

# External Monitoring Reports

of County Departments, Performed by State, Federal, and Other Outside Agencies

July 1, 2013—June 30, 2014



# Department External Monitoring

The County as a whole, and specific County Departments, are subject to monitoring by various external agencies. The majority of monitoring is performed to ensure that State and Federal funds awarded to the County are spent in accordance with certain laws and regulations. Instances of non-compliance may result in 1) a requirement to give funds back to the funding agency, 2) reduced funding in future years, or 3) higher monitoring costs.

Monitoring can occur on different levels such as an audit, review, or specific procedures performed on certain process. Additionally, monitoring periods may vary (i.e. annually, quarterly, or on a one-time basis).

From July 1, 2013 through June 30, 2014, the County had two County-wide annual audits performed by Brown Armstrong CPAs. One audit was the Single Audit. The Single Audit is required by the Federal government to provide assurance that recipients receiving federal assistance are in compliance with applicable federal laws and regulations. Findings are reported when the recipient did not comply with laws and regulations. The other audit was the Comprehensive Annual Financial Report (CAFR). The CAFR is a financial report that encompasses all funds and component units of the government. The purpose of this audit is to provide assurance that the financial statements are materially correct and can be relied upon by readers.

All monitoring performed over County departments is reported to the Auditor-Controller and has been compiled in this report.

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Risks are assigned to each of the programs based upon monitoring results. The color coding indicates the following:

**RED:** Potential for large dollar amount of error or loss, significant lack of monitoring or breakdown in compliance, or wide-spread violation of law.

**YELLOW:** Potential for moderate dollar amount of error or loss, some violation of policy, other compensating procedures may exist to correct issue. When an audit report indicates that a breakdown in compliance occurred, risk will automatically be assessed at yellow. Non adherence to policies and procedures, lack of self-monitoring, and a possible future loss of outside funding due to non-compliance will also automatically be assessed at yellow.

**GREEN:** Low dollar amount of error or loss, other compensating procedures exist, or minimal program impact.

The report also lists key conditions including recommendations made by the external monitor and the corrective action taken by the department for external monitorings assessed at **RED** and **YELLOW** only. A listing of all external monitorings assessed as **GREEN** is included on the next page.

# Department External Monitoring





## List of Low-Risk (Green) Reports

The following County departments had the following program monitorings that either had no findings or findings with little or no dollar amounts of error or loss, strong existing compensating procedures, or findings with minimal program impact:

Auditor-Controller	Comprehensive Annual Financial Report 2013	Brown Armstrong CPAs
Auditor-Controller	Cost Allocation Plan 2014-15	California State Controller
Child Support	Single Audit: Child Support Enforcement	Brown Armstrong CPAs
Clerk-Recorder-Assessor	Social Security Number Truncation Review	A/C Internal Audit
Community Services	Single Audit: EmPower	Brown Armstrong CPAs
Parks	Lake Cachuma Water Treatment System Review	Bureau of Reclamation
Parks	Lake Cachuma Sewer Treatment System Review	Bureau of Reclamation
Probation	Automated Criminal History System	CA Dept. of Justice
Probation	Single Audit: Title IV-E Program	Brown Armstrong CPAs
Probation	Office of Traffic Safety Grant Performance	CA Office of Public Safety
Public Health	Every Woman Counts Site Visit	CA Dept. of Health Care Services
Public Health	HIV/AIDS Care Program	CA Dept. of Health Care Services
Public Health	Medicare Cost Report Settlement	National Government Services
Public Works	Public Transit Fund	Moss, Levy, Hartzheim, CPAs
Public Works	Transportation Development Act Fund Statements	Moss, Levy, Hartzheim, CPAs
Treasurer Tax-Collector	Cash & Investments Audit	County Auditor-Controller
Treasurer Tax-Collector	Social Security Administration Site Visit	Social Security Administration
Debt Service/Treasurer Tax-Collector	Tax and Revenue Anticipation Notes Examination	Internal Revenue Service

## Alcohol, Drug, and Mental Health Services (ADMHS)

ADMHS had four monitorings performed by the state. The monitorings included: a review of the costs claimed for the Handicapped and Disabled Students (HDS) and Seriously Emotionally Disturbed Pupils (SEDP) programs, Medi-Cal Cost Report, Mental Health Plan (MHP), and a review and contract monitoring of ADMHS' Alcohol Drug Program (ADP).

Program	Risk	Rationale
HDS/SEDP		Large dollar amount of questioned costs
ADP		Failure to follow policies and procedures
Medi-Cal Cost Report		Large dollar amount of questioned costs
Mental Health Plan		Breakdown of Compliance

### Purpose of Monitoring

1. HDS/SEDP: To determine whether costs claimed by ADMHS for the HDS and SEDP programs for the period of July 1, 2006 through June 30, 2007 and July 1, 2008 through June 30, 2009 are allowable.
2. ADP: Examination of alcohol and drug programs for the period July 1, 2005 through June 30, 2006.
3. Medi-Cal Cost Report: Tested accounting records to determine that Medi-Cal costs and data collection were made in compliance with applicable laws and regulations from 7/1/2007- 6/30/2008.
4. MHP: Review of ADMHS' Mental Health Plan to determine whether services are provided in compliance with the law.

### Findings

1. HDS/SEDP: ADMHS claimed \$1,446,058 for these programs during the period reviewed; the entire amount is unallowable. ADMHS understated offsetting reimbursements for the period because ADMHS did not appropriately identify and apply all other funding sources received. The County was required to repay \$569,404 of the amount claimed, as the remaining \$876,654 was never paid to ADMHS by the State.
2. ADP: ADMHS did not provide adequate fiscal oversight over its contractors' drug Medi-Cal claim units and did not request provider numbers from the California Outcomes Measurements Systems. Progress notes did not support services billed by a single contracted provider.
3. Medi-Cal Cost Report: Total questioned costs of \$1,747,253 resulting from the following: ADMHS inappropriately included a 15% administrative charge to contractors; billing discrepancies between State and County records; CEC/MISC program was not allowable, ADMHS did not qualify as a nominal fee provider; and ADMHS paid contract providers in excess of contracted amounts.

## Alcohol, Drug, and Mental Health Services (Continued)

### Findings (Continued)


4. MHP: None of the five after-hours test phone calls to the 24/7 toll-free Access line were in compliance. MHP was not maintaining adequate written logs of requests for initial mental health services. There is no review of Utilization Management for outpatient providers. The assessments for non-hospital services are not in compliance with regulatory and contractual requirements.

### Corrective Action Taken

1. HDS/SEDP: No corrective action taken since the program is no longer mandated.
2. ADP: ADMHS will not be required to repay any questioned costs.
3. Medi-Cal Cost Report: ADMHS removed administrative fees from contracts, implemented additional cost report controls and closed the Counseling and Education Center/ Multi-Agency Integrated Mental Health System of Care (CEC/MISC) program. A formal appeal of the audit is underway.
4. MHP: ADMHS has completed a draft documentation manual for clinicians' reference; facilities no longer receiving patient referrals from ADMHS are in the process of being closed through the site certification process; the department has contacted an outside vendor to contract for Access line and tracking services; instituted numerous detailed trainings on proper charting; increased clinician note review; and will institute a new rule in Clinician's Gateway to prevent notes from being finalized when a valid treatment plan is not in place. The Compliance Committee is also auditing Cultural Competence requirements in the 2014/2015 year.

# Child Support Services

In fiscal year 2013-14, one review was performed by the State. The State review examined the safeguarding of child support information and IT assets. Child Support Services (CSS) was included in the Federal Single Audit performed by Brown Armstrong, in which the compliance over timeliness of establishing paternity and support obligations for child support was examined and found to be in compliance.

Program	Risk	Rationale
Safeguard Review		Failure to follow policies and procedures

**Purpose of Monitoring**

The State review examined the safeguarding of Child Support information and IT assets pertaining to the safeguarding of personal, confidential, and sensitive Child Support Information, including Federal Tax Information (FTI) and to ensure compliance with all facets of IRS Publication 1075 and CSS' Information Security Manual.

**Findings**

The State found three areas of noncompliance relating to the DSS Information Security Manual as follows:

- 1) A copy of the most recent network scan was not provided.
- 2) A network vulnerability assessment is not being conducted.
- 3) A network firewall scan is not being conducted.

**Corrective Action Taken**

Santa Barbara Child Support network security is managed centrally by County Information Technology Department of General Services (ITD). ITD is not currently performing network scans, citing budget constraints. ITD and CSS will engage in discussion regarding expense, potential funding sources and workload impacts, with the goal of complying with State recommended safeguards.

# Clerk– Recorder– Assessor

The Clerk-Recorder-Assessor received two monitorings. The first was a Social Security Number Truncation Review performed by the Internal Audit division of the Auditor-Controller’s Office that was assessed as low risk and is presented on page 2. The second was an Assessment Practices Survey completed by the State Board of Equalization (BOE).

Program	Risk	Rationale
Assessment Practices Survey		Breakdown in compliance

**Purpose of Monitoring**

Assessment Practices Survey: The State survey examined the adequacy of the procedures and practices employed by the Assessor in the valuation of property, the volume of assessing work as measured by property type, and the performance of other duties enjoined upon the Assessor.

**Findings**

The State found that most properties and property types were assessed correctly. However, the State also found instances of non-compliance including:

- The Assessor’s practice of applying late filing provisions on a property when an annual claim is not timely filed for the religious exemption is contrary to statute and may cause taxpayers to be denied the full exemption which they are entitled to receive.
- Several properties that exceeded the \$1 million exclusion provided in section 63.1 were not reappraised.
- Several instances were noted where the Assessor did not include sales tax when determining the market value of a vessel.
- The Assessor’s conflict of interest policy does not include adequate mechanisms to monitor compliance. Furthermore, the Assessor does not maintain a list of staff-owned properties and does not maintain a formal system for employees to report activities involving their real and/or personal property.
- The Assessor’s practice of using a locally-developed form for reporting taxable possessory interests in-lieu of a Board-prescribed form is contrary to regulation.
- The Assessor does not consider the total value of the appraisal unit when determining whether to enroll the adjusted base year value or the current market value of mining properties for the lien date. Furthermore, the assessor does not determine a separate base year value for settling ponds as required by Section 53.5.
- Several properties owned by legal entities having undergone a change in control or ownership had not been reassessed. Penalties required by law are not always applied when forms indicating a change in ownership of a legal entity are submitted late.
- Penalties for late Business Property Statement forms are not applied to accounts on the secured roll.
- The Assessor does not issue supplemental assessments for structural improvements assessed on the unsecured roll as the result of a system limitation.
- Several findings related to the Assessor’s disabled veterans’ exemption program were noted, including: inconsistencies in prorating disabled veterans’ exemptions, accepting annual low-income certifications lacking signatures, using dates provided by the claimant as the effective date of disability, and incorrectly applying late-filing provisions.
- The Assessor’s public two-year property transfer list does not include the name of the transferor or the transferee as required by law.

## Clerk– Recorder– Assessor (Continued)

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### **Findings (Continued)**

- The Assessor’s practice to enroll unpermitted new construction as of the date of discovery rather than the date of completion conflicts with statute.
- The Assessor did not conduct the minimum number of audits of business property accounts required under law, likely due to budgetary and staffing constraints.

### **Corrective Action Taken**

The Assessor: has not applied late-filing penalties when annual claims are not filed timely for religious exemptions since the beginning of the 2012-13 roll year, has included for reassessment all properties exceeding the \$1 million exclusion per section 63.1, has added sales tax as a component of market value to the vessels program, is currently updating the conflict of interest policy, is utilizing the Board-prescribed form for taxable possessory interests, is utilizing the total value of the appraisal unit when determining the correct lien date valuation for mineral properties, is setting a separate base year value for settling ponds as required by Section 53.5, and is reassessing all properties owned by legal entities having undergone a change in control or ownership.


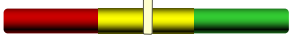
Due to system limitations, the assessor is not currently applying late-filing penalties to legal entity change of ownership forms, applying late-filing penalties to secured business property accounts, or issuing supplemental assessments for structural improvements.

The Assessor will work to improve the following as time and resources become available: procedures on the disabled veterans’ exemption program, including the name of the transferor and the transferee on the two-year transfer list as required by law, the new construction program, and performing the minimum number of audits.



# Community Services Department

The Community Services Department (CSD) received three federal monitorings. The first was performed by the U.S. Department of Housing and Urban Development (HUD) on the use of Entitlement Program funds. The other two were financial assistance reviews performed by the U.S. Department of the Interior on the Lake Cachuma Water & Sewer Treatment Systems. CSD was also included in the Federal Single Audit performed by Brown Armstrong in which the allowability of costs and compliance with requirements of the HOME and CDBG, and EmPower programs were examined and included on page 2.

Program	Risk	Rationale
Single Audit		Large dollar amount of error; breakdown in compliance
Entitlement Programs		Breakdown in compliance

### Purpose of Monitoring

1. Single Audit: The Single Audit is required by the Federal government to provide assurance that recipients receiving federal assistance are in compliance with applicable regulations.
2. CAPER Entitlement Programs Review: Evaluation of CSD’s performance utilizing its allocation of HOME funds.

### Findings

1. Single Audit (12/13): No subrecipient monitoring had been performed for fiscal year 2012-13 resulting in questioned costs of \$1,483,955 and \$2,317,190 for HOME and CDBG programs respectively. 29 HOME properties with 26 or more units did not have an annual inspection as required.
2. CAPER Entitlement Programs Review: Several projects reported as completed by the County remain in open status in HUD’s system. Information reported by CSD in the CAPER reports overall successful progress in project implementation. However, information gathered by HUD has shown that the County’s CAPER may not be considered entirely accurate. Questioned costs of \$86,055.65 are due to County exceeding the statutory 20 percent planning and administration cap by 5.54 percent.

### Corrective Action Taken

1. Single Audit: In fiscal year 2013-14 there were no Single audit findings related to monitoring. The Housing and Community Development Division has worked with consultant Urban Futures to perform monitoring of HOME affordable housing units which began in June 2013. Currently, all HOME assisted affordable housing properties have had a monitoring site visit by the consultant. HCD staff evaluated each monitoring report for compliance with appropriate HUD regulations. HCD has also hired a Housing Specialist with Board approval to provide monitoring of HOME program units.


The Housing and Community Development Division began monitoring CDBG subrecipients in 2014. Staff has assessed programs onsite, as well as reviewed fiscal records to ensure that programs are being administered appropriately.

2. CAPER Entitlement Program Review: HCD staff will work to improve reporting accuracy and performance in future CAPER reports and provided additional training to ensure correct reporting of unduplicated beneficiary data in quarterly monitoring reports.

# County Executive Office

The County Executive Office (CEO) received one State monitoring related to the transit grant program, administered by the Office of Emergency Services.

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Program	Risk	Rationale
Transit Grant		Failure to follow policies and procedures; lack of monitoring

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**Purpose of Monitoring**

Transit Grant: The State reviewed the Office of Emergency Services (OES) compliance with the Homeland Security grant processes and documentation from 2008-2010.

**Findings**

The State determined that OES did not adequately monitor its subrecipient’s procurement procedures and did not retain documentation to show that the county reviewed the federal excluded parties list system when awarding procurement contracts above \$25,000.


**Corrective Action Taken**

The Office of Emergency Management (OEM) will process all procurements charged to Homeland Security grant award funds, and thereby ensure that all County purchasing policies are being followed. The OEM will also process all procurements and all purchases exceeding \$25,000 in value, and thereby ensure that any and all purchases are checked against the federal Excluded Parties List System.

# Human Resources

Human Resources contracted for an audit conducted by the Self Insured Services company to determine the eligibility of dependents enrolled on the County’s health plans.

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Program	Risk	Rationale
Dependent Eligibility		Breakdown in compliance

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**Purpose of Monitoring**

Dependent Eligibility: Verify the eligibility of all 2,466 dependents enrolled on the County health plan.

**Findings**

Dependent Eligibility: 166 dependents (6.7% of covered dependents) were found ineligible to be enrolled on the County health plan. Of these dependents, 52 were spouses, 31 were children, and 83 were children over the age of 19. The estimated annual savings for the County is \$536,800.


**Corrective Action Taken**

Dependent Eligibility: Termination notices were sent to all dependents deemed ineligible and to those who did not complete the eligibility audit.

# Probation

Probation had three State monitorings which included a review on the Automated Criminal History System, a performance review of an Office of Traffic Safety grant, and an administrative review of School Nutrition Programs. All but the School Nutrition Program review are classified as low risk. See page 2. Probation was also included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements for eligibility of participants charged to the Title IV-E program was examined which was also classified as low risk.

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Program	Risk	Rationale
School Nutrition Program		Breakdown in compliance

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### Purpose of Monitoring

School Nutrition Program: The State reviewed the National School Lunch Program and School Breakfast Program agreements at the Santa Maria Juvenile Hall for compliance with federal regulations.

### Findings

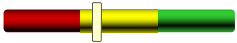
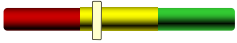




School Nutrition Program: The review found that a lunch entree did not contain the legally required amount of grain and that a milk substitute was offered that did not meet the nutrient equivalency of cow’s milk. Additionally, documentation indicating that staff underwent legally required civil rights training could not be provided.

### Corrective Action Taken

School Nutrition Program: Completed a Corrective Action Plan which included submitting a week’s production record and documentation showing the new soy milk brand being offered as a milk substitute meets the nutrient equivalency. Probation will also provide additional staff training.

## Social Services

Department of Social Services (DSS) had 38 State monitorings performed. State monitoring included the following programs: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Workers Investment Act (WIA), Temporary Assistance for Needy Families' (TANF), and Foster Care Licensing. DSS was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements of the Medicaid, SNAP, WIA, TANF, Adoptions Assistance, and Foster Care programs were examined. *To improve readability, the purpose of monitoring, findings, and corrective action sections are combined by program.*

Program	Risk	Rationale
<b>Single Audit</b>		Breakdown in compliance; failure to follow policies and procedures
<b>State Monitorings:</b>		<b>State Monitorings:</b>
TANF		Breakdown in compliance; failure to follow policies and procedures
SNAP		Breakdown in compliance; failure to follow policies and procedures
Foster Care		Breakdown in compliance; failure to follow policies and procedures
Medicaid		Breakdown in compliance; failure to follow policies and procedures
WIA		Breakdown in compliance; failure to follow policies and procedures

### Single Audit:

The Single Audit is required by the Federal government to provide assurance that recipients receiving federal assistance are in compliance with applicable regulations. Medicaid, WIA, SNAP, TANF, Adoption Assistance, and Foster Care programs had findings related to eligibility determinations and retention of appropriate documentation. SNAP, TANF, Adoption Assistance, and Foster Care had questioned costs totaling \$5, \$488, \$8,800, and \$345, respectively. For the programs with findings, corrective action taken included the following: Updates to policies and procedures, staff training and review of policies and procedures, more focus on supervisor case reviews, staffing changes to areas that need improvement, and additional staff training, especially pertaining to documentation.

### State Monitorings:

#### TANF/CalFresh:

Income and Eligibility Verification System (IEVS) Review: The State conducts periodic reviews to ensure required processing of IEVS match is completed accurately and timely according to state and federal regulations and agrees with the information provided by applicants or recipients. The nine varieties of IEVS reports are a secondary income verification tool. The State had the following findings: DSS is not processing Payment Verification System, New Hire Registry, Fleeing Felon, California Youth Authority & Nation Wide Prisoner information timely and, in one instance, did not submit required documents to the State when information did not match. DSS immediately developed a thorough Corrective Action Plan including mandatory IEVS refresher training for all staff, supervisor reviews of casework, updating technical guidelines and instructions, a Quality Assurance review targeting IEVS, and management and executive oversight, including performance evaluation of staff, to reinforce the timely processing of these reports. DSS continues to work around and report to the state multiple challenges with the IEVS reporting system, including multiple "black out" dates where reports do not generate after being requested by DSS. In general, the additional staff hired in FY 13-14 and FY 14-15 will have a positive impact in the areas of CalFresh, SNAP, and Medicaid described later. In the one instance where required documents were not sent to the State the individual was discovered to be unaware of this requirement and immediately implemented proper reporting procedures.

Additional monitorings on next page.

## Social Services (Continued)

### **CalFresh (SNAP):**

**Case Approval and Denial Reviews:** Reviews evaluate random cases to determine if benefits were approved or denied correctly. Out of 12 reviews, four were found out of compliance due to inaccurate procedures in case approvals and denials, including: intake appointment scheduling, rate usage, and school status verification. While no formal corrective action plan was required, corrective action included supervisor case reviews, Quality Assurance reviews targeting problem areas, and wide-dissemination of information gained in these reviews. Multiple instructional materials have been updated and used as refresher training for staff. Supervisor, analyst and management staff is reinforcing proper processing procedures.

**Management Evaluation Review:** Bi-annual review to assess program improvement. The following findings were identified: County procedures need improvement in the area of case and procedural errors, quality control processes need improvement, lack of staff training and the DSS website is not user friendly. To improve CalFresh business processes, DSS action taken includes review of findings at multiple meetings at all levels of staff, updating technical guidelines and instructions, supervisor reviews of casework, and management and executive oversight, including performance evaluation of staff, to reinforce best practices. Additionally, Quality Assurance (QA) conducts reviews of targeted areas needing improvement and shares findings with all levels of staff. At the state's suggestion, QA is also developing a secondary review of supervisor case reviews to ensure uniform practice. Staff will continue to work collaboratively to identify error trends and address training issue. The DSS website has undergone substantial revision and is more user-friendly.

**Expedited Services (ES):** Requires 90 percent compliance in Application Processing Timeliness for 3-day Expedited Service and/or 30-day normal processing of approved cases for CalFresh. The County did not meet this threshold for two consecutive quarters. The County has since had supervisors review the county's processes, hired new staff, doubled their training capacity, and developed and implemented an ES monitoring system. The County's latest monitoring is at 93 percent for the first quarter following this finding (April – June 2014). The County expects to continue to perform above 90 percent compliance in this area.

### **Foster Care Licensing**

**Foster Care Licensing Program (FFH):** Assesses county compliance with provisions of the California MOU that governs the FFH Licensing Program. The review found noncompliance in the following areas: criminal clearances, evaluations and documentation, complaints and investigations, enforcement actions and administrative reviews. The findings in this review were primarily related to insufficient documentation. DSS corrective action included reviewing cases to ensure documentation was appropriate, and training staff on documentation and proper form requirements. The State approved the County's Corrective Action Plan and has verified all issues have been rectified.

Additional monitorings on next page.

## Social Services (Continued)

### **Medicaid:**

State Ongoing Quality Control Reviews: Reviews identify methods to reduce and prevent errors related to incorrect eligibility determinations. Focused reviews monitor the accuracy and timeliness of Medicaid eligibility determinations in specific program areas.

- Medi-Cal Eligibility Quality Control (MEQC) Monthly Reviews: The State reviewed cases for the period of April 2012 through September 2013. 9-31% of the cases tested in this period were completed with errors. No formal corrective action was necessary and the state has suspended these reviews in light of Health Care Reform implementation. However, DSS continues to improve business processes, including overseeing the work of staff, and providing training and technical assistance.
- Transitional Medi-Cal Coverage (TMC) Focused Review: The State reviewed November 2012 and found that the County's performance for TMC accuracy was 86.6 percent, below the required 90.1 percent. DSS was required to submit a Corrective Action Plan. Corrective Action included review of findings at multiple meetings at all levels of staff, updating technical guidelines and instructions, supervisor reviews of casework, and management and executive oversight, including performance evaluation of staff, to reinforce best practices. Staff will continue to work collaboratively to identify error trends and address training issues.
- Payment Error Rate Measurement Reviews (PERM): This review measures whether or not proper Medicaid payments were made. No payment errors were found in this 2013 review. One case out of three noted a procedural error where DSS did not review the applicant's status and completed the redetermination seven months late. This case was immediately corrected and no formal Corrective Action Plan required. Normally this review is conducted on a three year cycle.

### **WIA:**

WIA Youth Program Year 2012-13 85 Percent Grant Program Operations: determines the level of compliance with applicable federal and state laws, regulations, policies, and directives related to the WIA Youth grant regarding financial management and procurement. Instances of non-compliance include: the DSS youth council public housing seat has been vacant for two years, one participant's case file had no documentation to support eligibility criteria, an All City Youth Program (ACYP) provider did not document their efforts to obtain eligibility documentation before self-certifying applicants income status, and the youth providers are not using the instructional program aids correctly. DSS has since filled the youth council public housing authority seat.

This review was conducted in January 2013, and the State found that overall, the County is meeting applicable WIA requirements. However, DSS has taken several corrective measures in response to the above concerns. All of the program file concerns were related to a Program Model that contracted these Youth services out. This Model has been changed: the Contract was eliminated and all functions listed above were brought "in-house." DSS has in-place procedures that provide for checks and verification of documentation on an ongoing basis; rather than "spot-checks" as was the previous practice when monitoring the Contractor. Currently, all participant files are in the hands of DSS staff and Supervisors for review. The last item (incorrect use of instructional aids) is under dispute by DSS with the State and speaks to the sequencing of the administration of tests. The Department believes it was using the correct tests for assessment and pre-testing of participants and will continue to pursue resolution of this item with the state auditor.





