



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

### MEMORANDUM

**TO:** San Francisco Health Commission  
Dr. Grant Colfax, Director of Health  
Department of Public Health

**FROM:** Mark de la Rosa, Director of Audits   
Audits Division, City Services Auditor

**DATE:** February 29, 2024

**SUBJECT:** The Department of Public Health Must Strengthen Its Oversight and Controls Over Gift Cards to Prevent Loss and Misappropriation

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## EXECUTIVE SUMMARY

The Office of the Controller (Controller), City Services Auditor (CSA), Audits Division, audited the controls over gift cards that the Department of Public Health of the City and County of San Francisco (City) uses to mitigate the risk of loss or misappropriation and found they need improvement. Although the department has gift card policies and procedures that are consistent with the City's accounting guidelines, it must strengthen its oversight to ensure its staff follows the policies and procedures and maintains the appropriate records.

## BACKGROUND, OBJECTIVE & METHODOLOGY

### Background

**Department of Public Health.** The mission of the City's Department of Public Health (Public Health) is to protect and promote the health of all in San Francisco. Public Health is an integrated health department with two divisions to fulfill its mission:

- *The Population Health Division* addresses public health concerns, including the promotion of healthy practices and prevention of spreading illnesses, the preparation and response to public health emergencies, and the monitoring of threats to the public's health.
- *The San Francisco Health Network* provides direct health services to its patients through Zuckerberg San Francisco General Hospital (ZSFG), Laguna Honda Hospital and Rehabilitation Center (LHH), and other venues, including clinics, at home, in jail, or transitional housing.

**Gift Card Usage.** Public Health uses gift cards as incentives to encourage patients to meet their health goals, such as making and keeping medical appointments, attending educational workshops, and reaching milestones in treatment plans. Public Health also uses gift cards to incentivize consent and participation in research studies in furtherance of public health. Public Health's use of gift cards is organized by **Gift Card Programs** typically led by a program director or program manager. Management must establish in advance the purpose of the program and reason for using gift cards and establish the criteria and eligibility requirements for clients receiving gift cards.

**Fiscal Offices.** The fiscal offices at Public Health assist programs with processing purchases of gift cards in coordination with the Controller's Office (Controller) and the Office of Contract Administration, which support departments in the procurement of goods and services. The fiscal offices are also responsible for monitoring and auditing the usage of distributed gift cards and investigate instances of reported loss, theft, fraudulent use, or abuse of gift cards.

According to Public Health, the fiscal offices may refer to the accounting units within Central Administration or within the respective hospitals if they are under ZSFG or LHH, and may involve crossover for programs physically located at the hospitals but operationally ran by Central Administration. Regardless, the fiscal offices' function in administering gift cards is stated in the departmental gift card policies and procedures.

## Objective

The audit's objective was to determine whether controls over gift cards are sufficient and appropriate. Specifically, the audit aimed to determine whether Public Health appropriately purchases, stores, and distributes gift cards.

The audit considered Public Health gift card programs that bought, distributed, or had an inventory of gift cards from July 2018 through June 2021.

We identified 18 gift card programs within the audit scope, representing \$487,060 in Public Health's gift card purchases. Exhibit 1 lists the 18 programs selected for audit, purpose of using gift cards, and cumulative value of gift cards considered. It also indicates whether each program is under the oversight of Central Administration or ZSFG Accounting.

The gift cards purchased include those from grocery stores, restaurants, clothing retailers, and drugstores. The departmental gift card policies and procedures state that the value of each gift card may not exceed \$50 and that each program must set a limit on the cumulative value of gift cards a client may receive.

**Exhibit 1: From July 2018 through June 2021, Public Health reported purchasing \$487,060 in gift cards across 18 programs**

Program Name <sup>a</sup>	Purpose of Gift Cards as Reported by Program Managers	Total Gift Card Value
HIV Health Services	Incentive for patients to make or keep medical appointments.	\$297,631
Primary Care	Incentive for patients to make or keep medical appointments and/or educational workshops.	\$65,132
Black Infant Health	<ul style="list-style-type: none"> <li>• Incentive for patients to make or keep medical appointments and/or educational workshops.</li> <li>• Incentive to participate in feedback groups.</li> <li>• Incentive to participate in community events.</li> </ul>	\$48,996
Adult and Older Adult Outpatient Mental Health <sup>b</sup>	<ul style="list-style-type: none"> <li>• Incentive for patients to make or keep medical appointments and/or educational workshops.</li> <li>• Incentive for meeting health goals.</li> </ul>	\$9,997
Behavioral Health Services (Parent Training Institute)	Incentive to participate in feedback groups.	\$9,982
Cancer Navigation Program	Assistance to patients facing food insecurities and/or financial distress.	\$9,500
LEGACY (Lifting and Empowering Generations of Adults, Children, and Youth)	Incentive to participate in feedback groups.	\$8,800
Immigration Health Task Force	Subsidy for United States visa applicants.	\$7,744
SF FIRST (Fully Integrated Recovery Services Team)	Incentive to engage with, assist, and motivate patients.	\$6,006
HOPE SF Community Wellness Program	Incentive for patients to make or keep medical appointments and/or educational workshops.	\$5,400
Heart Plus Clinics	Incentive for patients as part of contingency management.	\$3,300
Teacup Program	Incentive for patients to make or keep medical appointments and/or complete toxicology labs.	\$2,880
Behavioral Health Services (Community Advisory Board)	Incentive to participate in feedback groups.	\$2,750
Community Engagement	Incentive to participate in educational workshops.	\$2,500
Street Crisis Response Team	Incentive for patients to make or keep medical appointments and/or educational workshops.	\$2,352
Office of Patient Experience	Service recovery for patients.	\$2,000
LINCS (Linkage, Integration, Navigation and Comprehensive Services)	Incentive for patients to make or keep medical appointments and/or treatments, including ancillary services like mental health services.	\$1,100
Annual Children’s Holiday Party	Incentive for patients to participate in the event.	\$990
<b>Total</b>		<b>\$487,060</b>

Notes:

<sup>a</sup> Programs are under the oversight of their respective fiscal unit at either Central Administration or ZSFG Accounting. They are color-coded according to the legend.

<sup>b</sup> The program handles gift cards through eight clinics, five of which used gift cards during the audit period as reported by the respective program managers.

Source: CSA review of survey responses and certification forms.

Legend	
	Central Administration
	ZSFG Accounting

## Methodology

To achieve the objective, we:

- Interviewed Public Health staff involved in gift card administration.
- Reviewed payment data from the City's analytics system, SF Financials and Procurement.
- Compared Public Health's policies and procedures to the City's Accounting Policies and Procedures, issued by the Controller.
- Distributed a survey to 18 gift card programs and reviewed their responses on how they handle, distribute, and monitor gift cards.
- Reviewed documentation related to the department's control activities around gift cards, including program certification forms, email correspondence, and other documents.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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 the findings and conclusions based on our audit objectives. The Audits Division is independent per the GAGAS requirements for internal auditors.

## RESULTS

### **Finding 1 – Public Health must better comply with its policies and procedures for handling gift cards.**

In May 2023 we distributed a survey to the 18 programs listed in Exhibit 1 to evaluate their compliance with Public Health's policies and procedures. The survey questionnaire asked programs about their completion and documentation of internal control activities related to gift cards, including how they receive, store, distribute, and monitor gift cards. As Exhibit 2 shows, 14 (78 percent) of the 18 programs reported information indicating that they do not fully comply with at least one element of the department's internal controls over gift cards. *Appendix A – List of Programs identifies the program by its numbering shown in Exhibit 2.*

**Exhibit 2: 14 of 18 programs reported a lack of full compliance with gift card policies or related control weaknesses**

Control Requirement	Programs Under Central Administration Oversight											Programs Under ZSFG Accounting Oversight						
	1	2	3	4	5	6	7	8	9	10	11 <sup>b</sup>	12	13	14	15	16	17	18
1. Written policies and procedures				c														
2. Receipt documentation																		
3. Initial count																		
4. Storage								f										g
5. Distribution																e		
6. Reconciliations <sup>a</sup>							d								e			
7. Segregation of duties																		
8. Fraud questionnaire																		
<b>Number of Requirements Not Fully Complied With</b>	0	0	0	1	1	2	0	2	4	1	4	3	3	3	1	2	3	3

Notes:

- <sup>a</sup> This refers to periodically reconciling distribution and inventory records to gift cards on hand. According to Public Health, some programs distribute gift cards over a short period, making reconciliations infeasible.
- <sup>b</sup> *Program 11* handles gift cards through eight clinics, five of which used gift cards during the audit period. Partial compliance of control requirements for this program refers to some, but not all, units complying.
- <sup>c</sup> *Program 4* has policies and procedures on file, but program management purchased gift cards using personal funds and sought reimbursement, which is expressly prohibited. This happened despite the fact the program’s director signed the gift card policy certifying the program will comply with the requirements fourteen days before the purchase.
- <sup>d</sup> *Program 7* reported tracking distribution of gift cards in a log and periodically reconciling gift cards, but records are unavailable as they were in paper format only and disposed of due to a cockroach infestation. The program also reported that the former staff, who was involved, no longer works at the program.
- <sup>e</sup> *Program 15* reported tracking distribution of gift cards in a log and periodically reconciling gift cards, but records are unavailable due to staff turnover.
- <sup>f</sup> *Program 8* lost gift cards due to improper physical safeguards, but the fiscal offices have no record of the loss being reported, as is required by policy.
- <sup>g</sup> *Program 18* reported some gift card losses due to improper physical safeguards, as required by policy, but the fiscal office stated that they are unsure if the loss was reported.

Legend	
<span style="color: green;">■</span>	Complies
<span style="color: orange;">■</span>	Partially complies
<span style="color: red;">■</span>	Does not comply
<span style="color: gray;">■</span>	Not applicable

Source: CSA review of program survey responses

In some cases, the programs reported that control activities are performed but not documented.

- 7 of the 18 programs reported that they count gift cards when they are received at their program offices or picked up from administrative offices but do not document the counts. According to the department's gift card policy, staff must verify the types and quantities of gift cards from the shipments against the packing slips. In doing so, staff must review, sign, and date the packing slips. Regardless of how programs pick up gift cards, documenting the gift card count is important to ensure there is no loss as gift cards are received and moved.
- 3 of the 18 programs reported that they periodically reconcile gift card inventory on-hand against records but do not document the reconciliations. Programs are required to reconcile gift cards with inventory and distribution records. This practice is consistent with the *Standards for Internal Control in the Federal Government*,<sup>1</sup> which states that, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination." Documenting reconciliations helps reduce the risk of loss or misappropriation of gift cards.

**Of the 18 programs, 11 reported that a single employee handles incompatible responsibilities, which contradicts the required segregation of duties.** According to Public Health, segregation of duties is challenging for smaller programs. Nonetheless, the department's gift card policy requires programs to notify their assigned fiscal office when they cannot comply with the segregation of duties requirement, so that an alternative plan can be developed that adequately safeguards gift cards. For example, an alternative plan may involve program staff rotating duties or include additional compensating controls, such as transmitting documentation to the fiscal unit for verification. The department's gift card policy states that its fiscal units and the Controller's Office will review and may grant exemptions on a case-to-case basis. This practice is consistent with the U.S. Government Accountability Office's *Standards for Internal Control*,<sup>2</sup> which state that, "if segregation of duties is impractical because of limited personnel or other factors, alternative control activities should be used to address risk of fraud, waste, and/or abuse."

**Of the 18 programs, 14, which purchased \$416,532 in gift cards, reported not complying with at least one internal control requirement.** When programs do not comply with Public Health's policies and procedures on gift card handling, it increases the risk of loss and misappropriation of gift cards and undermines Public Health's policies and procedures. Of the 18 programs, only 4 reported complying with all policies and procedures, and they purchased only \$70,528 in gift cards.

**Public Health's gift card policies and procedures are consistent with the Controller's Accounting Policies and Procedures.** As shown in Exhibit 3, Public Health's gift card policies and procedures are consistent with the Controller's Accounting Policies and Procedures.

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<sup>1</sup> *Standards for Internal Control in the Federal Government* (also known as the Green Book) sets standards for an effective internal control system, <https://www.gao.gov/assets/gao-14-704g.pdf>

<sup>2</sup> *Standards for Internal Control in the Federal Government* (also known as the Green Book) sets standards for an effective internal control system, <https://www.gao.gov/assets/gao-14-704g.pdf>.

**Exhibit 3: Public Health’s Gift Card Policies and Procedures are consistent with the Controller’s Accounting Policies and Procedures**

Controller’s Policies and Procedures for Handling Gift Cards		Do Public Health’s Policies and Procedures Comply?
<b>Purchase</b>	Departments must purchase gift cards through their contracts and accounting units, in coordination with the Office of Contract Administration.	
<b>Receipt</b>	Departmental staff must verify gift card types and quantities from shipments against the shipments’ packing slips. Staff must also review, sign, and date the packing slips.	
<b>Storage</b>	Departments must store gift cards in a locked cabinet or safe and must restrict access. Any instance of loss, theft, fraudulent use, or abuse of gift cards must be immediately reported to Public Health’s fiscal office.	
<b>Distribution</b>	Departments must maintain complete and accurate distribution records, including total value of distributed gift cards and, for each distributed gift card: type, vendor, serial number, date distributed, and name of recipient patient/client.	
<b>Monitoring</b>	Departments must conduct periodic physical inventory counts and match results to inventory records.	
<b>Segregation of Duties</b>	Departments must have a different person responsible at each stage in the handling and transfer of gift cards.	
<b>Oversight</b>	Departmental fiscal offices must monitor and audit the usage of distributed gift cards at least annually.	
<b>Record Retention</b>	For audit purposes, departments must retain all documentation for no less than two years. <i>(However, Public Health’s record retention requirement is no less than five years.)</i>	

Source: CSA review of departmental gift card policy and city accounting guidelines

**Recommendations**

The Department of Public Health should:

1. Reissue the current policies and procedures, and related forms and/or templates, to all programs currently using gift cards.
2. Comply with its gift card policies and procedures, including appropriately segregating duties related to handling gift cards and maintaining documentation related to its control activities.
3. Obtain approval from the Controller’s Office for any alternative plans and/or policy exemptions to safeguard gift cards in instances where compliance with the standard protocols is not operationally feasible, such as segregation of duties or periodic monitoring and reconciliations.

**Finding 2 – Public Health insufficiently monitors its programs that handle gift cards, increasing the risk of cards being lost or misappropriated.**

Public Health fiscal units do not adequately monitor how the department’s programs handle gift cards, which increases the risk of cards being lost or misappropriated. Public Health’s gift card policy requires the fiscal unit to monitor and audit the programs’ usage of distributed gift cards at least annually. However, the fiscal units stated they did not fulfill this requirement during the audit period. Also, the programs that handle gift cards were not required to submit internal control documentation to the fiscal units. Therefore, Public Health has little or no assurance that its programs use gift cards in ways that comply with its gift card policy. Also, contrary to the policy, program staff did not update certification forms. Thus, the certification forms do not always reflect the programs’ current practices for handling gift cards, hindering the fiscal offices’ ability to identify whether the programs assigned to them use adequate practices.

**Survey Results**

One program indicated that it does not periodically inventory (count) or reconcile its gift cards on hand. Three other programs indicated that they perform reconciliations but do not document the results, which greatly lessens the value of this monitoring activity. Combined with a lack of monitoring by the fiscal offices that are supposed to oversee the programs that distribute gift cards, the result is little or no verifiable oversight of gift card handling.

**Fiscal offices reported that during the audit period they did not monitor or audit the usage of distributed gift cards—such as conducting site visits or physical inventory counts, or reviewing documentation maintained by the programs.** This is contrary to Public Health’s gift card policy, which requires the fiscal office to monitor and audit the usage of distributed gift cards at least annually. Instead, according to fiscal office staff, programs are expected to monitor their own usage of gift cards and periodically inventory them. Although the department’s gift card policy requires programs to maintain documentation of gift card usage—for example, inventory records, distribution records, and eligibility documentation—and monitoring activities, the fiscal offices stated that programs are not required to (and, thus, do not) send this documentation to the fiscal units.

The fiscal units stated that insufficient staffing during the audit period prevented them from doing site visits, counting gift cards, or reviewing inventory records. However, the ZSFG fiscal unit reported it has begun performing annual inventory counts with the first one in June 2022. The Central Administration fiscal unit reported that it plans to start performing inventory counts in fiscal year 2023-24, and annually thereafter, as its staffing increases.

Fiscal office monitoring is needed because several surveyed programs reported procedures that indicate shortcomings in how they count and/or reconcile their gift card inventory, as explained in **Finding 1**. According to the federal government’s *Standards for Internal Controls*, and consistent with the Controller’s Accounting Policies and Procedures, management should establish and operate monitoring activities to monitor the internal control system and evaluate the results to obtain reasonable assurance of the operating effectiveness of the internal controls over the process. By not visiting program sites, counting gift card inventory, or reviewing programs’ gift card documentation, the fiscal offices miss an opportunity to determine whether programs properly handle gift cards and verify that cards were not lost or misappropriated.

**Public Health did not ensure that programs' gift card certification forms reflect the programs' current practices.** Contrary to departmental policy, programs handling gift cards often did not update the gift card forms or notify fiscal offices when there was an operational change at the program level. And because fiscal offices do not conduct site visits at the programs, Public Health cannot proactively identify when programs make changes that may affect how they handle gift cards.

Programs requesting gift cards use the certification form to document how they will comply with Public Health's policy, such as storage methods, frequency of counts, and segregation of duties. After fiscal offices approve the certification form, Public Health submits the form to the Controller's Accounting Operations and Supplier Management Division for review and approval as part of the purchasing process.

We compared information on the gift card certification forms to the programs' responses to our survey and noted discrepancies, which suggests that the forms were not updated as required. For example:

- One program stated on its certification form that it would use a distribution log to track distributed gift cards. However, in its survey response, the program indicated that it does not track gift cards distributed to clients.
- Another program's listed segregation of duties on its certification form entirely did not match its survey responses which suggests the form was not updated when personnel assignments or operations changed.

According to Public Health, one of the main aspects of the certification form is the separation of duties requirement which has always been an issue with the programs due to understaffing and staff turnover. Nonetheless, staff turnover makes it even more important to have current certification forms available so new program staff can easily learn the program's current policies and procedures for handling gift cards.

#### **Gift Card Certification Form**

Per a policy revision effective on October 1, 2019, Public Health programs purchasing gift cards must complete a certification form that documents how they will carry out internal control requirements, including segregation of duties. The form includes management's acknowledgment that it is aware of the department's gift card handling procedures and will communicate the procedures to staff handling gift cards.

Certification forms can be an effective tool for holding programs accountable to Public Health's gift card policies and procedures. However, when these forms are not updated and not provided to the appropriate entities, such as Public Health's fiscal units and the Controller, key oversight bodies may be unaware of the programs' current practices for handling gift cards, so cannot determine if they are handled properly.

## Recommendations

The Department of Public Health should:

4. Ensure that its fiscal offices comply with the requirement to monitor and audit the usage of distributed gift cards, at least annually, such as by completing and documenting site visits and physical inventory counts.
5. Remind programs of the requirement to provide updated gift card certification forms to fiscal offices so that key stakeholders can be made aware of operational changes.

cc: Department  
Greg Wagner  
Drew Murrell  
Jennifer Boffi  
Cherie Wan  
Demissie Mulatu  
Ka Kin Tse  
Henry Afable  
Yingying Wang

Controller  
Ben Rosenfield  
Todd Rydstrom  
Massanda D'Johns  
Hunter Wang  
William Zhou  
Jessica Runzel  
Lillian Saunders

Board of Supervisors  
Budget Analyst  
Citizens Audit Review Board  
City Attorney  
Civil Grand Jury  
Mayor  
Public Library

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# Appendix A

## List of Programs

This is a legend of the numbering used in *Exhibit 2*.

1. Community Advisory Board
2. LEGACY (Lifting and Empowering Generations of Adults, Children, and Youth)
3. Behavioral Health Services (Parent Training Institute)
4. Street Crisis Response Team
5. HOPE SF Community Wellness Program
6. LINCS (Linkage, Integration, Navigation and Comprehensive Services)
7. Black Infant Health
8. Primary Care
9. SF FIRST (Fully Integrated Recovery Services Team)
10. HIV Health Services
11. Adult and Older Adult Outpatient Mental Health
12. Annual Children's Holiday Party
13. Community Engagement
14. Office of Patient Experience
15. Teacup Program
16. Cancer Navigation Program
17. Immigration Health Task Force
18. Heart Plus Clinics

# Appendix B

## Department Response



City and County of San Francisco  
London N. Breed  
Mayor

### San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

February 23, 2024

Mark de la Rosa  
Director of Audits, Controller's Office  
City Hall, Room 476  
1 Dr. Carlton B Goodlett Place  
San Francisco, CA 94102

Subject: The Department of Public Health Must Strengthen Its Oversight and Controls Over Gift Cards to Prevent Loss and Misappropriation

Dear Director de la Rosa,

Thank you for providing us with the opportunity to review and respond to the audit of controls over gift cards that the Department of Public Health (DPH) of the City and County of San Francisco (City) uses to mitigate the risk of loss or misappropriation. We concur that DPH's policies and procedures adhere to the City's accounting guidelines and generally concur with the five recommendations for DPH to strengthen our oversight and controls over gift cards made in the audit report.

As stated in the report, DPH gift card policy maintains internal controls consistent with Controller segregation of duty policy for gift cards. As follow-up to these findings, DPH fiscal offices will reissue current policies and procedures to programs reiterating that programs must follow policies inclusive of segregation of duty requirements or seek program specific exceptions from the Controller's Office as established in City accounting guidelines and DPH Gift Card Policy.

We further concur with the finding that DPH fiscal office must comply with the requirement to monitor and audit the usage of distributed gift cards through site visits and physical inventory counts. During the COVID-19 City response many programs stopped actively distributing gift cards and Fiscal did not maintain annual counts in light of these pauses and the broader emergency response. To address this, I have instructed fiscal to immediately begin proactive monitoring of program policy compliance including bi-annual staffing updates for segregation of duty compliance.

Sincerely,

A handwritten signature in blue ink that reads "Grant Colfax".

Grant Colfax, MD  
Director of Health

## Recommendations and Responses

For each recommendation, the responsible agency should indicate in the column labeled Agency Response whether it concurs, does not concur, or partially concurs and provide a brief explanation. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Agency Response	CSA Use Only Status Determination*
The Department of Public Health should:		
1. Reissue the current policies and procedures, and related forms and/or templates, to all programs currently using gift cards.	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur  We concur with the recommendation and will implement before April 30, 2024.	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested
2. Comply with its gift card policies and procedures, including appropriately segregating duties related to handling gift cards and maintaining documentation related to its control activities.	<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input checked="" type="checkbox"/> Partially Concur  DPH maintains internal control consistent with Controller segregation of duty policy for gift card policies and procedures. However, as established in our policies and procedures DPH programs can request exemptions during the PO preparation process due to staffing issues. Also, they can submit amendments to their gift card certification if there are staffing changes within the fiscal year of program operations.	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested
3. Obtain approval from the Controller’s Office for any alternative plans and/or policy exemptions to safeguard gift cards where compliance with the standard protocols is not operationally feasible, such as segregation of duties or periodic monitoring and reconciliations.	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur  We concur with the recommendation and will implement before April 30, 2024.	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested

\* Status Determination based on audit team’s review of the agency’s response and proposed corrective action.

Recommendation	Agency Response	CSA Use Only Status Determination*
<p>4. Ensure that its fiscal offices comply with the requirement to monitor and audit the usage of distributed gift cards, at least annually, such as by completing and documenting site visits and physical inventory counts.</p>	<p><input checked="" type="checkbox"/> Concur    <input type="checkbox"/> Do Not Concur    <input type="checkbox"/> Partially Concur</p> <p>It is DPH policy to limit advance purchase of gift cards to 12 months and require programs to submit full inventory accounting records prior to any subsequent orders. These inventory records must also be submitted for any programs whose operations have ended. Submission of completed inventory records in either of these conditions satisfies the requirement for annual monitoring though the program is still subject to periodic site visits.</p> <p>DPH accounting units will conduct annual physical inventory counts and site visits for any programs with continuing operations who haven't resolved inventory from the preceding year.</p>	<p><input checked="" type="checkbox"/> Open  <input type="checkbox"/> Closed  <input type="checkbox"/> Contested</p>
<p>5. Remind programs of the requirement to provide updated gift card certification forms to fiscal offices so that key stakeholders can be made aware of operational changes.</p>	<p><input checked="" type="checkbox"/> Concur    <input type="checkbox"/> Do Not Concur    <input type="checkbox"/> Partially Concur</p> <p>We concur with the recommendation and will implement before April 30, 2024.</p>	<p><input checked="" type="checkbox"/> Open  <input type="checkbox"/> Closed  <input type="checkbox"/> Contested</p>

\* Status Determination based on audit team's review of the agency's response and proposed corrective action.