




COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 871-2897

THOMAS SLONAKER  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Distribution  
**FROM:** Thomas Slonaker, County Controller  
**DATE:** December 21, 2011  
**RE:** The Program for Women & Families, Inc.



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The controller's office has recently completed a performance audit of contract administration at The Program for Women & Families, Inc. (PWF) for 2011 directed at investigating specific allegations. Our audit report number 11-65 is attached.

Responding to a tip/complaint received by the Office of the Controller, we identified contract management issues requiring corrective action by The Program for Women & Families, Inc. (PWF) management. Resolution of these issues by PWF and the county administration is in-process. As a result of our investigation, several procedural and legal issues remain and are being addressed by the County Administration, the Department of Law, and the Office of the Controller.

Attachment

AUDITS/PROGRAM FOR WOMEN & FAMILIES, INC.

COUNTY OF LEHIGH, PENNSYLVANIA  
THE PROGRAM FOR WOMEN AND FAMILIES, INC. (PWF)

*Performance Audit for the Year 2011*

REPORT NO. 11-65

COUNTY OF LEHIGH, PENNSYLVANIA  
THE PROGRAM FOR WOMEN AND FAMILIES, INC. (PWF)

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COUNTY OF LEHIGH, PENNSYLVANIA  
THE PROGRAM FOR WOMEN AND FAMILIES, INC. (PWF)

*Background*

Nature of Activities - Overview

The PWF is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of assisting offenders in becoming contributing and productive members of the community by providing structure, basic life management skills, counseling parenting skills, and several other types of education in a supportive, nurturing atmosphere. (Source: Note #1 – Audited financial statements as of and for the period ending December 31, 2010.)

Major Programs: (source: PWF website)

The PWF provides adult offenders, their families and at-risk youth with opportunities to build healthy and productive lives. Major programs include:

- Women Offenders
  - Women’s Residential Community Center
  - Day Reporting Program
  - Transitional Residence Program
- Children of Incarcerated Parents
  - Parents and Children Together (PACT)
  - Moments of Magical Storytelling (MOMS)
- At-Risk Youth
  - Alternative Learning Program Helping Adolescents (ALPHA)
  - Disciplinary Education Alternative Learning (DEAL)
- Family Reunification
  - Parent Education Classes
  - Parent Support Groups
  - In-Home Visitation
- Related Programs
  - StopLift

County of Lehigh 2011 Contracts:

**CORR-3** - 24/7 residential supervision and counseling/training for the women’s Community Corrections Center (county-funded). Contract terminated 10/25/11.

Payments by the county are based on actual costs incurred limited by an annual budget.

**CORR-145** - Family Reunification Reentry Initiative (FRRI) – Second Chance Act (funded by USDOJ grant). 2011 was the first year for the FRRI program.

**CY-391** - Prevention Services consisting of: (1) parenting classes; (2) in-home visitation; and (3) parent support group.

**JPRO-13** - ALPHA program – a 15 week program for youth who are not in school and under JP supervision – GED prep., help transition back to school, work force skills/job readiness training.

**ADMIN-51** - Training/counseling services (job readiness training, literacy training, GED prep., day counseling) to female offenders as an intermediate punishment alternative.

**AGNG-178** - Grant for life skills education – job readiness.



# COUNTY OF LEHIGH

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THOMAS SLONAKER  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

Joyce Dougherty, Ph.D., Executive Director  
The Program for Women & Families, Inc.  
927 Hamilton St.  
Allentown, PA 18101

We have recently completed a performance audit of contract administration at The Program for Women & Families, Inc. (PWF). 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.

The scope of our detail audit testing was budgets and invoices submitted by PWF for 2011. Our testing was limited to the investigation of specific allegations raised by tips/complaints received by the Office of Controller. Our consideration of internal control was limited to audit testing required to meet audit objective and would not necessarily identify all deficiencies in internal control that might be significant or material weaknesses.

Our objective was to determine the validity of the following allegations:

1. Budgets supporting contract charges between the PWF and the County of Lehigh are inflated as to salaries actually paid versus salaries shown in the respective contract budgets.
2. PWF employees assigned and charged to the Second Chance Act – Family Reunification Reentry Initiative Program (FRRI) are not actually working on the FRRI program.

Audit criteria and standards included compliance with the terms and conditions described in the contracts between PWF and the County of Lehigh are described in the background section of this report. Audit standards applied in performing the audit included generally accepted government auditing standards, and *Government Auditing Standards* (July 2007 revision) issued by the Comptroller General of the United States.

We achieved our objectives by comparing the established criteria and standards to actual practice, identification of the individuals comprising the salaries portions of the budgets submitted by the PWF, compilation of actual salaries of the budgeted PWF employees, comparison of budget to actual salaries, estimation of actual benefit costs, and comparison of budgeted benefit costs to actual cost. We also performed walk-throughs of recent fee-for-service invoiced amounts tracing units billed to corroborative documentation in PWF client case notes and other supporting records. We did not perform sufficient detail testing to conclude the overall accuracy of the 2011 invoiced amounts, however, we performed

sufficient observations of supporting recordkeeping to determine PWF maintains documentation for the fee-for-service billings. We also interviewed the majority of non-supervisory PWF employees to ascertain whether FFRI employees were actually working on the FRRRI program as invoiced by PWF. We believe that the audit evidence obtained by performing the following procedures and analyses provide a reasonable basis for our findings and conclusions based on our audit objective.

Audit Procedures included tests of:

- Compliance to county contract compensation amounts;
- Budgeted/contracted salary amounts versus PWF actual payroll records;
- Budgeted allowance/rate for benefit & employer tax amounts versus PWF actual cost;
- PWF client files documentation supporting billed amounts;

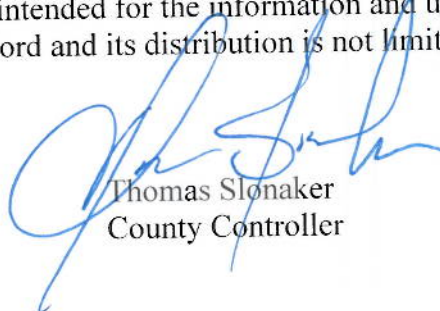
Our audit included examination of the accounting records, documentation, discussions with PWF employees and county personnel, and such other auditing procedures we considered necessary in the circumstances.

We concluded that:

**Allegation #1 was true:** The program funded budgets supporting the 2011 contracts for the Women's Community Corrections Center (CORR-3), the Second Chance Act – Family Reunification Reentry Initiative (CORR-145), and the Training/counseling – intermediate punishment alternative (ADMIN-51) were overstated. Invoices paid by the county are based on a monthly proration of the annual budgeted/contracted amount. Actual PWF salaries and benefits paid were approximately \$78,000 less than the budgeted amounts for the 2011 periods tested.

**Allegation #2 was true:** There is insufficient client volume to justify all of the positions included in the Second Chance Act – FRRRI 2011 budget. Some FFRI employees work on other programs or other self-directed activities due to the insufficient client volume during 2011.

We wish to thank the management and employees of The Program for Women & Families, Inc. for their cooperation during the audit. This report is intended for the information and use of the County of Lehigh, however, this report is a matter of public record and its distribution is not limited.



Thomas Slonaker  
County Controller

December 21, 2011  
Allentown, Pennsylvania

Final Distribution

Donald T. Cunningham, Jr., County Executive  
Board of Commissioners  
Brian L. Kahler, Fiscal Officer  
Thomas S. Muller, Director of Administration  
Office of Inspector General, USDOJ  
Edward G. Sweeney, Director of Corrections

Create positive change



THE **PROGRAM**  
*for women & families*

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December 21, 2011

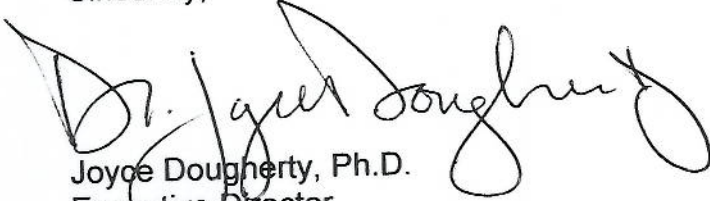
Mr. Thomas Slonaker  
Lehigh County Controller  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

Dear Mr. Slonaker:

Enclosed you will find my official response to the *Performance Audit for the Year 2011* and the original signed copy of the engagement letter associated with the audit, along with a copy of the original draft report.

If you have any questions, or need anything else, please do not hesitate to contact me directly at 610-433-6556 x111 or at [jdougherty@thepwf.org](mailto:jdougherty@thepwf.org). I want to continue to cooperate with you and your staff in every way possible.

Sincerely,



Joyce Dougherty, Ph.D.  
Executive Director

**THE PROGRAM for Women and Families, Inc.**  
**Executive Director's Response**  
**To the County of Lehigh's 2011 Performance Audit**

**Preface:** The closure of the women's work release facility, which had been operated by THE PROGRAM for Women and Families under contract with the County of Lehigh for more than 15 years, necessitated laying off a significant number of agency personnel beginning on October 25 and ending on November 1, 2011. We were informed by Deputy Controller, John Falk that the "tips/complaints" that served as the catalyst to this performance audit were made within this timeframe. While they remain anonymous, it is possible that some, if not all, of the complaints came from laid off employees who remain unhappy with agency management.

The purpose of this formal response is to address each allegation as clearly and succinctly as possible. We cooperated fully with the Deputy Controller during the audit and remain very willing to answer any questions that may be left unanswered by this response. THE PROGRAM for Women and Families has had a long, positive working relationship with the County of Lehigh, and our hope is that relationship will continue so that we can fulfill our mission: To provide adult offenders, their families, and at-risk youth with opportunities to build healthy and productive lives.

**Response to Allegation #1: The conclusion is that the actual salaries and benefits paid to specific employees do not match the amount budgeted for contracted positions.**

Six contracts were the focus of scrutiny during the audit: CORR-3 and ADMIN-51 support programs (positions and program related expenses) with a January to December fiscal year. AGNG-178, CY-391 and JPRO-13 are fee for services contracts with a July to June fiscal year. With the exception of the AGNG-178 contract which was submitted in 2009 to run through 2013, all of the contracts had to be resubmitted and reviewed on an annual basis at different times during the year based on their fiscal year. The CORR-145 contract stems from the Second Chance Act grant application submitted in March 2010 and awarded to the County of Lehigh in October 2010 with implementation by THE PROGRAM beginning in January 2011.

All contract budgets must be prepared well in advance of the contract start dates, and as such they routinely depend on estimates, and/or projections of the actual cost of the work needed to fulfill the requirements of each specific position. This is especially the case when putting together a budget for proposed new programming such as the Second Chance Act project – the Family Reunification Reentry Initiative (FRR1). The cost of benefits, particularly the cost of healthcare, always has to be estimated because it changes every year with the final cost to the agency not finalized until early to mid-December. Through the years it has been our experience that in reviewing our proposed contract budgets, the county's focus has been consistently, and at times exclusively on "the bottom-line", and that focus is what has guided how we have prepared our budgets. Given that focus on the bottom-line, and with all of the unknowns moving into each contract's fiscal year, it has not been the agency's practice to "break-out" or itemize budgeted positions by the salaries of specific employees performing the work needed to fulfill the requirements of each position in proposed budgets. We moved ahead into each contract's fiscal year with the expectation that once a budget was approved there would be no need to resubmit a revised operating budget itemizing each position because it has never been required.

There is no doubt that had such detailed itemization of budgeted positions been provided, there would have been no grounds to make this specific allegation. A document recently provided to the county's Director of Administration bears this out. Complying with the December 15, 2011



request from Tom Muller, a spreadsheet breaking out actual costs and actual revenues received under each county contract during the fiscal year 2010 was compiled in consultation with the agency's independent auditor and Board Treasurer. The spreadsheets itemize each budgeted position, documenting the actual cost of salaries, benefits and taxes. What this itemization reveals is that while some positions were slightly over budgeted, others were significantly under budgeted. What this itemization also reveals is that in all cases, actual costs surpassed budgeted. What this itemization also reveals is that in all cases, actual costs surpassed contract revenue. For example, the actual cost of salaries, benefits and taxes under the contract with the Department of Administration (ADMIN) (including revenue from Area Agency on Aging and Adult Services – AGNG) in 2010 exceeded revenue from the county by \$3,232. In the case of the contract with the Department of Corrections (CORR), the actual costs of salaries, benefits and taxes exceeded revenue from the county by \$980. In the case of the fee for service contract with Juvenile Probation (JPRO) in 2010, the expenses incurred by the agency just to support the actual salaries, benefits and taxes of the two direct service staff that facilitate the contracted programming exceeded the revenue from the county by \$2,950. When the cost of all positions under this contract was accounted for, revenue was exceeded by a total of \$18,174. The same was true of the 2010 Children and Youth (CY) fee for service contracts where revenue from the county to support the contracted positions fell short of the actual expenses incurred for salaries, benefits and taxes by \$3,062.

Providing the same itemized breakdown of actual expenses for the audited period in 2011 as was provided to the Director of Administration for entire fiscal year of 2010, including revenue from all of the contracts in question, will result in the same findings. The \$78,000 cited by Controller can be completely accounted for.

**Response to Allegation #2: The conclusion that there is insufficient client volume to justify all of the positions included in the Second Chance Act budget.**

The Second Chance Act project, the Family Reunification Reentry Initiative (FRRRI) was one of only seven Adult Demonstration grants awarded by the Bureau of Justice Assistance in 2010 that focused exclusively on women offenders nationwide. This award is something the county should be very proud of because it brings well deserved national recognition to the progressive work being done with women offenders in Lehigh County. Patterns of offending, when comparing women to men, have remained consistent for years: Far more men are involved in the criminal justice system than women although research has documented that the involvement of women has increased at a rate much higher than that of men over recent years. The unfortunate truth is that because the number of women offenders consistently has remained so much lower than that of their male counterparts, when it comes time to allocate limited resources for programming, women offenders usually lose out because of "insufficient client volume". By supporting the Family Reunification Reentry Initiative in 2010 and again in 2011, the Bureau of Justice Assistance has demonstrated that it recognizes the importance of supporting programming for women offenders, particularly evidence-based programming that focuses on reducing recidivism by successfully reuniting women with their families. Beyond that, underlying this allegation is a profound lack of understanding of what it means to effectively utilize a validated risk/needs assessment tool (in the case of FRRRI, COMPAS 8, one of the only tools available that has been validated on populations of women offenders). While the project proposes to reach 400 individuals in a year -- completing assessments on that targeted number of women offenders -- referrals into FRRRI programming can only be made if the women are found, according to the assessment, to be in need of that programming. That limits the number of women enrolled.

This allegation also speaks to issues relating not only to the challenges faced when implementing new programming but to the challenges faced when implementing evidence-based programming. Beyond the required training and certifications, the issue of fidelity to the

tested programmatic models must remain paramount when implementing evidence-based programming. The design of FRRRI, as written into both the 2010 and 2011 applications acknowledges this by addressing the problem that some positions inevitably would be more "active" at various stages of the project's implementation than others. As the project proceeds according to its proposed design and timeline, workloads will shift.

Finally, as in any workplace conflicts may arise when one employee perceives another employee is not doing what she is supposed to be doing. Obviously some employees may have felt the need to share these perceptions with someone other than their immediate supervisors whose job it is to address these kinds of personnel problems. Questions raised as a result of the county audit regarding allegations that some employees may be engaging in "self-directed" activities will be looked into and addressed as per the agency's established policies and procedures manual.

**Conclusion:** THE PROGRAM for Women and Families has had a long, successful relationship with Lehigh County, recently culminating in assisting the County in securing a coveted Second Chance Act grant for two consecutive years. We worked cooperatively with the County Controller during the audit, and hope this response addresses any and all questions raised by the anonymous complainants. If any questions remain unanswered or if any additional documentation is needed, please let us know. We want to continue to cooperate in every possible way. Moving forward, we will work with the County in whatever way officials deem necessary so that we can continue to meet the needs of the women offenders, their families, and the at-risk youth we serve.