



OFFICE OF MANAGEMENT & BUDGET

Office of Internal Audit and Program Integrity

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8170
Fax: (401) 574-9255

February 20, 2026

Richard Leclerc, Director
Department of Behavioral Healthcare, Developmental Disabilities & Hospitals
14 Harrington Road
Cranston, Rhode Island 02920

Dear Director Leclerc:

The Office of Internal Audit and Program Integrity (OIAPI) have completed its performance audit of the Department of Behavioral Healthcare, Developmental Disabilities & Hospitals (BHDDH). OIAPI reviewed and evaluated the effectiveness of controls surrounding BHDDH's management of capital assets, specifically BHDDH's facilities portfolio. The audit was conducted in accordance with the authority granted to our office, as outlined in Rhode Island General Laws § 35-7.1-1.

The recommendations included herein have been discussed with members of management, and we considered their response to the audit findings and recommendations in the preparation of this report. OIAPI will follow up on the implementation of the recommendations included in this report.

We would like to express our sincere appreciation to the Department of Behavioral Healthcare, Developmental Disabilities & Hospitals staff for the cooperation during this audit.

Respectfully,

Andrew Manca
Chief of Internal Audit and Program Integrity

Cc: Internal Audit Advisory Group
The Honorable Marvin Abney, Chairman, House Committee on Finance
The Honorable Louis P. DiPalma, Chairman, Senate Committee on Finance
Steven Whitney, Senate Fiscal Advisor
Sharon Reynolds Ferland, House Fiscal Advisor

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Introduction

The Rhode Island Department of Behavioral Healthcare, Developmental Disabilities & Hospitals (BHDDH) is the designated state agency responsible for the oversight, administration, and delivery of behavioral healthcare, developmental disability services, and hospital operations in Rhode Island. This audit focused on BHDDH's management of its capital assets related to residential and non-residential facilities during Fiscal Year 2025. The audit encompasses processes for capital asset management, maintenance, disposal, accounting and monitoring of BHDDH-owned facilities. OIAPI's objective was to assess whether BHDDH has controls in place to ensure that its capital assets are managed effectively, efficiently, and in compliance with applicable laws, regulations, and policies.

Presented below are the background, objective, scope, methodology, findings, recommendations, and management's response.

Background

BHDDH operates and oversees a network of facilities consisting of residential and non-residential for individuals with developmental disabilities, substance use disorder, and behavior health conditions. These facilities constitute capital assets for the agency, typically including residential and non-residential buildings, improvements, furnishings and fixtures, and related infrastructure. Effective capital asset management ensures that these facilities remain safe, functional and are utilized in a manner consistent with the agency's service delivery mandate.

These properties represent a significant portion of the State's behavioral health infrastructure and are jointly managed under the oversight of BHDDH's Property Management Office (PMO) and the Rhode Island Community Living and Support (RICLAS) program. PMO is responsible for coordinating the acquisition, maintenance, renovation and disposal of BHDDH-managed State-owned facilities, and ensuring compliance with State procurement and property management policies. PMO also oversees capital improvement planning to ensure that facility investments align with service needs.

To support long-term capital planning, BHDDH utilizes a Facility Condition Assessment (FCA) report. The FCA is an evaluation of BHDDH's buildings that assesses the buildings' physical

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condition, including their systems, structure, and components. The purpose of the FCA is to provide BHDDH with an accurate and up-to-date database of its building portfolio, overall asset condition, and related capital recommendations with estimated costs. The assessment is conducted by CBRE, a commercial real estate services firm, which performs on-site inspections, identifies deficiencies, and provides a Facility Condition Index–based analysis to support capital planning and property management decisions. The results are compiled into a report that identifies maintenance needs, evaluates the remaining useful life of assets, and estimated costs for required repairs or replacements over a ten-year planning horizon. In the most recent FCA completed in 2024, CBRE reviewed 159 of BHDDH’s facilities and reported that total capital needs through 2034 are estimated at \$82.17 million, distributed over the ten-year study period.

Prior to PMO taking over, the Division of Capital Asset Management & Maintenance (DCAMM) within the Department of Administration (DOA) served as the primary governing authority over Rhode Island’s State-owned residential and non-residential facilities. Under this historical model, DCAMM held responsibility for building upkeep, major renovations, capital projects, and most operational facility management across the BHDDH portfolio. BHDDH’s involvement was mainly on the daily program operations, while maintenance, construction, and property-related decisions flowed through DCAMM.

A Service Level Agreement (SLA), last revised in January 2024, formalized a shift away from this model by dividing governance between DCAMM and PMO. Under the SLA, when a property is vacant, DCAMM focuses on major capital work, including new construction, building conversions, large-scale replacements (e.g., mechanical, electrical, plumbing, etc.), gut rehabilitations, expansions, and other major renovations. BHDDH, through PMO, is responsible for maintaining the inventory of the facilities, and all ongoing asset-protection work in residential and non-residential facilities, including routine repairs, painting, flooring, wall and ceiling work, appliance replacements, and other operational facility needs.

PMO is staffed with eight authorized full-time equivalents, each tasked with specific project management and oversight duties. By comparison, prior to the SLA, DCAMM delegated similar responsibilities to a single DCAMM employee. This individual performed functions that, within PMO, are distributed among the eight PMO staff members, including managing State-owned

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residential and non-residential facilities, monitoring project progress, maintaining documentation, and coordinating project activities.

The SLA also assigns BHDDH's PMO as the first point of coordination for work orders, requires PMO to log all provider-generated requests into the facilities management system, and designates PMO as responsible for all provider obligations when a property becomes vacant, including securing the building, maintaining utilities, and ensuring upkeep. DCAMM's role becomes reactivated when strategic guidance identifies a property for major renovation or replacement, and DCAMM manages those projects through its capital planning and project delivery functions. This structure represents the formal division of what had historically been a DCAMM-led operational model into a dual-agency arrangement, with PMO managing day-to-day stewardship and DCAMM retaining authority over large-scale capital improvements and new construction.

The RICLAS program directly operates a subset of these residential facilities, providing 24-hour care and support to adults with developmental disabilities. Other facilities are leased and operated by private providers under lease agreements with BHDDH. In these private provider arrangements, BHDDH retains ownership of the physical properties while the providers are responsible for day-to-day operations and, in some instances, routine maintenance and minor repairs. For the State-run group homes, RICLAS staff manages daily operations, including facility upkeep and safety monitoring, but also coordinates maintenance needs with PMO and other administrative divisions within BHDDH when required. This shared operational structure underscores the importance of clear communication, well-defined roles and responsibilities, and effective internal controls over asset tracking, maintenance, and lease management.

BHDDH's responsibilities in this area include:

- Planning for acquisition of new facilities or major improvements;
- Recording and tracking capital assets (including location, cost, condition, useful life, and depreciation where applicable);
- Ensuring ongoing maintenance and repair to preserve asset value and serviceability;
- Monitoring utilization of facilities to ensure they meet service needs;

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- Disposing of or re-purposing assets when no longer required or fit for service; and
- Reporting on capital assets in BHDDH's financial statements.

Objective and Scope

The objective of this audit was to evaluate the effectiveness of BHDDH's management of its facilities capital asset portfolio for FY 2025. Specifically, the audit examined whether BHDDH's processes for capital asset tracking, maintenance, utilization monitoring and disposal of facilities are operating as intended and aligned with best practices and applicable laws, regulations and policies.

The audit focused exclusively on capital assets related to BHDDH-owned facilities. Assets in the scope included facilities (residential and non-residential), improvements (e.g., renovations, expansions), and furnishings/fixtures with a capital value threshold as defined by BHDDH's capital asset policy. The review included BHDDH's systems and records for acquisition, capitalization, tracking, condition assessments or maintenance records, utilization (occupancy, service delivery), and disposal or reutilization.

Methodology

To address the audit objectives, OIPI performed the following steps:

- Reviewed relevant statutes, regulations, and internal BHDDH policies and procedures concerning capital asset management, including acquisition, capitalization thresholds, inventory/tracking, maintenance, and disposal.
- Interviewed BHDDH management and staff responsible for facilities capital assets management, capital planning, facilities maintenance, finance and accounting functions.
- Obtained and compared BHDDH's current list of facilities against lists held by other State agencies in order to verify the completeness and accuracy.
- Selected a sample of facilities and evaluated documentation supporting condition and maintenance records, occupancy and utilization data, and any disposal or re-purposing.
- Assessed whether BHDDH's maintenance schedules, condition assessments and

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repair records support the premise that the assets are being appropriately managed and preserved.

- Reviewed utilization data (occupancy levels, service delivery statistics) for sampled facilities to determine whether the assets were being fully leveraged for service needs and identify any under-utilized assets.
- Examined disposal or re-purposing transactions and evaluated whether these were appropriately approved, documented, and recorded in BHDDH's capital asset system and financial records.

Findings, Recommendations, and Management's Response

The findings are divided into three parts to address asset tracking deficiencies, inadequate documentation retention and gaps in work order process controls.

FINDING #1: Incomplete and Unreconciled Facilities Asset Inventory Records

Effective asset management includes maintaining a complete, accurate and reconciled inventory of all BHDDH-owned facilities. An inventory serves as the foundation for financial reporting, maintenance oversight, and the safeguarding of State resources. Maintaining a reliable and verifiable record of all capital assets is a core requirement of effective asset management. An inventory should provide a comprehensive, validated record that reflects the complete population of assets.

For BHDDH, this includes all State-owned facilities, encompassing buildings, improvements and related infrastructure. Such a list serves as the definitive source of information for operational decision-making, financial reporting and maintenance planning. To assess the completeness of PMO's capital asset inventory, OIAPI obtained additional asset lists from DCAMM, Office of Accounts and Control (A&C), and PMO's parent agency, BHDDH, for comparison to the PMO capital asset inventory list. OIAPI also obtained the 2024 FCA report, which includes a database of BHDDH's properties. These listings were compared to evaluate consistency and completeness across records.

A&C established and maintains a statewide *Fixed Asset Control and Tracking System (FACTS)*. FACTS is designed to maintain information on all State-owned capital assets, including location and value to support Generally Accepted Accounting Principles compliance. Under

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FACTS policy, agencies must submit to A&C a form when acquiring a building, including insurance information. Once the required information is accepted, A&C will assign a building code. A&C updates its records upon agency notification.¹

During reconciliation testing, OIAPI observed PMO's capital asset inventory records do not align with A&C's FACTS inventory of BHDDH capital assets, nor any of the other lists OIAPI obtained. OIAPI cannot confirm the existence of a single accurate inventory of BHDDH-owned facilities. BHDDH provided three different lists, including the PMO capital asset inventory list. Figure 1 outlines six facility inventory sources, and the total number of addresses identified across them. The lists do not capture the same population, with the exception of the BHDDH and A&C lists, which both report 156 facilities as they reflect the same dataset.

Figure 1: Total Number of Addresses by Inventory Source

Inventory Source	Total Addresses
Behavioral Healthcare, Developmental Disabilities & Hospitals	156
Behavioral Healthcare, Developmental Disabilities & Hospitals Provider License Address	164
Division of Capital Asset Management & Maintenance	145
Facility Condition Assessment Summary	159
Office of Accounts & Control	156
Project Management Office	141

While BHDDH's provider license address list included the highest count at 164 addresses, OIAPI identified a total of 184 unique group home addresses across the six sources. These addresses represent locations that may be active, inactive, transferred, or otherwise disposed of, reflecting the full population of properties appearing across State source systems.

PMO's list is intended to represent all active State-owned facilities managed or overseen by BHDDH. However, when OIAPI compared the PMO list to the other third-party lists, discrepancies were identified. Although there is no documented process, updates to the PMO list occur locally and independently of other State systems, and no evidence was provided to OIAPI indicating that reconciliations between lists are performed on a routine or systematic basis. When asked how frequently the PMO list is updated, PMO staff indicated that updates occur "typically once a month or every three months" depending on workload. However, when

¹ [Office of Accounts and Control's Fixed Assets Control and Tracking System Policy](#)

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OIAPI referenced a property address from a prior year that did not appear on their current list, PMO staff confirmed that the property should have been included. When further asked why it had not been added given the periodic update schedule, PMO staff stated that the property was one of several “special cases” during the COVID-19 pandemic, when certain facilities were temporarily repurposed for alternative uses and subsequently not reclassified back as group homes. OIAPI reviewed additional addresses with PMO staff and received similar explanations for other omitted properties.

OIAPI compared the PMO list against four third-party lists (omitting one of BHDDH’s lists similar to A&C). This comparison revealed address discrepancies, including mismatched locations, typographical variations, and omissions illustrated in Figure 2.

Figure 2. Address Discrepancies Between PMO’s List and Third-Party Lists

Third Party List	Address Discrepancies on PMO's List	Typographical Discrepancies on PMO's List	Addresses Missing on PMO's List	Missing Addresses from Third Party's List Compared to PMO's List
Behavioral Healthcare, Developmental Disabilities & Hospitals Provider License List	51	18	28	5
Division of Capital Asset Management & Maintenance	20	8	7	5
Facility Condition Assessment Summary	24	3	20	1
Office of Accounts & Control	55	22	24	9
Discrepancy Total	150	51	79	20

Regular reconciliations help identify discrepancies, such as missing properties, duplicate records, or inconsistent naming and addressing conventions, which could otherwise result in misstatements, gaps in oversight, or incomplete safeguarding of assets. Regular reconciliation would also support the timely identification of vacant properties so that appropriate actions, such as winterization, surplus designation, or disposition, can be initiated. Under RIGL § 37-7-13, it requires that State-owned group homes vacant for more than one year must be offered for sale. Without an accurate and regularly reconciled inventory, management may not be able to ensure timely compliance with this requirement. Additionally, failure to promptly update property records may result in sold properties remaining on the State’s insurance roster, creating unnecessary insurance costs and administrative inefficiencies.

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The inability to identify an authoritative list stem from the lack of a formalized reconciliation process and insufficient coordination between divisions responsible for maintaining group home records. Updates occur in silos, and no standard procedures exist to ensure consistency across departmental and State systems. The absence of a reconciled population prevents BHDDH from validating that its internal records are complete and accurate, and limits its ability to demonstrate accountability for all assets under its custodial responsibility.

RECOMMENDATIONS:

- #1A: Establish an authoritative inventory list of all State-owned facilities to serve as the definitive record for ownership, location and operational status. Ensure any third-party is updated with the accurate list. Confirm and ensure that each address aligns with the information on the property deed.
- #1B: Develop and implement a reconciliation process to routinely compare and align accurate records from the PMO list to the A&C inventory list. Reconciliations should be documented, reviewed, and approved by management as changes occur. Require supporting documentation for any property marked as retired or transferred, such as correspondence, provider documentation or transfer approvals. Maintaining supporting documentation substantiates changes to the property inventory and helps confirm that asset updates are authorized, accurate, and consistent across all departmental and State records
- #1C: Establish written procedures defining responsibilities, timelines, and review protocols for updating the group home inventory. The procedures require that any acquisition, transfer, or disposal of a property be communicated promptly across all relevant systems to maintain consistency and completeness.

MANAGEMENT'S RESPONSE:

RICLAS is a program that serves individuals with intellectual/developmental disabilities. RICLAS operates 21 of the properties owned by the State of Rhode Island. Prior to the FY 24 discussions to transfer maintenance responsibilities from DCAMM to BHDDH, RICLAS group homes were managed by 2 DCAMM FTEs to address minor maintenance needs. The remaining 144 properties are state-owned but privately operated. Maintenance for all 165

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properties was the responsibility of DCAMM prior to June 2024 discussions to transfer maintenance responsibility to BHDDH.

An SLA between DCAMM and BHDDH was signed 1/16/24, however operationally the work did not transfer to BHDDH until June 2024 and 2 FTE to support this work were first included in the enacted budget beginning July 2024. The 2 FTE were hired in late fall 2024 to assume responsibilities for the maintenance of all group homes. Since this transition, DCAMM continues to maintain sole responsibility for capital improvements to these 165 state properties.

Due to the continuing deferred maintenance of properties and urgent need for repairs, there was a swift transfer of responsibility to BHDDH. The Project Management Office (PMO) at BHDDH took on the added responsibility of group home maintenance. This required a quick increase in resources (i.e., staffing, data collection, connecting with providers, coordinating with State Purchasing, etc.) to address and prioritize property maintenance, based on the needs reflected in the 2017 Facilities Condition Assessment (FCA) and DCAMM's Facility Dude System.

During the first months of this transition, processes were developed to abide by Procurement rules and regulations. Within six months of assuming oversight of these facilities, the Director of the Project Management Office established a database designed to meet the operational needs of the Project Management Office. The database includes Programming Service Officer contact information, lease documentation, work order records, PMO Inspection Reports and 2024 facility condition assessments for each property assigned to BHDDH, which includes group homes. The PMO database is preferred because it allows for updates and configuration changes as needed, whereas the Facility Dude application has limited capabilities due to being third-party software and is used as a reporting tool to assign projects and track project activity among staff.

#1A. The PMO received an inventory list from DCAMM during the transition of responsibility and compared it with the BHDDH Legal list. BHDDH PMO is in the process of reconciling this inventory with other state agencies as needed.

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Please note, when BHDDH has received public-records requests from officials or others for a list of group home addresses, BHDDH for the last decade and more has routinely declined to release this information to protect the federal and state statutory right of privacy of group home residents that is protected in HIPAA and in numerous state laws, including 42 USC §§ 1320d(6)(B) and 1320d-6(a); 45 CFR § 164.502(a); 45 CFR § 164.514(b)(2)(i)(B) and (ii); R.I. Gen. Laws §§ 40.1-5-5(f)(1), 40.1-22-26, 40.1-24-12, 40.1-24.5-5(1) and 40.1-26-3(1), § 5-37.3-4(a)(1), §§ 38-2-2(4)(A)(I)(a) and 38-2-2(4)(S). The BHDDH interpretation of 40.1-24-12 as a basis for APRA denial was affirmed in Attorney General Opinion, PR 23-08, Sinapi v. Dept. of BHDDH, and PR 16-14, Ravetti v. Dept. of BHDDH.

The Project Management Office will assume administrative ownership and develop and maintain an authoritative inventory of state-owned facilities which will be maintained in the BHDDH database. Other state agencies will be notified of changes.

- #1B. The Project Management Office will reconcile the authoritative inventory of state-owned facilities with Accounts and Control and Risk Management on a semiannual basis.
- #1C. Policies and procedures to support this function are currently under development and will be implemented by October 1, 2026.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office, BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

FINDING #2: Missing Lease, Insurance and Safeguarding Documentation

Documentation of leases, ownership instruments, and safeguarding requirements ensures that the State maintains lawful control over its properties and can effectively oversee their use. This includes verifying occupancy rights, establishing provider responsibilities, and ensuring compliance with applicable policies, statutory and regulatory requirements. Such documentation also provides a foundation for enforcing maintenance, safety, and insurance obligations.

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OIAPI reviewed a sample of 14 facilities and identified the following:

- Three facilities had complete packets that included a current lease.
- The remaining 11 facilities lacked valid leases.

Additionally, OIAPI requested from BHDDH the historical lease records for the 11 group homes. BHDDH did not provide the requested documents and resulted in OIAPI's inability to verify occupancy for the period under review. OIAPI noted that BHDDH does not have access to historical or current leases; rather it is under the purview of BHDDH's legal office which these records are not accessible to PMO.

BHDDH's legal office explained that "the lack of current leases is due to the Department of Administration's (DOA) decision not to advance new lease agreements to the State Properties Committee (SPC) for approval while DOA developed a new rental rate structure for properties leased by BHDDH to provider agencies. This process has taken an extended period. BHDDH legal plans to pursue updated lease agreements and bring all residential leases current." BHDDH's legal office also noted that there is no rental rate decision for non-residential properties. The SPC is a state-level body that handles acquiring, administering, and disposing of real property and land interests on behalf of the State.

OIAPI inquired whether this situation affects all leases and if it resulted in the cancellation of any active agreements. BHDDH stated that all tenants are currently considered month-to-month while the rental rates are finalized. BHDDH's legal office further indicated that no providers have vacated their properties during this period, and maintenance issues continue to be addressed in accordance with prior lease terms. Because the expired leases were not provided, OIAPI could not determine whether any leases were in place, how long the leases had been expired, or whether any expired prior to the proposed new rental rate structure. OIAPI confirmed with DOA that the rental rate structure was proposed to BHDDH in 2025 but was not implemented.

OIAPI found that in the leases reviewed, the State provided proof of insurance for State-owned buildings, but BHDDH could not provide Certificates of Insurance showing that providers maintained the required supplemental coverage. Insurance responsibilities are currently divided between the State's blanket policy and provider-maintained policies; however, no reconciled record exists identifying which party maintains coverage for each property. In the

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absence of current right-to-use and lease documentation, BHDDH cannot confirm enforcement of provider obligations regarding maintenance, safety, or insurance coverage.

The 2024 BHDDH–DCAMM Service Level Agreement require executed, enforceable documentation establishing control, occupancy, and responsibility for each property. Failure to maintain such records exposes the State to potential legal disputes, compliance violations, and increased liability, while also limiting BHDDH’s ability to ensure consistent oversight and protection of its group home assets.

RECOMMENDATIONS:

#2A: Implement a policy that includes, at a minimum, the following:

- **Current Right-to-Use Documentation:** Require PMO to maintain a current and executed lease, and other formal right-to-use documentation for every State-owned group home. This should include provisions clearly outlining occupancy rights, provider responsibilities, and any restrictions or obligations related to maintenance, safety, and insurance.
- **Centralized Documentation Repository:** Maintain all group home documentation in a centralized, secure repository accessible to relevant BHDDH and PMO staff. This will facilitate ongoing oversight and quick reference when verifying compliance or resolving disputes. Ensure naming convention aligns with the reconciled inventory list to support accurate cross-referencing between records.
- **Centralized Insurance Tracking Log:** Develop and maintain a central insurance tracking log listing each of BHDDH’s group homes. The log should include property name and address, responsible party (State or provider), policy number, policy expiration date, and coverage type. Require providers to submit proof of insurance as a precondition for occupancy or lease renewal. This centralized approach will allow BHDDH and PMO staff to readily verify coverage, monitor expirations, ensure compliance with lease requirements, and reduce the risk of uninsured or underinsured properties.
- **Provider Compliance Verification:** Conduct periodic reviews of all leases, right-to-use and insurance documents to confirm they remain current, valid, and executed. Any expired, missing, or unsigned documents should be promptly addressed to

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ensure continuous compliance.

- Providers' Adherence: Ensure that providers submit verification of adherence to lease obligations, including insurance coverage, routine maintenance, and safeguarding requirements. This evidence should be maintained in the centralized documentation repository.

MANAGEMENT'S RESPONSE:

The process to execute a lease requires State Properties Committee (SPC) approval. Approval of leases has been put on hold by SPC while assessing parity of rental rates of state-owned property as compared to privately owned property. Due to limited staffing resources, BHDDH was unable to provide all leases requested within the time allowed. The PMO Director will provide (via email) copies of all leases to OIAPI by close of business on Wednesday, February 4, 2026.

#2A. PMO will forward all copies of leases currently in its possession

- BHDDH confirms that the existing leases could satisfy Right to Use documentation requested, which include provisions outlining occupancy rights, provider responsibilities and any restrictions or obligations related to maintenance, safety, and insurance.
- PMO and BHDDH will implement a policy to include:
- The process in which the PMO will include leases and certificates of insurance in their existing database.
- The process in which the PMO and BHDDH will work with the Risk Management Unit and the Office of Accounts and Control to develop and maintain a Centralized Insurance Tracking Log, including property name and address, responsible party (State or provider), policy number, policy expiration date, and coverage type.
- The process of provider compliance verification will require additional staffing to implement. The process will include conducting periodic reviews of all leases, right-to-use and insurance documents to confirm they remain current and executed, and ensure that providers adhere to lease obligations, insurance coverage and routine maintenance.

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RESPONSIBLE PARTY:

Kate Breslin-Harden, Chief of Legal Services, BHDDH Legal Office and Todd Tinkham, Director, Project Management Office, BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

OIAPI'S RESPONSE:

Following management's response, OIAPI reviewed the provided lease information. A total of 72 lease documents were received, from which a sample of 20 leases was selected for testing. OIAPI identified the following:

- A total of 112 leases were not provided.
- 16 of the 20 sampled leases were expired, with expiration dates ranging from July 31, 2022, through September 30, 2025.
- Six of the 20 sampled leases did not include an execution date.
- One of the 20 sampled leases did not specify the required provider insurance coverage.

OIAPI noted that some providers operate in rent-free facilities, while other providers do not have rent-free leases and therefore incur facility overhead expenses. Because the complete population of leases were not provided, OIAPI was unable to determine whether such arrangements were required under the lease terms and whether rent-free and facility costs were applied consistently across providers.

FINDING #3: Deficiencies in Maintenance and Work Order Controls

Effective management of maintenance activities is essential to ensure that State facilities remain safe, functional, and compliant with applicable laws and standards. Proper controls, including documentation of work performed, verification of completion, preventive maintenance, and reconciliation with procurement and financial records, help agencies safeguard public assets, manage costs, and maintain accountability.

PMO processes two types of work orders: normal and emergency. Maintenance and repair needs for normal work orders are identified through four primary channels:

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1. Facilities management system
2. Email notifications from providers
3. FCA reports
4. Inspection reports conducted by PMO's Programming Services Officers (PSOs)

Group homes primarily submit work orders through the facilities management system, where requests are reviewed and validated by the PSO before assignment. Group home providers are also encouraged to report issues directly via email if they do not have access to the facilities management system. In addition, FCA reports may reveal non-compliance concerns that generate work orders. Lastly, PMO stated PSOs conduct two inspections per month, with findings documented in PMO's internal database. The related reports are not uploaded or maintained in the facilities management system.

Once a work order is received, the project or bid process begins, if required. A detailed scope of work is developed by the assigned PSO and distributed to Master Price Agreement (MPA) vendors. Bid walkthroughs are conducted at the affected sites, and the contract is awarded to the lowest responsive bidder. The selected vendor must provide all required documentation prior to project initiation. A purchase order is then issued and the PSO coordinates material delivery and scheduling. BHDDH noted that, although not formally documented, site check-ins by the assigned PSO occur at the project's start, midpoint, and conclusion to monitor progress and ensure compliance with the approved scope. Provider feedback is obtained at project completion, and the final invoice is reviewed, verified, and processed for payment.

All work performed is covered by a one-year warranty. Common warranty issues include flooring defects, misaligned doors, and leaks. PSOs coordinate warranty repairs directly with vendors based on provider reports or follow-up inspections. Inspections are prioritized by PSOs based on need, focusing on homes that have not recently been visited or that have not reported issues in some time to ensure that all group homes are visited at least once a year, as there is no formal rotation system.

Facility information is maintained across multiple systems as part of the current recordkeeping and project oversight process. PMO uses a spreadsheet to track group home profiles, regional assignments, contact information, work order history, and inspection reports. Supporting documentation, including photos, project notes, and correspondence, is

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stored in shared folders, organized by property address and home type. PSOs are responsible for periodically reviewing the condition assessments to identify and schedule preventive maintenance needs. Although multiple systems are used to capture information, the absence of a standardized linkage process limits visibility, increases the risk of incomplete documentation, and reduces the effectiveness of project oversight.

Final project approval requires inspection and sign-off by the assigned PSO, who verifies that all work has been completed according to the approved scope. For large-scale projects, BHDDH noted that the Director of PMO performs an additional review, confirming that a site visit occurred and that the work met specifications prior to invoice approval.

When a critical issue or emergency occurs, the provider documents the incident by photographing and recording the damage, then promptly notifies the assigned PSO. The provider is authorized to hire a licensed vendor to perform the emergency repair immediately. Upon completion, the vendor submits a reimbursement package that includes before-and-after photos and supporting documentation. The PSO reviews the submission to confirm that the repair was appropriate and complete, then issues a reimbursement authorization letter. Procurement subsequently verifies the documentation and processes the payment. The PSO records the completed emergency repair in the internal database to ensure accurate tracking of maintenance activities and resource use.

OIAPI reviewed a sample of work orders and identified deficiencies in BHDDH's management of both internal and vendor-performed maintenance work. Across the processes tested, OIAPI noted there was inconsistent or incomplete documentation, limited supervisory verification, lack of preventive maintenance planning, informal classification of emergency work, and no reconciliation between operational, purchasing, and financial records. These gaps reduce transparency, obscure the true cost of maintenance, and increase the risk of unapproved or improperly performed work, deferred repairs, and safety issues.

The following sub-findings provide a detailed examination of specific areas where controls are lacking and the associated risks, along with recommendations to strengthen BHDDH's maintenance and work order management processes.

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Finding #3A: Incomplete Procurement Documentation for Work Orders

Work orders form a part of PMO's management process recording requests for maintenance, repairs and capital improvements. A number of these activities involve the purchase of goods or contracted services that must be properly authorized, competitively obtained, and accurately recorded in accordance with State procurement laws and policies. To demonstrate compliance and provide a complete audit trail, each procurement should be supported by documentation including purchase authorizations, Capital Expenditure Request Forms (CERFs), vendor quotes, and receipts confirming delivery of goods or completion of services just to name a few examples. Maintaining this documentation supports compliance with the State's General Conditions of Purchase 220-RICR-30-00-13 and the Department of Administration Controller's procurement policy.²

OIAPI reviewed 25 samples of work orders and found that none contained a complete procurement packet. Available documentation consisted of the facilities management system entries, which lacked supporting purchasing records or an established audit trail, and shared folders, which PMO utilizes to store all photos, documents, project notes, and communication by address and home type for each work order. When supporting documentation was requested for each of the sampled work orders, the information provided was inconsistent. Missing elements frequently included purchase authorizations, CERFs, vendor quotes, or receipts confirming that goods or services were received. While not all sampled work orders represented procurement transactions, several involved were completed by RICLAS employees that were not tracked beyond the initial request and completion. This lack of consistency in documenting and retaining work orders reflects broader weaknesses in maintenance and procurement controls across BHDDH.

When the work has been completed, PMO closes the work orders without coordinating with Finance or Division of Purchases (Purchases) to ensure that all procurement documentation is assembled and retained. There is no standardized process linking records from the facilities management system to the State's financial management system or Purchases' documentation. As a result, transactions are not consistently verified, and supporting records are often incomplete or missing altogether.

² 220-RICR-30-00-13 General Conditions of Purchase

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Without complete purchase documentation, BHDDH cannot demonstrate compliance with State purchasing laws or verify that expenditures were properly authorized, competitively procured, and accurately recorded. This lack of documentation exposes BHDDH to risks involving noncompliance with State procurement policy, unauthorized or duplicate payments, inability to substantiate expenditures, and reduced transparency and accountability in group home management operations.

RECOMMENDATIONS:

#3A.1: Establish a standardized process for compiling and retaining complete procurement packets for all work orders involving purchases or contracted services. To ensure procurement packets are complete, develop a checklist for the different work order types listing all required items. The process should incorporate clearly defined threshold criteria so that documentation requirements scale appropriately based on the cost, complexity, and scope of the work. For example, smaller or routine work orders such as purchasing salt or replacing a toilet handle should follow streamlined requirements, while higher-value or more complex projects, such as a bathroom remodel, should require more comprehensive supporting documentation.

#3A.2: Create a procedure to ensure procurement documentation is reviewed and verified by Finance and/or Purchases before work orders are closed. Additionally, implement a crosswalk between the facilities management system work orders and purchase orders from the State's financial reporting system to enable full traceability.

#3A.3: For work orders not requiring purchase documentation maintain consistency in reporting, documentation, and work process in order to promote continuity of effort across all work performed for group homes. This also may include implementing a monetary threshold for when one process is required versus another, for example the purchase and distribution of pavement salt compared to a repair of a bathroom.

#3A.4: Establish a standardized process to ensure inspection reports and other supporting documentation generated from PSO inspections are retained in a centralized location and linked to the corresponding work orders. The process should clearly define where inspection documentation is stored when it is not maintained in the facilities

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management system and require a documented cross-reference to ensure completeness, traceability, and oversight.

MANAGEMENT'S RESPONSE:

As previously noted, prior to FY 24, DCAMM was responsible for maintenance across all 165 properties. An SLA was executed on January 16, 2024; however, responsibility for the work did not transfer to BHDDH until June 2024. To support this transition, 2 FTE were hired in late Fall 2024 to assume responsibility for maintenance of all group homes. Effective July 01, 2025, an additional 2 FTE were transferred from DCAMM to BHDDH to support minor repairs at RICLAS operated properties; however, these positions are in the process of being hired. During the initial months of this transition, processes were developed to ensure compliance with applicable procurement rules and regulations. The PMO continues to work closely with the BHDDH Procurement Team to further refine processes and procedures aimed at streamlining workflows while maintaining compliance and traceability

#3A.1 PMO had developed a process to comply with Purchasing rules and regulations to include required documentation for major repair projects. This process will be updated, and a policy will be developed which will include the process for compiling and retaining complete procurement packets for all work orders involving purchases or contracted services. The policy will include a checklist identifying all required documentation by work order type. This policy will be completed by the anticipated completion date of October 1, 2026.

For minor repairs, staff will use purchase cards to purchase necessary materials, as was the process at DCAMM. Receipts for materials purchased will indicate the work order number and will be uploaded into Facility Dude. PMO will develop a procedure for this process.

#3A.2 PMO and BHDDH Finance will revise the existing procedure ensuring that all procurement documentation is reviewed and verified by Finance and/or Purchases. A policy will be developed for this procedure which will include the implementation of a crosswalk linking work orders from the facilities management system to purchase orders in the State's financial reporting system. This policy will be completed by the anticipated completion date of October 1, 2026.

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#3A.3 Justification for RICLAS Group Homes not requiring project documentation:

- Currently, minor repairs are documented through the Facility Dude (facilities management system), assigned to a maintenance technician, and completed with the Work Order closed out the same day. All materials used (whether in storage or a new purchase) for repairs will be documented in Facility Dude during the close out process. A policy will be developed for minor repairs in RICLAS properties.
- The policy will include documentation for repairs requiring licensed tradesmen. These Facility Dude Work Orders are assigned to the Program Services Officer responsible for that group home. All supporting documentation is stored on PMO SharePoint, and the Work Order is completed in Facility Dude. To ensure reconciliation between the SharePoint and PMO database documentation, work order numbers are now being linked under the subfolders by address to serve as a crosswalk between both systems.

#3A.4 PMO is developing a policy to standardize the process to ensure that inspection reports and other supporting documentation from PSO inspections are retained in a centralized location and linked to the corresponding work orders.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office, BHDDH and Elizabeth Carvalho-Laginhas, Compliance Officer, RICLAS / DD / BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

Finding #3B: Inconsistent Use of the Facilities Management System

The facilities management system is intended to serve as BHDDH's centralized platform for capturing work orders, documenting maintenance activity, tracking inspections, recording completion, and supporting supervisory oversight. However, OIAPI found that PMO does not rely on the system as the official system of record. Instead, PMO maintains documentation including work order updates, inspection notes, procurement information, and verification records in other internal databases.

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This fragmented recordkeeping limits transparency, prevents PMO from demonstrating timely inspections or supervisory review, complicates preventive maintenance planning, and impedes reconciliation with procurement and financial records. Failure to use a centralized system of record increases the risk of incomplete documentation, duplicated or missing work orders, and inaccurate reporting of maintenance activity and costs.

RECOMMENDATIONS:

#3B.1: Require the facilities management system to be used as the centralized system of record for all work orders, documentation, and status updates.

#3B.2: Develop procedures requiring PMO staff to record inspections, verifications, and supporting documentation directly in the facilities management system.

#3B.3: Restrict or phase out parallel systems that duplicate or weaken the integrity of official maintenance records.

MANAGEMENT'S RESPONSE:

As previously noted, prior to FY24, DCAMM was responsible for maintenance across all 165 properties. On January 16, 2024, an SLA between DCAMM and BHDDH was executed transferring minor maintenance responsibility of all group homes to BHDDH. However, operationally, the work did not transfer to BHDDH until June 2024. In support of this transition, the Project Management Office continues to develop and refine policies and procedures to ensure compliance with applicable rules and regulations, support operational oversight and maintain appropriate documentation and traceability.

#3B.1 Due to limited staffing resources, BHDDH was unable to provide all leases requested within the time allowed. The PMO Director will provide (via email) copies of all leases to OIAPI by close of business on Wednesday, February 4, 2026.

Within six months of assuming oversight of these facilities, the Director of the Project Management Office established a database designed to meet the operational needs of the Project Management Office. The database includes Programming Service Officer contact information, lease documentation, work order records, PMO Inspection Reports and 2024 facility condition assessments for each group home address. The PMO will ensure that required insurance documentation is included in the database by

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the targeted resolution date. This database is preferred because it allows for updates and configuration changes as needed, whereas the Facilities Dude application has limited capabilities due to being third-party software. The facilities management system is mainly used as a reporting tool to assign projects and track project activity among staff. Facility Dude does not have the capability to store insurance information or large files, as the PMO database does.

#3B.2 The Project Management Office (PMO) staff are required to upload all documentation for group homes projects to the PMO SharePoint system. One Programming services Officer is responsible for uploading this information to the internal facilities database on a weekly basis.

#3B.3 The PMO will continue to use the PMO database because it is a more robust system that captures all of the required documentation to oversee the maintenance of 165 state owned facilities.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office / BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

Finding #3C: Lack of Oversight of Work Orders and Maintenance Verification

Proper verification and inspection of maintenance work before, during and after completion ensure that repairs meet safety and quality standards. Periodic check-ins serve as an internal control by providing opportunities to confirm that work is progressing as intended, identify issues in a timely manner, and document accountability for the use of State resources. BHDDH noted their standard practice includes the following inspection points:

- An initial check-in before work commences to confirm scope and readiness;
- A mid-point review to assess progress;
- An inspection at the time work is reported as complete, including a walkthrough to identify any punch-list items; and
- A final verification to confirm that punch-list items have been addressed before the work order is closed.

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BHDDH informed OIAPI that these periodic check-ins are completed during the course of work. However, when requested, OIAPI did not receive evidence demonstrating that these check-ins are being performed. OIAPI's review of sampled work orders provided found that most contained no documented evidence of inspection or supervisory verification at any stage of the process, including upon completion. There was no documentation demonstrating that PMO or BHDDH staff confirmed whether repairs met required safety or quality standards prior to closure. PMO staff routinely close work orders once contractors or RICLAS staff report completion, without any secondary verification or required inspection record.

As best practice for general safeguarding principles, work performed on State property should be inspected and verified at different stages throughout the process to ensure compliance with specifications and safety requirements. The absence of documented verification during the work and after completion increases the risk that reported repairs are incomplete, deficient or inconsistent with the scope of work. Insufficient oversight during the process raises the likelihood of repeat repairs, unresolved issues, and safety hazards, while limiting BHDDH's ability to demonstrate that completed work meets acceptable standards and that facility conditions are being adequately monitored.

RECOMMENDATIONS:

#3C.1: Implement policy and require documented inspections for all maintenance work including inspection results within the facilities management system, conducted by PMO.

#3C.2: Develop a centralized preventive maintenance plan covering all group homes.

#3C.3: Assign a supervisor to monitor completion status monthly and report overdue preventive maintenance plans to management.

#3C.4: Review preventive maintenance data periodically to identify gaps, trends, and areas requiring additional attention or resources.

MANAGEMENT'S RESPONSE:

As previously noted, prior to FY24, DCAMM was responsible for maintenance across all 165 properties. On January 16, 2024, an SLA between DCAMM and BHDDH was executed, transferring minor maintenance responsibility of all group homes to BHDDH. However,

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operationally, the work did not transfer to BHDDH until June 2024. In support of this transition, the Project Management Office continues to develop and refine policies and procedures to ensure compliance with applicable rules and regulations, support operational oversight and maintain appropriate documentation and traceability

#3C.1 The PMO is updating the current policy, which will be submitted in advance of the October 1, 2026 deadline.

#3C.2 The Project Management Office (PMO) will rely on the 2024 Facilities Condition Assessment (FAC) as the current preventative maintenance plan.

#3C.3 There is no supervisor assigned (the Project Management Office does not have the FTE) to monitor preventive maintenance plans for group homes. This work is assigned to the Programming Services Officers.

#3C.4 The Director of the Project Management Office (PMO) currently meets with the Programming Services Officers on a weekly basis to review project status. Through this process, any gaps or trends are identified.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office / BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

Finding #3D: Inadequate Documentation and Oversight of Emergency Work Orders

While normal work orders typically involve routine maintenance or planned projects, emergency work orders are intended for urgent issues that present immediate health, safety, or operational risks. Because emergency work may bypass standard procurement procedures, it should require documentation to justify the urgency, demonstrate proper authorization, and ensure the purchase is recorded in compliance with State law.

OIAPI reviewed 25 samples of work orders and identified three were labeled as “emergency.” None of these included written justification supporting the emergency designation, evidence of purchase authorization, or a confirming requisition. The emergency designations were applied informally by facilities staff, and PMO indicated the three work orders were misclassified as emergency when OIAPI inquired about them, despite PSOs review the work

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orders. Two of the three work orders reviewed involved routine issues, including a running toilet due to a broken handle and disconnection of appliances for a scheduled move.

State requirements outlined in RI General Laws §37-2-21 and the exceptions to competitive bidding requirements 220-RICR-30-00-9 specify that emergency procurements must include written justification, formal approval, and a confirming purchase order documenting the transaction.³ Even for non-procurement emergencies, consistent application of criteria and supporting documentation would assist in validating the classification.

PMO staff currently treat emergency designations as operational notes rather than a procurement category requiring oversight. Without defined criteria or supporting documentation, PMO cannot demonstrate that emergency purchases were authorized, reasonably priced, or properly recorded in the State accounting system. This increases the risk of noncompliance with procurement regulations, inaccurate financial reporting, and potential misuse of emergency purchasing authority.

RECOMMENDATIONS:

#3D.1: Develop written criteria defining what constitutes an emergency work order and ensure it aligns with State procurement law and policy.

#3D.2: Adopt an emergency procurement form capturing the date, nature of the emergency and vendor. It will include written justification and supervisory approval for all emergency designations, including rationale, date, and authorizing signature.

#3D.3: Monitor emergency work order activity through periodic review to ensure compliance with established criteria and documentation standards.

MANAGEMENT'S RESPONSE:

As previously noted, prior to FY24, DCAMM was responsible for maintenance across all 165 properties. On January 16, 2024, an SLA between DCAMM and BHDDH was executed transferring minor maintenance responsibility of all group homes to BHDDH. However, operationally, the work did not transfer to BHDDH until June 2024. In support of this transition, the Project Management Office continues to develop and refine policies and procedures to

³ RI General Law 37-2-21 Noncompetitive Procurements; 220-RICR-30-00-9 Exceptions to Competitive Bidding Requirements

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ensure compliance with applicable procurement rules and regulations, support operational oversight and maintain appropriate documentation and traceability.

#3D.1 PMO will develop written criteria defining what constitutes an emergency work order to ensure it aligns with State procurement law and policy.

- Documentation of BHDDH’s emergency work order process:
 - The PMO has an established process to address emergency needs (i.e., tree falling on property, bursting pipes indoors, etc.) requiring a Purchase Order, in accordance with RIGL § 37-2, which potentially impact the health and safety of individuals inside the property. In coordination with Division of Purchases’ requirement to request emergency authorization and formal approval in advance of spending funds, the current emergency process includes an email from the PMO to Division of Purchases, documenting the date, nature of emergency, vendor, written justification, supervisory approval, and rationale for the request. This emergency authorization is documented in the file for each address.
 - Oftentimes, including in RICLAS properties, providers identify a need as an “emergency” (i.e., leaking toilet) However, these instances do not constitute an emergency as outlined in RIGL § 37-2, and do not qualify for the emergency authority request from Division of Purchases.
 - As noted above, prior to the July 2025 transition of responsibility for maintenance of state-owned group homes, the two FTEs from DCAMM provided minor maintenance repairs to RICLAS properties. Since the transition, these two FTEs continue to be tasked with minor maintenance repairs (i.e., leaking toilet, hanging curtains, etc.), outside of emergency needs, which are managed directly by the PMO.

#3D.2 The PMO currently follows the standards outlined by Division of Purchasing in accordance with RIGL § 37-2, through the documentation of need and formal authority obtained via email. A Division of Purchases emergency procurement form is not typically utilized for these purposes.

PMO will establish a policy/procedure for an emergency procurement email, documenting the date, nature of the emergency, and vendor. All emergency

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designations will require written justification and supervisory approval, including the rationale, date, and authorizing signature, to ensure compliance and accountability.

#3D.3 As noted in #3D.1 and #3D.2, the PMO Director currently reviews each of the emergency authorization requests as they happen. When the PMO Director is out of office, a designee is assigned the same task. The PMO will conduct periodic reviews of emergency work order activity authorized by a designee, to ensure adherence to established criteria and documentation standards. This oversight process will be formally included in the standardized, documented policy.

RESPONSIBLE PARTY:

Todd Tinkham, Director, The Project Management Office, BHDDH

ANTICIPATED COMPLETION DATE:

October 1, 2026

Finding #3E: Insufficient Documentation of RICLAS and Contractor Maintenance Work

In addition to the two different forms of work orders, PMO also manages work orders performed both internally by RICLAS staff and externally by vendors. To ensure accountability and proper stewardship of State resources, documentation should exist to substantiate the completion, cost, and oversight of all maintenance work, regardless of who performs it. Supporting evidence, such as labor logs, cost summaries, and supervisory approvals, helps verify that work was completed as requested, performed efficiently, and appropriately recorded.

OIAPI's testing results revealed that although PMO-managed work orders completed internally by RICLAS staff were logged in the facilities management system, they lacked supporting documentation to substantiate completion. No labor logs, cost summaries, or supervisory approvals were provided to confirm the scope or performance of in-house work. Similar issues were observed for vendor maintenance, where PMO indicated that labor hours and material usage are not tracked, and only overall job completion is monitored.

As best practice, agencies should maintain documentation demonstrating that State resources are used effectively, and that reported work was performed as claimed. BHDDH has not implemented a documentation protocol for RICLAS maintenance activities. PMO relies on

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verbal or email confirmation to close work orders through the facilities management system without supporting evidence.

Without formal tracking and documentation, BHDDH cannot demonstrate that RICLAS maintenance hours, materials, or costs are accurate. The absence of supporting records also prevents management from evaluating the cost efficiency of in-house work compared to vendor services, reduces transparency, and limits the BHDDH's ability to monitor resource utilization and performance.

RECOMMENDATIONS:

#3E.1: Develop and implement a documentation protocol for RICLAS maintenance work, including labor hours, materials used, and supervisory approval.

#3E.2: Institute supervisory sign-off for all RICLAS-completed work before closure.

#3E.3: Maintain cost summaries that differentiate internal labor and materials from vendor expenses for accurate reporting and analysis.

MANAGEMENT'S RESPONSE:

As noted above, 2 FTE were transferred from DCAMM to BHDDH effective July 2025. In support of this transition, the Project Management Office continues to develop and refine policies and procedures to ensure compliance with applicable rules and regulations, support operational oversight and maintain appropriate documentation and traceability.

#3E.1 All work performed by RICLAS maintenance staff, including minor repairs that do not require a licensed tradesman, or emergency authorization, will be documented through the Facility Dude. Director of The Project Management Office has delegated the sign-off of all RICLAS workorders to a Community Compliance Officer for approval. All procurement purchases are reviewed by the RICLAS Compliance Officer and submitted to the Director of the Project Management Office for review and approval. The PMO will develop a policy to document procedures for RICLAS maintenance work by the targeted resolution date. BHDDH does not have the available FTE to maintain cost summaries that differentiate internal labor and materials from vendor expenses for accurate reporting and analysis. Receipts for materials will be uploaded to Facility

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Dude and will continue to be reconciled in the State accounting system through the purchase card reconciliation process.

#3E.2 The Director of The Project Management Office has delegated the sign-off of all RICLAS workorders to a Community Compliance Officer for approval.

#3E.3 RICLAS does not have the available FTE to maintain cost summaries that differentiate internal labor and materials from vendor expenses for accurate reporting and analysis.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office, BHDDH and Elizabeth Carvalho-Laginhas, Compliance Officer, RICLAS / DD / BHDDH

ANTICIPATED COMPLETION DATE:

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Finding #3F: Lack of Reconciliation and Coordination between PMO, Finance and Purchases

PMO manages maintenance and work order information within the facilities management system, while BHDDH's finance team and Purchases retain separate records related to procurement and payment. To ensure that all transactions are complete, accurate, and properly authorized, these records should be periodically reconciled and reviewed across units. Cross-departmental reconciliation supports compliance with procurement requirements, promotes transparency, and helps management monitor total maintenance expenditures.

Currently, there is no process for reconciling PMO's facilities management system records with documentation maintained by BHDDH's finance team or Purchases. Each unit manages its own files independently, and no cross-review or completeness checks are performed. PMO, BHDDH's finance team, and Purchases operate without a shared database or reconciliation schedule, and communication occurs on an ad-hoc basis.

BHDDH should establish mechanisms for information sharing and transaction reconciliation across operational units. The absence of such coordination within BHDDH increases the likelihood of incomplete or inaccurate records, as errors, missing documentation, or unapproved purchases may not be identified in real time. Without regular reconciliation,

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management lacks full visibility into total maintenance spending, the accuracy of recorded transactions, and overall compliance with procurement requirements.

RECOMMENDATIONS:

#3F.1: Establish a formal reconciliation process between PMO, BHDDH Finance, and Purchasing to ensure maintenance and procurement records are complete and consistent.

#3F.2: Implement a shared tracking or reporting mechanism linking facilities management system work orders to corresponding transactions in the State's financial management system and Purchases documentation.

#3F.3: Monitor reconciliation results and resolve discrepancies promptly to maintain accurate records and strengthen oversight.

MANAGEMENT'S RESPONSE:

#3F.1. BHDDH will utilize the PMO database to develop a reconciliation process between the BHDDH PMO and BHDDH Finance/Procurement. A policy will be developed to document the reconciliation process.

#3F.2 BHDDH Finance Procurement Unit will add Facility Dude workorder numbers to all State Purchase orders.

#3F.3 Monitoring of the reconciliation results and any necessary corrective actions will be incorporated into the policy noted in management response 3F.1.

RESPONSIBLE PARTY:

Todd Tinkham, Director, Project Management Office

ANTICIPATED COMPLETION DATE:

October 1, 2026