



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: November 5, 2019
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Daniel Nielson, Social Services Director
Director(s) (805) 346-7101
Contact Info: Victor Zambrano, Social Services Chief Executive Officer
(805) 681-4464
SUBJECT: Agreement with Brown Armstrong Accountancy Corporation for Food and Nutrition Service-209 Report Validation Review

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute an Agreement with Brown Armstrong Accountancy Corporation (a local vendor), to provide Food and Nutrition Service-209 Report Validation Review for a total contract amount not to exceed \$9,000 for the period November 5, 2019 through November 30, 2024;
- b) Determine that the activity is not a "Project" subject to California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(5), since the activity is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item is on the agenda in order to approve the Agreement with Brown Armstrong Accountancy Corporation (Brown Armstrong) to provide Food and Nutrition Service-209 (FNS-209) Report Validation Review for a total contract amount not to exceed \$9,000 for the period November 5, 2019 through November 30, 2024. County Welfare Departments (CWDs) are now required to submit Status of Claims Against Households report FNS-209 Report Validation Reviews to the California Department of Social Services (CDSS).

Background:

On a quarterly basis, the FNS-209 report is completed by all CWDs on over-issuance claims establishment and collection activities in CalFresh. CDSS compiles all counties responses and submits a state FNS-209 report to United States Department of Agriculture Food and Nutrition Service (FNS). In 2006, FNS conducted an in-depth review of the FNS-209 reports and raised concerns about the accuracy of the information contained in the reports. As a result, FNS requested that CDSS complete validation reviews of the FNS-209 report. To ensure program integrity, all counties are required to submit an initial validation review of the FNS-209 by the end of September 2019. Subsequently, all Performance Measurement Counties (PMC) will be required to submit either annual or biennial FNS-209 report validation review starting in September 2020. Non-PMC counties, which includes Santa Barbara County, will be required to submit the report validation biennially after the initial submission. CDSS granted an extension to the Department of Social Services (DSS) until the end of November 2019. The FNS-209 Validation Review Methodology and the formal validation letter must be signed by either the County's auditor controller, an external auditor outside the Social Services Agency, or an independent certified public accountant. DSS has opted to contract with Brown Armstrong for the FNS-209 Report Validation Reviews process.

As outlined in All County Letter 19-65, the Validation Review must be completed by an external auditor outside the Social Services Agency, or an independent certified public accountant.

Performance Measure:

- a. Brown Armstrong shall conduct biennial FNS-209 Report Validation Reviews, utilizing the review methodology described in Section III, FNS-209 REPORT VALIDATION REVIEW METHODOLOGY to verify that the information contained in the COUNTY's June FNS-209 quarter reports are accurate and can be supported with internal accounting records.
- b. Brown Armstrong shall complete the biennial FNS-209 Report Validation Reviews at least fifteen (15) business days prior to the last business day of September in the respective year, with the exception of 2019, which will be completed within 5 days prior to the last business day of November, 2019.
- c. Brown Armstrong shall provide a signed formal validation letter with each FNS-209 Report Validation Review that includes the following:
 - i. When FNS-209 Report Validation Review was complete;
 - ii. A brief explanation of what program and/or test was utilized to complete the FNS-209 Report Validation Review; and
 - iii. Any issues and/or discrepancies discovered in the FNS-209 report if applicable.
- d. Brown Armstrong shall assure the biennial FNS-209 Report Validation Reviews and the validation letters are completed by an independent certified public accountant.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

| Funding Sources | Current FY Cost: | Bi-annual On-going Cost: | Total Project Cost |
|------------------------|-------------------------|-------------------------------------|-------------------------------|
| General Fund | | | |
| State | \$ 1,050.00 | \$ 1,050.00 | \$ 3,150.00 |
| Federal | \$ 1,500.00 | \$ 1,500.00 | \$ 4,500.00 |
| Fees | | | |
| Other: | \$ 450.00 | \$ 450.00 | \$ 1,350.00 |
| Total | \$ 3,000.00 | \$ 3,000.00 | \$ 9,000.00 |

Narrative:

Approval and execution of this contract will result in total direct contract expenditures of no more than \$3,000 in Fiscal Year (FY) 2019/2020, \$3,000 in FY 2021/2022 and \$3,000 in FY 2023/2024. Appropriations and associated funding are included in the DSS adopted and recommended budgets. The contract will be funded with 50% federal, 35% state, and 15% County funds. The Agreement has a non-appropriation clause in the event funds are not appropriated.

Key Contract Risks:

The risk assessment worksheet has been completed and DSS has determined that Brown Armstrong is a Medium risk vendor.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

Special Instructions:

Please scan, email and send one (1) duplicate original Agreement, and a copy of the minute order to:
 DSS Contracts Unit
 C/O Emma Duncan
 2125 S. Centerpointe Parkway, 3rd Floor
 Santa Maria, CA 93455
e.duncan@sbcsocialserv.org

Attachments:

1. Attachment 1 - Agreement with Brown Armstrong for FNS-209 Report Validation Reviews

Authored by:

Victor Zambrano, Department of Social Services Chief Executive Officer
 Emma Duncan, Contracts Coordinator