



# DRAFT – Mayor’s Office of Neighborhood Safety and Engagement – Biennial Performance Audit FY22-23

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## Objective

The **Department of Audits (DOA)** reviewed the performance of the **Mayor’s Office of Neighborhood Safety and Engagement** for the fiscal years 2022 and 2023. The goal was to assess the effectiveness of evaluate the effectiveness of internal controls over the Safe Streets program (Safe Streets) expenditures.

## Background

### Safe Streets and Funding

A Community Violence Intervention (CVI) program whose mission is to reduce gun violence in Baltimore City (City) through a public health intervention approach. Safe Streets workers focus on community outreach, public education, conflict mediation, and violence interruption within a specific geographic area. MONSE was awarded \$50 million through ARPA funding to support violence prevention efforts over the next three years. Safe Streets’ actual expenditure for Fiscal Year (FY) 2022 is approximately \$2.6 M.

## Section I: Current Finding and Recommendation

**MONSE’s monitoring controls for validating the reimbursement requests of subrecipients are not functioning effectively.**

MONSE has processes to check that subrecipients’ expenses are allowed, on time, and match their budgets, but these checks aren’t working effectively. As a result, duplicate payments were made between FY 2022 and 2024, and staff hours billed didn’t have proper documentation from daily activity logs.

### **Duplicate payments were not identified:**

The DOA identified three duplicate payments totaling \$290,357 for three invoices in FY 2023 and FY 2024. The following invoices were paid twice to a subrecipient: (i) \$79,098 in July 2022; (ii) \$149,528 in May 2023; and (iii) \$ 61,731 in January 2024. ***MONSE did not have a process to track all payments made.***

### **MONSE does not consistently verify the daily activities of subrecipients’ employees.**

Subrecipients’ employees in positions like Site Director, Site Supervisor, and Violence Interrupter must record their daily activities and paid time off in both the *old* Cure Violence system and the *new* Apricot system. MONSE liaisons can use these systems to keep track of

subrecipients' work and make sure daily entries are recorded. MONSE management oversees the liaisons to ensure everything follows the rules. However, daily activities were not always entered for the days billed to the City. From July 1, 2021, to January 31, 2024, MONSE reimbursed the two subrecipients an estimated \$243,391 without validating daily activities for 173 out of 277 samples, or 62%.

**a. MONSE regularly issued reimbursements without verifying payroll registers.**

MONSE does not require subrecipients to submit a payroll register. MONSE relies heavily on the subrecipients' internal controls. Additionally, MONSE does not: (i) verify the accuracy of the total amounts on invoices; and (ii) conduct a secondary review of invoices before processing payments.

According to **the Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D (200.332), pass-through entities must:** (e) monitor subrecipients to ensure compliance with federal laws, regulations, and subaward terms. They are responsible for overseeing subrecipient performance to meet subaward goals. A pass-through entity must:

1. Review financial and performance reports.
2. Ensure subrecipients address all significant issues that negatively impact the subaward.

**Recommendation I**

DOA recommends that the Director of MONSE:

- Maintain a schedule of approved reimbursement requests and verify if payments have already been made when new requests come in (subrecipients).
- Ensure receipts are matched to invoices in Workday.
- Validate subrecipients' employee activity logs in the Apricot System.
- Confirm that salaries billed match payroll registers.
- Recalculate invoice totals to verify the accuracy of billed amounts.
- Implement a secondary review process for invoices prior to payment approval.