

Audit Report

Fred and Mabel R. Parks Emergency Shelter, Operated by Parks Youth Ranch, Inc.

A Texas Department of Family and
Protective Services Contractor



**Inspector
General**

Texas Health
and Human Services

July 18, 2023

OIG Report No. AUD-23-011



Fred and Mabel R. Parks Emergency Shelter, Operated by Parks Youth Ranch, Inc.

A Texas Department of Family and Protective Services
Contractor

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services Office of Inspector General (OIG) initiated this audit as part of an ongoing risk assessment of Texas Department of Family and Protective Services (DFPS) contracts for the provision of essential services to children in the state's conservatorship.

Summary of Review

The audit objective was to determine whether Parks Youth Ranch, Inc. (Parks Youth) had processes and controls in place to provide foster care services at the Fred and Mabel R. Parks Emergency Shelter (Parks Emergency Shelter) in accordance with selected statutes, contract terms, and minimum standards.

The audit scope included processes and controls related to staff, child services, and revenue from September 1, 2021, through August 31, 2022, as well as processes and controls related to selected expenses from January 1, 2021, through December 31, 2021.

Conclusion

Parks Youth Ranch, Inc. (Parks Youth) had processes and controls in place over the Fred and Mabel R. Parks Emergency Shelter (Parks Emergency Shelter) for it to meet selected requirements designed to protect the health and safety of children in its care. Specifically:

- Parks Youth performed initial health screenings or verified that other acceptable medical examinations had been completed mostly within required timelines. Seven of eight children tested (88 percent) had an acceptable medical examination performed within required timelines. The eighth child had a health screening performed five days after admission rather than within 72 hours.
- Parks Youth mostly completed preliminary service plans within 72 hours of admission. However, it did not ensure the plans addressed all required categories of needs. Specifically:
 - Eight of nine (89 percent) preliminary service plans were completed within 72 hours of admission, as required. The remaining plan was completed 11 days after admission.
 - Eight of nine (89 percent) preliminary service plans addressed medical and supervision needs but did not address the child's educational needs. The remaining preliminary service plan addressed all required needs.
- Parks Youth mostly completed initial service plans to address all of the child's needs and within 45 days of admission as required. However, Parks Youth could not always support that required individuals participated in the service planning.
- Parks Youth had caregivers on duty to meet the required ratios over the 25 days tested. Parks Youth had a weekly schedule in place to assign adequate staff to each shift and identify backups.
- For all ten staff records tested, Parks Youth's staff (a) passed their most recent background checks and those checks were performed within the required timelines (b) substantially met the minimum training requirements, and (c) passed their most recent drug test.

Background

Parks Youth is a non-profit shelter. This audit focused on operations at the Parks Emergency Shelter in Richmond, Texas, which is licensed to provide emergency care for services for up to 30 children, ages 7 through 17, for up to 90 days. During this time, Parks Youth identifies more permanent placement options for those children. Parks Emergency Shelter served 56 children during state fiscal year 2022.

During the audit scope, Parks Youth was contracted with DFPS and single source continuum contractors (SSCCs) to provide care for children from DFPS Region 1 (the Texas Panhandle), Region 6 (Houston), and Region 8b (Texas Hill Country).

DFPS contracts within a geographic service area with a single source continuum contractor, known as an SSCC. The SSCC is responsible for finding foster homes or other living arrangements for children in state care and providing them a full continuum of services. These SSCCs then contract with various foster care providers to deliver those services within its geographic service area.

During August 2022, 421, or 3.5 percent, of the state's foster children were in emergency shelters: 20 were from Region 1; 41 were from Region 6; 126 were from Region 8; and a total of 12 were in the care of the Parks Emergency Shelter.

For more information, contact:
OIGAuditReports@hhs.texas.gov

Additionally, for the tested payments it received from DFPS, Parks Youth verified the accuracy of all 15 payments.

However, Parks Youth did not always include only allowable costs on its 2021 cost report. Specifically, 7 of 25 expenses tested (28 percent) included sales tax, which is an unallowable cost. Including unallowable costs on the cost report inflates reported expenses, which makes HHSC's rate setting less reflective of the actual cost of providing childcare services.

Recommendations

Parks Youth should:

- Develop and strengthen its processes to include only allowable costs on its cost report.
- Strengthen its processes and controls to:
 - Complete health screenings within required timeframes.
 - Complete service plans within required timelines that (a) include all required needs and (b) support required individuals' participation and approval.

Management Response

OIG Audit presented preliminary audit results, issues, and recommendations to Parks Youth in a draft report dated June 27, 2023. Parks Youth agreed with the audit recommendations and indicated corrective actions would be implemented by July 2023. Parks Youth's management responses are included in the report following the recommendations.

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Audit Overview

Overall Conclusion

Parks Youth Ranch, Inc. (Parks Youth) had processes and controls in place over the Fred and Mabel R. Parks Emergency Shelter (Parks Emergency Shelter) for it to meet selected requirements designed to protect the health and safety of children in its care. However, it should strengthen its processes and controls over cost reporting and some child services.

Key Audit Results

Parks Youth complied with selected requirements. Specifically, for the sample tested in each category, Parks Youth:

- Met minimum child-to-caregiver ratios.
- Verified the accuracy of payments received.
- Obtained background checks, required drug testing, and required specific training for staff.

However, Parks Youth should strengthen its processes and controls over expenses reported on its cost report and certain child service requirements. Specifically, Parks Youth did not always:

- Report only allowable costs on its 2021 cost report.
- Address all children's needs and goals on preliminary service plans and initial service plans or maintain support that required individuals participated in initial service planning.

The Texas Health and Human Services Office of Inspector General Audit and Inspections Division (OIG Audit) offered recommendations to Parks Youth, which, if implemented, will help improve compliance with applicable requirements.

Objective

To determine whether Parks Youth had processes and controls in place to ensure it provided foster care services at Parks Emergency Shelter in accordance with selected statutes, contract terms, and minimum standards.

Scope

The audit scope included processes and controls related to staff, child services, and revenue from September 1, 2021, through August 31, 2022. The scope also included processes and controls related to selected expenses from January 1, 2021, through December 31, 2021.

The “Detailed Audit Results” section of this report presents additional information about the audit results and is considered written education in accordance with Texas Administrative Code.¹

OIG Audit presented preliminary audit results, issues, and recommendations to Parks Youth in a draft report dated June 27, 2023. Parks Youth agreed with the audit recommendations and indicated corrective actions would be implemented by July 2023. Parks Youth’s management responses are included in the report following the recommendations. OIG Audit communicated other, less significant issues to Parks Youth in a separate written communication.

Key Program Data

Parks Youth is a non-profit shelter licensed by the Texas Health and Human Services Commission (HHSC) to provide 24-hour residential child-care services to children in Richmond, Texas. Parks Youth is contracted with DFPS² and single source continuum contractors (SSCCs) to provide care for children from DFPS Region 1³ (the Texas Panhandle), Region 6 (Houston), and Region 8b (Texas Hill Country).

What Prompted This Audit

The Texas Health and Human Services Office of Inspector General (OIG) initiated this audit as part of an ongoing risk assessment of DFPS contracts for the provision of essential services to children in the state’s conservatorship.

DFPS contracts within a geographic service area with a single contractor, known as an SSCC. The SSCC is responsible for finding foster homes or other living arrangements for children in state care and providing them a full continuum of services. These SSCCs then contract with various foster care providers to deliver those services within its geographic service area.

This audit focused on operations at the Parks Emergency Shelter, which is licensed to provide emergency care services for up to 30 children, ages 7 through

¹ 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

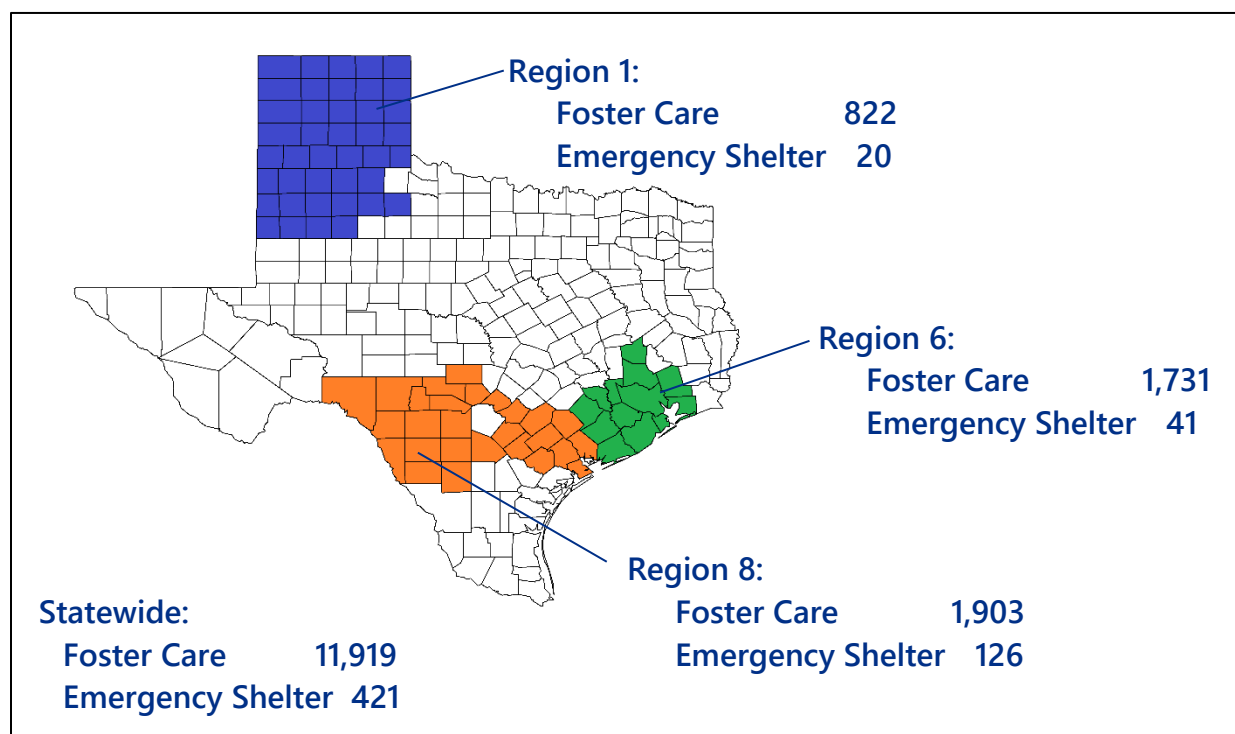
² DFPS and HHSC have joint oversight of foster care in Texas. DFPS contracts with entities that provide foster care services in a variety of settings, including emergency shelters. HHSC is responsible for setting the rates paid by DFPS to foster care providers and licensing each foster care provider’s operations. Each type of operation must have both a separate license and contract.

³ Parks Youth’s contract to provide services for Region 1 was terminated, effective December 11, 2022.

17, for up to 90 days. During the children's stay, Parks Youth identifies more permanent placement options for the children. During 2022, the Parks Emergency Shelter served 56 children.

Figure 1 gives a snapshot of the children in DFPS care for August 2022, statewide and in regions 1, 6, and 8, the regions Parks Youth serves. For that month, twelve children stayed at Parks Emergency Shelter.

Figure 1: Selected Populations of Children Under DFPS Guardianship during August 2022



Source: DFPS, "Regional Statistical Information About Children in the Texas Department of Family Protective Services (DFPS) Care" (Aug. 2022)

On its 2021 cost report, Parks Youth reported \$656,896 in payments from DFPS and SSCCs and \$1,124,156 in expenditures for the Parks Emergency Shelter. For more information about Parks Youth, see Appendix B, "Entity at a Glance."

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Audit Results

The following sections of this report provide additional detail about the results of the audit. The audit scope covered emergency care services, consistent with Parks Youth's contracts, and included reviews of selected staff, children, and financial records from 2022 for the following areas:

- Staff background checks, training files, and drug tests.
- Service plans and health screenings for children placed in the Parks Emergency Shelter.
- Payments received.
- Child-to-caregiver ratios.

Additionally, auditors reviewed selected expenses reported on Parks Youth's 2021 cost report⁴ for allowability and accuracy.

Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

⁴ Park Youth's 2021 cost report covered the time period from January 1, 2021, through December 31, 2021.

Chapter 1: Parks Youth Included Unallowable Costs on Its Cost Report

Parks Youth did not always include only allowable expenses on its 2021 cost report, as required.⁶

Specifically, 7 of 25 expenses tested (28 percent) included sales tax, which is an unallowable cost.

Including unallowable costs on the cost report inflates reported expenses, which makes HHSC's rate setting less reflective of the actual cost of providing childcare services.

Recommendation 1

Parks Youth should develop and implement processes to include only allowable costs on its cost report.

24-Hour Residential Child Care Cost Reporting

The purpose of a cost report is to gather financial and statistical information for HHSC to use in developing reimbursement rates and other cost analyses.

For the providers' 2021 fiscal years, HHSC required each residential child care provider that was contracted with DFPS to submit a 2021 24-Hour Residential Child Care Cost Report to HHSC in accordance with the cost reporting instructions published by HHSC.⁵

Source: DFPS, "2021 Cost Report Instructions for 24 Hour Residential Child Care Program (Jan. 2022)."

Management Response

Action Plan

Parks Youth Ranch, Inc. created two policies to address unallowable and unverifiable costs and expenditures:

Sales Tax Exemption Policy: The purpose of this policy is to formalize procedures for staff and individuals who are making purchases on behalf of PYR or its residents to use our tax exemption. This policy will also establish that in the event of a reimbursement, under no circumstances will sales tax be reimbursed to the purchaser.

⁵ 2021 Cost Report Instructions for 24-Hour Residential Child Care Program (Jan. 2022).

⁶ 1 Tex. Admin. Code §§ 355.102 and 355.105 (Jan. 1, 2019) and 40 Tex. Admin. Code §§ 700.1751 (Nov. 15, 2017) and 700.1753 (Dec. 9, 2020).

Missing / Lost Receipt Policy: The purpose of this policy is to formalize procedures for staff who are using pre-approved Parks Youth Ranch, Inc. funds to document expenditures in the event a receipt or other documentation is lost or unavailable.

In addition, the Executive Assistant will maintain a list of authorized purchasers for the benefit of the Fred & Mabel Parks Emergency Shelter. This list will be cultivated from employees who have received training on the new policies and acknowledge that they may be held liable for sales taxes paid, and for the full amount of a purchase with no verifiable receipts.

All expenditure must be pre-approved by the Executive Director. The Executive Assistant will collect and maintain copies and records of all receipts and forms for any purchases made for the benefit of the organization.

Responsible Manager

Executive Director

Implementation Date

May 1, 2023

Chapter 2: Parks Youth Did Not Always Complete Service Plans

When a child comes into Parks Youth's care, Texas Administrative Code requires Parks Youth to complete initial planning and screening within certain timeframes to identify and address the child's needs. Preliminary service plans, initial service plans, and health screenings are detailed in the text box. While Parks Youth completed the health screenings as required, the plans did not always address all required needs or Parks Youth did not maintain support to identify required individuals participated in service planning.

Health Screenings

Parks Youth performed initial health screenings or verified that other acceptable medical examinations had been completed mostly within timelines, as required.⁷ Specifically, seven of eight children tested (88 percent) had an acceptable medical examination performed within required timelines. The eighth child had a health screening performed five days after admission rather than within 72 hours. The remaining child in the sample, a teenager, refused medical services.

Service Plans

Texas Administrative Code requires general residential operations, including emergency shelters, to develop service plans specifying services to be provided to meet the specific needs of each child in care.⁸

Preliminary service plans must be completed within 72 hours of placement and must address the immediate needs of the child, such as supervision requirements, enrolling the child in school, or obtaining needed medical care or clothing.

Initial service plans must be completed within 45 days of placement and must address the child's needs identified in the preliminary service plan, in addition to basic needs related to day-to-day care.

Health screenings must be completed by a health-care professional within 72 hours of placement in an emergency shelter unless an acceptable medical examination was performed prior to placement. It must be noted in a child's file when a child refuses to accept medical treatment.

Source: 26 Tex. Admin. Code 748.1331, 748.1335, 748.1337, 748.1531, and 748.4203 (Mar. 9, 2018)

⁷ 26 Tex. Admin. Code § 748.4203 (Mar. 9, 2018).

⁸ 26 Tex. Admin. Code §§ 748.1331 and 748.1337 (Mar. 9, 2018).

Preliminary Service Plans

For the children's records tested, Parks Youth mostly completed preliminary service plans within 72 hours of admission. However, the plans did not always address all required needs.

Specifically:

- For eight of nine children (89 percent), the preliminary service plan was completed within 72 hours of admission, as required.⁹ The remaining plan was completed 11 days after admission.
- For eight of nine children (89 percent), the preliminary service plan addressed medical and supervision needs, but did not address the child's educational needs. The remaining plan addressed all required needs.

Initial Service Plans

Parks Youth mostly completed initial service plans to address all of the child's needs within 45 days of admission as required.¹⁰ However, Parks Youth could not always support that required individuals participated in the service planning.¹¹

- **Completeness:** The initial service plan for eight of nine (89 percent) child records tested was complete and addressed the child's required needs. For the remaining child record tested, the initial service plan was started, but not completed and did not address any of the child's required needs.
- **Timeliness:** Of the eight completed initial service plans, seven (88 percent) were completed within 45 days of admission. The remaining plan was completed 58 days after admission.
- **Participation:** Of the eight completed plans, Parks Youth did not always support that all required individuals participated in the service planning.

⁹ 26 Tex. Admin. Code § 748.1331 (Mar. 9, 2018).

¹⁰ 26 Tex. Admin. Code §§ 748.1335 and 748.1337 (Mar. 9, 2018).

¹¹ 26 Tex. Admin. Code §§ 748.1339 and 748.1349 (Mar. 9, 2018).

Specifically:

- For one child record tested, there was not support that the child involved was provided a copy or summary of the plan. The child either (a) did not sign or (b) refused to sign the plan.
- For three child records tested, Parks Youth could not support that a caregiver participated in the service planning.

While Parks Youth had a process in place for preliminary service plans and initial service plans to be reviewed and approved by the shelter administrator, staff did not consistently follow this process. For four of the nine (44 percent) initial service plans, Parks Youth could not support that the initial service plans were reviewed by the shelter administrator which resulted in the issues described above.

Failure to address all required needs or involve the participation of required individuals in service planning increases the risk that significant needs will not be identified and addressed by Parks Youth.

Recommendation 2

Parks Youth should strengthen its processes and controls to complete:

- Health screenings within required timeframes.
- Complete service plans within required timelines that (a) include all required needs and (b) support required individuals' participation and approval.

Management Response

Action Plan

Health Screenings

Fred & Mabel R. Parks Youth Ranch Case Management team will ensure that the 3 in 3 Day Health Screening is completed for children in the legal custody of the Texas Department of Family and Protective Services within 72 Hours of placement (per TX DFPS, 3 Business Days) unless otherwise prevented. This will be noted in the Preliminary Service Plan under Immediate Needs.

Case Managers will continue to communicate with TX DFPS Conservators when the following documents that prevent TX DFPS Youth from obtaining Health Screenings within a timely manner are missing: **Form 2085-B Document (Designation of Medical Consenter), an Active STAR Health Member ID, and/or proof of a previous Medical Appointment on file within the last 6 to 12 months.**

Case Managers will document efforts to obtain missing documentation by phone, or electronic communication, in the resident's active file. *Please note that STAR Health will not grant authorization to Fred & Mabel Parks Youth Ranch Case Managers when TX DFPS Conservators are listed as Primary Medical Consent on the Form 2085-B Document (Designation of Medical Consenter).

If a resident refuses a required Health Screening, Case Management will continue to maintain records of Refusal in the resident's file and communicate the refusal to TX DFPS Conservators.

Preliminary Service Plans

Fred & Mabel R. Parks Youth Ranch Case Management team will ensure that the **Preliminary Service Plan (72 Hour) and Emergency Care Assessment** are completed thoroughly, with inclusion of Education services needed (if applicable, otherwise noting a job-readiness, or employment goal).

Case Managers will ensure that each section of the Preliminary Service Plan is thoroughly completed and note otherwise with an "N/A" or "Not Applicable", with a detailed reason.

Shelter Administrator, Case Managers, and Program Coordinator will review and adhere to the specific Preliminary Service Plan components noted at the time of placement.

The Shelter Administrator will sign the final acknowledgment of Preliminary Service Plans, thereafter. If Shelter Administrator is unavailable during the 72-hour grace period, LCCA Designee will review in acknowledge in their absence.

Initial Service Plans

Fred & Mabel R. Parks Youth Ranch Case Management team will participate in a designated **Initial Service Plan** meeting each month; to ensure the oversight and completion of resident Service Plans' due within that month or approaching due date. This meeting will take place outside of the Weekly Case Staffing meeting for thorough planning and discussion amongst the Professional Service Level team.

Shelter Administrator will read and acknowledge Initial Service Plan's in progress during said meetings; and sign completed Service Plan's (after DFPS and Resident Involvement, if completed prior to meeting date); if Service Plans require signature post-meeting date, the Case Manager assigned is required to meet with Shelter Administrator individually for review within HHSC / TDFPS required timeframes.

The Shelter Administrator will ensure the meeting date is re-occurring and at a time when Case Managers and Program Coordinator are able to attend in person, or via teleconference.

Shelter Administrator, Case Managers, and Program Coordinator will participate in said meeting, providing detailed attention to required Initial Service Plan components.

Responsible Managers

- Shelter Administrator
- Case Managers
- Program Coordinator

Implementation Date

July 12, 2023

Chapter 3: Parks Youth Complied with Selected Requirements Tested

Parks Youth complied with selected requirements related to child-to-caregiver ratios, background checks, drug testing, staff training, and payments received from DFPS and the SSCCs.

Child-to-Caregiver Ratios

Texas Administrative Code requires 24-hour residential child care providers to meet minimum child-to-caregiver ratios depending on the treatment services, time of day, and ages of the children. Since Parks Youth only offers non-treatment services, its caregivers are allowed to supervise a maximum of 8 children during waking hours and 24 children during sleeping hours.

For all 25 days tested, Parks Youth had caregivers on duty to meet the required ratios. Parks Youth had a weekly schedule in place to assign staff to each shift and identify backups.

Staff Employment Requirements

To safeguard the health and safety of the children in foster care, Texas Administrative Code requires 24-hour residential child care providers to only employ people who meet the following conditions:

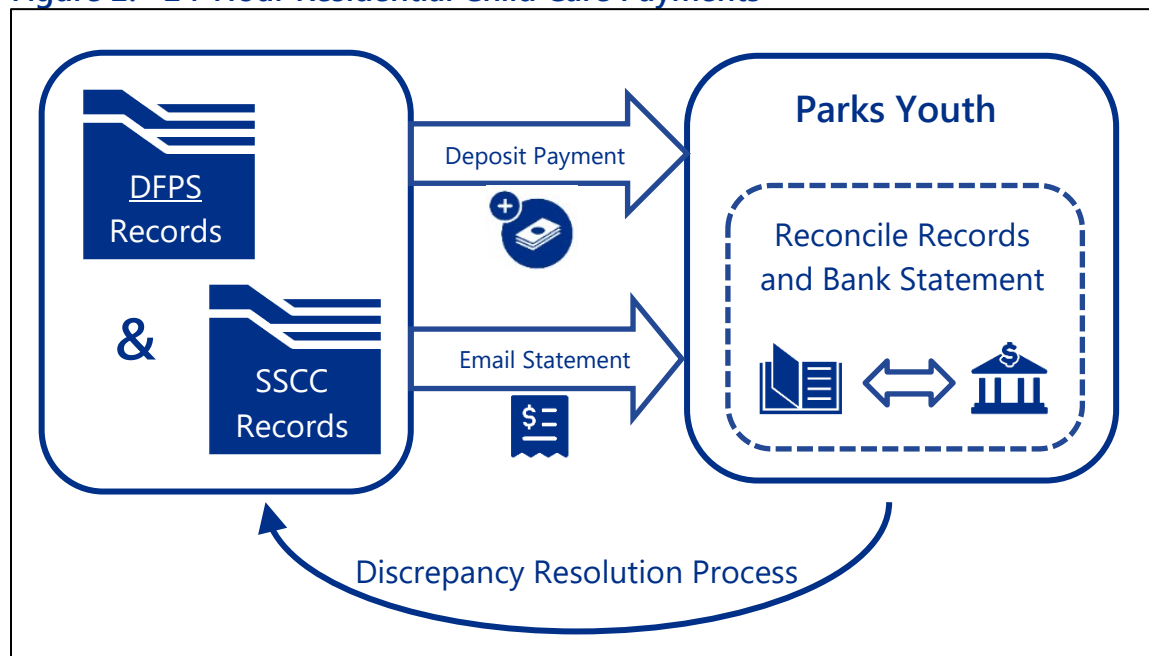
- Passing background checks upon hire. Fingerprint-based background checks are required to be repeated no more than five years after their most recent check.
- Passing a drug test prior to being allowed to work with children.
- Completing specific courses and total hours of training upon hire and annually, thereafter.

For all ten staff records tested, Parks Youth's staff (a) passed their most recent background checks and those checks were performed within the required timelines, (b) passed their most recent drug test, and (c) substantially met the minimum training requirements.

Payments from DFPS and the SSCCs

DFPS and the SSCCs make payments for delivery of 24-hour residential child care services to Parks Youth using the required rates.¹² Parks Youth also receives quarterly supplemental payments from DFPS for 24-hour awake supervision that are formula-based. DFPS bases payment on its records of children placed at the provider. The SSCCs base payments on records from client management systems. Figure 2 illustrates the payment and reconciliation process.

Figure 2: 24-Hour Residential Child Care Payments



Source: OIG Audit

Parks Youth typically receives multiple payments per month for the Parks Emergency Shelter from DFPS and one payment per month from each SSCC. Parks Youth verified the accuracy of all 15 payments tested.

¹² DFPS, "24-Hour Residential Child Care Payment Rates (Jun. 1, 2020)," <https://pfd.hhs.texas.gov/sites/rad/files/documents/long-term-svcs/2020/2020-24rcc-rates.pdf> (accessed Jun. 4, 2023).

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The audit objective was to determine if Parks Youth had processes and controls in place to ensure it provided foster care services at Parks Emergency Shelter in accordance with selected statutes, contract terms, and minimum standards.

The audit scope included processes and controls related to staff, child services, and revenue from September 1, 2021, through August 31, 2022. The scope also included processes and controls related to selected expenses from January 1, 2021, through December 31, 2021.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- Texas Hum. Res. Code, Chapter 42 (2005 and 2013)
- 1 Tex. Admin. Code Chapter 355 (2015 and 2019)
- 40 Tex. Admin. Code Chapter 700 (2017 and 2020)
- 26 Tex. Admin. Code Chapters 745 (2019, 2021, and 2022) and 748 (2018 and 2022)
- DFPS, "24-Hour Residential Child Care Requirements: Residential Contracts (RCC)" (2021)
- Department of Family Protective Services Vendor Contract for Residential Child Care Services Open Enrollment, Contract #24105902918 (2018), as amended
- SSCC Provider Services Specialty Agreement for DFPS Region 1 between St. Francis Community Services in Texas, Inc. and Parks Youth (2019)¹³
- SSCC Provider Services Specialty Agreement for DFPS Region 8b between Belong, a division of SJRC Texas and Parks Youth (2022)
- 2021 Cost Report Instructions for 24-Hour Residential Child Care Program

¹³ Parks Youth's contract with St. Francis Community Services in Texas, Inc., was terminated, effective December 11, 2022.

Appendix B: Entity at a Glance

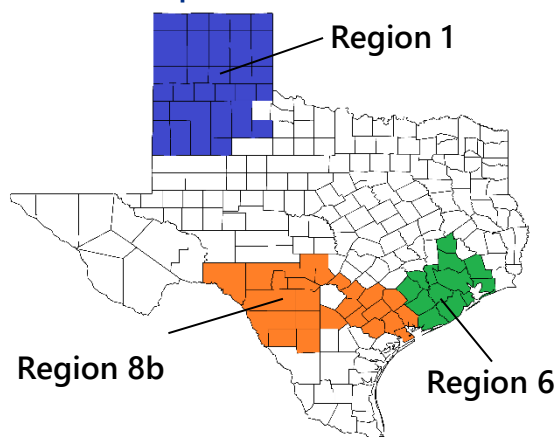
Parks Youth is a 24-hour residential care provider contracted with DFPS and single source continuum contractors to deliver foster care services at Parks Emergency Shelter. During the audit scope, it had contracts to provide services for children from DFPS Regions 1,¹⁴ 6, and 8b as shown in Figure B.1.

Parks Emergency Shelter, located in Richmond, Texas, is categorized as a general residential operation providing short-term emergency placement. General residential operations provide 24-hour care and supervision for seven or more children, aged 17 and under. A general residential operation may provide any of the following services:

- Child care services.
- Programmatic services, including emergency short-term care services, therapeutic camp services, a transitional living program or assessment services.
- Treatment services for children with an emotional disorder, an intellectual disability, an autism spectrum disorder, or a primary medical need.

All general residential operations must meet minimum standards as codified in Texas Administrative Code, Title 26, Chapter 748.

Figure B.1: Parks Youth Operations by DFPS Region During the Audit Scope



Source: Texas Department of Family Protective Services (DFPS) Map of DFPS Regions, accessed in November 2022.

¹⁴ Parks Youth's contract to provide services for Region 1 was terminated, effective December 11, 2022.

Appendix C: Detailed Methodology

OIG Audit issued an engagement letter to Parks Youth on April 19, 2023, providing information about the upcoming audit, and conducted fieldwork from April 20, 2023, through June 1, 2023.

OIG Audit also reviewed Parks Youth's system of internal controls, including components of internal control,¹⁵ within the context of the audit objectives by:

- Interviewing Parks Youth staff with oversight responsibilities for financial processes, staff training and background checks, child service planning, and supervision of children.
- Reviewing relevant documentation, such as policies, procedures, and training records.
- Performing selected tests of the relevant documentation.

Data Reliability

To assess the reliability of data, auditors (a) reviewed parameters used to extract data, (b) traced selected records to source documents, and (c) interviewed relevant Parks Youth staff knowledgeable about the systems and data. Auditors determined that the data was sufficiently reliable for the purpose of this audit.

¹⁵ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

Testing Methodology

OIG Audit collected information for this audit through discussions, interviews, and electronic communications with Parks Youth management and staff. OIG Audit reviewed supporting documentation for the following:

- Selected expenses reported on Parks Youth's 2021 cost report.
- Selected payments received during 2022.
- Child-to-caregiver ratios for a sample of days during 2022.
- Records for a sample of staff who worked with children at Parks Emergency Shelter during 2022.
- Records for a sample of children placed at the Parks Emergency Shelter during 2022.

For this audit, OIG Audit tested the selected records to determine Parks Youth's compliance with selected requirements in six areas:

- Allowability of expenses
- Identification of discrepancies between payments received and services provided
- Child-to-caregiver ratios
- Staff training, background checks, and drug testing
- Child service planning
- Initial health screening of children

Sampling Methodology

Auditors selected nonstatistical samples, primarily through random sample generation, of relevant populations for testing. Random sample generation was chosen to give each item within the population an equal chance of selection.

Table C.1 details the populations and samples for each test.

Table C.1: Testing Populations and Samples

Test	Population	Sample
Payments Received	150 payment invoices	15 payment invoices
Child-to-Caregiver Ratios	365 days	25 days (75 shifts)
Staffing Requirements	39 staff	10 staff
Children's Records	56 children	9 children

Source: OIG Audit

The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.

Auditors selected a risk-based, nonstatistical sample of 25 non-payroll expenses from those expenses reported on Park Youth's 2021 cost report. This sample design was chosen to address specific risk factors, such as unique categories of expenses and high-dollar amount transactions, identified in the population. The sample items were generally not representative of the population for the entities; therefore, it would not be appropriate to project the test results to those populations.

Appendix D: Summary of Recommendations

Table E.1: Summary of Recommendations to Parks Youth

No.	Recommendation
1	Parks Youth should develop and strengthen its processes to include only allowable costs on its cost report.
2	<p>Parks Youth should strengthen its processes and controls to complete:</p> <ul style="list-style-type: none">• Health screenings within required timeframes.• Complete service plans within required timelines that (a) include all required needs and (b) support required individuals' participation and approval.

Source: OIG Audit

Appendix E: Related Reports

- Thompson Emergency Shelter, Operated by Boysville, Inc., [AUD-23-004](#), February 28, 2023
- Benchmark Family Services, Inc., A Former Texas Department of Family and Protective Services Contractor, [AUD-21-020](#), August 12, 2021
- Passage of Youth Family Center, Inc., Child-Placing Agency Residential Child-Care Contract with the Texas Department of Family and Protective Services, [AUD-19-007](#), November 30, 2018
- Children's Hope Residential Services, Inc., Residential Child-Care Contract with the Texas Department of Family and Protective Services, [AUD-18-007](#), November 30, 2017

Appendix F: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

For more information on Foster Care:

"Foster Care," DFPS, https://www.dfps.state.tx.us/Child_Protection/Foster_Care/default.asp (accessed April 19, 2023)

"Child Care Regulation," HHSC, <https://www.hhs.texas.gov/providers/protective-services-providers/child-care-regulation> (accessed April 19, 2023)

For more information on Parks Youth:

Homepage, Parks Youth, <https://www.parksyouthranch.org/> (accessed April 19, 2023)

Appendix G: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
- Tammie Wells, CIA, CFE, Audit Director
- Scott Armstrong, CISA, CGAP, Audit Project Manager
- Christine Alexander, Staff Auditor
- Kimberly Lee, Staff Auditor
- Angel Montoya, Staff Auditor
- Ali Appel, Associate Auditor
- Sarah Ady, Associate Auditor
- Kay Allred, Quality Assurance Reviewer
- Mo Brantley, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
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- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Chief Audit Executive
- Stephen Pahl, Deputy Executive Commissioner for Regulatory Services Division

Department of Family and Protective Services

- Stephanie Muth, DFPS Commissioner
- Jennifer Sims, DFPS Deputy Commissioner
- Erica Bañuelos, Associate Commissioner for Child Protective Services
- Lisa Kanne, Chief Operating Officer
- Chance Watson, Chief Audit Officer

Parks Youth Ranch, Inc.

- Jonathan Chapman, President, Board of Directors
- Mary E. Mason, Vice President, Board of Directors
- Brad Whatley, Treasurer, Board of Directors
- Afshi Charania, Secretary, Board of Directors
- David Tripulas, Parliamentarian, Board of Directors
- Shannan Stavinoha, Executive Director
- Jada Bratton, Shelter Administrator

Appendix H: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Kacy J. VerColen, CPA, Chief of Audit and Inspections
- Diane Salisbury, Chief of Data Reviews
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

To Obtain Copies of OIG Reports

- OIG website: [ReportTexasFraud.com](https://reporttexasfraud.com)

To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

To Contact OIG

- Email: oig.generalinquiries@hhs.texas.gov
- Mail: Texas Health and Human Services
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000