed well before the June 29, 2015, start of the program. The 2015 MOU with DGS was not executed until July 24, 2015, two weeks prior to the end of the program, even though the MOU period was listed as January 2, 2015, to September 30, 2015. By the time it was executed, DGS had already provided services for 20 certification events (which took place between January 30-March 14, 2015), 12 community room events (which took place between April 9-25, 2015), and seven of 10 additional events, which took place between May 5-August 19, 2015.

Figure 5: MBSYEP MOUs – Fiscal Years 2015 and 2016

Agency	2015 MOU Effective Date	2015 MOU Amount	2016 MOU Effective Date	2016 MOU Amount
Parks and Recreation	5/25/2015	\$350,000	7/12/2016	\$375,884
Energy and Environment	4/30/2015	\$226,064	2/24/2016	\$264,346
Latino Affairs	3/6/2015	\$195,575	2/3/2016	\$328,925
Arts and Humanities	3/16/2015	\$68,000	2/3/2016	\$68,000
Serve DC (Office of the Mayor)	3/26/2015	\$45,296	4/20/2016	\$45,296
Insurance, Securities and Banking	5/6/2015	\$44,000	4/20/2016	\$ 44,000
General Services	7/24/2015	\$60,000	N.A.	N.A.
Total		\$988,935		\$1,126,451

Figure 5 also shows that for the 2016 MBSYEP, DOES retained the services of the six agencies listed above to provide structured summer activities for participating youth. Although five of the six MOUs were executed well before the June 27, 2016, start of the program, the MOU with DPR, which was to cover as many as 1,300 youths, was not executed until July 12, 2016, more than two weeks into the program. Moreover, DOES did not execute an MOU with DGS for the 2016 MBSYEP even though DGS again provided security services for MBSYEP events. According to DOES, 16 certification events occurred between February 25-March 19, 2016, and a number of youth orientation events were scheduled to occur between March 26 and April 23, 2016.

An MOU represents a legal agreement between two agencies, and D.C. law requires an agency purchasing goods or services from another agency to reimburse the selling agency for the costs of the goods or services.²³ ODCA made numerous requests for a copy of the 2016 MOU with DGS, but did not receive a response. Furthermore, there was no evidence of such an agreement in the District government's financial management system. While most of the 2015 and 2016 MOUs were executed in a timely fashion, the after-the-fact execution of the 2015 DGS and 2016 DPR MOUs nonetheless reflects inadequate planning.

DOES executed all grant and contractual agreements with private organizations for MBSYEP support services prior to the start of the 2015 and 2016 programs. In 2015, DOES executed agreements with 21 community-based, nonprofit organizations to provide enrichment services, such as employability skills training, workplace readiness, financial literacy, career exploration, and work experience training, to youth participants. Among the 21 organizations, five were awarded human care agreements (HCAs) on a competitive basis, and the other 16 were awarded grants.²⁴

In 2016, DOES did not award any grants, but exercised contract options with the five human care contractors employed in 2015, and executed new human care agreements with 18 community-based nonprofit organizations to provide enrichment services to youth participants. Of the 23 providers for the 2016 program, five HCAs were originally executed in June 2015 and had provisions for option years, 13 HCAs were executed in April 2016, two were executed in May 2016, and three were executed in June 2016.

Recommendation

12. DOES should execute MOUs with other D.C. government agencies for structured summer programs and support services on a timely basis.

²³ See D.C. Official Code § 1-301.01(k)(1).

²⁴ All of the grant agreements except one were executed in May 2015 (the other was executed in June 2015), and the human care agreements were executed in mid-June 2015.

In its comments on a written draft of this report, DOES agreed with the recommendation and noted that its Office of Youth Programs was working with other agencies to finalize MOUs for the 2017 program before its start date of June 27, 2017.

DOES has a sound system in place for monitoring MBSYEP host employers.

Prior to the start of each program, DOES hires temporary staff to support its monitoring effort. DOES hired 31 program monitors for the 2015 MBSYEP and 29 for the 2016 MBSYEP.

According to the position vacancy announcement:

“Program Monitors are responsible for making sure all SYEP worksites and programs are compliant with host agreements as well as federal and local laws. The goal is to monitor all sites to ensure that every participant is provided with an enriching and constructive summer work experience...Other duties include: collection and distribution of forms between worksites and DOES HQ; provision of technical assistance; monitoring of worksites for activities and enrichment; monitoring of time and attendance for participants; facilitation of communication between work sites and DOES HQ.”

The duties and responsibilities of program monitors are further detailed in the Monitoring section of the DOES Standard Operating Procedure Manual.

Host agencies are divided into four sectors: community-based organizations; government (local and federal); schools (public, charter, and private); and private industry. These sectors are overseen by sector liaisons, permanent DOES employees who supervise the program monitors. Program monitors are required to conduct a minimum of three site visits: an announced pre-program site visit, accompanied by a sector liaison, to check for general safety, accessibility, and viability; an unannounced site visit focusing on youth participation and program quality; and a closeout visit. The results of the site visits are recorded on standardized site visit forms.

In addition to providing summer youth participants with enrichment services, such as employability skills training, workplace readiness, financial literacy, career exploration, and work experience training, human care contractors also serve as host employers, and therefore are visited by program monitors. Monitoring of human care contractors is enhanced by conditions of payment, which require submission of the following:

- Staff background clearances.
- Evidence of having attended a supervisor orientation.
- Evidence of having attended a program orientation.
- Monitoring reports.
- Participant tracking sheets.
- Participant packages, including final résumés, education plans, career roadmaps, and self-assessments.

Similar to the human care contractors, the District government agencies that had MOUs with DOES to provide structured summer programs served as host agencies. As such, they were also subject to visits by program monitors. Each MOU contained a clause, "Compliance and Monitoring," notifying the MOU partner that it would be subject to scheduled and unscheduled monitoring reviews to ensure compliance with all requirements. In addition, all but one of the MOUs contained clauses requiring the MOU partner to monitor the services provided under the MOU.

IV. Payroll and Compensation

MBSYEP payroll processing is inefficient, largely due to the failure of host employers to enter youth participant time by the weekly deadline.

In order for youth participants to be paid, host employers submit youth participant timesheets through the People First time management system portal. Youths are required to sign in and out, and record hours worked each day on paper timesheets which can be downloaded from the MBSYEP web page. Pre-populated timesheets containing the names of assigned youths are provided in each employer's host portal. Host employer timekeepers must submit these timesheets, signed by youth participants and their supervisors, by 5 p.m. every Friday. DOES sends timekeepers an email every Friday listing youths whose time has not been entered.

If a youth is not paid on a scheduled pay date or is not fully paid for all hours worked during a pay period, the host employer can create and submit payroll resolution tickets which are reviewed and processed by OYP staff. Host employers are also able to monitor the payroll resolution process. People First super users and power users have the authority to create new participant timesheets and to modify existing participant timesheets. They also can edit payroll resolution tickets.

Although four payrolls (consisting of two two-week pay periods and two one-week pay periods) were established to cover the six-week MBSYEP 2015 and 2016 programs, 16 payrolls were processed for the 2015 program and 18 payrolls (excluding a special payroll providing a transportation subsidy) were processed for the 2016 program.

The excessive payrolls can be mainly attributed to the failure of host employer timekeepers to accurately process payrolls by the deadline and to apparent system overload. ODCA was unable to determine which of these factors contributed most to the excessive number of payrolls processed. However, during ODCA visits to host employer sites during the summer of 2016, several employers said timesheets were properly submitted, but youth participants were not paid in a timely fashion.

In response to ODCA inquiries, DOES OIT staff said that load testing (to determine whether an automated system will function properly when a large number of users access the system at the same time) was performed for youth registration (there were more than 22,000 MBSYEP applicants in 2015 and 2016), but not for entering youth participant time into People First's time management system portal. Host employers may concurrently attempt to process time for 12,000 to 13,000 youths by 5 p.m. each Friday.

Inefficient payroll processing during the 2015 MBSYEP is depicted in Figure 6, which highlights the four scheduled pay periods and pay dates, and lists the 12 other payrolls that were processed. The table shows that four additional payrolls were processed after the first scheduled payroll; three additional payrolls were processed after the second scheduled payroll; one additional payroll was processed after the third scheduled payroll; and four additional payrolls were processed after the scheduled final payroll. The figure paints an unfavorable picture of the time involved in the payroll resolution process, indicating that payroll resolution activity continued into early September, a month after the 2015 MBSYEP ended.

For example, every payroll processed after the first payroll (which was processed on July 10, 2015, and shows payments to 11,592 youths), for the pay period June 28, 2015 to July 4, 2015, included payments for hours not processed during the first pay period. These additional payments were processed on July 13, 2015 (391 payments); July 15, 2015 (491 payments); July 17, 2015 (321 payments); July 22, 2015 (195 payments); and so on, ending in one payment due for the first pay period being processed on September 9, 2015. Schedule pay periods and dates are in yellow.

Figure 6: MBSYEP Payroll Ledgers Processed in 2015

Pay Processing Date	Check Date	Pay Period							Total Payments
		5/31 to 6/13	6/14 to 6/27	6/28 to 7/4	7/5 to 7/18	7/19 to 8/1	8/2 to 8/8	8/9 to 8/22	
7/10/2015	7/15/2015			11,592					11,592
7/13/2015	7/15/2015	24	38	391					453
7/15/2015	7/17/2015	1	80	491					572
7/17/2015	7/22/2015	2	2	321					325
7/22/2015	7/24/2015	2	4	195					201
7/24/2015	7/29/2015			91	12,356				12,447
7/29/2015	7/31/2015	7	6	40	297				350
7/31/2015	8/5/2015	9	12	25	147				193
8/5/2015	8/7/2015	4	5	61	220				290
8/7/2015	8/12/2015		1	16	36	11,962			12,015
8/12/2015	8/14/2015		2	41	78	264			385
8/14/2015	8/19/2015			16	12	143	10,319		10,490
8/19/2015	8/21/2015			5	13	200	627		845
8/21/2015	8/26/2015			3	6	68	300		377
8/26/2015	8/28/2015			3	2	28	87		120
9/9/2015	9/11/2015			1	3	1	10	20	35
Total payments		49	150	13,292	13,170	12,666	11,343	20	50,690
Total pay adjustments after pay period ended				1,700	814	704	1,024		

The figure shows that through September 9, 2015, 1,700 pay adjustments were processed for the pay period ending on July 4, 2015; 814 pay adjustments were made for the pay period ending July 18, 2015; 704 pay adjustments were made for the pay period ending on August 1, 2015; and 1,024 pay adjustments were made for the pay period ending on August 8, 2015.

In addition, viewing Figure 6 horizontally shows that after the first payroll was processed, all subsequent payrolls included payments due for prior pay periods. For example, the payroll processed on July 13, 2015, included payments due for the pay periods May 31, 2015 to June 13, 2015 (24 payments); June 14, 2015 to June 27, 2015 (38 payments); and June 28, 2015 to July 4, 2015 (391). D.C. law specifies that MBSYEP participants in supervisory positions are not subject to restrictions on the number of weeks of employment. In that regard, Figure 6 shows that 24 participants who worked from May 31, 2015, to June 13, 2015 received payments on July 15, 2015, and payments for that pay period were processed as late as August 5, 2015. Similarly, 80 participants who worked June 14, 2015, to June 27, 2015, received payments on July 17, 2015, and payments for that pay period were processed as late as August 12, 2015.

The inefficient payroll processing continued during the 2016 MBSYEP: four payrolls were scheduled but 18 payrolls were processed. The final payroll for the summer 2016 program was processed on September 20, 2016, and consisted of 32 payments, covering several pay periods, as seen in Figure 7 below.

Figure 7: Final Summer 2016 Payroll, Processed on September 20, 2016

Pay Period	Number of Payments
June 26, 2016 to July 2, 2016	1
July 3, 2016 to July 16, 2016	1
July 17, 2016 to July 30, 2016	4
July 31, 2016 to August 6, 2016	6
August 7, 2016 to August 20, 2016	4
August 21, 2016 to September 3, 2016	16
Total Payments	32

V. Transportation

DOES purchased 15,000 SmarTrip cards from the Washington Metropolitan Area Transit Authority (WMATA) for MBSYEP participants in 2015, and purchased 9,500 SmarTrip cards for MBSYEP participants in 2016, but some recipients did not use the cards for program purposes.

On June 8, 2015, DOES executed an MOU with WMATA, approved by the Council on June 5, 2015, to purchase 15,000 SmarTrip cards, at a cost of \$2.00 per card, with a pre-loaded fare of \$110.00 per card. At \$1,650,000 for the fares and \$30,000 for the cards, the total cost was \$1,680,000.

Before the start of the 2016 program, 4,304 SmarTrip cards remained on hand. On April 29, 2016, DOES issued a purchase order to WMATA for 9,500 cards at a cost of \$2.20 per card, with a pre-loaded fare of \$55.00. At \$522,500 for the fares and \$20,900 for the cards, the total cost was \$543,400.

DOES distributed some of the cards left over from 2015 (valued at \$110) and the \$55 cards to MBSYEP participants at two events held the week before the start of the 2016 MBSYEP program. According to a file provided to ODCA by DOES, 411 youth signed up and received SmarTrip cards just before the start of the 2016 program, but showed no hours worked for the first three weeks of the program.

Instead of purchasing additional cards from WMATA to provide the planned second half of the 2016 transportation subsidy, DOES decided to run a separate payroll in late July 2016, issuing subsidy payments of \$55 to each participant still on board who previously had received a \$55 SmarTrip card. These payments went to 5,424 participants at a total cost of \$298,320. Thus the total cost of the transportation subsidy provided by DOES for the 2016 program was \$841,720.

Following the 2015 MBSYEP, DOES could not account for 114 SmarTrip cards, valued at \$12,540, and following the 2016 MBSYEP, DOES could not account for 745 SmarTrip cards, worth at least \$40,975.

The MBSYEP SmarTrip cards were safeguarded in a vault maintained by DOES OCFO staff. DOES' Summer 2015 MBSYEP Report said 10,699 youth participants received SmarTrip cards. However, ODCA's review of the file used to generate the report indicated that only 10,582 youths received the cards. The OCFO submitted fiscal 2015 year-end financial documents indicating that 10,696 cards were issued, meaning that DOES could not account for 114 cards, valued at \$12,540.

According to a file provided by DOES, 8,244 SmarTrip cards were issued to youth participants just before the start of the summer 2016 program. However, based on information provided by DOES OCFO staff, the custodians of the SmarTrip card inventory, 8,989 cards were issued for the summer 2016 program (2,753 valued at \$110 each, and 6,236 valued at \$55 each), leaving 745 cards unaccounted for, with a value of at least \$40,975.²⁵

Recommendation

13. Until the current inventory of 4,815 SmarTrip cards is exhausted, DOES should establish stricter controls over the handling and issuance of the cards and conduct more frequent reconciliations of the number of cards issued and the number of cards on hand.

²⁵ We know that the 745 cards have a minimum value of \$40,975 because each of the cards had a value of at least \$55 (745 X \$55 = \$40,975).

DOES did not pay an estimated \$13,585 in interest on the \$543,400 SmarTrip purchase in violation of the Quick Payment Act of 1984.

WMATA submitted a \$543,400 invoice dated June 16, 2016, for 9,500 SmarTrip cards purchased by DOES on April 29, 2016. DOES financial staff, who are part of the Office of the Chief Financial Officer, processed the payment on October 14, 2016, and issued a check on October 19, 2016. DOES OCFO staff took the position that the payment was timely because they did not receive the invoice until September 21, 2016. However, the original June 16, 2016, invoice was addressed to the DOES OCFO on the fifth floor of the DOES headquarters building, and the invoice processed by OCFO staff was the fourth invoice sent by WMATA, dated September 14, 2016. The fourth invoice also included an aging chart indicating payment of the invoice was 61-90 days overdue.

D.C. regulations as well as OCFO financial policies and procedures require agencies to establish a central location for receiving invoices directly from vendors and processing payments for goods and services. Further, District regulations require establishment of internal procedures to ensure prompt receipt and acceptance of goods and services, and to ensure completion of receiving reports by employees receiving goods and services. Among other requirements, receiving reports must include the dates goods were received and the signature, printed name, title, telephone number, and address of the receiving official. In addition, for goods such as farecards, the receiving reports must be forwarded in time to be received by the designated payment officer before the fifth business day after delivery, and payment is due within 30 days of receipt of a proper invoice by the designated payment officer.²⁶

With regard to 9,500 SmarTrip cards ordered from WMATA, the receiving report procedures were not followed. Further, although the cards were received by DOES in June 2016, the receiving report indicated that the cards were received on October 5, 2016. As a result of its failure to comply with receiving report regulations and to pay WMATA on time, DOES owes WMATA interest, estimated at \$13,585, in accordance with D.C. Law 5-164, the "District of Columbia Government Quick Payment Act of 1984."

Recommendation

14. DOES financial staff should pay vendors promptly and pay the Quick Payment Act interest penalty required by law when the agency has failed to make timely payments.

²⁶ See Title 17 of the D.C. Municipal Regulations.

VI. Other Issues of Concern

DOES' memorandums of understanding with the Office on Latino Affairs (OLA) may have allowed youth to participate in summer youth employment without fully complying with federal tax and employment rules.

Unlike the five other MOUs that DOES signed with other D.C. government agencies, which made DOES responsible for paying youth participants' wages, DOES' MOUs with OLA assigned responsibilities to OLA and provided funding for what were termed "stipends." Of the \$195,575 provided to OLA to fund the 2015 MOU, \$135,575 covered stipends for up to 150 youths, ages 14 to 21. Of the \$328,925 provided to OLA to fund the 2016 MOU, \$248,925 covered stipends for up to 200 youth participants, ages 14 to 24. OLA summer youth received the same hourly compensation as MBSYEP participants in 2016.

The 2015 and 2016 MOUs between DOES and OLA specified that, "Youth who are not enrolled in the Mayor's Summer Youth Employment Program will still be eligible to receive a stipend payment provided through OLA and its partners." Further, the only eligibility requirements were that all youth participants must be verified as bona fide District residents and meet the age requirements by the start date of the summer youth program.

With funding provided by DOES, OLA essentially operated its own summer youth program in 2015 and 2016. Applications were made available on OLA's website. Eligibility requirements for the MBSYEP included a verified Social Security Number and a document to verify permission to work in the U.S., while eligibility for OLA's program only required proof of age, identity, and D.C. residency. The MOU indicates that the OLA program considered the participants to be trainees and not employees, but rules promulgated by both the Internal Revenue Service (IRS) and the U.S. Department of Labor require that payments made in such circumstances be tracked, and that forms filled out by participants as alternatives to W-2 IRS forms include a student's identification number. It appears that the program as operated in partnership between DOES and OLA has violated these federal rules.

It should also be noted that information on OLA summer youth participants was not maintained in the MBSYEP database, these youths were not included in the DOES official count of participants, and DOES' 2015 MBSYEP Summer Report did not mention the OLA component. This effectively limited public knowledge of the OLA summer program's existence.

Recommendation

15. DOES should subject the summer youth employment activities funded by its MOU with OLA to the same rules as other D.C. government agencies that provide summer positions to MBSYEP participants.

DOES agreed with this recommendation in its written comments on a draft of this report. DOES further noted that, "DOES is currently working with OLA to ensure that youth are served accordingly, including providing translated materials to successfully aid Non-English Proficient and Limited-English Proficient youth seeking to apply accurately for MBSYEP online."

DOES improperly charged expenditures to the MBSYEP budget during FY 2016.

Three purchase orders charged to the MBSYEP budget in FY 2016 were for services that should have been charged to the Out-of-School Program budget, which along with the MBSYEP is one of several programs administered by DOES' Office of Youth Programs. A brief description of these purchase orders follows:

- A purchase order in the amount of \$100,000 included the description, "Special Program For Out of School Youth Regarding Drug Prevention." The purchase order was issued on August 31, 2016, more than 3 weeks after the 2016 MBSYEP ended, and the contractor was paid \$100,000.
- A purchase order in the amount of \$344,500 (later reduced to \$41,000), issued on July 22, 2016, with only two weeks remaining in the 2016 MBSYEP, was supported by a human care agreement which required the contractor "... to provide employment and supportive services to out-of-school youth (OSY), ages 16 to 24." The contractor was paid \$41,000.
- A purchase order in the amount of \$40,000, issued on July 8, 2016, with four weeks left in the summer program, was supported by an HCA requiring the contractor to "... implement a program(s) that meet all the goals for the (Out-of-School Program) ..." The contractor was paid \$22,400.

A description of the Out-of-School Program from the DOES website states: "This is a year-round program that serves young adults 16-24 who are no longer attending secondary or post-secondary school. It is a training vehicle that assists youth in achieving short and long term educational and employability goals through relevant occupational skills training and guidance."

A fourth purchase order, for \$225,000, also issued with four weeks left in the summer program, was supported by an HCA requiring the contractor "... to provide comprehensive, advance and intensive case management services to DOES customers." One of the deliverables, completion of an individual service strategy (ISS) for each participant, was due within seven days of assignment of a participant. Thus, assuming a participant was assigned right after purchase order issuance and the ISS was timely completed, there were only three weeks remaining for the contractor to provide comprehensive, intensive case management for summer youth participants who most likely were working 25-30 hours per week (the maximum hours allowed for MBSYEP participants ages 16 to 24). The benefits afforded by this purchase order are questionable given the short time span available to provide the required services. The contractor in this instance was paid \$214,500.

In responding to a draft of ODCA's report, DOES stated that, "(T)he purchase orders in question were to provide youth and specifically out-of-school youth who were enrolled in the MBSYEP six-week program with additional services to assist them in transitioning to unsubsidized work and a pathway into a sustainable career." That the goal of the expenditures may have been laudable is not adequate justification for spending MBSYEP program dollars for non-program purposes.

Recommendation

16. DOES finance staff should ensure that MBSYEP is charged only for expenses related to the six-week summer program.

DOES did not pay MBSYEP contractors in accordance with contractual terms.

During the 2015 MBSYEP, support services for youth participants were provided by organizations which had been awarded grants. For the 2016 MBSYEP, DOES awarded human care agreements to contractors to provide support services to participants. Excluding the four contracts described in the previous section, DOES executed 18 HCAs based on fixed-unit prices, i.e., a fixed fee per participant for each service provided.

However, in violation of contractual terms, DOES paid these contractors based on submission of specified deliverables (which was the basis for grant payments in 2015), without regard to the number of participants actually served. As a result, some contractors were overpaid, and some were underpaid.

Shown below are summaries of DOES's requirements for the 18 contractors to receive payment. Six contractors provided work readiness services and 12 provided career exploration services targeted at certain growth industry sectors. Work readiness and growth industry sector program requirements were outlined in each HCA. Contractors providing career exploration services were required to provide training in at least one of the following growth industry sectors: agricultural/environmental; information technology/telecommunications; media/publications/communications/entertainment; or business/professional services.

Figure 8: Invoice Payment Checklists for Work Readiness Contractors

Invoice Payment 1: Contractor must submit executed/signed HCA, staff background clearances with the number of clearances included, and e-mail confirmation of attendance at HCA Supervisor Orientation, with date of attendance.

Invoice Payment 2: Contractor must submit the monitoring report from the first site visit with the date of site visit, and e-mail confirmation of attendance at mandatory Supervisor/Program Orientation, with date of attendance.

Invoice Payment 3: Contractor must submit monitoring report or e-mail confirmation of second site visit with date of site visit, participant tracking sheets for weeks one-three with the number of sheets included, and preliminary or draft resumes with the number of resumes included.

Invoice Payment 4: Contractor must submit participant packages containing final resumes, education plans, career roadmaps, and self-assessments.

Figure 9: Invoice Payment Checklists for Growth Industry Sector Contractors

Invoice Payment 1: Contractor must submit executed/signed HCA, staff background clearances with the number of clearances included, and e-mail confirmation of attendance at HCA Supervisor Orientation, with date of attendance, and monitoring report or e-mail confirmation of first site visit with date of site visit.

Invoice Payment 2: Contractor must submit the monitoring report or e-mail confirmation of second site visit with the date of site visit, and participant tracking sheets for weeks one and two with the number of sheets included.

Invoice Payment 3: Contractor must submit monitoring report or e-mail confirmation of third site visit with date of site visit, participant tracking sheets for weeks three-six with the number of sheets included, and participant packages containing final resumes, education plans, career roadmaps, and self-assessments.

DOES issued purchase orders to each contractor. The amount of each purchase order was based on the number of participants listed on the purchase order multiplied by the contractor's rate per participant. For example, one contractor was awarded a purchase order in the amount of \$60,000 based on 100 assigned participants at a rate of \$600 per participant. This contractor was paid \$60,000, indicating that all required deliverables were submitted.

This payment practice assumed that each contractor would serve the number of youths listed on the purchase order from the beginning to the end of the 2016 MBSYEP. However, that was not the case. ODCA reviewed a file provided by DOES as of July 19, 2016, which listed the youth participants actually assigned to each host employer and the number of hours the youths worked during the first three weeks of the program. For each of the 18 contractors, the number of youths actually assigned did not match the number of participants listed on their purchase orders.

Thus, a contractor who submitted all the required deliverables, and therefore was paid the full amount of the purchase order, was overpaid if the actual number of youths was less than the number of participants listed on the purchase order, and was underpaid if the actual number of youths exceeded the number of participants listed on the purchase order. In reviewing the file, ODCA did not count the assigned youths who had no reported hours for the first three weeks of the 2016 MBSYEP.

Twelve of the 18 contractors were fully paid their purchase order amounts and six were not paid the full amounts of their purchase orders, likely due to the failure to submit all required deliverables. Of the 12

vendors fully paid, nine were overpaid and three were underpaid based on ODCA's comparison of the number of youth listed on the purchase orders to the number of youth actually assigned, minus those who did not report to work during the first three weeks of the program.

Recommendation

17. DOES should compensate contractors based on the actual number of youths who attended their programs, as provided in their human care agreements.

DOES has not complied with D.C. law requiring an annual independent evaluation of MBSYEP and the annual publication of program data on its website.

D.C. law requires the Mayor to hire, by June 1 of each year, an independent contractor to evaluate the summer youth employment program. By December 30 of each year, the contractor is required to present the results of the evaluation to the Council and DOES, and DOES is required to publish the evaluation report on its website.²⁷

In violation of the law, the 2015 MBSYEP was not subjected to an independent evaluation. When ODCA requested copies of recent evaluation reports, DOES provided evaluation reports covering fiscal years 2011 through 2014.

With regard to evaluation of the 2016 MBSYEP, DOES did not fully comply with the law, as an independent contractor was not hired by June 1, 2016. The evaluation contract was not awarded until July 29, 2016, which was one week before the end of the 2016 MBSYEP. Moreover, DOES had not issued the evaluation report or placed the report on its website as of March 20, 2017, almost three months after the statutory deadline.

The legal requirement to hire an independent contractor by June 1 is important because the law mandates that the evaluation criteria include a pre-program survey of participating youth and employers. The untimely award of the 2016 evaluation contract undermines the intent of the legislation and may diminish the effectiveness of the evaluation, if it is completed and disseminated.

D.C. law further requires DOES to collect and publish on its website summary data about the demographics of MBSYEP participants, their activities in the program, and their employment following the program. This information was to be published on February 1, 2016, and every year thereafter. Although DOES issued an “MBSYEP Summer Report” including the relevant data on February 1, 2016, the Department had not published updated data covering the 2016 program as of March 20, 2017.

In commenting on a draft of this report, DOES stated that it “anticipates the release of a solicitation and contract awarded for 2017 MBSYEP evaluation prior to June 1, 2017,” but did not explain the status of the 2016 evaluation or why it had not been disseminated. DOES also stated that the summary data due on February 1, 2017, had been completed and was “currently awaiting publication review.”

²⁷ See D.C. Official Code § 32-244(c).

Recommendations

18. DOES should contract for an independent evaluation of MBSYEP by June 1 of each year, as required by law, ensure that the evaluation covers the operations and outcomes set forth in D.C. Official Code § 32-244, and publish the report by December 30 of each year.
19. DOES should comply with the statutory requirement to publish data about MBSYEP participants' demographics, activities, and employment by February 1 of each year.

Conclusion

The Marion S. Barry Summer Youth Employment Program remains a high priority initiative for the District's policymakers as evidenced by a summer youth budget that is much larger than that of similarly-sized cities, and the recent expansion of the program to include youths 22 to 24 years of age. With this and our earlier reports we have completed the review requested initially by Councilmember Elissa Silverman and approved by the Council as a provision of the Fiscal Year 2016 Budget Support Clarification Temporary Amendment Act of 2015.

Our comparison of the District's program with those in seven other cities, the ODCA site visit report and the findings in this report make clear that there are policy and practice steps that the Mayor, the Council, and DOES can take to strengthen the program and better enable it to provide work skills and experience to D.C. youths. The focus of this fourth and final report has been program controls. We document areas where DOES can significantly improve operations and obtain greater value for the significant investment of taxpayer funds -- \$17.3 million in Fiscal Year 2017.

Audit Results Summary

This report includes 19 recommendations to improve the management and internal controls of MBSYEP. What follows are summaries; for full explanations of recommendations please see the findings section above.

Finding	Recommendation
DOES lacks sufficient internal controls on developing and implementing policies and procedures governing MBSYEP operations to ensure the MBSYEP operates efficiently and effectively and its objectives are achieved.	1. DOES should establish and periodically update a comprehensive policies and procedures manual that governs all aspects of MBSYEP and serves as a basis for internal staff training.
DOES did not consistently comply with legally mandated MBSYEP wage rates.	2. DOES must comply with statutorily-mandated wage rates.
DOES allowed some youths in non-supervisory positions to work more than the maximum six weeks allowed by law.	3. DOES must abide by the statutory limitations on the number of weeks that MBSYEP participants can work.
MBSYEP lacks sufficient internal controls to ensure compliance with the legally-mandated registration period. As a result, DOES did not comply with the legally-mandated registration period for the 2015 MBSYEP or with the mandated registration starting date for the 2016 MBSYEP.	4. DOES must comply with legally-mandated MBSYEP registration periods.
People First, MBSYEP's management information system, lacks sufficient internal controls to prevent waste, fraud, and abuse. The lack of internal controls undermines the effectiveness of MBSYEP operations, compliance with applicable rules, policies, and laws, and the reliability of reported data.	5. DOES should develop and implement a comprehensive management information system capable of supporting MBSYEP operations and with sufficient internal controls to prevent waste, fraud, and abuse.
People First lacks a required audit trail, which violates D.C. government policy and diminishes the ability to reconstruct transactions, thereby threatening data integrity and management's ability to hold system users accountable.	6. DOES should ensure that a new management information system implemented to support MBSYEP operations includes an audit trail.
DOES did not monitor user access to People First semi-annually or design access to provide the lowest level of privileges needed to perform the user's job functions, in violation of its own policy.	7. DOES should undertake regular monitoring of user access to People First or a successor management information system, and allow access only to the system functions that users need to perform their duties.

Employee duties within People First are not properly segregated.	8. In controlling access to People First or a successor management information system DOES should segregate incompatible duties while restricting the number of “super users” who can perform any function in People First.
The People First youth portal, which DOES uses to register and communicate with MBSYEP participants, operates effectively	No recommendation was made.
Inadequate planning for the 2015 and 2016 summer youth programs contributed to inefficiencies in operations, errors in reporting, and non-compliance with D.C. government laws, rules, and regulations.	9. DOES should adopt and follow MBSYEP planning milestones as part of a comprehensive MBSYEP policies and procedures manual.
Although MBSYEP staff state they engaged in a variety of training activities during FY 2016, DOES did not document any training related specifically to MBSYEP operations, and did not provide any formal policies regarding training on MBSYEP operations to staff and host employers.	10. DOES should develop and implement a formal training plan for MBSYEP staff and host employers that focuses on MBSYEP operations, and incorporate policies for staff training into a comprehensive MBSYEP policies and procedures manual.
DOES failed to publish a 2016 MBSYEP Youth Handbook, and the 2016 Youth and Parent Information Packet was not issued on a timely basis and contained errors regarding wage rates and pay periods.	11. DOES should publish both the Youth Handbook and the Youth and Parent Information Packet, or any successor documents, on a timely basis with accurate information.
Although DOES executed most MOUs in a timely fashion for the provision of structured summer programs during 2015 and 2016, two MOUs were executed late and one was never executed.	12. DOES should execute MOUs with other D.C. government agencies for structured summer programs and support services on a timely basis.
DOES has a sound system in place for monitoring MBSYEP host employers.	No recommendation was made.
MBSYEP payroll processing is inefficient, largely due to the failure of host employers to enter youth participant time by the weekly deadline.	No recommendation was made.
DOES purchased 15,000 SmarTrip cards from the Washington Metropolitan Area Transit Authority (WMATA) for MBSYEP participants in 2015, and purchased 9,500 SmarTrip cards for MBSYEP participants in 2016, but some recipients did not use the cards for program purposes	No recommendation was made.

Following the 2015 MBSYEP, DOES could not account for 114 SmarTrip cards, valued at \$12,540, and following the 2016 MBSYEP, DOES could not account for 745 SmarTrip cards, worth at least \$40,975.	13. Until the current inventory of 4,815 SmarTrip cards is exhausted, DOES should establish stricter controls over the handling and issuance of the cards and conduct more frequent reconciliations of the number of cards issued and the number of cards on hand.
DOES did not pay an estimated \$13,585 in interest on the \$543,400 SmarTrip purchase in violation of the Quick Payment Act of 1984.	14. DOES financial staff should pay vendors promptly and pay the Quick Payment Act interest penalty required by law when the agency has failed to make timely payments.
DOES' memorandums of understanding with the Office on Latino Affairs (OLA) may have allowed youth to participate in summer youth employment without fully complying with federal tax and employment rules.	15. DOES should subject the summer youth employment activities funded by its MOU with OLA to the same rules as other D.C. government agencies that provide summer positions to MBSYEP participants.
DOES improperly charged expenditures to the MBSYEP budget during FY 2016.	16. DOES finance staff should ensure that MBSYEP is charged only for expenses related to the six-week summer program.
DOES did not pay MBSYEP contractors in accordance with contractual terms.	17. DOES should compensate contractors based on the actual number of youths who attended their programs, as provided in their human care agreements.
DOES has not complied with D.C. law requiring an annual independent evaluation of MBSYEP and the annual publication of program data on its website.	18. DOES should contract for an independent evaluation of MBSYEP by June 1 of each year, as required by law, ensure that the evaluation covers the operations and outcomes set forth in D.C. Official Code § 32-244, and publish the report by December 30 of each year. 19. DOES should comply with the statutory requirement to publish data about MBSYEP participants' demographics, activities, and employment by February 1 of each year.

Agency Comments

On February 14, 2017, we sent a draft copy of this report to the Department of Employment Services for review and written comment. The Department responded on March 3, 2017, and provided the written comments included below in their entirety.

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Employment Services

MURIEL BOWSER
MAYOR



ODIE DONALD II
ACTING DIRECTOR

March 3, 2017

Ms. Kathleen Patterson
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, NW, Suite 900
Washington, DC 20005

RE: Draft report entitled, “Internal Control Weaknesses Found in Marion S. Barry Summer Youth Employment Program”

Dear Ms. Patterson:

This letter is in response to your February 14, 2017, correspondence regarding the Office of the District of Columbia Auditor’s (ODCA) draft report entitled, “Internal Control Weaknesses Found in Marion S. Barry Summer Youth Employment Program.” As requested, the Department of Employment Services (DOES) has prepared a separate, written response that addresses each recommendation detailed in ODCA’s draft report as provided.

While the report raises numerous concerns specific to the Marion S. Barry Summer Youth Employment Program (MBSYEP), I would like to take this opportunity to highlight the District’s commitment to strengthen and expand high quality employment training and supplementary support services to District residents. As noted in our response to the recommendations, the DOES Office of Youth Programs and other relevant stakeholders have made significant internal control enhancements to the MBSYEP program over time, adding innovative enhancements and solutions to existing and potential program weaknesses. As a result, many of your recommendations were previously identified internally, and procedural enhancements are already being implemented.

For example, DOES has developed and implemented the appropriate enrollment policies and procedures which allow the agency to incorporate the critical function of certification, orientation, transfers, worksite incidents, terminations, and issue resolutions that are vital components of ensuring that quality operational practices are in place and updated as appropriate. Further, clear policies and procedures have been established, implemented and enforced across operational functions to strengthen internal controls, providing the framework necessary to achieve MBSYEP objectives. These actions have reduced the agency’s risk of undetected fraud and abuse, and proactively serves to promote enhanced management oversight.

Additionally, following the close of MBSYEP 2016 on through the 2017 MBSYEP planning phase, the Office of Youth Programs has identified additional programmatic enhancements such as improving the connection from MBSYEP to the year-around youth program. These efforts have resulted in increased collaboration between the OSSE re-engagement center to ensure disconnected youth identified in the summer are re-engaged and connected to secondary

education opportunities work experience, occupational skills training, or in-program skills gains such as GED programming. Furthermore, DOES has made a concerted effort to connect programming directly to business and industry.

While the process is ongoing, these efforts have shown immediate returns, highlighted by the cohort of 22-24 year-olds who were seeking employment after MBSYEP 2016, exceeding the employment goal of 34%. Additionally, efforts revolving around increased connection from MBSYEP to the year-around youth program has resulted in increased referrals to the OSSE Re-Engagement Center, a more than 200% increase in the federal Out-of-School Youth (OSY) program, and increased business engagement in both the federal and local youth programs highlighted by a 40% increase in private sector involvement.

While we are proud of the myriad of improvements, we acknowledge that areas for improvement do exist. We look forward to your response, are encouraged by synergies between your recommendations and our current efforts, and look forward to receiving a copy of the final report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Odie Donald II', with a long horizontal flourish extending to the right.

Odie Donald II
Acting Director

cc: Courtney Snowden, Deputy Mayor of Greater Economic Opportunity
Betsy Cavendish, General Counsel, Office of the Mayor
Rashad Young, City Administrator
Lawrence Perry, ODCA
Aniema Udofa, DOES, CPA, OCIM



**Department of Employment Services (DOES) Management Response to
The Office of the District of Columbia Auditor (ODCA) Draft Report Entitled:
“Internal Control Weaknesses Found in Marion S. Barry Summer Youth
Employment Program”**

March 3, 2017

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Overview Statement:

The Department of Employment Services (DOES) has reviewed the information contained in the District of Columbia Auditor (ODCA) Draft Report Entitled: “Internal Control Weaknesses Found in Marion S. Barry Summer Youth Employment Program.” The audit, as conducted by ODCA, includes a review of MBSYEP management and internal controls. This particular report documents the outcome of the last in a series of audits undertaken by ODCA to fulfill the Council of the District of Columbia’s directive to evaluate the program, as well as offer findings and recommendations that will ultimately strengthen the program and promote career, educational and social development of District youth. DOES welcomes this opportunity and is pleased to provide the following responses that highlight many program enhancements already in place or underway in support of MBSYEP.

I. General Controls

DOES lacks sufficient internal controls on developing and implementing policies and procedures governing MBSYEP operations to ensure the MBSYEP operates efficiently and effectively and its objectives are achieved.

Recommendation

1. DOES should establish and periodically update a comprehensive policies and procedures manual that governs all aspects of MBSYEP and serves as a basis for internal staff training.

Management Response and Planned Corrective Actions

DOES does not accept this finding, and acknowledges the recommendation. This practice has been corrected and circumstance related to the recommendation do not exist in the current operational environment. The Office of Youth Programs (OYP) Standard Operational Procedures (SOPs) include policies and procedures specific to MBSYEP operations. In addition, OYP has updated internal policies to capture the 2017 program year enhancements to include certification, orientation, transfers, worksite incidents, terminations, and payroll resolutions.

Further, MBSYEP procedures and practices are continuously reviewed and updated as appropriate with the 2017 program updates slated for completion in the 4th Quarter of Fiscal Year 2017. Additionally, the OYP has developed a comprehensive training manual for new and existing employees on the required tools for effective program operation specific to the host portal and the time management (TMS) systems.

DOES did not consistently comply with legally mandated MBSYEP wage rates.

Recommendation

2. DOES must comply with statutorily-mandated wage rates.

Management Response and Planned Corrective Actions

DOES does not agree with this finding, but accepts the recommendation. D.C. Code § 32-241 (2016) allows for the employment or training each summer of not fewer than 10,000 or more than 21,000 youth 14 to 21 years of age on the date of enrollment in the program.

More specifically:

- Youth ages 14 to 15 years at the date of enrollment shall receive an hourly work readiness training rate of not less than \$ 5.25.
- Youth ages 16 to 21 years at the date of enrollment shall be compensated at an hourly rate of \$ 8.25.
- Weekly number of hours of employment is established according to the age of the youth, nature and requirements of the job, but not be fewer than 20 hours or more than 40 hours per week for a period of no more than 6 weeks.
- Appropriate number of supervisory positions at an hourly wage of \$ 9.25 to \$ 13 which are not subject to number of hours and weeks of employment.

There is no evidence of any violation against the statutory limitations as the finding is subjective, and void of willful intent on behalf of program. The timeframe for the implementation of the recommendation occurred during the allowable six-week maximum for the eligible 275 youth identified as paid at a rate of \$11.50 per hour as well as the 26 youth paid at a rate of \$8.25 per hour. The dramatic increase in the number of non-supervisory youths paid after the summer program to give priority to participants who meet the eligibility criteria and standards of the Workforce Innovation and Opportunity Act is an effort to engage in a good-faith effort to fill at least 30% of a program's available positions with persons who meet the eligibility criteria and standards of the Workforce Innovation and Opportunity Act.

Therefore, no evidence of any violation occurred, since the strategy to identify pre-employment training for persons 16 years of age and above occurred in conjunction with the efforts to match 22-24 year old participants to gainful full-time employment during the piloted program which began immediately following the summer program. The pilot includes coordination of additional professional development training, intentional connections between former summer program participants to employment opportunities made through career fairs and events taking place immediately after the summer program's conclusion.

Contrary to the observation referencing the Marion Barry Youth Leadership Institute (MBYLI), participants were compensated at a rate of \$8.25 per hour in 2015 to cover youth ages 18-24, not the 14-15 youth, and were hired to serve as staff and support in the overseeing of younger youth. These participants begin work 2 weeks prior to MBSYEP as a part of a preparation period recognized as "train-the-trainer" and they stay for 1 week after the program ends for programmatic close-out.

Further, DOES now utilizes MBSYEP as a referral to federally funded programs. As approved in the District's Unified State Plan, MBSYEP provides career exploration prior to enrollment into WIOA funded programs for eligible participants. Currently, DOES utilizes a variety of funding sources to support this effort, and this activity follows the statutory limitations on the number of weeks that participants can work. One programmatic example of this activity is Bank on DC, which aims to provide unbanked and under-banked individuals access to low-cost, safe financial accounts, products and services and high-quality financial education. In doing so, Bank on DC

created a peer-to-peer training that offers support to MBSYEP worksites over the course of 6 weeks.

The Young Money Managers (YMM) are MBSYEP participants who are trained prior to the start of the MBSYEP receiving professional development, presentation skills, and training on an array of financial literacy topics. The YMM team facilitated a series of educational workshops, breaking down the basics of money management, and allowing a safe space for teens to express their opinions around personal finance.

As evidenced in the data reported to the auditors, there were 22-24 year olds who had started receiving work readiness experience while in supervisory capacity and later accepted job offerings as Young Money Managers, starting on June 12, 2016. The Cities for Financial Empowerment Grant played an integral role in funding these opportunities.

The Pre-Employment mandated workforce dollars under the Rehabilitation Services Administration/Department of Disability Services also funded the training and development sessions required for students with special needs enrolled during the school year in the SchoolTalk initiative. SchoolTalk helps the DC special education community (including students, families, schools, government agencies and community organizations) constructively address each stage of conflict, from prevention to whole systems change.

DOES allowed some youths in non-supervisory positions to work more than the maximum six weeks allowed by law.

Recommendation

3. DOES must abide by the statutory limitations on the number of weeks that MBSYEP participants can work.

Management Response and Planned Corrective Actions

DOES agrees with the recommendation. There have been instances in which youth participants have worked more than the maximum six weeks allowed. The current practice has been under review for corrected action following MBSYEP 2016, as the condition is consistently being monitored at every level.

In early January 2017, Mayor Muriel Bowser proposed legislation in an amendment titled "Marion S. Barry Summer Youth Employment Permanent Expansion Amendment Act of 2016," which if passed, will allow DOES the flexibility to pay youth wages commensurate with the wages designated for their position and/or programs, noted as a best practice within the nation's best summer jobs programs. This action is pending City Council approval during this legislative year.

MBSYEP lacks sufficient internal controls to ensure compliance with the legally-mandated registration period. As a result, DOES did not comply with the legally-mandated registration period for the 2015 MBSYEP or with the mandated registration starting date for the 2016 MBSYEP.

Recommendation

4. DOES must comply with legally-mandated MBSYEP registration periods. At the same time, DOES may wish to request that the Council adjust the registration period or grant DOES the authority to determine the registration period administratively.

Management Response and Planned Corrective Actions

DOES does not agree with the finding, but does accept the recommendation. DOES coordinates planning for MBSYEP throughout the fiscal year. Registration deadlines are tentatively set at the end of the previous summer program. The 2017 application process was launched January 27th in accordance with applicable D.C. law, which requires registration to occur between the second day of January and conclude on the first day of April each year. Currently, DOES has no plans to request adjustments or authorization to establish registration period administratively.

II. Management Information Systems

People First, MBSYEP's management information system, lacks sufficient internal controls to prevent waste, fraud, and abuse. The lack of internal controls undermines the effectiveness of MBSYEP operations, compliance with applicable rules, policies, and laws, and the reliability of reported data.

Recommendation

5. DOES should develop and implement a comprehensive management information system capable of supporting MBSYEP operations and with sufficient internal controls to prevent waste, fraud, and abuse.

Management Response and Planned Corrective Actions

DOES does not agree with the finding, but acknowledges the recommendation. Prior to the recommendation, DOES has implemented the following system improvements:

- OIT has implemented backend database auditing, which tracks all changes made with date stamps and user ids during 1st Quarter of 2017.
- OIT has secured host management portal access to the DOES network in November 2016. This ensures that the host management portal can only be seen and accessed with the DOES network domain.

Additionally, OIT is strenuously enforcing adherence of DOES policy DOES-SEC-001 Access Control Policy, which requires that all new user accounts created, must be approved through the

Quick Base ticketing system. All users are also required to take and pass Security Awareness training prior to gaining access to any DOES system.

People First lacks a required audit trail, which violates D.C. government policy and diminishes the ability to reconstruct transactions, thereby threatening data integrity and management's ability to hold system users accountable.

Recommendation

6. DOES should ensure that a new management information system be implemented to support MBSYEP operations includes an audit trail.

Management Response and Planned Corrective Actions

DOES accepts the recommendation. DOES has implemented the following system improvements:

- OIT has implemented backend database auditing during 1st Quarter of 2017, which tracks all changes made with date stamps and user ids. This allows the agency to pull audit reports on a regular basis.

DOES did not monitor user access to People First semi-annually or design access to provide the lowest level of privileges needed to perform the user's job functions, in violation of its own policy.

Recommendation

7. DOES should undertake regular monitoring of user access to People First or a successor management information system and allow access only to the system functions that users need to perform their duties.

Management Response and Planned Corrective Actions

DOES accepts the recommendation, and prior to has proactively created internal process that mitigate the identified issues, including:

- OIT, in conjunction with DOES Information Security, reviewed all users for the People First application and conducted a complete analysis and cleanup. This analysis and cleanup was performed in November 2016.
- To validate users for this fiscal year 2017 program, a list of users and their roles was sent to OYP on 2/21/2017 for their review, recommendation and validation. Going forward, DOES Information Security will run and review a semiannual report to verify all users and their access privileges.

Employee duties within People First are not properly segregated.

Recommendation

8. In controlling access to People First or a successor management information system (see Recommendation #7), DOES should segregate incompatible duties while restricting the number of “super users” who can perform any function in People First.

Management Response and Planned Corrective Actions

DOES accepts the recommendation, and has created procedures to mitigate the identified issues:

As stated in the response to Finding & Recommendation #7:

- OIT in conjunction with DOES Information Security reviewed all users for the People First application and conducted a complete analysis and cleanup. This analysis and cleanup was performed in November 2016.
- To validate the user for this fiscal year 2017 program, a list of users and their roles has been sent to OYP on 2/21/2017 for their review, recommendation and validation.

OIT is strenuously enforcing adherence of DOES policy DOES-SEC-001 Access Control Policy, which requires all new user accounts created must be approved through the Quick Base ticketing system.

III. Planning

Inadequate planning for the 2015 and 2016 summer youth programs contributed to inefficiencies in operations, errors in reporting, and non-compliance with D.C. government laws, rules, and regulations.

Recommendation

9. DOES should adopt and follow MBSYEP planning milestones as part of a comprehensive MBSYEP policies and procedures manual (see Recommendation #1).

Management Response and Planned Corrective Actions

DOES does not agree with this finding. The Office of Youth Programs develops a comprehensive project plan prior to the start of each program year that clearly outlines the requirements of the MBSYEP. This project plan maps out the action items needed to launch the program and each item is assigned a lead and completion date. Additionally, this project plan is shared with all DOES departments that assist with the operational requirements of MBSYEP. The program hosted several pre-program meetings with key departments across the agency to ensure all needs were agreed upon in advance of implementation. The program also develops all calendars

and sets all programmatic dates in advance of each program year to allow other departments lead time with their planning. This is an on-going process, with the next program planning phase slated for completion 4th Quarter Fiscal Year 2017.

Although MBSYEP staff state they engaged in a variety of training activities during FY 2016, DOES did not document any training related specifically to MBSYEP operations, and did not provide any formal policies regarding training on MBSYEP operations to staff and host employers.

Recommendation

10. DOES should develop and implement a formal training plan for MBSYEP staff and host employers that focuses on MBSYEP operations, and incorporate policies for staff training into a comprehensive MBSYEP policies and procedures manual (see Recommendation #1).

Management Response and Planned Corrective Actions

DOES does not agree with this finding. DOES has currently implemented and conducted formal training for all staff. The agency has established a training officer within the agency who is responsible for the coordination of all agency training opportunities. Currently the agency staff has undergone several comprehensive trainings regarding the implementation of youth services. All staff in the Office of Youth programs took several trainings that directly related to the MBSYEP operations. These trainings included: Personally Identifiable Information (PII), Federal Tax Information (FTI), and security awareness. Staff is required to complete competency based tests after the completion of all training modules to ensure a thorough knowledge and understanding of the material presented

All MBSYEP staff are assigned trainings that directly correlate to their role on the MBSYEP team. Staff took training through the DCHR SkillPort Portal. These trainings included: using feedback, problem solving, team work, communication, customer advocacy, organizational change, problem solving, decision making, and generating creative and innovative ideas. The program also holds bi-weekly MBSYEP team meeting to inform staff of key program updates.

Additionally, OYP develops host employer trainings and hosts web-based and in person host orientations each program year. The training covers all aspects of the MBSYEP and the role the host plays. The program has also taken steps to develop a host manual that outlines the host portal and time management system (TMS). The program has developed a host handbook that is posted to the summerjobs.dc.gov website that outlines all program policies and procedures.

DOES failed to publish a 2016 MBSYEP Youth Handbook, and the 2016 Youth and Parent Information Packet was not issued on a timely basis and contained errors regarding wage rates and pay periods.

Recommendation

11. DOES should publish both the Youth Handbook and the Youth and Parent

Information Packet on a timely basis with accurate information.

Management Response and Planned Corrective Actions

DOES accepts the recommendation. In preparation for MBSYEP 2017, the Youth Handbook and the Parent and Youth Information Packet have been combined into one comprehensive document in both Spanish and English. The 2017 Mayor Marion S. Barry Summer Youth Employment Program Youth and Host Handbooks are up-to-date and currently available for public viewing on the website as well.

Although DOES executed most MOUs in a timely fashion for the provision of structured summer programs during 2015 and 2016, two MOUs were executed late and one was never executed.

Recommendation

12. DOES should execute MOUs with other D.C. government agencies for structured summer programs and support services on a timely basis.

Management Response and Planned Corrective Actions

DOES agrees with the recommendation. The Office of Youth Programs (OYP) is currently working with sister agencies to finalize the 2017 MOU's. OYP has been in constant communication with all parties involved in the MOU process flow to ensure timely execution. DOES anticipates completion of all MOU's prior to the 2017 MBSYEP program start date of June 27, 2017.

IV. Payroll and Compensation

MBSYEP payroll processing is inefficient, largely due to the failure of host employers to enter youth participant time by the weekly deadline.

Recommendation

None

Management Response and Planned Corrective Actions

DOES requires all host sites to designate a timekeeper. All timekeepers are required to enter time for each participant by Friday of every week. If no time is entered, an e-mail is sent to each host site coordinator, as well as the timekeepers indicating that time entry is past due.

Additionally, an e-mail is sent to each youth indicating that no time was entered for the week. The dual messages allow host and youth to both crosscheck timesheets and ensure that time is entered correctly in the time management system. DOES records indicate a seven percent variance of youth who may have not been paid timely due to timekeepers failing to enter time accordingly.

The Office of Youth Program will continue to require timekeepers to submit timesheets via email for auditing purposes. The program is also developing a Timekeeper centered training initiative. This training will include a more in-depth process flow on how to enter time for participants and the process for correcting time that has been entered incorrectly. Completion of this recommendation occurred 3rd Quarter Fiscal Year 2017.

V. Transportation

DOES purchased 15,000 SmarTrip cards from the Washington Metropolitan Area Transit Authority (WMATA) for MBSYEP participants in 2015 and purchased 9,500 SmarTrip cards for MBSYEP participants in 2016, but some recipients did not use the cards for program purposes.

Recommendation

13. DOES should consider providing the transportation subsidy via payroll rather than purchasing SmarTrip cards from WMATA in order to better ensure the funds support only MBSYEP participants and avoid potential waste.

Management Response and Planned Corrective Actions

DOES does not agree with this is a finding. DOES procedures require program participants to affirm METRO SmarTrip card are solely use for transportation to and from work site assignment. DOES post program surveys revealed that the majority of youth participants indicated that they would not have been able to get to work without the SmarTrip card. Additionally, paying youth via payroll prior to the start of the program, increases the likelihood of youth using the funds for non-programmatic and transportation costs. With the issuing of the SmarTrip card participants are informed that the benefits cannot be transferred and only used for transportation.

Following the 2015 MBSYEP, 114 SmarTrip cards, valued at \$12,540, remain unaccounted for, and following the 2016 MBSYEP, 745 SmarTrip cards, worth at least \$40,975, remain unaccounted for.

Recommendation

14. Until the current inventory of 4,815 SmarTrip cards is exhausted, DOES should establish stricter controls over the handling and issuance of the cards and conduct more frequent reconciliations of the number of cards issued and the number of cards on hand.

Management Response and Planned Corrective Actions

The OCFO believes there is a discrepancy with the reporting. We would like to receive the reports that were provided during the audit. Once the reconciliation is completed, we will provide a formal response.

However, DOES uses strict controls in administering SmartTrip cards. All cards are appropriately inventoried and housed within the OCFO's office of Treasury until time for dissemination. When cards are transported to and from various locations, it is done so with an escort of MPD to ensure safety of staff. There are no cards housed within DOES and all cards are appropriately returned to OCFO at the conclusion of the Washington Metropolitan Area Transit Authority (WMATA) distribution events.

DOES did not pay an estimated \$13,585 in interest on the \$543,400 SmarTrip purchase in violation of the Quick Payment Act of 1984.

Recommendation

15. DOES financial staff should pay vendors promptly and pay the Quick Payment Act interest penalty required by law when the agency has failed to make timely payments.

Management Response and Planned Corrective Actions

The OCFO does not agree with the finding. The invoice for WMATA was not received by the OCFO until September 21, 2016, and payment was released on October 19th via ACH to WMATA. No interest was incurred because the invoice was paid within the 30 day allowable time.

Additionally, even though a vendor has reflected their invoice date and we captured that date in our records, it does not dictate when we received the invoice for processing. The QPA is based on the date the OCFO receives a proper invoice (invoice that has been substantiated with proper documentation and certification).

VI. Other Issues of Concern

DOES' memorandums of understanding with the Office on Latino Affairs (OLA) may have allowed youth to participate without fully complying with federal tax and employment rules.

Recommendation

16. DOES should subject the summer youth employment activities funded by its MOU with OLA to the same rules as other D.C. government agencies that provide summer positions to MBSYEP participants.

Management Response and Planned Corrective Actions

DOES accepts the recommendation. DOES procedures requires that all 2017 MBSYEP participants apply through the standard application process. DOES is currently working with OLA to ensure that youth are served accordingly, including providing translated materials to successfully aid Non-English Proficient and Limited English Proficient (NEP/LEP) youth seeking to apply accurately for MBSYEP online.

DOES improperly charged expenditures to the MBSYEP budget during FY 2016.

Recommendation

17. DOES finance staff should ensure that MBSYEP is charged only for expenses related to the six-week summer program.

Management Response and Planned Corrective Actions

The OCFO does not agree with the finding. The MBSYEP extended the age of youth being served up to age 24. Based on discussion with DOES Program partners, the purchase orders in question were to provide youth and specifically out-of-school youth who were enrolled in the MBSYEP six week program with additional services to assist them in transitional to unsubsidized work and a pathway to into a sustainable career. We do not believe that based on this information provided, that there was a violation to the MBSYEP legislation.

DOES did not pay MBSYEP contractors in accordance with contractual terms.

Recommendation

18. DOES should compensate contractors based on the actual number of youth who attended their programs, as provided in their Human Care Agreements.

Management Response and Planned Corrective Actions

The OCFO does not agree with the finding. During FY16, the MBSYEP received services from 18 vendors (six of those vendors received additional participants). There were 24 purchase orders that were allocated funding, which aligned with the Human Care Agreement per participant price.

The total amount allocated was then separated into Contract Line Items (CLINS). The Work Readiness payment checklist was inclusive of four CLINS, and the Growth Industry Sector payment checklist was inclusive of three CLINS, which were then divided into equal payments per the total allocation. The final CLIN was then divided by the total number of participants to equal the payment per package. Hence, the final CLIN is based on the submittal of the participant packages. Further, all DOES contractors are required to submit a final package that is based on participants served, which allows contractors to be paid based on the actual number of youth served.

DOES has not complied with D.C. law requiring an annual independent evaluation of MBSYEP and the annual publication of program data on its website.

Recommendations

19. DOES should contract for an independent evaluation of MBSYEP by June 1 of each year, as required by law, and ensure that the evaluation covers the operations and outcomes set forth in D.C. Official Code § 32-244.

20. DOES should comply with the statutory requirement to publish data about MBSYEP participants' demographics, activities, and employment by February 1 of each year.

Management Response and Planned Corrective Actions

DOES agrees with both recommendations.

DOES has completed the process for contracting for an independent evaluation and met statutory requirements as scheduled by February 1, 2016. DOES anticipates the release of a solicitation and contract awarded for 2017 MBSYEP evaluation prior to June 1, 2017.

DOES has completed and submitted the final 2016 MBSYEP Report as scheduled as of February 1, 2017 in compliance with statutory requirement. DOES is currently awaiting publication approval from the Office of the Principal Legal Advisor (OPLA) by 2nd Quarter Fiscal Year 2017.

ODCA Response to Agency Comments

ODCA appreciates the comprehensive response provided by DOES. We applaud the commitment expressed by the agency to strengthen internal controls, and the statements that steps have already been taken to carry out that commitment including starting registration as the law requires, and publishing information timely for youth and their families. Steps reportedly taken to strengthen controls on the information systems -- including creating an audit trail on who makes changes and when -- are particularly promising, and we anticipate seeking documentation on those actions during the course of our regular annual compliance reporting.

We have added notes throughout the text on where DOES is already taking actions on findings and recommendations included in the draft the agency reviewed.

ODCA regrets that in a few instances DOES states that the agency does not agree with our findings despite details provided on the documentation on which we based our findings. As a case in point, the DOES response to our finding that youths were paid in excess of the age-based salary level included in the statute is that “there is no evidence of any violation.” In the text of the report we note that it was a file provided by DOES itself that indicated “that as of July 19, 2016, 156 youths aged 14 to 15 who were assigned to the MBYLI were paid \$8.25 per hour” from SYEP funds, a rate larger than the stipulated amount for the age group.

Similarly, DOES did not agree with ODCA’s finding that the agency did not provide documentation on any training provided that was specific to MBSYEP, nor any formal policies regarding training on MBSYEP. But the training cited in the agency response, which may well have taken place, does not suffice as a rebuttal since it is not specific to the summer program or its operations. We therefore stand by our findings and recommendations as detailed in the report.