OFFICE OF THE INSPECTOR GENERAL

CITY OF BALTIMORE

Isabel Mercedes Cumming

Inspector General

Investigative Report Synopsis

OIG Case # 25-0018-I

Issued: November 19, 2025

OFFICE OF THE INSPECTOR GENERAL
Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202

November 19, 2025

Dear Citizens of Baltimore City,

The mission of the Office of the Inspector General (OIG) is to promote accountability, efficiency, and integrity in City government, as well as to investigate complaints of fraud, financial waste, and abuse. The following synopsis is a condensed version of the full report provided to City management officials and does not contain all investigative information.

The Office of the Inspector General (OIG) received complaints, beginning in December 2024, regarding aspects of Baltimore Children & Youth Fund, Inc. (BCYF)'s operations and the City's oversight mechanisms. This synopsis provides information that the OIG has learned during the ongoing investigation. The OIG reviewed language related to BCYF's reporting requirements in the City Charter, City Code, and Memorandum of Understanding. In addition, the OIG reviewed existing financial audit reports, invoices, and Workday payment records. The OIG investigation is continuing.

Background

The Baltimore Children and Youth Fund was created through a Baltimore City Charter amendment on the November 2016 ballot, Question E. The City Charter establishes the fund as a "continuing, non-lapsing Baltimore City Children and Youth Fund, to be used exclusively for the purposes of establishing new and augmenting existing programs for and services to the children and youth of this City." The Charter limits the fund's uses, stating that it "may not be used to substitute for or replace funding for children and youth programs or services provided in the Ordinance of Estimates for Fiscal Year 2017, except to the extent that federal, state, or private agency funds for those programs or services have since been discontinued." The fund comprises a mandatory annual appropriation of at least $0.03 of every $100 of assessed or assessable value of all property in the City of Baltimore and any grants or donations made to the fund. The adopted budget amounts for the fund were $14,225,000 in Fiscal Year (FY) 24, $15,152,000 in FY25, and $16,150,000 in FY26.

In 2018, the Children and Youth Fund Task Force appointed Associated Black Charities, Inc. (ABC) as the fund's interim Fiscal Agent (FA), and the City entered into a memorandum of understanding (MOU) with ABC for the period beginning January 31, 2018, through July 1, 2019. The MOU was extended a year until the Baltimore Children & Youth Fund, Inc. (BCYF) became the permanent FA, effective July 1, 2020. The Board of Estimates (BOE) approved the initial permanent BCYF bylaws on December 15, 2021, and the initial permanent Board of Directors on December 22, 2021. The BCYF Board of Directors selected the BCYF President & CEO Alysia Lee (BCYF President) as the inaugural president in early 2022. The timeline is reflected in Figure 1.

Figure 1: BCYF Timeline

November 2016	• Ballot measure passes
January 2018	• Associated Black Charities, Inc. becomes the interim fiscal agent for the youth fund.
July 2020	• Baltimore Children & Youth Fund, Inc. becomes the permanent fiscal agent.
December 2021	• BCYF Initial Permanent Bylaws are approved by the Board of Estimates (BOE). • BCYF initial permanent board of directors is approved by the BOE.
January 2022	• BCYF President Alysia Lee becomes the inaugural BCYF President.

Article 5 §9 of the City Code and the July 2020 BCYF MOU outline the purpose, requirements, and limitations of the youth fund.

Rules and Regulations

Article 5 §9-9 of the City Code, states that "the Director of Finance must adopt rules and regulations to carry out this subtitle including: (i) a schedule for dispersing the Fund each year; and (ii) procedures for transferring money from the Fund to either the interim fiscal agent or directly to service and program providers designated by the interim fiscal agent." Similar language appears in Section D of the July 2020 BCYF MOU.

The OIG obtained a copy of the Rules and Regulations, dated July 1, 2020, from the City's Department of Finance (DOF) (2020 Version). The DOF Deputy Director who provided the document was not aware of the existence of a signed version. The BCYF President confirmed that, as of October 8, 2025, BCYF did not possess a signed copy and added that BCYF had submitted an updated version of the Rules and Regulations (2025 Version) to DOF for review and execution in August 2024. BCYF contacted DOF again in February 2025 and followed up with DOF and the Comptroller's Office in May and September. Representatives from DOF and the Comptroller's Office met with BCYF about the proposed changes in July 2025. As of this Management Alert, the 2025 Version has been proposed but not approved.

Differences between the 2025 Version and the 2020 Version include, but are not limited to:

- Addition of financial control guidelines for grantees
- Addition of language explicitly removing FA responsibilities to evaluate, compile, review, or audit grantees' financial statements, rather the FA shall be solely responsible for collecting and compiling the necessary information pertaining to expenditures allocated to the grants by the grantees, as required by the terms of the grant agreements
- Addition of language explicitly removing FA liability or responsibility for the books, records, or financial documentation of hired professionals, vendors, contractors, or subcontractors outside the scope of their professional arrangement or agreement
- Addition of language authorizing BCYF to invest funds and retain resulting income, interest, dividends, gains, or losses
- Addition of language establishing that, in the event of any conflict, the 2025 Version would

supersede the Fiscal Agent Agreement approved by the BOE on July 22, 2019[1]

- Removal of 16 out of 19 references to subcontractors and the oversight of subcontractors' records
- Increase of the independent financial audit requirement threshold amount from $750,000 to $1,000,000
- Modification of the language outlining BCYF's invoicing requirements, removing the language requiring lists of subcontractors and grantees receiving funds

The BCYF President explained that the 2025 Version incorporates input from BCYF's Grantee Task Force, assembled in 2024, who worked alongside BCYF's accounting firm to revise the Rules and Regulations document and add more specificity for grantee reporting and compliance. 39 people, from 38 different grantee organizations, were registered for the task force. The BCYF President said grantees had reported to BCYF that compiling the monthly financial expense reports took some grantees as much as 50 hours per month, and the extensive nature of the reporting was creating backlogs. The BCYF President added that the amount of reporting grantees currently do is a result of the ambiguity of the Rules and Regulations document. The BCYF President said the document was written so that, if there were a performance or financial audit in the future, BCYF would have all the documents that a grantee would need to provide. However, the BCYF President added that there are sometimes six or seven documents for one transaction, which is too many, and it is too burdensome for grassroots organizations to provide that level of documentation.

The BCYF President said there had been previous conversations with DOF employees who are no longer with the City about BCYF investing funds. The BCYF President said the funds should not just be sitting there when they could be growing investments, and BCYF started investing funds when she joined the organization. She said BCYF had received verbal confirmation that investing funds was allowed, but BCYF wants to have it reflected in writing. The BCYF President also said that the 2025 Version was not intended to supersede the MOU, but rather to address elements of BCYF's relationship with DOF that are missing in the MOU.

Audit Reports

The 2020 Version states, "If the Fiscal agent, its subcontractors, or its grantees expend $750,000 or more from the Fund in the City's fiscal year, the Fiscal Agent, subcontractors, or grantees shall engage at its own expense an independent audit firm to perform an annual audit based on Fiscal Agent, its subcontractors, or its grantee's fiscal year." The 2025 Version increases the $750,000 threshold to $1,000,000 and removes multiple references to subcontractors and subcontractors' records in the subsequent paragraph.

The BCYF President said BCYF understood the above language as applying to grantees. The BCYF President also said BCYF had received feedback that the audit requirement at $750,000 was burdensome, and she pointed out that some grantees were only receiving $50,000 grants. The BCYF President also expressed some confusion about the use of the term subcontractor and said BCYF has contractors. The BCYF President said the City might think of BCYF as a contractor, and BCYF's contractors as subcontractors to the City. The BCYF President said BCYF wanted to clarify that their legal responsibility ends with their contractors.

[1] BCYF provided a Fiscal Agent Agreement with a BOE approval signature from July 22, 2019. The Baltimore Children and Youth Fund Permanent Fiscal Agent Memorandum of Understanding (MOU) has an Approved by the BOE signature dated July 22, 2020. The content of both documents appears to be the same, and both state that the term of the agreement begins July 1, 2020.

The 2020 Version also states, "If an audit is performed, the Fiscal Agent, its subcontractors, or its grantees shall submit an original bound audit report and all management letters in hardcopy and pdf versions to the City Auditor within the nine (9) months after the end of the Fiscal Agent, subcontractor, or grantee's fiscal year."

During the March 27, 2025, BCYF Hearing before the City Council,[2] the BCYF Director of Grantmaking and Compliance (BCYF G&C Director) stated that BCYF has annual financial audits, which are available on the BCYF website and are submitted to the City Auditor. The OIG located financial audit reports, completed by a public accounting firm, for FY21[3] through FY23, on BCYF's website.[4] The Department of Audits confirmed receipt of FY21 audit reports but had not received BCYF audit reports for FY22, FY23, or FY24. The OIG noted that the FY24 report was not on BCYF's website, and the submission deadline was on March 31, 2025. The BCYF President stated that the FY24 audit has been completed. The BCYF Finance Committee reviewed it and voted to submit it to the BCYF Board. The BCYF President went on to say that the Board will vote on the report at the November 2025 meeting.

The City Auditor and Deputy City Auditor explained that, as the BCYF audit reports are financial audits only[5], they do not address whether the organization is spending money appropriately. A Single Audit[6], as conducted for programs receiving Federal funding, would include specific compliance areas and address the allowability of expenses. The City has not created similar compliance areas for BCYF, and the Department of Audits has not audited BCYF since the 2019 Special Audit Report of Associated Black Charities, Inc.[7]

Invoices

The 2020 Version states, "Upon the Board of Estimate's approval of the Fiscal Agent Agreement and the Fiscal Agent's provision approve invoice, no more than quarterly to the Department of Finance of an approved invoice with a list of subcontractors and grantees receiving funds from the Fund, the Department of Finance shall make payments of the Fund to Fiscal Agent each quarter of a fiscal year…. Each list included with an approved invoice shall, upon request, show the dollar amount, the start date and end date of the services, and a description of how the funds will be used by each subcontractor and grantee that has a written agreement with the Fiscal Agent." This language is removed in the 2025 Version, and the following line added: "The Fiscal Agent will submit an invoice, no more than quarterly, to the Department of Finance with a copy of their year-to-date Statement of Activities for the quarter then ended."

During the March 27, 2025, BCYF Hearing, the BCYF G&C Director also stated that quarterly financial reports are submitted to DOF. A DOF Deputy Director told the OIG that the Bureau of Budget and Management Research (BBMR) has not received quarterly financial reports from BCYF beyond what is

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[2] YouTube: https://www.youtube.com/watch?v=ed899_Q2mmw.
[3] Two audit reports were completed in FY21, the first covering July 1, 2020, through December 31, 2020, and the second covering January 1, 2021, through June 30, 2021.
[4] BCYF's audit reports can be found here: https://bcyfund.org/who-we-are/reports/
[5] Financial audits provide independent assessments of whether entities' reported financial information is presented fairly, in all material respects, in accordance with recognized criteria.
[6] A Single Audit applies to entities receiving Federal funds. In addition to an opinion on the entity's financial statements, a Single Audit report includes an opinion on whether the entity complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the programs selected for audit.
[7] The Special Audit can be found here: https://comptroller.baltimorecity.gov/sites/default/files/FINAL%20VERSION%20-ABC%20%20as%20of%207-29-19%20-%20Copy.pdf

included in the invoices. The OIG reviewed the BCYF invoices and the accompanying supporting documentation in Workday as of September 29, 2025 (Table 1). A list of the supporting documentation provided is also included in Table 1.

Table 1: BCYF Workday Invoices, 2023-2025

Invoice Number	BCYF Invoice Date	Invoice Time Period/Description	Supporting Documentation	Amount
SINV-00291301[8]	**6/30/2025**	**April 2025 – June 2025 (FY25)**	**1. Statement of Activity (SOA) 6/30/25 2. Grantees Paid 4/1/25 – 6/30/25 3. SOA by Class 4. Fund Disbursements**	**$9,325,895.40**
SINV-00259301	**3/31/2025**	**Jan 2025 – March 2025 (FY25)**	**1. SOA 3/31/25 2. Grantee Payable List**	**$1,452,349.74**
SINV-00245408	12/31/2024	Oct 2024 – Dec 2024 (FY25)	1. SOA 12/31/24	$1,638,972.47
SINV-00209131	9/30/2024	July 2024 – Sept 2024 (FY25)	1. SOA 9/30/24	$1,324,304.14
SINV-00226435	6/30/2024	April 2024 - June 2024 (FY24)	1. SOA 6/30/24	$10,619,566.72
SINV-00178831	3/31/2024	July 2023 – March 2024 (FY24)	None	$3,699,790.30
SINV-00110435	**8/31/2023**	**FY24 Q1, Outstanding Grant Disbursements 2021-2023**	**1. Grantee Cohort Lists (2021-2023) 2. FY24 Expected Expenses**	**$10,264,375.50**
SINV-00090872	6/30/2023	FY23 Q3 & Q4	None	$1,625,387.00
SINV-00178869	6/30/2023	2023	None	$1,402,335.15
SINV-00051340	1/11/2023	Q2 (Oct-Dec) & Q3 (Jan-March)	None	$6,546,771.00
			Total:	***$47,899,747.42***

Of the 10 BCYF invoices recorded in Workday between January 2023 and September 2025[9], only three (bolded in Table 1) included lists of grantees. The most recent five invoices included a Statement of Activity (SOA). The SOA is an unaudited one-page summary of revenue and expense totals for the year-to-date period. None of the invoices appeared to include lists of BCYF's subcontractors, and none included any third-party supporting documents (receipts, invoices, etc.).

The BCYF President said the Rules and Regulations are meant to outline the procedures for invoicing the City. She said that, for a period, the invoice submissions varied each time, as they were dependent on who from DOF was receiving the invoices and what information they requested. The BCYF President also said BCYF developed a standardized invoice process and has been submitting quarterly invoices with the same documents every time for over a year. According to the BCYF President, they codified this process and added it to the 2025 Version.

A BBMR Budget Director explained that BCYF draws down funds on a reimbursement basis and has an assigned budget analyst whose duties include receiving the invoices, reviewing the materials, uploading

[8] As of September 29, 2025, this invoice had not been paid. The other nine invoices listed in Table 1 had been.

[9] The OIG did not include invoices from 2020 through 2022 or Core Integrator records in this review. As such, the total in Table 1 does not include payments made to BCYF in 2020 through 2022.

them into Workday, and entering the Workday submission to draw down the funds, which triggers payment. The Budget Director reviewed the BCYF invoices in Workday and Core Integrator[10] and noted that the backup documentation was a summary list of expenditures, not detailed invoicing material. The Budget Director said that, in terms of monitoring against the budget, these documents satisfy that requirement. The Budget Director noted that if the budget analyst team were charged with an oversight role in reviewing those invoices in greater detail, they would require additional information to validate those items. However, this has not traditionally been the role of the budget analyst team with quasi entities.

Investigative Findings

The OIG learned that BCYF has been communicating with the City since August 2024 and met with DOF and the Comptroller's Office in July 2025, regarding their requested modifications to the 2020 Version of the Rules and Regulations. BCYF's proposed changes incorporate grantee feedback, specifically around the content of grantee reporting. The 2025 Version also limits the supporting documents for invoices and authorizes BCYF to invest funds. The added language regarding investments and invoicing appears to reflect BCYF's current operations. The modifications also removed references to subcontractors and explicitly limited BCYF's responsibilities related to records and financial statements for grantees and subcontractors.

The OIG also learned that the Department of Audits has no record of receiving BCYF's Financial Audit Reports for FY22, FY23, or FY24, and the information contained in the audit reports cannot address the appropriateness or allowability of the fund's expenses. Further, BBMR's responsibilities focus on tracking reimbursement invoices against the amount allocated to the fund, not on oversight. The fund's allocation has increased from $11,866,000 in FY18 to $16,150,000 in FY26.

The information obtained during the ongoing investigation indicates an interest and an opportunity to clarify, in writing, the City's expectations regarding BCYF's reporting, invoicing, record retention, and investing operations. The OIG recommends that the Departments of Finance and Law review the Rules and Regulations versions, and the potential effects of the proposed changes. The OIG also recommends an enhanced City review process and detailed supporting documentation for BCYF's invoice submittals and the development of compliance standards to enable regular program audits.

Sincerely,

Isabel Mercedes Cumming
Inspector General

CC: Hon. Brandon M. Scott, Mayor of Baltimore City
Hon. Zeke Cohen, Baltimore City Council President
Hon. Bill Henry, Baltimore City Comptroller
Honorable Members of the Baltimore City Council
Hon. Ebony Thompson, Baltimore City Solicitor

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[10] Core Integrator was used to process invoices before the rollout of Workday's financial functions in July 2022.

Exhibit 1

Governance and Administration of Children and Youth Fund
Rules and Regulations
Issued by the Department of Finance
Effective July 1, 2020

A. Schedule for Fund Disbursement

Contingent on appropriations and the requirements of Article I and Subtitle 9, the City shall pay (each a "Disbursement") the permanent fiscal agent ("Fiscal Agent") from the Children and Youth Fund ("Fund") each fiscal year during the term of the Fiscal Agent Agreement ("Agreement"). Any expenses/costs incurred by the Fiscal Agent in excess of these Disbursements shall be the sole responsibility of the Fiscal Agent. The Fiscal Agent may allocate up to 5% of a Disbursement for public engagement and up to 15% for staff and other costs to administer the Fund during each fiscal year of the Fund. The Fiscal Agent may include the costs of contracting with subcontractors to assist with these efforts. The Fiscal Agent must allocate the remainder of the Disbursement to service and program providers ("grantees") according to the terms of Article I, Subtitle 9, and the Agreement. The Fiscal Agent shall be responsible for the provision of the day-to-day fiscal administration, contracting, and monitoring of any grantee's expenditures to ensure the reasonableness of spending by a grantee and to be in compliance with any conditions or requirements related to the funding received under the Agreement.

Upon the Board of Estimate's approval of the Fiscal Agent Agreement and the Fiscal Agent's provision approve invoice, no more than quarterly to the Department of Finance of an approved invoice with a list of subcontractors and grantees receiving funds from the Fund, the Department of Finance shall make payments of the Fund to Fiscal Agent each quarter of a fiscal year. The Fiscal Agent may also request a Disbursement of the non-lapsing unspent Fiscal 2020 or any prior appropriation to the Fund and grants and donations that have been made into the Fund above the City's appropriation via an approved invoice sent to the Director of Finance. Each list included with an approved invoice shall, upon request, show the dollar amount, the start date and end date of the services, and a description of how the funds will be used by each subcontractor and grantee that has a written agreement with the Fiscal Agent.

B. Procedures for Transfer of Funds

The Department of Finance will transfer money from the Fund by electronic payment to the Fiscal Agent each fiscal quarter. The Fiscal Agent will be responsible for dispersing the money directly to the grantees and subcontractors.

The Fiscal Agent shall only disperse funds to subcontractors and grantees that it has a written agreement with that complies with these rules and regulations. Such agreement shall include:

1. provisions for insurance as required by the Agreement unless the City's Office of Risk Management provides an exception;
2. provisions for the indemnification of the Fiscal Agent and the City; and
3. provisions for the retention of records and audits as described in the Agreement and below.

Retention of Records

The Fiscal Agent, its subcontractors, and its grantees shall maintain such records and accounts which support the services provided in this Agreement, for a period of three (3) years from termination of the agreements with subcontractors or grantees, except where unresolved audit questions require retention for a longer period as determined by the City. If there is an unresolved audit issue after the three (3) year retention period, then the Fiscal Agent shall maintain records relevant to the unresolved audit issue for an additional four (4) years. These records shall be available during regular business hours, for audit purposes and inspection, to the City or any authorized representative of the City. If the Fiscal Agent, its subcontractors, or its grantees should cease to exist, the City may request custody of the records and accounts for which support the services provided in this Agreement but only for the retention period stated above for a relevant grant or contract.

Upon written request of the Fiscal Agent, the City may modify or waive the below retention of record requirements:

1. The Fiscal Agent shall establish and maintain on a current basis for the Fiscal Agent's operations, including its contracts with and disbursements to subcontractors and grantees:
    b. general ledger;
    c. cash disbursement journal;
    d. payroll register;
    e. time and attendance records;
    f. cumulative leave records;
    g. maintains accounts receivable, accounts payable and equipment ledgers;
    h. monthly reconciliation of bank accounts; and
    i. monthly reconciliation of petty cash accounts.
2. The Fiscal Agent shall follow these practices:
    a. all checks shall be supported by invoices, cancelled checks, receipts, etc.;
    b. all checks above $25,000 shall require two signatures;
    c. all contract expenditures for service shall be supported by approved documentation; and
    d. individual personnel file folders shall be maintained and follow human resource best practices guidelines, including an applicable privacy statement.
3. The Fiscal Agent shall ensure that its subcontractors and grantees follow the financial control guidelines detailed in its independent contractor and grant agreements, respectively.

Audit

If the Fiscal Agent, its subcontractors, or its grantees expend $750,000 or more from the Fund in the City's fiscal year, the Fiscal Agent, subcontractors, or grantees shall engage at its own expense an independent audit firm to perform an annual audit based on Fiscal Agent, its subcontractors, or its grantee's fiscal year. If the Fiscal Agent, its subcontractors, or its grantees expend less than $750,000 from the Fund in the City's fiscal year, it is not required to engage an independent auditor to perform a financial statement audit. If an audit is performed, the Fiscal Agent, its subcontractors, or its grantees shall submit an original bound audit report and all management letters in hardcopy and pdf versions to the City Auditor within the nine (9) months after the end of the Fiscal Agent, subcontractor, or grantee's fiscal year. Upon written request of the Fiscal Agent, the City may modify or waive these audit requirements.

At any time during regular business hours and as often as the City may deem necessary, there shall be made available to the City or its designated representative for examination the Fiscal Agent's records with respect to matters covered by this Agreement. In order for the City to perform a complete audit of the records of the Fiscal Agent's subcontractors and grantees in these matters, the Fiscal Agent shall maintain copies of the records or use its best efforts to have its subcontractors and grantees maintain such records. If expenditure threshold holds are met, the Fiscal Agent, its subcontractors, and its grantees shall permit, with prior document request list, the City or its designated representative to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, records of personnel, conditions of employment, and other data relating to matters covered by this Agreement.

The Fiscal Agent shall assist to resolve any and all applicable audit exceptions, which may be identified by the City, its designated representative, or the independent auditor and create an audit disallowance. The Fiscal Agent will be billed by the City for the amount of said audit disallowance and shall repay in a reasonable timeframe or allow the reduction of future funding in the amount of such audit disallowance. In the event of such an audit disallowance that is less than 10% of the invoiced funding amount, the City also may offset any current or subsequent monies due the Fiscal Agent from the City over the remaining fiscal year.

Adopted:

____ Date: ____________________________

Henry Raymond, Director
Department of Finance

Filed:

____ Date: ____________________________

Avery Aisenstark, Director
Department of Legislative Reference

Baltimore Children & Youth Fund
Response
Case #25-0018-I

Date: November 12, 2025

Office of the Inspector General
City of Baltimore
100 N. Holliday Street, Suite 640
Baltimore, MD 21202

Subject: Response to Management Alert 25-0018-I – Audit & Financial Plan Submission Compliance

Dear Office of the Inspector General,

The Baltimore Children & Youth Fund (BCYF) appreciates the opportunity to respond to *Management Alert 25-0018-I* regarding audit and financial plan submission compliance. We deeply value the Inspector General's role in ensuring transparency and accountability across City-funded entities, and we welcome this opportunity to clarify our practices, share recent process improvements, and reaffirm BCYF's ongoing commitment to compliance and public trust.

The *Management Alert* referenced the 2020 version of the unsigned Rules & Regulations document, which requires fiscal agents to submit original bound audit reports and management letters in both hardcopy and PDF formats to the City Auditor within nine months of the end of the fiscal year. Additionally, during the March 27, 2025 City Council hearing, BCYF's Director of Grantmaking & Compliance, **Hana Machover**, affirmed that BCYF conducts annual financial audits that are publicly available on the BCYF website and submitted to the City Auditor, in full alignment with BCYF's transparency and compliance commitments.

The OIG confirmed that BCYF's **FY21–FY23 audits** are publicly posted on our website. However, the Department of Audits reported that it had only logged receipt of the FY21 report at the time of its review. BCYF's **FY24 audit** has since been completed, reviewed by the Finance Committee on July 16, 2025, and is scheduled for the required full **Board vote in November 2025, the next scheduled board meeting**. Once approved, the audit will be submitted to the City Auditor and posted publicly on the BCYF website.

While BCYF's internal records confirm that audits have been completed and submitted consistently with internal timelines and Board approvals, we acknowledge that the City Auditor's Office has not yet confirmed receipt of all years' submissions. To close this documentation gap, BCYF will follow up directly with the City Auditor to reconcile submission records and implement a revised procedure to ensure written confirmation of receipt for all future audits.

BCYF maintains a comprehensive **internal Compliance Calendar** and detailed **Standard Operating Procedures (SOPs)** that assign responsibilities, establish timelines, and define confirmation requirements for all City submissions. These tools ensure consistency, accountability, and full compliance with local, state, and federal regulations. Each year, BCYF's internal controls are independently reviewed by **SB & Company** as part of our external audit. In addition, BCYF provides ongoing staff training and conducts periodic SOP reviews to ensure all team members remain informed and aligned with compliance standards.

A recent example of BCYF's proactive process improvement is the updating of our **financial plan submission process** with the **Board of Estimates**. In previous years, BCYF submitted all Board-approved financial plans on time, but the Board of Estimates personnel did not have a record of receipt or submission due to procedural misalignment. In mid-2025, BCYF collaborated closely with the **Comptroller's Office** to update this process. The Comptroller's Office introduced a **revised submission procedure**, which BCYF promptly adopted.

Under the new process—and in accordance with **Ordinance 20-363** and BCYF's **Memorandum of Understanding**—BCYF now submits financial plans directly to **Celeste Amato**, Chief of Staff to Comptroller Bill Henry, and the **Clerk of the Board of Estimates**. The City's administrative team then uploads each plan to the internal portal for inclusion on the **Board of Estimates agenda**. This revised process has already produced positive results: BCYF's most recent financial plan was received, recorded, and reviewed by the Board of Estimates without delay. This success demonstrates BCYF's commitment to full legal compliance, procedural precision, and strong collaboration with City partners.

BCYF is applying this same standard of diligence to audit submissions to ensure that documentation, receipt verification, and reporting are aligned with City expectations. The following corrective action plan summarizes BCYF's next steps to reconcile audit submissions and strengthen verification procedures:

Action Step	Responsible Party	Planned Completion Date	Intended Outcome
Reconcile FY21–FY24 submission records with City Auditor	Vice President of Operations & Culture	November 15, 2025	Confirmation of receipt
Submit FY24 audit following Board approval	Finance Committee & CEO	November 30, 2025	FY24 audit delivered to City Auditor in requested formats
Implement a new written confirmation process for all future audit submissions	Operations Team & City Auditor Liaison	December 15, 2025	Formal confirmation of receipt documented for all submissions and new Standard Operating Procedure

Integrate audit submission verification into BCYF Compliance Calendar	Vice President of Operations & Culture	January 2026	Compliance Calendar updated and reviewed by executive leadership

BCYF remains steadfast in its commitment to transparency, accountability, and collaboration with City oversight bodies. These corrective actions ensure that all audit submissions are fully compliant with **Ordinance 20-363**, properly documented and verifiable, and aligned with the City's evolving submission procedures.

We appreciate the Inspector General's partnership and the opportunity to strengthen these systems. BCYF welcomes continued collaboration with the **City Auditor's Office** and the **Office of the Inspector General** to uphold our shared values of integrity, trust, and good governance in the stewardship of public funds.

Respectfully submitted,

Alysia Lee
President & CEO
Baltimore Children & Youth Fund, Inc.
alee@bcyfund.org | www.bcyfund.org

Mayor's Office
Response
Case #25-0018-I

CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

DATE: November 17, 2024

FROM: Faith P. Leach, City Administrator

TO: Isabel Cumming, Inspector General

SUBJECT: Response to Management Report #25- 0018-I

The Mayor's Office (MO) and Department of Finance (DOF) received the referral of OIG Case #25- 0018-I – Audit & Financial Plan Submission Compliance for the Baltimore Children and Youth Fund (BCYF).

As noted in the Management report, DOF actively works with BCYF to review their quarterly invoice submissions, and the summary list of expenditures submitted with their quarterly invoice submissions. Additionally, DOF and the Comptroller's Office have been working with BCYF since February 2025 to update the rules and regulations that govern BCYF's financial submissions to the City. BCYF imitated the update by providing draft proposed rules and regulations for review by DOF and the Comptroller's office. DOF provided internal feedback, along with the Comptroller's office, and met with the BCYF Director to discuss proposed edits to the draft documentation in July 2025. Following the meeting with BCYF, the Law Department reviewed the proposed rules and regulations draft along with feedback from each agency and convened a meeting with the DOF and the Comptroller's Office to discuss their feedback. DOF, the Comptroller's Office, and the Law Department agreed that DOF would move forward with its own version of rules and regulations and share the proposed rules and regulations with BYCF. DOF incorporated the Law Department's feedback into an updated draft, that is being reviewed internally before it is sent back to BCYF and to the Board of Estimates for final approval. The updated regulations will clarify financial reporting requirements, reporting schedule, and roles and responsibilities.

It should be noted that under Director Lee's leadership BCYF has made significant strides to improve transparency. BCYF submits their financial plan to the Board of Estimates for review as evidenced by the presentation of their financial plan at the October 15, 2025, BOE meeting. Additionally, their website includes copies of their Strategic Plan, their annual reports for 2021-2024, their FY25 quarterly reports, as well as financial audits from 2020-2023. During the October 15, 2025, BOE meeting the BCYF Director noted the 2024 audit is under review by the BCYF board and will be submitted to the city for review once approved by the BCYF Board.

In closing, the MO agrees with the recommendation that the Department of Finance and Law review the proposed amendments to the Rules and Regulations as presented by BCYF. As a next step, the MO will work with DOF, the Comptroller's Office and BCYF to finalize an updated set of rules and regulations on or before March 13, 2026.