TO: Michelle Nichols, Interim President/CEO
Delmarva Community Services, Inc.

FROM: Shelly Marie Martin - *Shelly Marie Martin - OIGH*
Inspector General

DATE: April 9, 2026

RE: Desk Audit Report – Delmarva Community Services, Inc.

Background

Consistent with State laws and regulations, the Maryland Office of the Inspector General for Health (OIGH) conducts a desk audit of health care providers to ensure that State funds have been expended in accordance with Maryland Department of Health (MDH) guidelines.

Delmarva Community Services, Inc., located in Cambridge, Maryland is a nonprofit organization established to assist people to live as independently as possible, by providing optimal services in care giving, transportation and other areas to help individuals discover and maintain independent lifestyles. During the audit period (July 1, 2021 to June 30, 2024), Delmarva Community Services, Inc. received $780,790 from MDH to support its mission.

Results of Review

The OIGH determined that $31,001 is due to MDH based on MDH Form 440 and the provider's general ledger variances. Delmarva Community Services, Inc's. responses to this audit are included as an appendix to this report. We have reviewed Delmarva Community Services, Inc.'s corrective action plan and found it to be sufficient to address all audit issues.

We also wish to acknowledge the cooperation extended to us during the audit by the Delmarva Community Services, Inc. team.

cc: Marlana Hutchinson, Deputy Secretary, Developmental Disabilities Administration
Robert L. White, FACHE, MBA, MHA, Chief Operating Officer, Developmental Disabilities Administration

Office of the Inspector General for Health

Desk Audit Report

April 9, 2026

Delmarva Community Services, Inc.

July 1, 2021 through June 30, 2024

Maryland

OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Maryland Office of the Inspector General for Health

Desk Audit Report: Delmarva Community Services, Inc.

The Office of the Inspector General for Health's (OIGH) External Audit Division has performed a desk audit on the accounts and records of Delmarva Community Services, Inc. relative to its contracts with the Maryland Department of Health (MDH)'s Developmental Disabilities Administration (DDA) for the period July 1, 2021 through June 30, 2024

Objectives of the Examination

The OIGH conducted the audit to:

- Determine the amount of program revenue received and allowable expenditures incurred by the program for the contracts.
- Determine any amount due to the State or to the provider resulting from the operation of the programs during the audit period.
- Determine whether financial matters were conducted in accordance with the MDH's Human Services Agreements Manual (HSAM).

Audit Scope and Methodology

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and tests of transactions. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. Unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the tests cannot be used to project those results to the entire population from which the test items were selected.

Except as noted in the subsequent paragraph, this performance audit was conducted in accordance with generally accepted government auditing standards (GAGAS). These standards require auditors to plan and execute the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

In accordance with GAGAS, a Peer Review is required to be conducted at least once every three years by an independent external firm. Peer Reviews serve as periodic evaluations of the quality and effectiveness of an organization's audit work and internal quality control systems. The Office of the Inspector General for Health (OIGH) External Audit Division has not undergone a Peer Review to date. However, the division has expressed its intention to comply with GAGAS Peer Review standards and has tentatively arranged for a peer review to take place in May 2027. Until the peer review is concluded, the OIGH External Audit Division remains non-compliant with the GAGAS Peer Review requirements.

Presentation of Audit Schedules
This report contains the following schedules:

- Summary of Amounts Due to MDH
- Schedule SC: Schedule of Contracts Audited
- Schedule of MDH Form 440 and GL Variances

Internal Control
Delmarva Community Services, Inc is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness, and efficiency of operations, including the safeguarding of assets and compliance with applicable laws, rules, and regulations are achieved. As this was a desk audit, OIGH did not assess Delmarva Community Services, Inc.'s internal control system.

Conclusion
As a result of procedures performed, in accordance with the examination objectives set forth above, the OIGH determined that $31,001 is due to MDH. The following is a summary of the amount due:

Delmarva Community Services, Inc. Summary of Amount Due to MDH Audit Period FY2022 to FY2024			
Finding Number	**Finding Description**	**Amount Due to MDH**	**Report Reference Page**
1	MDH Form 440 and General Ledger Variances	$ 31,001	7
Total Amount Due to MDH		**$ 31,001**	

Appeal Rights – Appeals to the Division of Cost Accounting and Reimbursement
If you wish to appeal the audit findings, you must notify Nedina Broy Stevenson, Division of Cost Accounting and Reimbursement at Nedinabroy.stevenson@maryland.gov by **May 11, 2026.**

Table of Contents

Schedule SC

DELMARVA COMMUNITY SERVICES, INC.
SCHEDULE OF CONTRACTS DESK AUDITED
FISCAL YEARS 2022 THROUGH 2024

CONTRACTS	PCA	PROGRAM	2022	2023	2024
		DDA			
MR923FSS	P208G	FAMILY SUPPORT SERVICES (FSS)	$ 45,785	$ 45,785	$ 45,785
MR441FIS	P210G	INDIVIDUAL SUPPORT SERVICES (ISS)	18,398	19,870	20,665
MR453NRS	P210G	INDIVIDUAL SUPPORT SERVICES (ISS)	14,318	14,318	14,318
MR498FIS	P210G	INDIVIDUAL SUPPORT SERVICES (ISS)	180,516	180,516	180,516
		Total Contract Dollars Desk Audited by Fiscal Year	**$ 259,017**	**$ 260,489**	**$ 261,284**
		Total Number of Contracts Desk Audited			**12**
		Total Contract Dollars Desk Audited			**$ 780,790**

Findings and Recommendations

Reconciliation

Finding 1 – MDH Form 440 and General Ledger Variances
Delmarva Community Services, Inc.'s expenditures reported in the Annual Reports (MDH Form 440) did not always agree with their general ledger.

Analysis
The OIGH's review of MDH contracts for the audit period disclosed that expenditure reported on Annual Report (MDH Form 440) did not always agree with Delmarva Community Services, Inc.'s general ledger. See schedule below for more details:

Delmarva Community Services, Inc. Schedule of MDH Form 440 and GL Variances Audit Period FY2022 to FY2024			
Fiscal Year	**Contract Number**	**Contract Description**	**Amount Due to MDH**
2024	MR498FIS	Individual Support Services (ISS)	$ 16,885
2024	MR923FSS	Family Support Services (FSS)	5,431
2024	MR453NRS	Individual Support Services (ISS)	2,537
2024	MR441FIS	Individual Support Services (ISS)	6,146
Total FY24			$ 30,999
2022	MR923FSS	Family Support Services (FSS)	$ 2
Total FY22			$ 2
Total Due to MDH			**$ 31,001**

Criteria
Human Services Agreement Manual (HSAM) Section 2210.05 states, *"The audit reviews expenditures and revenues to determine if they are consistent with the approved budget and supported by adequate documentation, in accordance with generally accepted accounting principles, and/or the grant contract agreement."*

Recommendation 1
The OIGH recommends Delmarva Community Services, Inc:
Ensure all expenditures recorded in the MDH Form 440s agree with amounts reflected in the general ledger.

Cost disallowances from the finding above total $31,001 due to MDH.

Appendix – Agency's Reponses

Dignity ● Independence ● Respect

108 Chesapeake Street
P.O. Box 637
Cambridge, MD 21613
410-221-1900
www.dcsdct.org

March 26, 2026

Office of the Inspector General
Maryland Department of the Health
Chau Nguyen
Chief External Audit Division
201 West Preston St.
Baltimore, MD 21201

RE: Audit Joh No. 350

Dear Chau Nguyen,

Delmarva Community Services, Inc. (DCS) concurs with the findings of the Office of Inspector General for Health's External Audit Division's audit for the time period July 01, 2021 through June 30, 2024 for audit job #350.

Corrective Action Plan
DCS will ensure all expenditures recorded in the MDH Form 440s agree with the amounts reflected in the general ledger.

Respectfully,

Janet Lynne Wilson, MPA

Janet Lynne Wilson, MPA
Finance Director
Delmarva Community Services, Inc.
108 Chesapeake St.
Cambridge, MD 21613

Audit Team

Chau Nguyen, CPA
Chief Auditor

Isis Powell
Audit Supervisor

Plennis Randall
Staff Auditor

Audit Job Number: 350