



EXECUTIVE SUMMARY

**DEPARTEMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES
WOODBINE DEVELOPMENTAL CENTER
July 1, 2017 to January 31, 2020**

We found that the financial transactions included in our testing were related to the center's programs, were reasonable, and were recorded properly in the accounting systems. However, we found the center did not always ensure an efficient use of funds. In making these determinations, we noted several areas meriting management's attention. Additionally, we found the center has resolved the significant issues noted in our prior report except for matters related to an excessive balance in the Welfare Fund. This issue has been updated and is presented as an observation in our report.

AUDIT HIGHLIGHTS

- The center's client population decreased from 479 to 247 (48 percent) from September 2008 to September 2019 with no corresponding reduction in the number of cottages used by the center. The center's objectives could continue to be achieved with fewer cottages and employee resources with a potential annual cost savings of \$7.3 million.
- The Business Office did not always ensure compliance with internal policies and state procurement guidelines and regulations; payments were accurate; or funds were spent in the most efficient manner. In addition, certain financial transactions were not always properly supported.
- Maintenance activities were not properly recorded in the center's work order management program to ensure efficient staffing levels and operations. The lack of data makes it difficult for the center to monitor the productivity of the maintenance department, evaluate the necessity of current maintenance staff levels, or determine whether cost savings could be achieved.
- The center operates a cafeteria-style deli (The Galley), which had an annual loss of approximately \$330,000 for fiscal years 2018 and 2019. The continued excessive net loss to operate The Galley primarily for employee use is not an efficient use of funds.
- The center does not have documented policies and procedures related to inventory control. Since the inventory database can easily be adjusted, the on-hand count and values are not reliable. The lack of investigation into count variance between pre- and post-inventory system counts creates a risk of misappropriation of assets.

AUDITEE RESPONSE

Although the department disagreed with our recommendation to reduce the number of cottages and employees, it generally concurred with our findings and recommendations.

For the complete audit report click [here](#).