BALTIMORE CHILDREN & YOUTH FUND

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,

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