

REPORT OF WHISTLEBLOWER INVESTIGATION
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
NO. 04-046
FEBRUARY 15, 2005

Notice of Filing and Transmittal
February 15, 2005

Attached is the official report of Whistleblower case No.04-046 at the Department of Social and Health Services.

This report is transmitted by the State Auditor's Office pursuant to Chapter 42.40 of the revised Code of Washington the Whistleblower Act.

Questions about this report should be directed to Investigator Sandra Miller at (360) 902-0378, or Director of Operations Jim Brittain at (360) 902-0372.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

BS:sym

cc: Dennis Braddock, Secretary
Alice Liou, Special Assistant



The State Auditor's Office received assertions of improper governmental activity at the Department of Social and Health Services. These assertions were submitted to us under the provisions of Chapter 42.40 of the revised Code of Washington, the Whistleblower Act. We investigated these assertions independently and objectively through interviews and by reviewing relevant documents. This is the result of our investigation.

Assertion 1:

A Program Manager with the Division of License Resources authorized refreshments for a training class in excess of the allowable per diem rate.

We found reasonable cause to believe an improper governmental action occurred.

RCW 43.03.050(4) *Upon approval of the agency head or authorized designee, an agency may serve coffee or light refreshments at a meeting where:(a) The purpose of the meeting is to conduct state business or to provide formal training that benefits the state; and (b) the coffee or light refreshment is an integral part of the meeting or training session. The director of financial management shall adopt requirements necessary to prohibit abuse of the authority authorized in this subsection.*

State Accounting and Audit Manual 70.10.10 *An agency may not provide coffee and light refreshments at meetings and formal training sessions unless the agency has formally adopted written internal policies and procedures that describe the approval process for these items.*

Department of Social and Health Services Policy and Procedures. *When planning to serve coffee and light refreshments in an agency sponsored meeting, you must request the need for light refreshments of your Appointing Authority....State the approximate total dollar amount being spent (not to exceed \$2.00 per attendee per day.)*

An eight-hour training session was held on December 6, 2003, for Department of Social and Health Services foster parents. The training was held at a hotel. The agency planned to serve a Continental buffet and light refreshments during a mid-morning and afternoon break. The hotel would not allow the agency to supply the light refreshments. The hotel charged \$16.25 per person. This exceeded the allowable rate of \$2 per attendee per day.

In an e-mail sent to the trainer on October 27, 2003, the Program Manager stated that no more than \$2 per attendee should be spent, and the menu was to be limited to coffee and/or light refreshments. She also told the trainer she would need to receive prior approval before she could authorize the exceeded allowable amount.

The trainer went on an extended leave of absence beginning October 31, 2003. Prior to going on leave, she turned over all documents pertaining to this event to her program manager for completion. The program manager authorized the amount charged by the hotel knowing that the price quoted by the hotel for light refreshments would exceed the allowable rate of \$2 per person per day.

During an interview, Department representatives stated this is an on-going problem within the agency because not many spaces are available for training where the agency can supply its own light refreshments. They stated this forces the agency to rent meeting rooms in locations that charge more for light refreshments than is allowed.

During our review of documents, we found other incidents in which training occurred and the cost of light refreshments may have exceeded the maximum allowable cost of \$2 per person per day. The agency stated it is trying to resolve the issue.

Therefore, we found reasonable cause to believe an improper governmental action occurred.

Assertion 2:

A Program Manager with the Division of License Resources authorized payment for refreshments for more attendees than were present at the training.

We found reasonable cause to believe an improper governmental action occurred.

State Accounting and Auditing Manual 70.10.40 *Agencies must document the request and approval for expenditures for coffee and/or light refreshments. Agencies may use a Travel Authorization (form A40-A) or agency equivalent form, an Invoice Voucher (form A19-1A), or a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:*

- *The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and*
- *The purpose of the meeting or expenditure.*

For the December 6, 2003 training session, the hotel was given an approximate count of 35 participants at the time the room was reserved. The Program Manager called the hotel one week prior to the training and finalized the number of participants as 50. The Program Manager was unable to supply any documentation to us to show how she arrived at this number. The total number of participants was 21. The Department paid a total of \$812.50. The total allowable cost was \$42.

Because the agency booked its training with a facility that charged for the meeting room and light refreshments based on estimated participants, the agency paid \$770.50 more than was allowed.

Therefore, we found reasonable cause to believe an improper governmental action occurred.

AGENCY PLAN FOR RESOLUTION

The Department recognizes that training space in some large urban areas presents a logistical dilemma. There simply have been very few locations large enough to accommodate the number of foster parents who seek training on the weekend. This has required the Department to utilize hotel meeting rooms. Generally, hotels have a policy prohibiting the import of refreshments to their facilities. They require that any refreshments be purchased through the hotel catering service. In this specific instance the program manager named as subject in this investigation discussed the situation with the supervisor. After a thoughtful discussion the decision was made that the cheaper room rental rate, off set by the higher refreshment costs, was the most practical and cost efficient way of providing the training.

The following is the Department of Social and Health Services' plan for resolution.

1. Children's Administration, Division of Child and Family Services, Region 5, Tacoma, has recently completed construction of a large training room which will accommodate the numbers of foster parents attending training in that urban area. This eliminates the need for rental meeting space.
2. All trainers who provide foster parent training have been notified in writing regarding the policy related to coffee and light refreshments at training events.
3. A revised training registration and cancellation system for foster parent training is being developed. It is expected that this new system will be in operation April 2005. This will result in a more formal registration process and accurate data regarding the expected number of participants in any training session. However, foster parents like all families, have unplanned circumstances and changes in priorities. As a result, the possibility of having some "no shows" at training sessions will continue.
4. In December 2003, the Department hired a Fiscal Analyst to monitor expenditures and consolidate billing related to all foster parent training expenditures.
5. A Purchase Order system (with multiple levels of approvals, required) has now been implemented for managing training refreshment expenses. The Purchase Order request is made in advance of training sessions and requires supervisory approval.

AUDITOR'S CONCLUDING REMARKS

We appreciate the cooperation and courtesies extended to our office during this investigation.