



# External Monitoring Reports

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

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# 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, and/or 3) higher monitoring costs.

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

County policy requires that all monitorings performed over County departments are reported to the Auditor-Controller's office. This report presents information on monitoring reports received by the departments during fiscal year (FY) 2016-17. Any reports that were presented to the County Board of Supervisors separately, such as the Comprehensive Annual Financial Report and the Single Audit Report, are not included in this report. We have not performed audit procedures on the Departments' responses regarding their corrective action.

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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 be assessed at yellow. Nonadherence to policies and procedures, lack of self-monitoring, and a possible future loss of outside funding due to non-compliance will also be assessed at yellow.

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

A listing of all external monitorings assessed as **Green** is included on the next page. The remaining pages present department specific monitorings assessed as **Red** and **Yellow** and list recommendations made by the external agency and the corrective action taken by the department.

The State performed an audit of the countywide court revenue apportionment process which the following departments participate in: Auditor-Controller, County Executive Office, Probation, Sheriff, Treasurer-Tax Collector, and County Courts (entity is not included in this report). The information related to this audit (for all departments) is summarized in the Auditor-Controller's section.

# 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:

Department	Programs Monitored	Monitoring Agency
Auditor-Controller	Cost Allocation Plan 2017-18	CA State Controller
Behavioral Wellness	External Quality Review Organization FY 2016-17	U.S. Dept. of Health and Human Services
Behavioral Wellness	Triennial Mental Health Plan FY 2016-17	CA Dept. of Health Care Services
CEO	Emergency Management Performance Grant Program	CA Office of Emergency Services
CEO	Homeland Security Grant Program	CA Office of Emergency Services
Human Resources	Controlled Substance and Alcohol Testing Program	CA Dept. of Highway Patrol
Probation	Intensive Supervision for High-Risk Felony and Repeat DUI Offenders	CA Office of Traffic Safety
Probation	Standards and Training for Corrections Program	CA Board of State and Community Corrections
Probation	Reducing Racial and Ethnic Disparities Grant	CA Board of State and Community Corrections
Public Health	Local Oversight Program	CA State Controller
Public Health	Medicare Cost Report	National Government Services
Public Health	Ryan White Part B	CA Dept. of Public Health
Public Health	Health Center Medi-Cal Reconciliation FY 2012-13	CA Dept. of Health Care Services
Public Health	Health Center Medi-Cal Reconciliation FY 2013-14	CA Dept. of Health Care Services
Public Health	Maternal, Child, and Adolescent Health Program	CA Dept. of Health Care Services
Social Services	Adoptions Assistance Eligibility and Payments FY 2016-17	CA Dept. of Social Services
Social Services	Worforce Innovation and Opportunity Act FY 2015-16	CA Employment Development Dept.
Social Services	Worforce Innovation and Opportunity Act FY 2016-17	CA Employment Development Dept.

# Auditor-Controller

The Auditor-Controller received two monitorings from the State. The first was a review of the County's Cost Allocation Plan to determine if it was prepared in accordance with Federal regulations which is presented on page two. The second was an audit of the countywide court revenue apportionment process which is summarized below.

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<b>Program</b>	<b>Risk</b>	<b>Rationale</b>
Court Revenues		Failure to follow policies & procedures

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### **Purpose of Monitoring**

For the period July 1, 2010 through June 30, 2015, examined total collections and remittances of court revenues including fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges to determine if the County Superior Court properly remitted these revenues to the State in accordance with laws and regulations.

### **Findings**

The audit report identified that the County under remitted \$172,762 in court revenues to the State Treasurer because it:

- Under remitted the 50% excess of qualified fines, fees, and penalties by \$7,449
- Did not make the required distributions of \$196,074 for the penalties collected for the State's DNA Identification Fund for the quarter ending June 2014
- Over remitted \$30,761 in penalties from red-light violations

### **Corrective Action Taken**

In February 2016, the County made a payment of \$196,074 to the State DNA Identification Fund. The two additional findings addressed in the audit report consisting of the \$7,449 underpayment and \$30,761 overpayment resulted in a net overpayment of \$23,312. The County was instructed to reduce subsequent remittances to the State by this amount.

## Behavioral Wellness

Behavioral Wellness had four monitorings. The monitorings included one External Quality Review Organization (EQRO) review, one Substance Abuse Prevention and Treatment (SAPT) Block Grant and Medi-Cal Cost Report audit, one Short-Doyle Medi-Cal Cost Reporting and Data Collection (CR/DC) audit, and one Triennial Mental Health Plan (MHP) review. The EQRO review and MHP review are presented on page two. The remaining monitorings are presented below.

Program	Risk	Rationale
SAPT Block Grant Medi-Cal		Large amount of questioned costs
Short-Doyle Medi-Cal CR/DC		Large amount of questioned costs

### Purpose of Monitoring

1. SAPT Block Grant Medi-Cal Audit: To ensure that the total costs reimbursed to the County from the Federal Block Grant agreed with the costs reported in County records and that the County's costs subject to reimbursement were allowable during fiscal year 2011-12.
2. Short-Doyle Medi-Cal CR/DC Audit: To ensure that the total costs reimbursed to the County by the Short-Doyle Medi-Cal Program, Healthy Families Medi-Cal Program, and State General Fund under the Early Periodic Screening, Diagnostic, and Treatment program, agreed with the costs reported in County records, sufficient documentation was maintained, and that the County's costs subject to reimbursement were allowable during fiscal year 2009-10.

### Findings

1. SAPT Block Grant Medi-Cal Audit: The County was overpaid \$759,301 resulting from a \$252,906 overpayment to the Community Based Organizations and an overpayment of \$506,395 to the County.
2. Short-Doyle Medi-Cal CR/DC Audit: Reimbursed costs exceeded net allowable costs resulting in an overpayment to the County of \$897,572. In some instances the County was unable to substantiate the claimed units in its records and in other instances there were more Medi-Cal units in the County records than were billed to the State. The Department also did not report separate units for each program or discipline and did not qualify as a Nominal Fee Provider.

### Corrective Action Taken

1. SAPT Block Grant Medi-Cal Audit: No corrective action plan has been implemented. The County disagrees entirely with the finding and a formal appeal process is underway.
2. Short-Doyle Medi-Cal CR/DC Audit: No corrective action plan has been implemented. The County disagrees entirely with the finding and a formal appeal process is underway.

# Sheriff

The FY 2016-17 Santa Barbara County Grand Jury issued a report on medical and mental health care in the Main Jail which is presented below.

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Program	Risk	Rationale
Main Jail Health Care		Failure to follow policies and procedures

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## Purpose of Monitoring

To determine whether physically handicapped and mentally ill inmates are being treated properly at the Santa Barbara County Main Jail.

## Findings

The review found that the Santa Barbara County Sheriff’s Office did not conduct performance reviews of the medical service provider at the Main Jail, and that the Main Jail’s National Commission on Correctional Health Care accreditation, which signals a commitment to nationally accepted standard of care in health services, lapsed.

## Corrective Action Taken

The Sheriff entered into a contract with a new medical service provider three months prior to the release of the Grand Jury Report. The new contract expressly outlines a series of service levels that the medical service provider will be required to report on monthly and provides for oversight and chart review by agents, as designated by the County, on a quarterly basis. Prior to the release of the Grand Jury Report, negotiations had begun to establish the procedures needed to complete the reports and reviews. The agreement also outlines the process the medical service provider will take in order to gain National Commission on Correctional Healthcare accreditation.

# Social Services

The Department of Social Services (DSS) had 32 State monitorings performed on the following programs: Civil Rights Compliance, Adoption Assistance Program (AAP), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Workforce Investment Act (WIA) and Workforce Innovation and Opportunity Act (WIOA) Programs, Interim Assistance Reimbursement (IAR) Program, and the In-Home Support Services (IHSS) Program. The AAP review for FY 2016-17 and the WIA/WIOA program reviews for fiscal years 2015-16 and 2016-17 are presented on page two. The remaining monitorings are presented below. *To improve readability, the purpose of monitoring, findings, and corrective action sections are combined by program.*

Program/Area	Risk	Rationale
Civil Rights		Breakdown in compliance
AAP		Breakdown in compliance
TANF		Breakdown in compliance
SNAP		Breakdown in compliance
WIA/WIOA		Breakdown in compliance
IAR		Breakdown in compliance
IHSS		Breakdown in compliance

### Civil Rights Compliance Review

The purpose of this review was to assess DSS’s compliance with the State’s Manual of Policies and Procedures Division 21 Regulations, and other applicable State and Federal civil right laws as of April 2016. These regulations require that social services provided by the County are nondiscriminatory, and that no person because of race, color, national origin, political affiliation, religion, marital status, sex, age, or disability was excluded from receiving benefits. The review found the Department to be in substantial compliance with CDSS Division 21 Regulations, and other applicable State and Federal laws in seven out of eight major categories reviewed. However, the review of four DSS facilities found that in some instances proper signage requirements for disabled access and disabled parking accessibility requirements were not being met, one interview room was not configured to accommodate individuals in wheelchairs, some water pipes in bathrooms were not wrapped to prevent injury, and lettering on required “different but equal” posters was too small.

Corrective Action Taken: As of the date of this report, all facility-related findings have been corrected. The department ordered new signage to be installed to meet all signage requirements, sidewalks and ramps have been reconfigured to meet all accessibility requirements, the interview room was reconfigured to accommodate individuals in wheelchairs, and water pipes have been wrapped.

## Social Services (Continued)

### **Adoption Assistance Program (AAP):**

Adoption Assistance Program Review: The FY 2015-16 review found that one out of the 20 case files reviewed contained an error on the eligibility certification form resulting in an overpayment of \$4,691 in Federal funds.

Corrective Action Taken: The department corrected the eligibility form and the Federal funds were reimbursed. The department also provided training to staff and implemented a new AAP case review procedure to ensure correct funding has been determined.

### **TANF/CalFresh:**

Income and Eligibility Verification System (IEVS) Review: Periodic review to ensure that specific IEVS reports are run accurately and timely according to State and Federal regulations as a secondary income verification tool. The State had the following findings: not all reports were being processed within the mandated timeframe, for some of the reports there were inadequate oversight procedures to account for the number of backlogged reports, the department was not processing closed cases in all instances, the department was not initiating the recovery of overpayments and over issuances within the mandated timeframe in all instances, and the processes or procedures in place were not adequate to ensure Federal tax information (FTI) data does not become misplaced or available to unauthorized personnel when being hand delivered between offices.

Corrective Action Taken:

At the time of the review, the CalWIN system did not support the tracking of all IEVS report processing. In August 2017, the CalWIN consortium added more functionality to track the processing of IEVS reports. Utilizing this new functionality, DSS developed additional tracking capability through ad hoc reporting. Nonetheless, the CalWIN consortium has been notified of the need for additional functionality to support the IEVS process. Additionally:

- Workflow documents were developed to emphasize the proper processing of each report and to alleviate the need for processing the reports after the case is closed.
- Checklists were updated requiring staff mark that they have reviewed and processed IEVS including reports issued after the case has closed
- Staff were required to complete on-line IEVS training
- Policies and procedures were revised to include recent clarifications by the State more detailed instructions, and specific timeframes for processing the various IEVS
- The department is now using a courier and e-mail notification process, approved by the State, for communicating FTI data between offices

## Social Services (Continued)

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

Case Approval and Denial Reviews: Reviews evaluate if benefits were approved or denied correctly during FY 16-17. Out of 17 reviews, there was one over payment of benefits due to the client's failure to provide correct information, and three cases in which status notices sent by DSS were either unclear or failed to be sent in a timely manner (one case resulted in a client failing to receive expedited services when they should have). There were also four cases not subject for review or incomplete as a result of the client refusing to cooperate.

Corrective Action Taken: Immediate steps were taken to recoup the overpayment and to provide expedited services to the eligible client. Supervisors and staff were reminded of the importance of timely notification and processing of period reports, and ensuring all notices contain accurate dates and clear information.

### **Workforce Investment Act and Workforce Innovation and Opportunity Act (WIA/WIOA):**

WIA and WIOA Comprehensive Reviews: Determines the level of compliance with applicable Federal and State laws, regulations, policies, and directives. Three reviews were conducted for fiscal years 2014-15, 2015-16, and 2016-17. Fiscal years 2015-16 and 2016-17 are presented on page two. Overall the Department is meeting the requirements. However, for fiscal year 2014-15, the State found that the local workforce investment board was lacking representatives of local businesses, the department excessively relied on applicant statements to support eligibility requirements for 13 of the 20 cases reviewed, and that the department allowed a minor receiving WIA funds to continue working three months after their work permit expired.

#### Corrective Action Taken:

In July of 2015 the WIA was superseded by the WIOA. New requirements included a downsize of the WIA board to a new and smaller WIOA board. As a result, DSS focused on recruiting and seating the new board. To ensure minors do not work past their work permit expiration date, DSS modified their tracking system to include the participant's age and work permit expiration date. DSS disagreed with the State's finding on excessive reliance on applicant statements and provided to the State additional supporting documentation beyond the applicant statement that was in the case files at the time of the review but was not acknowledged by the Employment Development Department monitor for 12 of the 13 cases included in the finding.

## Social Services (Continued)

### **Interim Assistance Reimbursement (IAR):**

Interim Assistance Reimbursement Audit: The Social Security Administration (SSA) reviewed two interim assistance reimbursement cases from December 2012 and three cases from October 2016. Interim assistance payments are payments made by the County to Supplemental Security Income (SSI) applicants while they await application approval from the SSA. Upon approval of the applicant the SSA reimburses the County the amount paid during the application approval period, and reduces the amount paid to the client by an equal amount. Cases included in the sample selection were reviewed for proper authorization, adequate documentation, accuracy of the calculation, and proper communication of apportionment to the recipient. In one of the cases reviewed from December 2012, the department had not sent the client an apportionment notice indicating the amount the client was owed within the mandated timeframe. They also found that an approved authorization form on one of the cases reviewed from October 2016 was missing the applicant's social security number and county general relief identification code (GR code).

Corrective Action Taken: Program supervisors and staff were reminded to send apportionment notices within ten working days of receipt of reimbursement from the SSA and that the social security number and GR code must be completed on every authorization form. Reminders included discussion at the CalFresh TEAM meeting held every other month, review of procedures and a bulletin article. Additionally, DSS is researching the feasibility of programming the authorization to automatically populate the county GR Code.

### **In-Home Support Services (IHSS):**

Quality Assurance and Program Review: Reviewed the IHSS Quality Assurance program and the IHSS Program needs assessment process as of the beginning of fiscal year 2016-17. DSS was commended for sustaining a high annual reassessment compliance rate and was found to be 100 percent compliant in sufficient documentation for all assessed services. In two areas (Cases with Unmet Needs and Alternative Resources), the review found instances of missing or incorrect documentation as further detailed below.

- In two cases reviewed involving clients who required more hours of service than the maximum allowed under IHSS, there was no documentation to verify the social worker had assessed the availability of other resources or made referrals to address those additional hours of service needed when there were resources available.
- In three of the cases reviewed where alternative resources were applicable, the hours authorized for client services did not reflect the resources available.

Corrective Action Taken:

After the review was completed, DSS finished developing and implementing a narrative template which was created to assist the IHSS social workers in the documentation of complex cases such as the cases identified in the quality assurance review. The narrative had already been under development at the time of the review and was discussed at a meeting along with the review findings in a countywide staff meeting after the review was completed.

