Management Audit of the County of Santa Clara Social Services Agency Administrative Functions

Prepared for the Board of Supervisors of the County of Santa Clara

February 20, 2024

Prepared by the

Board of Supervisors Management Audit Division

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February 20, 2024

Supervisor Otto Lee, Chair
Supervisor Susan Ellenberg, Vice Chair
Board of Supervisors' Finance and Government Operations Committee
70 West Hedding Street, San Jose, CA 95110

Dear Supervisors Lee and Ellenberg:

We have completed the Management Audit of the administrative functions of the Social Services Agency (SSA or the Agency), including those functions performed by Technology Services and Solutions (TSS) for SSA. This audit was added to the Management Audit Division's work plan by the Board of Supervisors of the County of Santa Clara, pursuant to the Board's power of inquiry specified in Article III, Section 302(c) of the Santa Clara County Charter. This audit was conducted in conformity with generally accepted government auditing standards as set forth in the 2018 revision of the "Yellow Book" of the U.S. Government Accountability Office. The purpose of this audit was to identify opportunities to improve the efficiency, effectiveness, and economy of SSA's administrative and support service functions.

Work on this audit began with an entrance conference on November 15, 2021. A draft report was issued to SSA and County Counsel on December 30, 2022, and a revised draft incorporating SSA's feedback was issued to the Agency and to County Counsel in March 2023. We received comments from County Counsel on July 19, 2023, and issued a second revised draft to SSA and County Counsel incorporating this feedback on August 7, 2023. SSA provided a written response memo to this revised draft on August 21, 2023. On January 18, 2024, County Counsel provided additional comments on the revised draft, which are incorporated into this final report.

The report includes seven findings and 25 recommendations related to the following: (1) contract monitoring and invoicing, with six recommendations directed to the Manager of the Office of Contract Management; (2) compliance with state-mandated employee training, with three recommendations directed to the Staff Development and Training Division; (3) the tracking of welfare fraud investigations, with four recommendations directed to the Special Investigations Unit Supervising Welfare Fraud Investigator and the Deputy Director of Program Support, Research, and Evaluation; (4) prior audit recommendations related to property and inventory, with two recommendations directed to the Board of Supervisors and two recommendations directed to the Social Services Agency Central Services; (5) data governance, with three recommendations directed to the SSA Director; (6) user access to information system applications, with one recommendation directed to the SSA Data Governance Committee; and (7) the new welfare eligibility system (Statewide Automated Welfare System (CalSAWS)) transition, with one recommendation directed to the SSA Director and the Technology Services and Solutions Chief Information Officer, and three recommendations directed to the SSA Director.

In the attached response to this audit, the Social Services Agency agrees or partially agrees with 18 of the 25 recommendations. SSA disagrees with seven of the recommendations, six of which are directed to the Manager of the Office of Contract Management related to contract monitoring and invoicing, and one of which is directed to the Special Investigations Unit Supervising Welfare Fraud Investigator and the Deputy Director of Program Support, Research, and Evaluation related to data that is reported to the California Department of Social Services.

If implemented, these recommendations would:

- Improve SSA's ability to conduct ongoing monitoring of both contractor performance and invoicing;
- Improve record-keeping and compliance with state-mandated training requirements;
- Improve the overall management of welfare fraud investigations backlog, reduce the amount of time that investigations are pending before being assigned, and potentially reduce the amount of restitution that the County is obligated to seek by state regulations, decreasing administrative burden and potential losses;
- Ensure compliance with the Board of Supervisors Policy Manual and our prior audit recommendations;
- Improve the information provided to the Board of Supervisors in real estate transactions and overall transparency;
- Improve SSA's efficiency of asset tracking and reduce the likelihood of theft or loss of goods, supplies, and furnishings;
- Enable SSA to provide better and more integrated services to SSA clients, produce robust cross-systems research and evaluation projects, improve data privacy and security policy, and identify occurrences of record duplication and welfare fraud;
- Ensure appropriate user access to information system applications and that only eligible users have ongoing access to these applications; and
- Limit staff and application costs for the transition to the new welfare eligibility system.

We would sincerely like to thank the Social Services Agency and its staff for their thoughtful, patient, and professional cooperation and assistance throughout this audit.

Respectfully submitted,

Cheryl Solov
Management Audit Manager

CC: Supervisor Sylvia Arenas
Supervisor Cindy Chavez
Supervisor S. Joseph Simitian
Tony LoPresti, County Counsel
James R. Williams, County Executive

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Finding 1: Contract Monitoring and Invoicing

The Office of Contract Management (OCM) manages contracts on behalf of all Social Services Agency (SSA) departments. We conducted a review of a judgmental sample of 31 contracts and associated invoices and performance monitoring reports. Our sample of 31 contracts yielded 30 invoices to review: 20 cost-reimbursement invoices and ten fee-for-service invoices. We also reviewed performance monitoring reports for 26 of the contracts for which reporting was required during the time period of our review.

We found variation in the level of supporting documentation included with invoices to support costs or service delivery. Eight of the 20 cost reimbursement invoices, or 40 percent, provided only general ledger reports or high-level financial summaries, without additional supporting documentation listed in OCM's invoice policy. The fee-for-service contracts and agreements we reviewed did not typically specify what supporting documentation and detail should be provided in invoices, which resulted in variation in the type and level of detail provided for fee-for-service invoices. Overall, we conclude that the documentation provided with contractor invoices may not always be sufficient to allow an invoice reviewer to validate and substantiate charges from contractors without a more in-depth review or a request for additional documentation. In addition, our review of performance monitoring reports found that in our selected sample of 26 performance monitoring reports, ten, or 38 percent, were either not submitted in SSA's required format or contained omissions or errors. We recommend that OCM update its procedures to clarify under what circumstances general ledger reports alone are sufficient invoice documentation, and to include general standards for fee-for-service invoices; amend its contracts with contractors to accurately reflect performance reporting requirements when they differ from OCM's standard requirements; conduct an assessment of performance monitoring reports to identify and address common errors; and review and add additional detail to documented practices for addressing poor contractor performance.

Finding 2: Compliance with State-Mandated Employee Trainings

SSA's Staff Development and Training Division is responsible for the majority of education, training, and professional development for all SSA staff. Staff Development and Training submits an Annual County Training Plan Certification to the State that details SSA's compliance with mandated trainings. The Annual County Training Plan Certifications for FY 2019-20 and FY 2020-21 show that new and continuing child welfare social workers were out of compliance with training requirements. In FY 2020-21, 78 percent (18 of 23) of new workers and 53 percent (109 of 206) of continuing workers were out of compliance with mandated training requirements. The primary reason for noncompliance cited in SSA's correction plans is staff decreases due to budget cuts and disaster service worker deployments, which caused other staff to cover more duties and left them with less time to train. Separately, we found that Staff Development and Training's current record keeping system is unwieldy and does not allow for easy identification of individual employees who are out of compliance with training requirements.

To improve record keeping, Staff Development and Training should begin tracking each new worker's trainings in a single database by cohort year, and each continuing worker's training in a separate database on a two-year cycle. To increase actual compliance with mandated trainings, Staff Development and Training should regularly provide DFCS with a list of all employees out of compliance and the specific trainings that they are lacking, and DFCS should, in turn, share this knowledge with all its child welfare social workers to remind them of their training requirements. In addition, Staff Development and Training should work with DFCS on the feasibility of implementing a pilot program to assist trainees to build and manage their caseload over time while simultaneously completing their training requirements.

Finding 3: Tracking of Welfare Fraud Investigations

The California Department of Social Services requires counties to investigate potential welfare fraud and to refer substantiated cases of fraud for prosecution or administrative settlement. The unit responsible for this work in Santa Clara County is the Special Investigative Unit (the SIU), located within SSA's Administrative Division. SIU's quarterly reports to SSA leadership do not include key metrics related to investigation backlogs, which occur when the SIU receives more reports of suspected fraud than it can investigate immediately. Some of these metrics are visible to the SIU in real time but not recorded, while others are reported to state officials but omitted from internal reporting. Quarterly reports to SSA leadership lack targets or goals related to backlogs and, by extension, the SIU's performance in meeting such targets or goals. While SIU staff and SSA leaders may discuss backlog information on an ad hoc basis, the absence of structured reporting limits SSA's ability to proactively identify and respond to investigation backlogs. A recent spike in unassigned investigations shows the need for a systematic approach to monitoring and reporting investigations backlogs: at the end of the first quarter of 2022, the County had 579 investigations into ongoing fraud that were unassigned, representing a 90 percent increase compared to the four-quarter average in 2021.

We recommend that SIU modify the SIU's internal dashboard, which tracks and reports key SIU metrics and activity on a quarterly basis, to include statistics on unassigned investigations; establish goals or performance targets related to the SIU's backlog; monitor the SIU's unassigned case count for the remainder of 2022 to assess if one-time intervention to address a growing backlog is needed; and review and modify, as needed, the data points reported to CDSS in the "investigations pending" totals for future reports and seek CDSS guidance about whether any action is needed regarding these categories in past reports.

Finding 4: Prior Audit Recommendations related to Property and Inventory

In October 2012, the Board of Supervisors adopted several recommendations from our management audit of SSA's administration and support services related to property and warehouse inventory policies. We were unable to verify whether one of the recommendations from the 2012 audit, which recommended that the Board of Supervisors adopt a policy that requires lease vs. purchase analyses of proposed real estate transactions and which was subsequently established in Board Policy Manual Section 5.9.5.1, was conducted for recent SSA real estate transactions. (SSA does not conduct its own real estate transactions; it works with the Facilities and Fleet Department to do so.) In addition, we identified opportunities for improvement in SSA's warehouse and inventory management practices to fully implement our 2012 recommendations.

We recommend that the Board of Supervisors should direct the Administration and County Counsel to develop a procedure to certify compliance with Policy Manual Section 5.9.5.1 for applicable real estate transactions, and to require the results of all analyses conducted under Section 5.9.5.1 be included in the public information file when the transaction comes before the Board for approval. In addition, SSA should formalize its current supply management practices, including establishing numerical thresholds for supply re-ordering, how the current visual monitoring system is documented, and how frequently a formal inventory is conducted. SSA should also prioritize the development and rollout of a new warehouse inventory tracking system.

Finding 5: Data Governance and Information Sharing

Our audit review found that SSA lacks strong data governance and data sharing policies, workflows, and leadership to address the privacy constraints on data usage to enable robust data sharing. SSA departments provide overlapping safety net services to children, families, and adults, and these departments would benefit from internal legal data sharing solutions so that service providers have a "whole person" view of the individual they are serving. In addition, the centralized SSA Agency Office divisions should be able to undertake cross-systems, cross-departmental projects to improve service delivery and operations. SSA should ultimately be able to share data securely with other County departments, as needed and within the parameters of the law, for improved client service and research. We also found that SSA lacks a system to creatively generate solutions to overcome barriers to data sharing, which results in a strict, restrictive attitude toward research and technology projects that puts the County behind statewide advancements in data exchange. We recommend that SSA establish Data Governance Committee needs for executive leadership and day-to-day management responsibility; develop concrete goals, timelines, and milestones for its key initiatives; and report regularly to the Board of Supervisors on SSA's progress toward these goals. In the time since our audit fieldwork was completed, SSA reports that it has made some changes that have resulted in improvements in these areas.

Finding 6: User Access to SSA Systems

SSA staff use software applications that are specific to the work of SSA departments. The two largest of these are State applications: CalWIN, used by the Department of Employment and Benefits Services, and Child Welfare Services/Case Management System used by the Department of Family and Children's Services. These systems are supported both by internal SSA teams and the County's Technology Services and Solutions Department (TSS). Our review of user access to CalWIN and Child Welfare Services/Case Management System found that, while SSA and TSS have sufficient policies and procedures for granting user access to sensitive information system applications, managing ongoing user access needs improvement. We found approximately 17 percent of names on the original list of CalWIN users provided to the Management Audit Division team in mid-May 2022 were no longer active users. In late May 2022, in preparation for the transition from CalWIN to CalSAWS, the CATS unit in SSA reviewed the original CalWIN user list in preparation for the transition to CalSAWS and deleted approximately 400 of 2,400 names. Approximately five percent of names on the list of Child Welfare Services/Case Management System users were staff who had left DFCS and did not have an end date for their Child Welfare Services/ Case Management System accounts. In addition, eleven CalWIN users and nine Child Welfare Services/Case Management System users were on unpaid leave and should have had their access terminated during their leave. We recommend that the SSA Data Governance Committee should formulate policies and procedures to ensure only qualified users have ongoing access to information system applications.

Finding 7: CalWIN to CalSAWS Transition

Santa Clara County is a member of an 18-county consortium that administers the public benefits system, CalWIN. In response to a federal mandate, all California counties are transitioning to the California Statewide Automated Welfare System (CalSAWS). The transition to CalSAWS will change work functions for TSS, SSA's internal CalWIN team, and Department of Benefit and Employment Services staff. We conclude that the SSA Director and TSS Chief Information Officer will need to coordinate implementation of CalSAWS to identify changes in TSS staff allocation to support SSA functions and in SSA staff workload for CalSAWS user support. Also, the SSA Director should review the decisions and require detailed cost estimates to retain in-house ancillary applications rather than use the comparable CalSAWS functions. The County should also work with the CalSAWS Consortium to enhance CalSAWS functions to address SSA business processes and minimize the need for ancillary in-house applications. While the exact change in TSS and CATS workload is not known prior to full implementation of CalSAWS. These recommendations are also intended to minimize the impact to the General Fund to maintain ancillary in-house applications that could otherwise be included in CalSAWS and reimbursed by the State.

INTRODUCTION

This Management Audit of the administrative functions of the Social Services Agency (SSA or the Agency), including those functions performed by Technology Services and Solutions (TSS) for the Agency, was added to the Management Audit Division's Fiscal Year FY 2021–22 work plan by the Board of Supervisors, pursuant to the Board's power of inquiry specified in Article III, Section 302(c) of the County of Santa Clara Charter. The Board added this audit after considering the annual County-wide audit risk assessment conducted by the Management Audit Division in accordance with Board Policy.

PURPOSE, SCOPE, AND OBJECTIVES

The purpose of the audit was to identify opportunities to improve the efficiency, effectiveness, and economy of the Agency's administrative and support service functions. The audit's scope includes the Agency's administrative functions including the technology services provided to the Agency by TSS. The audit's main objectives were to review the sufficiency of the Agency's policies and procedures to support the administrative functions effectively and appropriately across its departments and services; assess the controls and processes in place related to procurement of goods and services and contract management; review the controls and processes in place related to the Agency's facilities and fleet acquisition and management; review the extent to which the Agency's information technology systems effectively and efficiently support the Agency's departments and administrative functions; conduct a peer county survey to determine how the Agency's administrative functions, structure, and performance compares with comparable jurisdictions; and, determine opportunities to improve overall oversight, compliance, cost effectiveness, and efficiency across the Agency's administrative functions.

Work on this audit began with an entrance conference on November 15, 2021, and a draft report was issued to the Agency on December 30, 2022.

An exit conference was held with SSA and TSS executive leadership on January 20, 2023 and a revised draft incorporating feedback from the exit conference was provided to SSA and TSS executive leadership for written response. This final report includes those written responses as Attachment A on page 89. In addition, we provided a draft of Section 4 of this report to the Facilities and Fleet Department for review and comment.

AUDIT METHODOLOGY

At the commencement of this management audit, we interviewed key staff members within SSA's Agency Office and the TSS vertical that supports SSA, as well as leadership of the other departments within SSA: the Department of Aging and Adult Services, the Department of Employment and Benefits Services, the Department of Family and Children's Services, and the Veteran Services Office. We collected and reviewed relevant federal and state laws, regulations, and guidance related to SSA; the Agency's organizational charts, policies, and procedures; examples of regular reports produced by SSA; lists and samples of SSA's contracts and memoranda of understanding;

SSA's warehouse and fleet inventories; and SSA employee job descriptions. We also reviewed the relevant organizational charts, policies, and procedures of TSS; information technology system plans; and lists of information technology systems and applications.

Using the information from our survey interviews and document review, we conducted a risk assessment and identified the main areas requiring further evaluation. We conducted follow up interviews with Agency staff to gain a more in-depth understanding of the Agency's policies and practices and requested additional documentation and evidence. We also conducted a cross-county survey of peer California counties comparable to Santa Clara County in population and/or geographic location, to assess how SSA practices in Santa Clara County compared to practices in other locations.

COMPLIANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

This management audit was conducted under the requirements of the Board of Supervisors Policy Number 3.35 as amended on May 25, 2010. That policy states that management audits are to be conducted under Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. Government Accountability Office. We conducted this performance audit in accordance with GAGAS as set forth in the 2018 revision of the "Yellow Book" of the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In accordance with these auditing standards, we performed the following procedures:

<u>Audit Planning</u> – This management audit was selected by the Board of Supervisors using a risk assessment tool and estimate of audit work hours developed at the Board's direction by the Management Audit Division. After audit selection by the Board, a detailed management audit work plan was developed and provided to the Social Services Agency.

<u>Entrance Conference</u> – An entrance conference was held with the Social Services Agency Director, SSA department heads, and high-level management staff within SSA and TSS to describe the audit program and scope of review and to respond to questions. A letter of introduction from the Board and the audit work plan were also provided at the entrance conference.

<u>Pre-Audit Survey</u> – Audit staff reviewed documentation and other materials to obtain an overall understanding of the Agency's operations, and to isolate audit areas that warranted more detailed assessments.

<u>Field Work</u> – Field work activities were conducted after completion of the pre-audit survey, and included interviews with the Social Services Agency Director, SSA department heads, and high-level management staff within SSA and TSS. We collected and reviewed relevant federal and state laws, regulations, and guidance related to SSA; the Agency's organizational charts, policies, and procedures; examples of regular reports produced by SSA; lists and samples of SSA's contracts and memoranda of understanding; SSA's warehouse and fleet inventories; and SSA employee job descriptions. We also reviewed the relevant organizational charts, policies, and procedures of TSS; information technology system plans; and lists of information

technology systems and applications. We conducted follow up interviews with Agency staff to gain a more in-depth understanding of the Agency's policies and practices and requested additional documentation and evidence as part of our fieldwork. We conducted a cross-county survey of peer California counties comparable to Santa Clara County in population and/or geographic location, to assess how SSA practices in Santa Clara County compared to practices in other locations.

Draft Report – On December 30, 2022, a confidential draft report was provided to the Agency to describe the audit progress and to share general information on our preliminary findings and conclusions.

Exit Conference – An exit conference was held with SSA and TSS executive leadership on January 20, 2023 to obtain views on the report findings, conclusions, and recommendations, and to make fact-based corrections and clarifications as appropriate. Following this meeting, a revised draft of the report was provided to SSA and TSS executive leadership on March 13, 2023 for use in preparing their formal written responses. In addition, we provided a draft of Section 4 of this report to the Facilities and Fleet Department for review and comment.

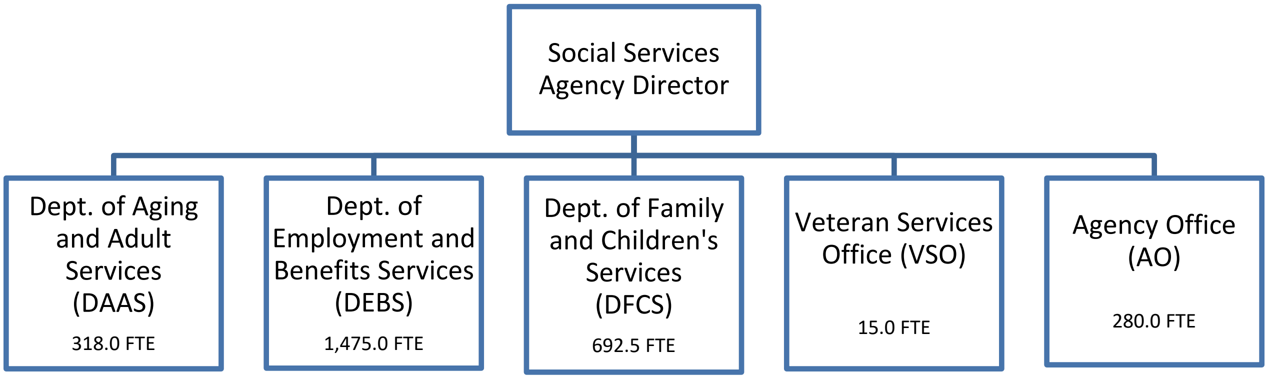
Final Report – A final report was prepared and issued on February 20, 2024. Written responses are attached to this report.

Background

The Social Services Agency (SSA or the Agency) provides safety net services to at-risk children, families, and adults. Within SSA, the Department of Aging and Adult Services (DAAS), the Department of Employment and Benefits Services (DEBS), and the Department of Family and Children's Services (DFCS) each administer a core set of federal and state mandated social service programs across Santa Clara County. SSA's Agency Office oversees the administrative functions centrally for these departments. The Veteran Services Office (VSO), which administers County and state services for veterans, is a cost center within the Agency Office in the County's financial system, but functions as an independent office that reports directly to the Social Services Agency Director. Figure I.1 on page 8 illustrates the relationship between the different departments within the Agency. There are 2,780.5 full-time equivalent (FTE) budgeted positions in FY 2021–22 across all departments and offices within the Agency. Reporting and areas organized directly under the Agency Director are the Directors of Aging and Adult Services, Employment and Benefit Services, Family and Children's Services, Veteran Services Office, the Agency Chief Deputy Director, and Chief of Staff (Program Manager of Communications and Board Relations).[1]

1 The Chief Deputy Director supports all areas of Agency operations and administration, with Financial Management Services, Central Services, Strategic Planning, Racial Equity and Social Justice unit, Labor Relations, and Program Support, Research and Evaluation reporting directly.

Figure I.1: *Social Services Agency Organization Structure*



Source: Management Audit Division recreation of organization chart provided by SSA (as of December 2021).

The core functions and services of each Agency branch are described briefly below.

Department of Aging and Adult Services (DAAS)

DAAS is responsible for administering programs for older, dependent, and disabled adults, including: Adult Protective Services, which provides services to prevent and address abuse of older and disabled adults; In-Home Supportive Services, which offers in-home care and assistance to older adults so they may remain in their homes and avoid out-of-home care; the Public Administrator/ Guardian/ Conservator, which assists individuals who are unable to manage their basic personal and financial needs, and manages the affairs of recently deceased individuals who do not have available friends or family to resolve their estate; Senior Nutrition, which provides meals to older adults; and the Senior Agenda, which is a partnership across Santa Clara County to help make the County age-friendly. DAAS has 318.0 budgeted FTE as of FY 2021–22.

Department of Employment and Benefits Services (DEBS)

DEBS oversees federal and state programs that offer health, nutrition, financial, and employment benefits and services for individuals with limited resources and income in the County. These programs include: Medi-Cal, which is California's Medicaid program that provides public health insurance for individuals and families; CalFresh Food, which is California's Supplemental Nutrition Assistance Program (SNAP, also known as food stamps); CalFresh Employment and Training; California Work Opportunity and Responsibility to Kids (CalWORKS), which provides cash assistance, child care, and health care coverage to eligible families; CalWORKs Employment Services; General Assistance, the County's cash assistance program; General Assistance Vocational Services; and the Cash Assistance Program for Immigrants, which provides cash assistance to aged, blind and disabled immigrants through state funding. DEBS is the Agency's largest division with 1,475.0 budgeted FTE as of FY 2021–22.

Department of Family and Children's Services (DFCS)

DFCS oversees the County's child welfare services and is responsible for responding to all allegations of child abuse or neglect. DFCS maintains a call center to receive reports of abuse or neglect, responds to and investigates reports of child abuse or neglect, and oversees out-of-home placement and foster care services. The County is also expanding its prevention services as part of the child welfare services continuum of care. DFCS has 695.5 budgeted FTE as of FY 2021–22.

Veteran Services Office

The Veteran Services Office assists the County's veteran community in applying for and obtaining compensation benefits through the U.S. Department of Veterans Affairs. The County's Veteran Services Office was previously located within the County Executive's Office but was relocated to SSA in FY 2019–20. In FY 2021–22, the Veteran Services Office has 15.0 budgeted FTEs, including a Director and 12.0 Veteran Services Representatives.

Agency Office

SSA's Agency Office provides central administrative support to the service-focused departments described above. The administrative functions are organized into the Department of Program Support, Research, and Evaluation; Central Services; and Financial Management Services. These administrative functions are the primary focus of this management audit, and more details about the Agency Office's functions are provided in the following pages of this section. The Agency Office has 280.0 budgeted FTEs in FY 2021–22.

Social Services Agency Budget

The Social Services Agency's budget operates across four budget units: (1) budget unit 116, which is the budget for In-Home Supportive Services provided by DAAS; (2) budget unit 501, which accounts for most of the Agency's revenues and expenditures, including the Agency Office and administrative functions; (3) budget unit 511, which includes expenditures for categorical aid payments; and (4) budget unit 520, where revenues associated with 1991 Realignment of welfare programs are recorded. In the County's FY 2021–22 annual budget, budget units 501, 511, and 520 together constituted the total budget for the Agency; however, given the Agency's role in overseeing the budget and services for In-Home Supportive Services (budget unit 116), we have also included budget unit 116 in our summary in Figure I.2 on page 10.

The FY 2021–22 modified budget for the Agency is presented in Figure I.2 on page 10 and shows that across these four budget units, the net cost to the County for administering these social services is $147,680,703. Budget unit 501, which comprises most of the Agency's expenses, including the Agency Office and administrative services, has budgeted expenses in FY 2021–22 of $678,782,846 and revenues of $565,012,326 with a net cost to the County of $120,975,174.

Figure I.2: *Social Services Agency FY 2021–22 Modified Budget*

Current Modified Budget FY 2021–22	In-Home Supportive Services (BU 116)	Social Services Agency (BU 501)	Categorical Aid Payments (BU 511)	SSA Realignment (BU 520)	All Budget Units
Revenues					
Revenues	$130,649,510	$555,135,014	$131,681,065	$124,671,076	$942,136,665
Transfer In	13,968,500	9,502,952			23,471,452
Reimbursement		$374,360			374,360
Total Revenues	$144,618,010	$565,012,326	$131,681,065	$124,671,076	$965,982,477
Expenditures					
Salary/Benefits		$430,006,307			$430,006,307
Other Expenses	$255,355,817	215,344,163	$172,319,863		643,019,843
Equipment		91,900			91,900
Grant Project		1,514,735			1,514,735
Transfer Out		31,825,741			31,825,741
Total Expenditures	$255,355,817	$678,782,846	$172,319,863	$0	$1,106,458,526
Reserves		7,204,654			7,204,654
Net Cost(1)	$110,737,807	$120,975,174	$40,638,798	$124,671,076	$147,680,703

Source: Management Audit Division analysis of SAP Reports ZFMR002 as of April 26, 2022.

Note: BU stands for budget unit. (1) Net cost is the difference between the revenues and expenditures with reserves added.

Historical budget and actuals for budget unit 501, which comprises most of the Agency's expenses and includes the Agency Office and administrative services, are shown in Figure I.3 on page 11.

Figure I.3: *Social Services Agency Budget Unit 501 Budget and Actuals, FY 2018–19 through FY 2021–22*

Revenues	FY 2018–19 Budget	FY 2018–19 Actual	FY 2019–20 Budget	FY 2019–20 Actual	FY 2020–21 Budget	FY 2020–21 Actual	FY 2021–22 Modified Budget
Revenues	$468,804,872	$459,973,274	$473,973,996	$461,809,004	$513,524,630	$495,790,635	$555,645,230
Transfer In	$937,148	$803,269	$998,992	$1,084,758	$2,111,988	$8,805,815	$9,502,952
Expense Reimbursement	$381,094	$334,385	$524,360	$250,340	$524,360	$96,498	$374,360
Total Revenues	**$470,123,114**	**$461,110,928**	**$475,497,348**	**$463,144,102**	**$516,160,978**	**$504,692,948**	**$565,522,542**
Expenditures							
Salaries and Benefits	$380,999,955	$366,446,362	$406,900,781	$388,972,428	$416,050,733	$415,389,693	$430,021,912
Other Expenses	$187,299,280	$150,119,968	$203,146,918	$172,269,733	$200,858,869	$168,005,823	$215,838,774
Equipment	$143,416	$143,412	$45,700	$44,609			$91,900
Vehicles	$120,000	$106,438	$33,200	$27,412			
Transfers Out	$26,829,402	$23,918,368	$28,121,212	$26,669,886	$29,656,591	$24,622,771	$31,825,741
Grants	$534,408	$327,957	$325,710	$224,636	$1,174,784	$197,232	$1,514,735
Total Expenditures	**$595,926,461**	**$541,062,504**	**$638,573,521**	**$588,208,704**	**$647,740,977**	**$608,215,519**	**$679,293,062**
Reserves	$9,885,488		$10,207,170		$7,204,654		$7,204,654
Net Cost[(1)]	**$135,688,834**	**$79,951,576**	**$173,283,343**	**$125,064,601**	**$138,784,653**	**$103,522,572**	**$120,975,174**

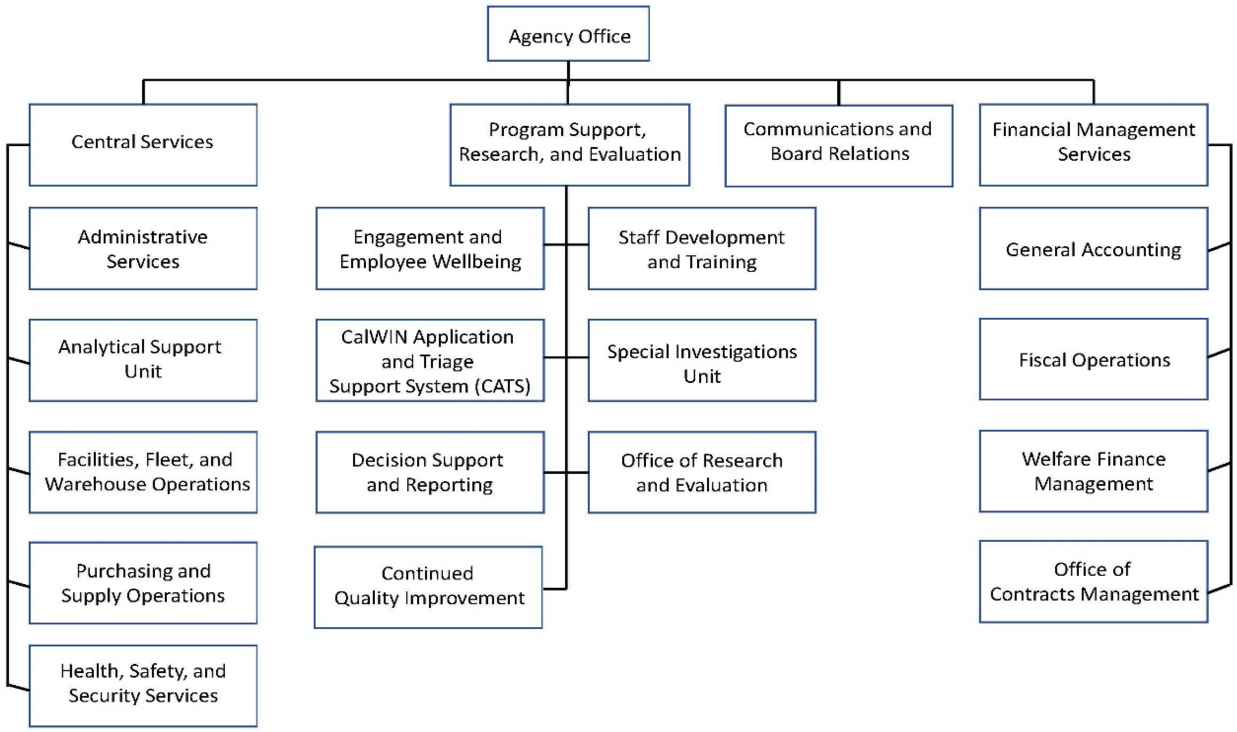
Source: Management Audit Division analysis of SAP Reports ZFMP011 as of May 10, 2022.

Note: (1) Net cost is the difference between the revenues and expenditures with reserves added.

Social Services Agency Administrative Functions

The organizational structure of SSA's Agency Office is shown in Figure I.4 below.

Figure I.4: ***SSA Agency Office Structure***



Source: Management Audit Division recreation of organization chart provided by SSA. As of September 2022.

Program Support, Research, and Evaluation

Program Support, Research, and Evaluation consists of six offices: (1) Engagement and Employee Wellbeing; (2) Staff Development and Training; (3) CalWIN Application and Triage Support System (CATS); (4) Special Investigations Unit; (5) Decision Support and Reporting; and (6) Office of Research and Evaluation. Program Support, Research, and Evaluation also includes 1.0 FTE Program Manager III position to support Continued Quality Improvement, which is responsible for monitoring the overall operations and capacity across SSA departments. The following are descriptions of each unit within this division and their budgeted staffing as of FY 2021–22.

- Employee Engagement and Well Being has 3.0 FTEs and is responsible for programming and activities to increase employee engagement. This unit administers the Agency's annual employee engagement survey, provides mentorship opportunities for staff, and holds forums for staff to ask questions and address concerns.

- The CalWIN Application and Triage Support System (CATS) team has 14.0 FTEs. This unit is responsible for the maintenance and operation of the CalWORKs Information Network (CalWIN) application, which is the case management and eligibility determination system currently used by the Department of Employment and Benefits Services to support Medi-Cal, CalWORKs, CalFresh, and other benefits programs. CATS is also responsible for the County's upcoming transition to the California Statewide Automated Welfare System (CalSAWS), which will bring all counties in California onto the same welfare system in order to comply with state and Federal system architectures, and as directed by the Center for Medicare and Medicaid Services and Food and Nutrition Services, by 2023. All other SSA information technology support services are provided by the County's separate Technology Support and Services department, discussed later in this section.

- The Special Investigations Unit has 13.0 FTEs and is responsible for conducting investigations and responding to reports of possible welfare fraud, as well as internal investigations.
- Decision Support and Reporting has 11.0 FTEs and is responsible for working with departments to complete state-mandated reporting, including assisting with data for fiscal reports and caseload information.
- The Office of Research and Evaluation has 8.0 FTEs. This office supports evaluation and research initiatives across the SSA departments and develops a research agenda for each department every two years.
- Staff Development and Training has 51.0 FTEs and oversees training and staff development across the Agency. Much of the unit's workload focuses on induction trainings for new groups of caseworkers and eligibility workers, as well as state and County mandated trainings. Training is conducted by a combination of both in-house and external trainers.

Central Services

Central Services includes warehouse and supply operations, administrative support, facility support and maintenance, mail operations, purchasing, furniture and design services, security services, records services, publishing services, fleet services, and analytical support, among other functions. It is organized into five offices: (1) Administrative Services; (2) Analytical Support Unit; (3) SSA Facilities, Fleet, and Warehouse Operations; (4) SSA Purchasing and Supply Operations; and (5) Health, Safety and Security Services. The following are descriptions of each unit within this division and their budgeted staffing as of FY 2021–22.

- Administrative Services has 28.0 FTEs with three primary operational areas: Mail Center and Publishing; Administration and Report Processing; and SSA Records Retention, Subpoenas, and Notary Services.
- The Analytical Support Unit has 13.0 FTEs and provides analytical support to all the units within Central Services. This unit generates regular reports on internal functions such as work orders, procurement, and fleet management. Since the activation of County Disaster Service Workers in response to the COVID-19 pandemic, the Analytical Support Unit has also functioned as SSA's liaison with the County's Emergency Operations Center and is responsible for tracking SSA employees activated as Disaster Service Workers.
- SSA Facilities, Fleet, and Warehouse Operations has 10.0 FTEs and is responsible for overseeing the Agency's fleet services, facilities and maintenance, and the equipment warehouse. This unit responds to requests for building maintenance, interfaces with the landlords of SSA's leased properties, and maintains and monitors SSA's fleet of vehicles.

- SSA Purchasing and Supply Operations has 6.0 FTEs and is responsible for creating purchase orders for supplies and services for the Agency. This unit maintains supply warehouses and storage areas, evaluates requests for supply purchases, and places and receives orders for goods and supplies.
- Health, Safety, and Security Services has 16.0 FTEs and oversees security and safety across all Agency buildings and employees. This responsibility includes oversight of 15 Protection Officers (security guards), access control to buildings, and surveillance and alarm systems.

Financial Management Services

Financial Management Services provides accounting, finance, budgeting, compliance, benefit issuance, and claims and grants management support across the Agency's departments. Financial Management Services is organized into four offices: (1) General Accounting, which oversees finances related to the CalWORKS Subsidized Employment Program, accounts payable and receivable, and the Public Administrator/Guardian/Conservator (PAGC) accounting; (2) Fiscal Operations, which oversees position control, time study work for welfare payments, compliance reporting, funds management, budget administration, PAGC vendor management, and In-Home Supportive Services fiscal operations; (3) Welfare Finance Management, which oversees benefit issuance along with claims and grants management; and, (4) the Office of Contracts Management, which oversees the Agency's contracts. The following are descriptions of each unit within this division and their budgeted staffing as of FY 2021–22.

- General Accounting has 33.0 FTE and consists of eight units that perform accounts payable and receivable functions and other accounting functions, including: SSA Accounts Payable, SSA Accounts Receivable, PAGC Accounting, PAGC Court Accounting, PAGC Accounts Payable, PAGC Accounts Receivable, PAGC Tax, and the CalWORKs Subsidized Employment Program accounting.
- Fiscal Operations has 23.0 FTEs and consists of six units that manage the overall financial operations of SSA. These functions include Budget Administration, Funds Management, Compliance Reporting, Position Control, Time Study, PAGC Vendor Management, and Title IV-E Well Being Project/In-Home Supportive Services Fiscal.
- Welfare Finance Management has 10 FTEs and oversees Benefit Issuance and Claims and Grants Management financial operations. As part of this work, this unit is responsible for compiling, reviewing, and submitting the County Expense Claim (CEC) to the California Department of Social Services on a quarterly basis. The CEC is the primary source of state and federal funding that the County claims for the social services delivered by departments. The CEC also provides funding claims for the program operations and support costs.
- The Office of Contract Management consists of 20.0 FTEs and oversees the Agency's portfolio of more than 500 contracts. The Office is responsible for the contract procurement process, performance monitoring for contracted services, and fiscal oversight of contracts, which includes budgeting and invoice review.

Communications and Board Relations

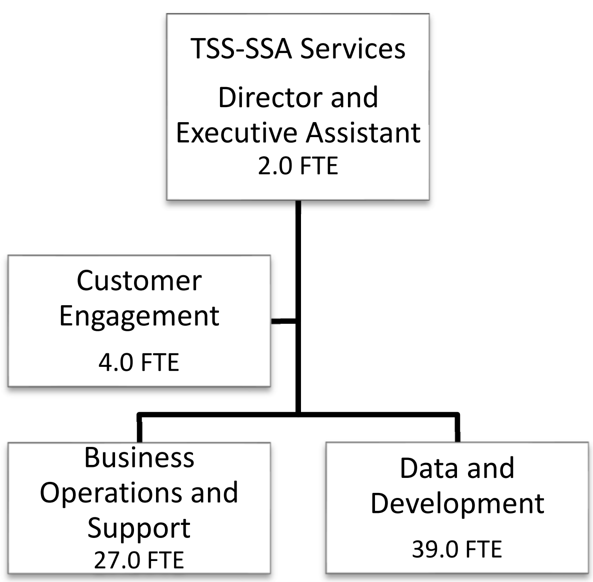
The Communications and Board Relations unit is responsible for the tracking and review of legislative files and communications to the Board of Supervisors and their policy committees, responding to media requests, public inquiries, and for monitoring federal and state policies that have implications for the Agency departments as well as addressing ad hoc project and Agency policy needs. Contained in the unit is also administration of the Season of Sharing Fund, a privately funded emergency assistance fund.

Information Technology

The Social Services Agency's information technology support and services staff primarily sit within the County's Technology Services and Solutions (TSS), outside of SSA's organizational structure. The services provided by TSS to the Agency include network management, technology procurement, information technology customer service support, human resource system support, and application management and support for the social service programs administered by SSA. TSS also provides technical services to the CalWIN/CalSAWS (CATS) unit, assists with maintaining the Agency's website, and develops ancillary applications to manage workflows, documents, and data dashboards.

As shown in Figure I.5, TSS-SSA services have a total of 72.0 FTEs and are organized into two primary units: (1) Business Operations and Support (27.0 FTEs), which is focused on the technical development of applications and infrastructure; and (2) Data and Development (39.0 FTEs), which provides support services to the Agency, including application administration support and business requirement development. TSS-SSA also has a Customer Engagement function with 4.0 FTEs. The County's Information Technology Director (1.0 FTE) oversees TSS-SSA and is supported by an Executive Assistant (1.0 FTE).

Figure I.5: ***Structure of TSS-SSA Supporting the Social Services Agency***



Source: Management Audit Division recreation of organization chart provided by TSS-SSA.

TSS-SSA's budget increased slightly between FY 2018–19 and FY 2020–21, from $27,158,254 in expenditures to $27,546,435 in expenditures, as shown in Figure I.6 below. The current FY 2021–22 modified budget for TSS's work with SSA is $35,812,657 in expenditures and $33,425,741 in revenues, with a net cost to the County of $2,386,916.

Figure I.6: *TSS-SSA Budget, FY 2018–19 through FY 2021–22*

	FY 2018–19 Actual	FY 2019–20 Actual	FY 2020–21 Actual	FY 2021–22 Modified Budget
Revenues				
Transfers In	$23,918,368	$26,807,124	$25,697,900	$33,425,741
Other Revenues	$551		$285	
Total Revenues	$23,918,919	$26,807,124	$25,698,185	$33,425,741
Expenditures				
Salary and Benefits	$19,806,768	$20,891,714	$21,981,742	$23,746,094
Other Expenses	$5,782,570	$7,890,870	$4,031,801	$5,921,112
Equipment	$1,557,715	$193,455	$191,663	$6,145,451
Reimbursement	$11,201			
Vehicles			$88,649	
Transfers Out			$1,252,580	
Total Expenditures	$27,158,254	$28,976,039	$27,546,435	$35,812,657
Net Cost(1)	$3,239,335	$2,168,915	$1,848,249	$2,386,916

Source: Management Audit Division analysis of TSS-SSA SAP reports.

Note: (1) Net cost is the difference between the revenues and expenditures with reserves added.

TOPICS REQUIRING ADDITIONAL REVIEW

During a management audit, certain issues may be identified and brought to the attention of the agency being audited and the Board of Supervisors, even though a specific finding is not included in the report. Three such matters are described below.

Veteran Services

Three years ago in FY 2019–20, the Veteran Services Office was transferred from the County Executive's Office to the Social Services Agency. The goal of this transfer was to more effectively and efficiently serve veteran clients and their families. In the County's financial system, the Veteran Services Office is organizationally located within the Agency Office; however, the Director of the Veteran Services Office reports directly to the Director of the Social Services Agency, and the Office provides direct, client-facing services to veterans and their families, which does not fall within the scope of this audit's focus on SSA's administrative and technology services. Given that the Veteran Services Office is now over three years into its transition into the Agency, there may be an opportunity to assess this transition and whether the Veteran Services Office has been able to achieve the goal of better serving veteran clients and their families.

The Veteran Services Office's FY 2021–22 modified budget has a net County cost of $4,336,059, as shown in Figure I.7 below, with $4,176,335 in expenditures and $8,512,394 in revenues. The majority of funding for the Veteran Services Office is provided by the County's General Fund.

Figure I.7: ***Veteran Services Office FY 2021–22 Modified Budget***

Revenues	FY 2021–22 Modified Budget
Revenues	$80,000
Pandemic Pay Transfer In[(1)]	8,432,394
Total Revenues	**$8,512,394**
Expenditures	
Salaries & Benefits	$3,859,595
Other Expenses	196,907
One-time Projects	119,833
Total Expenditures	**$4,176,335**
Net Cost[(2)]	**$4,336,059**

Source: Management Audit Division analysis of SAP Report ZFMR002 for VSO budget in cost center 4815.

Notes: (1) Pandemic Pay Transfer In reflects funding the Board approved to provide one-time "hero pay" to eligible workers. This funding was appropriated in cost center 4815 (Veteran Services Office) to cover payments for SSA staff. Later SSA distributed this appropriation to all cost centers in BU501 where the payments were posted.
(2) Net cost is the difference between revenues and expenditures.

Since the Office was transferred to the Social Services Agency, its staffing has stayed level at 15.0 FTEs. The current composition of staff includes 1.0 FTE Director, 12.0 FTE Veteran Services Representatives, 1.0 FTE Management Analyst, and 1.0 FTE Office Specialist. The Veteran Services Representatives are responsible for meeting with veteran clients either in person or by phone and providing information on services available as well as assessing them for benefit needs and eligibility.

The Veteran Services Office is the only client-facing office that is budgetarily located withing the Agency Office. Because this Office is not an administrative or technological service for the Agency, we did not focus on it in our audit. However, given the Office's unique positioning and recent transition, as well as the role that Veteran Services plays in connecting veteran clients with many different types of benefits, it may be beneficial to review the effectiveness and efficiency of the Office, as well as the potential benefits of moving the Veteran Services Office to a separate cost center outside of the Agency Office. This assessment could include a review of the adequacy of the Office's staffing capacity, whether data is being used effectively and efficiently to connect clients with benefits, and whether its budgetary placement within the Agency Office, and its structural placement within SSA overall, has resulted in greater efficiencies or improved services for veterans and their families.

Disaster Service Workers

Under California law, all public employees are designated as Disaster Service Workers (DSWs). When County officials designate a local emergency or the Governor designates a state of emergency, the County may assign employees to serve as DSWs and assist in any activities that aid in protecting public health and safety. In February 2020, the County first declared a local health emergency in response to the COVID-19 pandemic. For more than two years, the County has continued to respond to COVID-19, activating County employees across departments to serve as DSWs as needed to assist with staffing the County's Emergency Operations Center, managing non-congregate emergency shelters, and aiding in testing and vaccination sites, among many other responsibilities. SSA has had as many as 940 DSW staff assignments throughout the County's COVID-19 response, including assisting with contact tracing, vaccination sites, and public information efforts. As of March 14, 2022, SSA estimates that they have 158 active DSW assignments. The activation of SSA staff as DSWs has required the Agency to adjust workloads and outputs because when SSA employees are activated as DSWs and given assignments, they are not performing their typical job responsibilities in the Agency.

In addition, the activation of SSA employees as DSWs has resulted in foregone revenue from state and federal programs the Agency typically claims as expenditure reimbursement; this foregone revenue can result in a corresponding increase in County General Fund costs to the extent that the County is not able to secure reimbursement for DSWs from the Federal Emergency Management Agency (FEMA). SSA, and by extension the County, rely on state and federal funding for the services it provides, and to claim this funding, SSA submits a County Expense Claim (CEC) to the California Department of Social Services (CDSS) each quarter. The CEC reflects the County's quarterly expenditures for its welfare program and operations costs and determines the amount of costs that are claimable to federal and state welfare funding sources. The CEC represents a primary source of funding for the Agency and covers costs including but not limited to caseworkers, support staff, support operations, electronic data processing, and staff development. Over the past three years, the CEC reimbursement has ranged from $123.5 million to $156.0 million per quarter.

To determine how much funding is claimable on the CEC, the Agency conducts time studies for two consecutive pay periods each quarter. The information from the time studies indicates where case workers and administrative staff spend their time and the programs to which costs should be allocated. When staff are deployed as DSWs, they are not allocating time to program costs claimable under the CEC; as a result, the Agency is not able to claim the same level of expenses to state and federal welfare programs and in turn, there are revenues SSA is unable to draw down that would have been available had the employees not been activated as DSWs. In other words, the activation of SSA employees as DSWs has resulted in an increase in costs to the County, because the salary and benefits costs of SSA employees would ordinarily have been reimbursed by the state through the CEC. In the absence of state reimbursement, the County is unable to recover the costs for expenditures on SSA employees activated as DSWs, except to the extent that the County is able to secure reimbursement from FEMA.

SSA estimates that in FY 2020–21 the Agency had $16.3 million in foregone revenue, and SSA anticipates $18.4 million in foregone revenue in FY 2021–22. (This figure does not take into account the Countywide costs associated with not deploying caseworkers as DSWs, and is not meant to value the impact of the use of DSWs in the County's COVID-19 response. In addition, it is possible that DSW costs may be otherwise reimbursable by other sources, such as FEMA.) The deployment of caseworkers as DSWs has had particularly noticeable consequences for costs claimed on the CEC, as caseworker time studies determine how to distribute program costs and claims. When caseworkers are not spending time on covered state and federal welfare programs this impacts the overall distribution of costs and revenues claimed.

As the County's COVID-19 response has evolved, the need for DSWs has also changed. The number of SSA staff deployed as DSWs decreased from almost 350 active assignments during April 2021 to 158 active assignments in March 2022. In early 2022, the Board of Supervisors approved an ordinance amending the County's Salary Ordinance and added 251 positions, 224 unclassified and 27 classified, to the County Executive Office, Office of Supportive Housing, and Public Health Department to assist with the ongoing COVID-19 response. As of early May 2022, the County has assessed the need for 179 unclassified positions to staff vaccination and testing sites. The County has hired or made offers for 159 of these positions. As there is need for additional capacity at vaccination and testing sites, the County will recruit and hire for additional positions. As of April 13, 2022, the County Executive's Office reported to the Board of Supervisors Finance and Governance Operations Committee that 240 employees remain deployed to support the emergency response outside of their departments and that many of these roles are part-time. Since March 2020, over 4,800 employees have been deployed as DSWs.

The County is working to address the continued deployment of DSWs and return them to their departments. For SSA, as staff are deactivated from their DSW work and return to their permanent roles, the amount of foregone reimbursement revenue should decrease, and the amount Santa Clara County claims on its County Expense Claim should gradually return to pre-pandemic levels. SSA should continue to monitor the deployment of Agency staff as DSWs in tandem with its CEC claimable costs to help ensure that the Agency is moving toward normal service operations and maximizing the reimbursement revenue it is able to claim. Assuming that SSA DSWs are returned to their regular work assignments by June of 2023, we believe that no further action on this topic is required. However, should SSA find that its staff are continuing DSW assignments beyond June of 2023, we recommend that the Agency prepare a calculation of the foregone revenue and resulting County costs as of June 2023 for presentation to the Board of Supervisors.

Building Security

Protective Services Officers (PSOs) maintain security at all SSA buildings and properties.[2] That security is supplemented by the Office of the Sheriff with law enforcement services for various SSA programs, pursuant to their FY 2021–22 interagency memorandum of understanding agreement. Under that agreement, for example, one deputy sheriff is responsible for the direct monitoring of high-risk supervised visitations at the Department of Family and Children's Services.

PSOs maintain a security incident report log where every incident, regardless of severity, is recorded or "logged."[3] Serious and minor incidents alike are logged, which is a best practice because if minor incidents are ignored (not logged), more serious incidents may occur in the future because the hazards or inefficient processes were never provided a chance to be addressed. PSOs also perform incident reviews to identify patterns of incidents, which is also a best practice because if patterns are identified, they can be prevented or reduced through the use of appropriate controls.[4]

2 PSOs are not permitted to carry firearms but may conduct citizen arrests in accordance with State law and department policy, pending other law enforcement assistance or action.

3 Every logged incident is assigned a unique reporting number, a one- or two-word description of the, a report date, the date posted, the reporting PSO, and information on where the incident occurred.

4 Page 9 of Guidelines for Preventing Workplace Violence in Healthcare and Social Service Workers, Federal OSHA publication (OSHA 3148-06R 2016).

The PSOs provided us with SSA incident report logs for calendar years 2019, 2020, and 2021, and we noted that annual incidents fell and rose irregularly since 2019. Logged incidents at SSA facilities decreased from 124 to 55 incidents, or by 56 percent, between 2019 and 2020, likely due to the shelter-in-place orders and SSA office closures associated with the COVID-19 pandemic. Logged security incidents increased from 55 to 76 incidents, or by 38 percent, between 2020 and 2021.

The "medical assist" category of incidents accounted for a small majority (21 percent) of all incidents during the three-year period. For these incidents, PSOs are responsible for establishing contact with medical response personnel when they arrive to relay pertinent information about the emergency such as cause, status, injuries, and facility information.

Our only recommendation for the PSOs at this time is to track any incident of assault against an employee by a client as a separate, sub-category within their general category of "assaults" because SSA can use that data to inform its workplace violence prevention plan and employee trainings.[5]

We also noted that one PSO is posted at each SSA building during regular business hours except the General Assistance building, which has two PSOs. The PSOs should consider re-deploying staff based on the location of where incidents occurred in the past. For example, of the 76 incidents logged in 2021, 57 percent occurred at DEBS, 22 percent at DFCS, 10 percent at DAAS, and another 10 percent at the Agency Office. Based on this information alone, it may be an effective strategy to post additional PSOs in some of these areas to deter incidents. This strategy could also serve as the basis for requesting additional PSOs (if necessary) through the County's annual budget process.

DEPARTMENT ACCOMPLISHMENTS

Audits typically focus on opportunities for improvements within an organization, program, or function. To provide additional insight into the achievements of SSA's administrative functions, we requested that SSA and TSS provide some of its noteworthy achievements. These are highlighted as Attachment B on page 99.

RECOMMENDATION PRIORITIES

The priority rankings shown for each recommendation in the audit report are consistent with the audit recommendation priority structure adopted by the Finance and Government Operations Committee of the Board of Supervisors, as follows:

> **Priority 1:** Recommendations that address issues of non-compliance with federal, state and local laws, regulations, ordinances and the County Charter; would result in increases or decreases in expenditures or revenues of $250,000 or more; or, suggest significant changes in federal, state or local policy through amendments to existing laws, regulations and policies.

5 For example, as part of the Cal/OSHA Violence Prevention in Health Care standard, hospitals are required by State law to report any incident of physical force against an employee by a person or a person accompanying a patient to Cal/OSHA. There is no such requirement for social services agencies.

Priority 2: Recommendations that would result in increases or decreases in expenditures or revenues of less than $250,000; advocate changes in local policy through amendments to existing County ordinances and policies and procedures; or, would revise existing departmental or program policies and procedures for improved service delivery, increased operational efficiency, or greater program effectiveness.

Priority 3: Recommendations that address program-related policies and procedures that would not have a significant impact on revenues and expenditures but would result in modest improvements in service delivery and operating efficiency.

ACKNOWLEDGMENTS

We would like to thank members of the Social Services Agency and Technology Services and Solutions for their assistance during this audit process.

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Section 1: Contract Monitoring and Invoicing

Background
The Office of Contract Management (OCM) manages contracts on behalf of all Social Services Agency (SSA) departments. OCM develops contract terms and performance measures, monitors contract performance, and performs budget analysis and invoice review. OCM has developed procedures to establish standard monitoring protocols to evaluate contractor performance, and to ensure that all contractors comply with contract requirements and internal policies.

Problem, Cause, and Adverse Effect
We conducted a review of a judgmental sample of 31 contracts and associated invoices and performance monitoring reports. Our sample of 31 contracts yielded 30 invoices to review: 20 cost-reimbursement invoices and ten fee-for-service invoices. We also reviewed performance monitoring reports for 26 of the contracts for which reporting was required during the time period of our review.

We found variation in the level of supporting documentation included with invoices to support costs or service delivery. Eight of the 20 cost reimbursement invoices, or 40%, provided only general ledger reports or high-level financial summaries, without additional supporting documentation listed in OCM's invoice policy. The fee-for-service contracts and agreements we reviewed did not typically specify what supporting documentation and detail should be provided in invoices, which resulted in variation in the type and level of detail provided for fee-for-service invoices. Overall, we conclude that the documentation provided with contractor invoices may not always be sufficient to allow an invoice reviewer to validate and substantiate charges from contractors without a more in-depth review or a request for additional documentation.

Our review of performance monitoring reports found that in our selected sample of 26 performance monitoring reports, ten, or 38%, were either not submitted in SSA's required format or contained omissions or errors. Both the absence of standardized monitoring reports for some of the contracts—which also represents a violation of contract terms—and the omissions or errors impair OCM's ability to hold contractors accountable to high quality service delivery in accordance with contract terms and to perform ongoing monitoring. While OCM has practices to address issues with contractor performance, there are opportunities to better document these practices.

Recommendations
OCM should: (a) update its procedures to clarify under what circumstances general ledger reports alone are sufficient invoice documentation, and to include general standards for fee-for-service invoices; (c) amend its contracts with contractors to accurately reflect performance reporting requirements when they differ from OCM's standard requirements; (d) conduct an assessment of performance monitoring reports to identify and address common errors; and (e) review and add additional detail to documented practices for addressing poor contractor performance.

Savings, Benefits, and Costs
Our recommendations will require staff time for procedure revisions and performance monitoring report assessment. These recommendations will improve OCM's ongoing monitoring of both contractor performance and invoicing, with the ultimate goal of holding contractors accountable to high quality service delivery in accordance with contract terms to ensure cost-effective, high-quality service delivery.

FINDING

Background

The Office of Contract Management (OCM) is located within Financial Management Services in the Agency Office of the Social Services Agency (SSA or the Agency) and manages contracts on behalf of all SSA departments. OCM develops contract terms and performance measures, monitors performance of ongoing contracts by analyzing performance metrics and conducting onsite monitoring, and performs budget analysis and invoice review for all executed SSA contracts. In FY 2021–22, OCM managed 524 contracts totaling $125.2 million in value. The Office follows Chapter 5, *Policies on Soliciting and Contracting*, of the Board of Supervisors Policy Manual, the County's Procurement Administrative Guidelines, and SSA's relevant internal procedures, including SSA's Contract Performance Monitoring Procedure and Contract Budget/Invoice Management Procedure.

SSA's Contract Performance Monitoring Procedure establishes standard monitoring protocols that are used Agency-wide to track and evaluate contractor performance. The procedure outlines SSA's internal performance monitoring, fiscal monitoring, and onsite monitoring procedures. Due to the COVID-19 pandemic, SSA stopped conducting onsite monitoring visits, so the bulk of performance monitoring is currently done using reports from contractors. Once per quarter, contractors are required to submit a performance report, using an OCM template, that provides a narrative of accomplishments and challenges, performance indicators, population data, and progress towards the outcome and output goals that are defined in the contract.

SSA's Contract Budget/Invoice Management Procedure ensures that all contractors comply with contract requirements, laws, and other regulations or policies. Specifically, the procedure requires that invoices be submitted in one of two template formats, depending on the type of invoice (cost reimbursement or fee-for-service), and that they include the required supporting documentation.

For this audit we reviewed a judgmental sample of 31 cost reimbursement and fee-for-service contracts between SSA and service providers. Cost reimbursement contracts are contracts under which the County agrees to reimburse the contractor for actual allowable expenditures, subject to the term of the contract, up to a total specified not-to-exceed amount. (For example, if the County contracts with a contractor to administer a particular program under a cost reimbursement contract, the County would reimburse the contractor for salary and benefits costs paid by the contractor to the employees who run the program, and for materials and supplies purchased by the contractor for the administration of the program.) Fee-for-service contracts are contracts under which the County agrees to pay a contractor for each unit of actual service the contractor provides during a given time period. The unit or units of service and costs are specified in the agreement between the County and the contractor and vary depending on the services being provided. (For example, if the County contracts with a contractor to provide legal counseling services under a fee-for-service contract, the County would pay the contractor a certain dollar amount per hour of legal counseling provided.)

A description of our sample selection methodology is included in Attachment C on page 101.

We collected the following information from OCM for each of the 31 selected contracts for our review:

- The original contract and all contract amendments
- The total amount of contract expenditures from the start date of the contract through February 2022
- All contract monitoring performance reports for FY 2019–20 and FY 2020–21
- The most recent invoice for each contract, all supporting documents, and all documents showing SSA approvals/signatures

We reviewed the above documents for adherence to basic procurement requirements (e.g., whether each contract included a term, a not-to-exceed amount, and a scope of work), adherence to SSA's performance monitoring requirements and invoicing requirements, and to assess SSA's monitoring of overall contractor performance.

In summary, our review found that the contracts in our sample adhered to basic procurement requirements such as the contracts including term and identification of scope of services. However, we identified deficiencies in OCM's invoice documentation policies and in several contractor performance monitoring reports, and we identified opportunities for improvement in OCM's documented procedures for addressing poor or suboptimal contractor performance. Deficiencies and opportunities for improvement in these areas are described in the following sections of this report.

Invoice Review and Documentation

As detailed in SSA's Contract Performance Monitoring Procedure, upon receiving invoices, OCM's contract monitors should assess the invoice against the contract to ensure that only approved services are paid, and where discrepancies are identified, should reject the invoice and request an accurate invoice. Review of our sample of invoices found that invoices for eight out of the 20 cost-reimbursement contracts in our sample included only general ledger reports as invoice documentation, which overall do not provide a robust level of detail or supporting documentation to back up costs or support service delivery that would allow OCM contract monitors to ensure that only approved services are paid without requesting additional backup documentation from contractors. Reliance on general ledger reports only impairs an invoice reviewer's ability to validate and substantiate charges from contractors as they include expenses incurred by the contractor but do not provide any other detailed backup documentation. It is not clear from the Procedure under what circumstances general ledger reports alone are acceptable documentation for invoices.

As a separate issue, the fee-for-service contracts and agreements we reviewed in our sample do not typically specify what, if any, supporting documentation and detail should be provided in invoices, which results in significant variation in the type and level of detail of supporting documentation provided for invoices for fee-for-service contracts and, in some cases, the omission of relevant details (like dates of service provided) that would typically be used to review and evaluate invoices.

In summary, our review of the invoices in our sample found that the level of detail in supporting documentation for both fee-for-service and cost reimbursement contract invoices varies significantly across contractors and is not always adequate to substantiate invoice charges without a review of additional invoice documentation. Without the appropriate level of detail or a review of additional invoice supporting documentation, the assessment and identification of any discrepancies is limited or not possible. These issues are discussed in more detail in the following section.

Use of general ledger reports do not adequately support cost reimbursement invoices

SSA's Contract Budget/Invoice Management Procedure requires that contractors provide "proper fiscal records and supporting documentation to substantiate reported costs" on cost reimbursement invoices. The Procedure provides a non-exhaustive list of typical invoice line items and the types of supporting documents that are required to substantiate them for in-house monitoring, summarized in Figure 1.1 below. As shown below, general ledger reports are not listed in the Procedure as acceptable documentation; however, because the Procedure only provides examples of acceptable documentation, it is not clear from the Procedure under what circumstances, if any, general ledger reports alone are acceptable documentation for invoices.

Figure 1.1: ***Examples of Acceptable Supporting Documentation for Vendors to Provide to SSA for Monitoring of Cost Reimbursement Invoices***

Reported Line Item Expense	Supporting Documentation Allowed by SSA
Direct personnel costs	
Salary, wages, and payroll taxes	Copy of payroll report or contractor's salary calculation list
Employee benefits	Copy of vendor invoice or calculation worksheets
Direct operating expenses	
Bonding and insurance	Allocation worksheets
Rent and equipment rental	Copy of lease agreement at the first month of lease period
Advertising, contract services, maintenance and repairs, telephone, printing, supplies, and utilities	Copy of invoices or accounting expense report/statement
Mileage	Copy of mileage report or accounting expense report/statement
Travel	Travel authorization, original receipts, and approved travel expense voucher
Indirect costs	Approved indirect cost breakdown

Source: Social Services Agency Office of Contracts Management, Contract Budget/Invoice Management Procedure.

Eight of the 20 cost reimbursement invoices we reviewed, or 40%, provided only general ledger reports or similar high-level financial summaries without any of the additional acceptable supporting documentation for claimed costs listed in Figure 1.1 on page 26. An additional three of the cost reimbursement invoices included the listed supporting documentation for personnel costs but provided only general ledger reports or other summary financial information for other direct operating expenses.

General ledger reports show the financial debit and credit accounting entries of a contractor, but do not provide cost details or substantiating documentation like the supporting documentation examples listed in Figure 1.1 on page 26. For example, a general ledger printout records a lump sum wage payment to an employee, but typically not a breakdown or basis for that wage cost or any payroll details like the employee's rate of pay, time worked during the pay period, overtime usage, or payroll taxes. Similarly, a general ledger printout records a lump sum payment for contract services, but does not detail the services provided, the name of the contractor, or the rate for the services charges. Using wage expenditures as an example, Figure 1.2 below compares the level of detail provided in general ledger reports compared to a payroll breakdown.

Figure 1.2: *Supporting Documentation Examples: Salary and Wages*

General Ledger Example

Account Number/Description Period	Date	Journal	Comments	Beg Balance	Debit	Credit	Net Change	End Balance
6283-42-082-00			Case Manager Salary:Youth-FAS-E:	11,067.12				
06	12/1/2021	PR-000168	Reversal: [redacted]		0.00	979.20		10,087.92
06	12/2/2021	PR-000170	[redacted]		979.20	0.00		11,067.12
06	12/16/2021	PR-000173			783.36	0.00		11,850.48
06	12/30/2021	PR-000175			1,175.04	0.00		13,025.52
06	12/31/2021	PR-000177			489.60	0.00		13,515.12
				11,067.12	3,427.20	979.20	2,448.00 Sal	13,515.12

Payroll or Wage Breakdown Examples

Personnel

[redacted]

File:	003989
Home Dept:	703-723
Dept:	703-718
Clock:	40.0000
Rate:	$4,188.95
Cost:	70-703-718
Alloc %:	39.78%

Earnings: Hours and Wages

Earnings	Hours	Wages
Salary Pay (SSAL)	34.6700	$1,675.58
Total	34.6700	$1,675.58

Gross

$1,675.58

Employee Taxes

Tax	Tax Amt
CA Disability Employee (CASDIEE)	$18.37
CA State Income Tax (CASIT)	$21.83
Employee Medicare (USMEDEE)	$24.25
Federal Income Tax (USFIT)	$94.95
Social Security Employee Tax (USSOCEE)	$103.70
Total	$263.10

Voluntary Deductions

Deduction	Amt
401k Percentage (401AL)	$466.59
Chiropractic & (CHIRO)	$2.97
LTD (LTD)	$6.17
Total	$475.73

Net Pay

Net Pay
$933.73

	HOURS, EARNINGS, AND REIMBURSEMENTS & OTHER PAYMENTS							WITHHOLDINGS					DEDUCTIONS					NET
CHECK DATE	DESCR	REGULAR HOURS	OVERTIME HOURS	REGULAR AMOUNT	OVERTIME AMOUNT	TOTAL EARNINGS	REIMB & OTHER PAYMENTS	SOC SEC + MED	FEDERAL TAX	STATE TAX	LOCAL TAX	OTHER	DEN-PPO	GARNISHMENT	OPTIONAL RETIREMENT	SUNLIFE LIF POST TAX		PAY
02/25	Reg	21.00		605.01		2707.29		203.28	204.44	50.22		29.23	50.00	212.00	27.07	10.75		1920.30
	Reg	19.00		547.39														
	Reg	18.50		532.99														
	Reg	16.50		475.37														
	Reg	13.00		374.53														
	Overtime		2.08		89.89													
	Overtime		1.90		82.11													

Source: Management Audit Division sample review.

In the first example in Figure 1.2 on page 27, the general ledger report shows only the total amount paid to an employee on specific dates, which does not conform to the level of detail in the supporting documents outlined in the Contract Budget/ Invoice Management Procedure. In contrast, the second and third examples include payroll information that shows details that the general ledger report does not, including the employee's hours worked, including overtime, as well as payroll taxes and voluntary deductions. These details conform to the requirements for documentation of personnel costs outlined in the Contract Budget/Invoice Management Procedure in Figure 1.1 on page 26.

The absence of detail in general ledger reports limits an invoice reviewer's ability to validate reported costs and ensure that the reported costs are consistent with the provisions of the contract between SSA and the invoicing contractor. It also causes significant variation in the robustness of invoice documentation across contractors, with some contractors submitting very thorough compilations of supporting documentations with their invoices and some contractors submitting only general ledger summaries.

It is not clear from the Procedure under what circumstances, if any, general ledger reports alone are acceptable documentation for invoices. Because the list of acceptable documentation in the Contract Budget/Invoice Management Procedure is non-exhaustive, the Procedure does not explicitly state whether general ledger reports are acceptable as the sole documentation for line items on cost reimbursement invoices, and the Office of Contract Management routinely approves invoices for payment with only general ledger report documentation. OCM reported to the audit team that a general ledger report is acceptable invoice documentation because it reports the contractor's financial transactions, and the ledger's chart of accounts includes various control accounts governing postings to the respective transactions (including payroll journal entries, which show wages paid and payroll liabilities for the recording time frame). The invoice review process also compares general ledgers against the contract budgets and trends in expenses to ensure expenses are within contract budgets. If needed, the SSA conducts audits or requests additional supporting documents to further substantiate cost. According to OCM, ongoing in-house review of invoice documentation is primarily done to obtain sufficient details to ensure a vendor is charging accurately against their contract budget, it is not intended to be an exhaustive collection of supporting documents typically used for onsite or audit reviews. An onsite or audit review is a more thorough review of supporting documents to ensure costs submitted to the office are accurate and supported by evidence.

However, even if they were identified as allowable in the Procedure, general ledger reports would still have the limitations we discussed above. All of the examples that the Procedure *does* cite as acceptable supporting documentation provide more detail than is available in general ledger reports and would allow for a greater amount of invoice monitoring and more robust internal controls.

However, requiring contractors to provide exhaustive detail for all line items on cost reimbursement invoices may impose an onerous burden on these contractors that may be unnecessary for small claim amounts. All contracts between the County and contractors also contain standard provisions related to the inspection and audit of contractor records, books, reports, and documentation maintained pursuant to the activities to be performed under the contract, which allows the County to audit the backup documentation of services provided upon request. Therefore, we recommend that the Office of Contract Management amend the Contract Budget/Invoice Management Procedure to clarify for which types of claimed costs, if any, general ledger reports alone are sufficient documentation to substantiate reported costs for cost reimbursement invoices, and under what circumstances additional and more detailed supporting documentation is required. For example, OCM could add language to the Contract Budget/Invoice Management Procedure stating that fixed costs of a certain type under a specified dollar threshold require only general ledger reports as backup documentation. OCM should subsequently require contractors who submit only general ledger reports with their invoices when additional detail is required under the Contract Budget/Invoice Management Procedure to re-submit the invoices with additional detail before approving the invoice for payment.

Specifying supporting documentation requirements for fee-for-service invoices

Fee-for-service invoices are invoices in which a contractor invoices SSA based upon the units of service provided by the contractor during a given time period. The unit or units of service and costs are specified in the agreement between the County and the contractor and vary depending on the services being provided. Examples of units of service include the number of bed stays, hours of legal services, miles of transportation, or minutes of counseling. SSA's Contract Budget/Invoice Management Procedure requires that fee-for-service contractors provide "sufficient supporting documentation of fee-schedules in the invoice [...] to support the service delivery" and states that as applicable, sufficient supporting documentation of fee schedules in the invoices should be provided upon request to support the service delivery.

However, with one exception, the fee-for-service contracts and agreements we reviewed in our sample do not specify what, if any, supporting documentation and detail should be provided in invoices to sufficiently document service delivery, which contributes to significant variation in the type and level of detail of supporting documentation provided for fee-for-service invoices. For example, one of the fee-for-service invoices in our sample did not include the dates that the invoiced service was provided, which prevents OCM from ensuring that the services being billed were provided in the time period of the invoice. However, the contract templates do include requirements to apply controls, checks, and balances satisfactory to the County's review and approval of invoices.

According to OCM, SSA collects adequate data to substantiate fee-for-service payments that take into account the type of service provided, formulas incorporated in the invoice, and the funder's requirements. (For example, child welfare foster care services are reimbursed through eligibility verification and claimed through CalWIN, and other types of services use the County's standard and approved invoice and supporting evidence to substantiate payment). OCM states that these payment methods, whether collected through a structured template or confirmed through eligibility processes, provide adequate details to review and approve invoices.

In addition, as mentioned above, all contracts between the County and contractors also contain standard provisions related to the inspection and audit of contractor records, books, reports, and documentation maintained pursuant to the activities to be performed under the contract, which allows the County to audit the backup documentation of services provided upon request. Therefore, we recommend that the Office of Contract Management include general standards for supporting documentation and details that should be provided with fee-for-service invoices in the Contract Budget/Invoice Management Procedure to ensure that invoice reviewers are able to validate that the services being invoiced are consistent with the terms of the contract and within the appropriate time period.

Performance Reporting, Monitoring, and Enforcement

SSA's Contract Performance Monitoring Procedure outlines OCM's process and responsibilities for internal performance monitoring of SSA contractors. According to the procedure, ongoing contract performance monitoring is "intended to hold vendors accountable to high quality service delivery in accordance with contract terms." OCM conducts contract performance monitoring through a review of quarterly data reports that contractors submit using OCM's performance monitoring template, which is a spreadsheet with fields for contractors to input quantitative data on performance outcomes and outputs that are specified in a logic model attachment to each contract as well as narrative sections for contractors to describe their successes and challenges. OCM compares the contractor's reported performance to the target goals specified in the contract with the County. Use of the standard performance monitoring template allows OCM to compare performance over time and across contractors, and to produce quarterly performance dashboards that are created for ongoing quality improvement purposes.

Our review of the performance monitoring reports in our selected sample found that ten of the 26 contracts, or 38%, that should have submitted performance monitoring reports during our requested timeframe either did not report performance metrics in the format required by their contracts or contained omissions and errors in the reports that were provided. Five of the 26 contracts did not provide performance metrics consistent with the OCM performance monitoring template as required in their contracts. Another five that were in the required format contained clear omissions or errors in the information that was reported. Overall, both the absence of standardized monitoring reports for some of the contracts in our sample—which also represents a violation of contract terms—and the omissions or errors in the performance monitoring tools that were submitted represent an impairment to OCM's ability to hold contractors accountable for high quality service delivery and to perform ongoing quality improvement analyses.

Use of non-standard performance monitoring reports

As stated above, five contractors did not report on their performance consistent with the OCM reporting requirements. Instead, the contractors submitted a performance monitoring report that used the contractor's own template, that was missing information on the contractor's progress towards the goals enumerated in their contracts, or both. The specific circumstances are described below:

- In two instances, both for contracts that provide meals to seniors under the Senior Nutrition Program, the information available included data on the number of meals provided (which is submitted as part of the contractor invoices) and dietician meal evaluations, but not in the standard performance monitoring format provided by the County as required in the contracts with these providers. In addition, not only do the contracts between these contractors and the County require use of the standard OCM performance monitoring template, but the contracts also include additional performance goals of ethnic and geographic meal testing, focus groups to identify areas of improvement and wellness education for seniors, presentations to seniors on food-related topics, and the hosting of social events for seniors, none of which are reported on in the performance reports included by the contractors in the contract monitoring information provided.

- In one instance, the contractor submitted a performance monitoring report using its own format that did not include all the outcome and output measures that are required in its contract with the County. According to OCM, the contractor objected to the standard monitoring report because they felt it violated confidentiality laws for their clients. After a review of the contract language, we conclude that this objection should have been raised by the contractor before signing the contract that included this requirement.

- For one contractor, OCM reports that the contractor is only required to report performance via the embedded information in the invoice template. However, the information contained in the contractor's invoices is not inclusive of all the reporting requirements listed in the contract.

- For one contractor, OCM reports that the contractor is only required to submit invoices that contain performance information, not separate performance reports. However, there is a section in the contract that states they must submit biweekly and monthly performance reports, separate from what they must submit for their invoices. The information required (per the contract) for the biweekly/monthly reports and invoices is slightly different than what the contractor provided.

In each of these instances, language requiring the use of OCM's performance monitoring template was clearly enumerated in the contracts and clearly stated in SSA's Contract Performance Monitoring Procedure, but in four of the five instances, OCM reports that it is standard procedure for these contractors to not follow the requirement stated in the contract. If this is the case, OCM should amend the contracts with these contractors to accurately state the specific performance reporting requirements when they differ from OCM's standard requirements. Without accurate contract language regarding performance monitoring and reporting, it is more difficult for OCM to enforce reporting requirements and ensure contractors are consistent with the contract terms.

Errors in performance monitoring reports

For the five instances in which OCM's standard performance monitoring template was used but not filled out correctly or was missing required components, the details are presented below. Several contractors did not consistently complete the required narrative sections of the performance monitoring report, and based on our review, it appears that some contractors incorrectly calculated the annual quantitative metrics, as described below:

- One contractor submitted performance reports that were missing contractually required narratives, either fully or partially, for FY 2020–21.

- One contractor submitted a report that was missing a narrative in quarter 4 of FY 2020–21.

- One contractor submitted a report that contained a calculation error for cumulative/year-to-date metrics, which led to drastic differences in reported performance between FY 2019–20 and FY 2020–21.

- One contractor submitted a report that omitted information on the contract's outputs and outcomes. (However, this report did include all other required elements, including the results of the contractor's annual survey.)

- One contractor submitted a report that measured completely different metrics than what was specified in the contract, which led us to believe that the contractor submitted the performance report for a different program.

Some amount of human error in contract monitoring reporting, and in data reporting in general, is unavoidable. The Office of Contract Management reports that many contractors have challenges differentiating between duplicated and unduplicated clients based on their internal database systems, which may explain some discrepancies in performance data we observed in our sample review. OCM noted that discrepancies in performance monitoring data may also be due to contract amendments, terminology differences, and differences in contractors' understanding of targets and descriptors detailed in the contract compared to how they are reported in performance reports. From our sample review, there is no indication that OCM attempted to clarify or correct such misunderstandings.

Although most contractors are able to comply with OCM's reporting requirements, the errors and omissions that we identified in some contactors' performance reporting affect OCM's overall ability to evaluate and monitor contractor performance, which ultimately makes it more difficult to hold contractors accountable to high quality service delivery in accordance with contract terms and to perform ongoing quality improvement activities. Therefore, we recommend that OCM conduct a comprehensive assessment of its performance monitoring reports to identify the most common errors on reports submitted by contractors. Using this information, OCM should attempt to either modify the most confusing or error-prone elements, or provide contractor outreach and assistance to ensure contractors understand and are able to comply with all reporting requirements.

Addressing Poor Contractor Performance

Of the 21 contractors that provided standard performance monitoring reports from our sample of 31 contracts reviewed, we identified nine that did not meet at least 75% of their performance goals in one or both fiscal years under review.[6] In three cases, the contracts were renewed for additional terms following the period of underperformance, indicating that meeting the contract goals is not necessarily a requisite for contract renewal. According to OCM, these performance levels were not seen as "major deficiencies" that would require corrective action, and the contractors' performance was not seen as a reason for which SSA would consider terminating contracts. In addition to the COVID-19 pandemic, other County-wide factors included (a) the County's "CBO Contracting During the COVID-19 Response" memo dated April 8, 2020, which directed agency departments to be lenient in enforcing specific contract requirements, and (b) County-initiated standards for qualifying a contractor's cost of doing business increases in a memo also dated April 8, 2020.

Based on our review of OCM's policies and procedures, as well as the language in the contracts themselves, we conclude that there are opportunities to improve OCM's documentation of its practices for addressing contractor underperformance OCM summarized the internal procedure for addressing poor contractor performance for the audit team, described in the following paragraph, but this procedure is not formalized in SSA's Contract Performance Monitoring Procedure.

6 As discussed in more detail in the following paragraphs, many contractors did not meet their performance goals due to the COVID-19 pandemic.

OCM reported to us that it applies continuous quality improvement (CQI) interventions when low performance is seen through a series of vendor meetings and recurring trend assessments in service and budget utilization as a method to address performance, and that these practices are consistent with SSA's OCM Contract Performance Monitoring Procedure that outlines performance monitoring based on service, budget utilization and outcomes. According to OCM, a contract monitor will flag performance monitoring report immediately if the report shows underperformance, and OCM staff send a courtesy notice to the contractor requesting an explanation for the poor performance. The contract monitor looks for improvement in the next quarter's performance monitoring report, and if there is no improvement, OCM and SSA will work with the contractor to identify the root cause of the problem and attempt to correct it and improve performance. At this phase, the steps taken to address and correct underperformance will vary according to the circumstances and suspected causes. If necessary, OCM will issue a Corrective Action Plan, which is a formal notification to contractors of areas requiring correction, which is typically stated as an option for the County in the contract with the contractor. (Of the nine contracts we identified that did not meet at least 75% of their performance goals, OCM did not issue Corrective Action Plans for any of them, and as mentioned above, OCM did not consider any of the nine contractors' performance levels to be "major deficiencies" that would require corrective action.) However, up until the implementation of a Corrective Action Plan, OCM's steps to address and document suboptimal contractor performance are not formally documented or stated in internal policies or in contract language.

Corrective Action Plans are listed in both the contracts and the Contract Performance Monitoring Procedure as a form of performance evaluation, but details regarding when a contractor's performance necessitates a Corrective Action Plan or who determines if a Corrective Action Plan is necessary are also not formalized in the written procedure. According to OCM , the process of issuing a Corrective Action Plan begins with the OCM Manager determining that corrective action might be necessary for a certain contractor and then seeking the input and approval of the SSA Deputy Director, the SSA Director, and County Counsel. The decision would be put in a formal letter signed by the SSA Director and sent to the contractor. Corrective Action Plans were not prepared for any of the contractors we reviewed in our sample, including the ones with suboptimal performance, and generally are not common. OCM estimates that Corrective Action Plans are typically prepared only three or four times per year.

Overall, while there are practices in place for addressing issues with contractor performance, OCM should better document these practices, particularly when contractors are not meeting their performance goals, perhaps through no fault of their own, and whose performance may require improvement without reaching the level of requiring a formal Corrective Action Plan. We acknowledge that given the diversity of SSA's contracted services, there is no "one size fits all" approach to contract monitoring. However, improving documentation will help ensure that contractor performance is monitored and addressed in accordance with broad SSA policies and goals. Documenting the procedure for addressing underperformance is an important practice so that all contract monitors, contractors, and others adhere to the same practices.

It is important to define the scenarios in which a contractor would be placed under a Corrective Action Plan and define different types of underperformance. For example, our sample included performance monitoring reports that were completed both before and after the onset of the COVID-19 pandemic. Many contractors did not meet their performance goals after the pandemic began, but specifically explained in the narrative sections of the performance monitoring reports the pandemic-related barriers that kept them from meeting their goals. This reasoning would presumably constitute a reasonable barrier and would not be considered problematic underperformance, but in the absence of a definition of underperformance it is not clear how OCM handled these performance problems or would handle them in a similar situation in the future. We believe that there are opportunities to add additional specificity to the circumstances under which corrective action would be required, while still allowing SSA to retain flexibility in its management and evaluation of contractors.

CONCLUSION

The review of our judgmental sample of contracts found that OCM adhered to basic procurement requirements such as including objectives and a scope for the contractual services However, we also identified opportunities for improvement in invoice documentation policies, in contractor performance monitoring reports, and in OCM's documented procedures for addressing poor or suboptimal contractor performance. These opportunities for improvement and our recommendations will improve OCM's ability to conduct ongoing monitoring of contractor performance and invoicing, with the ultimate goal of ensuring OCM is able to hold contractors accountable for high quality service delivery in accordance with contract terms and to ensure cost-effective, high-quality service delivery to SSA clients and the County overall.

RECOMMENDATIONS

The Manager of the Office of Contract Management should:

1.1 Update the Contract Budget/Invoice Management Procedure to clarify for which types of claimed costs general ledger reports alone are sufficient documentation to substantiate reported costs for cost reimbursement invoices, and under what circumstances additional and more detailed supporting documentation is required. (Priority 3)

1.2 Consider adding language to the Contract Budget/Invoice Management Procedure stating that fixed costs of a certain type under a specified dollar threshold require only general ledger reports as backup documentation. OCM should subsequently no longer accept or pay invoices submitted with general ledger reports when additional detail is required in their contracts. (Priority 3)

1.3 Update the Contract Budget/Invoice Management Procedure to include general standards for supporting documentation and details that should be provided with fee-for-service invoices to ensure that invoice reviewers are able to validate that the services being invoiced are consistent with the terms of the contract and within the appropriate time period. (Priority 3)

1.4 Amend its contracts with contractors that have differing performance monitoring report requirements to accurately state the specific requirements when they differ from OCM's standard requirements. (Priority 3)

1.5 Conduct a comprehensive assessment of performance monitoring reports to identify the most common errors in reports submitted by contractors. Using this information, OCM should attempt to modify the most confusing or error-prone elements of the performance monitoring report requirements and provide contractor outreach and assistance as needed to ensure contractors understand and are able to comply with all reporting requirements. (Priority 3)

1.6 Review and add additional detail to document OCM's practices for addressing poor contractor performance, up to and including the specific steps taken during or in lieu of a Corrective Action Plan. This documentation should define the scenarios in which a contractor would be placed under a Corrective Action Plan and define different types of underperformance and how they would be addressed by OCM. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

Our recommendations can be carried out by OCM's existing staff but will require a one-time staff time commitment to work on the policy revisions and the performance monitoring report assessment. These recommendations will improve OCM's ability to conduct ongoing monitoring of both contractor performance and invoicing, with the ultimate goal of ensuring OCM is able to hold contractors accountable to high quality service delivery in accordance with contract terms to ensure cost-effective, high-quality service delivery to SSA clients and the County overall.

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Section 2: Compliance with State-Mandated Employee Trainings

Background
The County of Santa Clara Social Services Agency's (SSA) Staff Development and Training Division (Staff Development and Training) is responsible for the majority of education, training, and professional development for all SSA staff.

Problem, Cause, and Adverse Effect
Staff Development and Training submits an Annual County Training Plan Certification to the State that details SSA's compliance with mandated trainings. The Annual County Training Plan Certifications for FY 2019–20 and FY 2020–21 show that new and continuing child welfare social workers were out of compliance with training requirements. In FY 2020–21, 78% (18 of 23) of new workers and 53% (109 of 206) of continuing workers were out of compliance with mandated training requirements. The California Department of Social Services (CDSS) can withhold funding for failure to comply with mandated trainings. Both Staff Development and Training and DFCS advised us that, to date, CDSS has not withheld any funds from SSA to enforce compliance. Staff Development and Training was required to submit a plan of correction to the State for each year of noncompliance. The primary reason for noncompliance cited in their correction plans is staff decreases due to budget cuts and disaster service worker deployments, which caused other staff to cover more duties and left them with less time to train.

Separately, we found that Staff Development and Training's current record keeping system is unwieldy and does not allow for easy identification of individual employees who are out of compliance with training requirements. As a result, we could not determine whether the correction plans submitted to the state have improved compliance. DFCS advised us that while Staff Development and Training informs them of overall progress of trainings at monthly meetings, Staff Development and Training does not provide DFCS with any specific information on each employee's progress toward compliance.

Recommendations
To improve record keeping, Staff Development and Training should begin tracking each new worker's trainings in a single database by cohort year, and each continuing worker's training in a separate database on a two-year cycle. To increase actual compliance with mandated trainings, Staff Development and Training should regularly provide DFCS with a list of all employees out of compliance and the specific trainings that they are lacking, and DFCS should, in turn, share this knowledge with all its child welfare social workers to remind them of their training requirements. In addition, Staff Development and Training should work with DFCS on the feasibility of implementing a pilot program to assist trainees to build and manage their caseload over time while simultaneously completing their training requirements.

Savings, Benefits, and Costs
Seeking State assistance, implementing better record keeping, and increasing information sharing between the Staff Development and Training division and DFCS would have no fiscal impact upon the County's General Fund. Implementing a pilot program to assist trainees would have fiscal impact upon SSA, which is partly funded by the General Fund. The size of that impact depends largely on how many new staff are hired to implement the program. More importantly, implementation of these recommendations has the potential to improve compliance with State-mandated employee training requirements.

FINDING

Background

All newly hired child welfare social workers in California must complete a standardized core training program consistent with Cal. Welf. & Inst. Code § 16206. This core training, known as Common Core, was initially developed by the Statewide Training and Education Committee, which was convened by the California Department of Social Services (CDSS) and the California Social Worker Education Center (a school/agency partnership) in FY 2004–05. The training is systematically evaluated and revised on an ongoing basis by the Content Development Oversight Group, a subcommittee of the Statewide Training and Education Committee. The training underwent a large-scale revision between 2015 and 2017, and Common Core 3.0 was implemented on February 1, 2017 and replaced by Common Core 3.5 in July 2021. Any new child welfare worker that started Common Core 3.0 before July 2021 will need to finish within the Common Core 3.0 curriculum. Any worker that starts Common Core after July 2021 will be taking the revised Common Core 3.5 curriculum.

The Social Services Agency (SSA)'s Staff Development and Training division is responsible for the majority of education, training, and professional development for all SSA staff. This includes all employees of SSA's Department of Adult and Aging Services, Department of Employment and Benefits Services (DEBS), Department of Family and Children's Services (DFCS), the Veteran Services Office (VSO), and the SSA Agency Office.

The VSO was excluded from this audit as it was recently moved from the Office of the County Executive to SSA, and we did not believe that it was practical to attempt to audit those operations while they were in transition.

Of all other SSA staff, only new DEBS eligibility workers, and new and continuing DFCS child welfare social workers are currently required to comply with State-mandated trainings. Of these, only a significant portion of DFCS social workers were out of compliance with State-mandated trainings during the audit period FY 2019–20 and FY 2020–21. For this reason, the audit team focused this analysis upon Staff Development and Training's delivery of services to DFCS.

Employee Training Requirements

Staff Development and Training is required to submit an Annual County Training Plan Certification on behalf of SSA to CDSS by August 1 of each year. This report provides staffing, budget, and training information for all DFCS child welfare social workers, including documentation on completion of mandated trainings. For FY 2019–20 and FY 2020–21, according to the CDSS Manual of Policies and Procedures (MPP), which contains all the social service program rules and regulations, the Common Core 3.0 requirements for all counties were:

- New employees must complete *Phase I Line Worker Common Core* within their first 12 months from date of hire (MPP 14–611.11)
- New employees must complete *Phase II Line Worker Common Core* within their first 24 months from date of hire (MPP 14–611.12)
- New supervisors must complete *Supervisor Core* within 12 months from date of hire, assignment, or promotion (MPP 14–611.2)

- Continuing workers are required to complete 20 hours of *Continuing Training* within 12 months of completing Common Core, and every 12-month period thereafter (MPP 14–611.5)

The FY 2019–20 and FY 2020–21 Annual County Training Plans indicated that 75% of new child welfare social workers in FY 2019–20 and 78% in FY 2020–21 were out of compliance with Common Core completion requirements. Those reports also indicated that 27% of continuing child welfare social workers in FY 2019–20 and 53% in FY 2020–21 were out of compliance with ongoing training after completing Common Core. These results are summarized in Figure 2.1 below.

Figure 2.1: ***Training Requirement Compliance for Santa Clara County Child Welfare Social Workers, FY 2019–20 and FY 2020–21***

FY 2020–21	In compliance	%	Out of Compliance	%	Total	%
New workers	5	*22%*	18	*78%*	23	*100%*
New supervisors	6	*100%*	0	*0%*	6	*100%*
Continuing workers	97	*47%*	109	*53%*	206	*100%*
FY 2019–20	**In compliance**	*%*	**Out of Compliance**	*%*	**Total**	*%*
New workers	17	*25%*	50	*75%*	67	*100%*
New supervisors	4	*67%*	2	*33%*	6	*100%*
Continuing workers	251	*73%*	91	*27%*	342	*100%*

Source: Annual County Training Plans filed September 1, 2020 and 2021.

It should be noted that Santa Clara County is not unique in its non-compliance. CDSS acknowledges that counties have struggled to complete Common Core 3.0 curriculum within the allotted two-year period. Implementation of Common Core 3.5 in July 2021 was intended to remedy this situation *"…by streamlining and reducing the duplicative modalities, updating courses with [Integrated Core Practice Model] best practices, and focusing on the foundational knowledge and skills needed…"* (All County Letter No. 21–136 dated November 18, 2021). CDSS now recommends that new workers complete Common Core 3.5 within the first year of county employment.

Correction Plans

In accordance with the State's MPP 14–611.7, counties that are out of compliance with training requirements must report their plan for correction and timeline for anticipated compliance to CDSS. Staff Development and Training was required to submit plans for FY 2019–20 and FY 2020–21. Cited reasons for noncompliance and planned strategies to address that noncompliance are summarized in Figure 2.2 on page 40.

Figure 2.2: *Training Compliance Correction Plans for Santa Clara County Child Welfare Social Workers, FY 2019–20 and FY 2020–21*

	Reason(s) for noncompliance	Plan for correction
FY 2019–20	New workers: High caseloads, schedule conflicts for dates of trainings, and lack of supervisor time to complete field activities.(1) Staff decreases due to budget reductions and disaster service worker deployments, which may cause other staff to cover more duties and deployed staff to fall behind on trainings.	New workers: DFCS: ensure the use of coverage plans to allow for staff to complete required trainings. Staff Development and Training: provide support for sign off on field activities.(1)
	Continuing workers: Staff decreases due to budget reductions and disaster service worker deployments, which may cause other staff to cover more duties and deployed staff to fall behind on trainings.	Continuing workers: DFCS and Staff Development and Training: collaborate to receive a monthly report highlighting current training hours. This report will provide managers and executives with data to ensure gaps in training hours are addressed timely. Staff Development and Training: implement a shared calendar with DFCS to plan out training sessions in advance.
FY 2020–21	New workers: Staff decreases due to budget reductions and disaster service worker deployments, which may cause other staff to cover more duties and deployed staff to fall behind on trainings.	New workers: DFCS: ensure the use of coverage plans to allow for staff to complete required trainings. Staff Development and Training: provide support for sign off on field activities. (1)
	Continuing workers: Staff decreases due to budget reductions and disaster service worker deployments, which may cause other staff to cover more duties and deployed staff to fall behind on trainings.	Continuing workers: DFCS and Staff Development and Training: collaborate to receive a monthly report highlighting current training hours. This report will allow managers and executives data to ensure gaps in training hours are addressed timely. Staff Development and Training: implement a shared calendar with DFCS to plan out training sessions in advance.

Source: County of Santa Clara Plan of Correction, FY 2019–20 and FY 2020–21.

Note: (1) Common Core consists of eLearning courses, classes, and field activities (FAs). It reportedly takes trainees longer to complete field activities than eLearnings and classes because field activities are required to be scheduled, directed, and ultimately approved by supervisors. This type of joint coordination and approval by supervisors is not required for eLearnings and classes.

As shown in Figure 2.2 on page 40, the primary reasons identified for low training compliance were (1) staffing decreases and, more recently, large-scale disaster service worker deployments associated with the COVID-19 pandemic response; and (2) schedule conflicts and lack of supervisor time to complete field activities, which need to be scheduled, directed, and approved by supervisors and therefore require more coordination. The proposed solutions to address these problems are primarily logistical and communications-related: shared calendars, monthly reports with current trainings hours, and coverage plans. However, during survey interviews for this audit, DFCS advised us that while Staff Development and Training informs DFCS of the overall progress of trainings at monthly meetings, the division does not provide DFCS with specific information on each worker's progress toward compliance.

We attempted to determine what impact the correction plans had on training compliance in FY 2021–22.[7] We were unable to do so, however, because, as described below, Staff Development and Training's current record keeping system lacks the ability to track individual staff members' compliance with training requirements.

Adverse Impacts

According to Chapter 25–240 of the CDSS Manual of Policies and Procedures, Fiscal Management and Control, the State can withhold all or part of state and federal funds for failure to comply with employee training requirements. Since failure to comply could result in a partial or total loss of state and federal funding it is imperative that the County work to be in full compliance as soon as possible.

As noted earlier in this section, noncompliance with State-mandated trainings is not an issue unique to SSA or Santa Clara County; it is a statewide issue in California. However, we nevertheless believe that noncompliance with trainings may hamper DFCS' ability to help their clients achieve safety and permanency as soon as possible. According to the child welfare literature, with appropriate training and ongoing support, social workers can effectively serve children, youths, and families involved in the child welfare system to ensure healthier outcomes and enhanced well-being.[8] Therefore, the remainder of this audit section is dedicated to options and strategies to improve training compliance record keeping and to bring cohorts into compliance with mandated trainings.

Improving Record Keeping

We requested and Staff Development and Training provided us with its internal staff training tracking data that shows the cohorts that are out of compliance with required training. That information shows that Staff Development and Training manually tracks each new child welfare social worker's Common Core 3.0 training by modality (or type of training course: eLearning courses, classes, and field activities) within blocks, or major curriculum content areas. Employees are tracked by each of the six different blocks on individual worksheets and for field activities on a separate worksheet. Therefore, every new child welfare social worker was listed at least seven times in Staff Development and Training's Common Core 3.0 database, once for each of the six blocks and once for field activities.

7 For FY 2021–22, counties have until September 1, 2022, to submit their Annual Training Plans, so Santa Clara County's FY 2021–22 Annual Training Plan was not available for review during our fieldwork.

8 Page 1, Issue Brief, April 2015 - Strengthen child welfare service delivery to enhance child and family well-being National Association of Social Workers (NASW).

This approach to record keeping and the duplicative structure of the tracking spreadsheets, along with Staff Development and Training's need to continually update their records to reflect personnel changes, creates an unwieldy record keeping system so much so that when we reviewed it we could not readily identify the number of unduplicated employees who were out of compliance with completing Common Core in FY 2019–20 and FY 2020–21. Similarly, we could not determine which, if any, newly hired employees were out of compliance in FY 2021–22. This information should be easy to identify and to continually update in order to provide real-time, easily accessible information on staff training compliance. To improve training compliance record keeping, Staff Development and Training should begin to track each new worker's Common Core 3.5 training in a single database by cohort year, as shown in Attachment D on page 103 (example format generated by Management Audit Division staff). It should also begin to track each continuing worker's training in a separate database on a two-year cycle, as shown in Attachment E on page 105 (example format generated by Management Audit Division staff).

Each Employee's Responsibility

Although Staff Development and Training is responsible for providing mandated trainings, it is each employee's job responsibility to complete the trainings that are required for their job in the mandated time period. The County job description for the Social Worker I position reads: "The Social Worker I is provided formal in-service training" and that the position "learns and applies the basic principles and techniques of social work."[9] During survey interviews for this audit, DFCS advised us that it is apprised of the overall progress of trainings at monthly meetings with Staff Development and Training but does not receive any specific information on each employee's progress toward compliance. To ensure DFCS is fully informed of its training compliance levels, Staff Development and Training should provide all this information to DFCS on a routine basis, and DFCS should, in turn, share this information with its social service worker employees. This communication would serve as both a reminder to staff of individual training responsibilities, and an impetus for complying with training standards.

Staff Development and Training's Responsibility

Staff Development and Training is responsible for providing mandated trainings. For most trainings, Staff Development and Training maintains a contract with the Bay Area Academy (BAA), one of several regional training academies across the State, to provide new and continuing workers with trainings. Any worker that started Common Core after July 2021 will be taking the revised Common Core 3.5 curriculum via the new statewide learning management system, called the California Child Welfare Training (CACWT) system. However, Bay Area Academy will continue to provide trainings after July 2021 to bring any outstanding Common Core 3.0 cohorts into compliance.

Department of Family and Children Services' Responsibility

Although Staff Development and Training is responsible for providing mandated trainings, it is the mission of DFCS to protect children from abuse and neglect. To achieve this objective, DFCS needs a well-trained workforce. DFCS management told us that it would be willing to fund or partially fund a one-year pilot program to assist

9 Employee Services Agency job specification for Social Worker I.

trainees to manage their caseloads and workloads, while completing mandated trainings. The child welfare literature indicates that when caseloads and workloads are high, it can be challenging for workers to take time to attend training, especially in the early stages of their skills development.[10]

As previously mentioned, CDSS now recommends that new workers complete Common Core 3.5 within the first year of county employment. In Santa Clara County, trainees may begin carrying active cases any time after they complete a 16-week training induction (known as the "Social Work Academy"), but typically begin to carry cases six months from date of hire. In other words, during the second half of the 12 months in which new workers should be completing their Common Core 3.5 requirements, they must also be simultaneously managing their first caseloads. If the proposed pilot can provide trainees with dedicated training time, time management strategies, and clear direction about goals, priorities, and next steps, it could improve new worker compliance with training requirements.

CONCLUSION

Maintaining compliance with State-mandated training standards is essential for SSA and its departments, although low compliance rates among child welfare social workers is not a problem unique to Santa Clara County, and CDSS has not withheld any funds from SSA to enforce compliance. Separately, improving individual accountability for training compliance, as well as Staff Development and Training's record-keeping, will help SSA and Staff Development and Training identify specific training needs among its child welfare social workers, and more effectively evaluate the effects of programs or initiatives designed to improve compliance with required trainings.

RECOMMENDATIONS

The Staff Development and Training Division should:

2.1 Modify its training compliance record keeping to track each new child welfare social worker's trainings in a single database by cohort year, each continuing worker's training in a separate database on a two-year cycle, and for management to be able to determine if their training compliance correction plans are achieving the desired results. (Priority 1)

2.2 Provide the Department of Family and Children Services with a monthly list of all employees out of compliance with mandated trainings, as well as information on the specific trainings that need to be remedied, to allow the Department of Family and Children Services to remind these employees of their responsibility to train. (Priority 1)

2.3 Work with the Department of Family and Children Services on the feasibility of implementing a pilot program to assist trainees to manage their caseloads and workloads, while completing mandated trainings. (Priority 1)

10 Page 9, Issue Brief, July 2016 - Caseload and Workload Management. This was published online at the Child Welfare Information Gateway, a service of the Children's Bureau, Administration for Children and Families, U.S. Department of Health and Human Services.

SAVINGS, BENEFITS, AND COSTS

Implementing better record keeping, and increasing information sharing between the Staff Development and Training division and DFCS would have no fiscal impact upon the County's General Fund but implementing a pilot program to assist trainees would have fiscal impact upon SSA, which is partly funded by the General Fund. The size of that impact depends largely on how many new staff are hired to implement the program. More importantly, implementation of these recommendations has the potential to improve compliance with State-mandated employee training requirements.

Section 3: Tracking of Welfare Fraud Investigations

Background
The California Department of Social Services requires counties to investigate potential welfare fraud and to refer substantiated cases of fraud for prosecution or administrative settlement. The unit responsible for this work in Santa Clara County is the Special Investigative Unit (the SIU), located within Social Services Agency (SSA)'s Administrative Division.

Problem, Cause, and Adverse Effect
SIU's quarterly reports to SSA leadership do not include key metrics related to investigation backlogs, which occur when the SIU receives more reports of suspected fraud than it can investigate immediately. Some of these metrics are visible to the SIU in real time but not recorded, while others are reported to state officials but omitted from internal reporting. Quarterly reports to SSA leadership lack targets or goals related to backlogs and, by extension, the SIU's performance in meeting such targets or goals. While SIU staff and SSA leaders may discuss backlog information on an ad hoc basis, the absence of structured reporting limits SSA's ability to proactively identify and respond to investigation backlogs. A recent spike in unassigned investigations shows the need for a systematic approach to monitoring and reporting investigations backlogs: at the end of the first quarter of 2022, the County had 579 investigations into ongoing fraud that were unassigned, representing a 90% increase compared to the four-quarter average in 2021. Unassigned investigations should be a key measure to track to assess SIU effectiveness, as the longer it takes to assign and initiate an investigation, the greater than chance that the County will incur losses and/or the perpetrator will face steeper restitution amounts.

When SIU reports data to the California Department of Social Services, its "investigations pending" totals omit active investigations, which CDSS directs counties to include. This error affects three of 32 categories of fraud investigation data reported to CDSS.

Recommendations
The SIU Supervising Welfare Fraud Investigator and the Deputy Director of Program Support, Research, and Evaluation should: a) modify the SIU's internal dashboard, which tracks and reports key SIU metrics and activity on a quarterly basis, to include statistics on unassigned investigations; b) establish goals or performance targets related to the SIU's backlog; c) monitor the SIU's unassigned case count for the remainder of 2022 to assess if one-time intervention to address a growing backlog is needed; and d) review and modify, as needed, the data points reported to CDSS in the "investigations pending" totals for future reports and seek CDSS guidance about whether any action is needed regarding these categories in past reports.

Savings, Benefits, and Costs
Systematically reporting backlog data and establishing related performance goals will improve the SIU's management of its backlog, which has the potential to reduce the amount of time before fraud investigations are assigned for investigation, which in turn would limit benefit over payments and/or payments to ineligible individuals, and potential losses. These improvements can be accomplished with the SIU's existing personnel resources.

FINDING

The Special Investigation Unit

To help low-income individuals and families meet basic needs, the state of California provides cash assistance for living expenses to families with eligible children, as well as electronic benefits that eligible individuals and families can use to purchase food. The state's cash assistance plan is called California Work Opportunities and Responsibility to Kids (CalWORKS), and it receives funding from the federal Temporary Aid for Needy Families program, the state, and counties. California's food voucher program is called CalFresh, and its benefits are funded by the federal Supplemental Nutrition Assistance Program. CalFresh administrative costs are shared between the federal and state governments.

California's Department of Social Services (CDSS) has delegated to County Welfare Divisions the responsibility for administering benefits for these programs, including determining eligibility and addressing fraud. To prevent fraud and hold accountable ineligible individuals who improperly obtain benefits, CDSS requires County Welfare Divisions with a caseload of more than 1,000 CalWORKS cases annually to maintain a Special Investigative Unit. These units investigate potential welfare fraud and refer substantiated cases of fraud for prosecution or administrative settlement. Among other state requirements, front-line investigators must be trained peace officers who focus on fraud investigation. Santa Clara County's Special Investigative Unit is located within SSA's Agency Office under the Department of Program Support, Research, and Evaluation. The unit is staffed with nine Welfare Fraud Investigators, two Investigator Assistants, one Senior Welfare Fraud Investigator, and one Supervising Welfare Fraud Investigator, who reports to the Deputy Director for Program Support, Research, and Evaluation.

Eligibility fraud occurs when an individual knowingly obtains benefits despite not being eligible, or knowingly obtains a higher benefit total than that to which they are eligible, by making one or more false statements or omitting or concealing information from County staff. When the SIU receives a report of suspected eligibility fraud around the time an individual applies for benefits, prior to the individual receiving any benefits, this is categorized as a **Fraud Early Detection Program (FRED) investigation**. Under state guidelines, the SIU prioritizes FRED investigations, with the goal of determining whether fraud has occurred in advance of the County distributing benefits to the individual in question. In other cases, known as **ongoing fraud investigations**, eligibility fraud concerns arise in the case of an individual who has already been receiving benefits.

In addition to investigating eligibility fraud, the SIU also investigates possible cases of benefits trafficking, which involves the exchange of benefits between individuals. The unit also investigates reports of employee fraud, which occurs when a county employee knowingly distributes benefits to an ineligible individual, or knowingly distributes a higher benefit total than an individual is eligible for. Employee fraud and trafficking investigations are less frequent than eligibility fraud investigations and were not a focus for our audit team.

The SIU receives reports of suspected eligibility fraud from multiple offices. County staff processing applications for assistance make FRED (early fraud) referrals when an application raises suspicion, while County staff working on benefits distribution make ongoing fraud referrals when new information comes to light or when they suspect a change in an individual's circumstances affecting their eligibility. The SIU also receives referrals from a County unit using the Income and Eligibility Verification System (IEVS), an electronic information sharing system that compiles information across multiple government agencies, for the purposes of verifying an individual's income. The unit also receives referrals from staff of the County's General Assistance program, which provides cash assistance to qualifying adults who do not have children and therefore do not qualify for CalWORKS. Cases are also referred to the SIU from CDSS.

When an investigator determines that an Intentional Program Violation (IPV) has occurred, they can make a referral for either prosecution or an Administrative Disqualification Hearing (ADH). Under California law, eligibility fraud is a misdemeanor if the value of the benefits received is $950 or less, and it is a felony if the benefits total more than $950. However, Santa Clara County has not prosecuted a case of eligibility fraud since at least 2019.[11] During an ADH, an individual has the opportunity to respond to the evidence presented by the SIU, and a hearing authority will make a determination about the individual's program eligibility, as well as whether the County will direct the individual to pay restitution.

In the first quarter of 2022, the SIU concluded 296 FRED (early detection) eligibility fraud investigations, including 218 investigations in which it found evidence to deny, reduce or discontinue benefits.[12] During the same period, it concluded 123 eligibility ongoing fraud investigations, including 79 cases in which it found evidence to reduce or discontinue benefits. The SIU concluded two investigations of suspected benefits trafficking during the same quarter; investigators did not make a referral to an Administrative Disqualification Hearing or prosecution in either case.

A Recent Rise in Backlogged Investigations

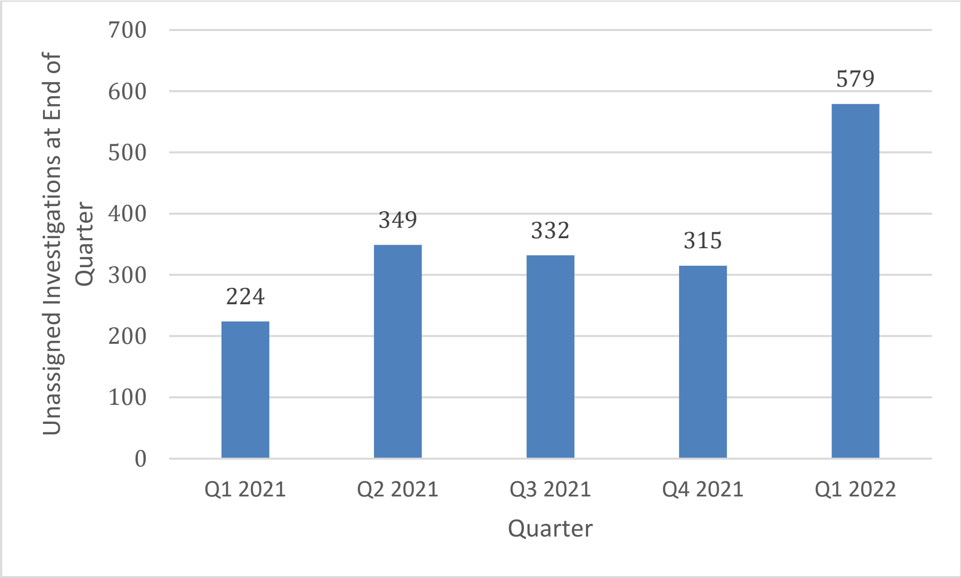
After receiving a report of suspected fraud, SIU staff enter the details into the SIU's electronic records system and log the case status as "pending." The case status will remain pending until a unit supervisor assigns the case to a specific investigator, at which point the case status will become "active." (While SIU refers to cases that are not yet active as "pending" cases, we will describe them as "unassigned" cases here to distinguish them from the "investigations pending" category of reports to state officials, for reasons described below.) Because supervisors wait to assign a new case until an investigator has capacity to take it, a high number of unassigned cases indicates that the number of recently referred cases exceeds staff capacity to investigate.

For the first quarter of 2022, the SIU had 579 unassigned investigations in Santa Clara County, representing a 90% increase over the prior year's four-quarter average of 305 unassigned cases, according to data reported to state officials. Figure 3.1 on page 48 shows unassigned investigations at the end of each quarter for 2021 and 2022.

11 As explained above, eligibility fraud differs from benefits trafficking, which involves the exchange of benefits between individuals. Since January of 2019, the County has only prosecuted trafficking cases during one quarter, the fourth quarter of 2019, during which it prosecuted 11 trafficking cases, according to data reported to CDSS.

12 These totals reflect both CalWorks and CalFRESH investigations.

Figure 3.1: Unassigned Investigations in Santa Clara County, 2021–2022



Source: Santa Clara County Social Services Agency and California Department of Social Services.[13]

According to SIU's Supervising Welfare Fraud Investigator, an increase in case referrals during the first quarter of 2022 contributed to the rise in unassigned cases. The SIU reports receiving 677 general fraud referrals in the first quarter of 2022, up from an average of 388 general fraud referrals per quarter in 2021. (General fraud referrals are referrals from County program staff relating to ongoing benefits, as opposed to new applications.) One possible reason for this increase was the resumption of baseline activity levels for CDSS and other referring agencies for the first time since the start of the COVID-19 pandemic.

SIU's investigation capacity was also reduced by the activation of some Welfare Fraud Investigators as Disaster Service Workers in early January of 2022, leaving the unit with fewer staff when activated investigators were unable to work on fraud cases. While this reduction in available investigator staffing would affect the unit's productivity, it would not impact the number of referrals received.

While the increase in unassigned investigations may reflect one-time circumstances, we recommend that SSA closely monitor SIU's pending case count going forward to assess whether one-time intervention is needed to keep the unit's backlog to a manageable volume.

13 These totals are taken from the "investigations pending" cases reported by Santa Clara County through the DSS 466 form, for investigations of ongoing fraud. According to the SIU's Supervising Welfare Fraud Investigator, the SIU's reported totals in this category reflect unassigned cases only and do not reflect active investigations.

Incorrect Reporting of Investigations Pending

Every quarter, SIU reports 32 categories of fraud investigation data to state officials on the DSS 466 Fraud Investigation Activity Report, breaking down each category into CalFresh and CalWORKS cases. The state uses these metrics, which are submitted by each county, to monitor fraud activity and investigations. Three of these categories seek the number of "investigations pending" – for early fraud detection, ongoing fraud, and trafficking. In the instructions accompanying the DSS 466 reporting form, CDSS describes these categories this way:

> *Pending investigations capture the number of cases without an investigative result during the quarter. This also includes cases that were opened within the quarter and yet to be investigated.*

CDSS staff confirm this should include active cases in addition to cases that have not yet been assigned. SSA, however, currently reports the number of cases logged as "pending" in SIU's system, which are only those cases not yet assigned. This means the County is omitting active investigations from the "investigations pending" totals it reports each quarter, apparently from a misunderstanding of the form's instructions.

This undercounting does not affect the 29 other categories in the DSS 466, and the CDSS form instructions do not indicate that the County would face any penalties or other risks associated with the error. Nor does it seem likely that the undercounts in these categories have a significant effect on statewide or federal totals. However, as data reported through the DSS 466 informs federal and state efforts to analyze trends in fraud investigation and improve program integrity, we recommend the SIU review and modify, as needed, the data points reported to CDSS in the "investigations pending" categories of the DSS 466 form to ensure compliance with CDSS reporting instructions for active and pending investigations, and ask CDSS staff for guidance regarding updating past reports if necessary. It will also be beneficial for SIU management to track this information.

No Internal Reporting of Unassigned Cases or Referrals

Although the SIU reports quarterly to SSA leadership, these internal reports lack important data fields for identifying backlogs. The dashboard that the SIU provides to SSA leadership reports case outcomes and other summary data, but it does not include unassigned investigations or cases referred to the SIU. Nor does it include other metrics that could alert SSA leadership to potential backlogs, such as the number of received cases that are not yet entered into SIU's records system. While some of this information may be shared on an ad hoc basis, the lack of systematic reporting leaves SSA leadership vulnerable to missing warning signs of a mismatch between staff capacity and the volume of investigation requests.

We also noted that some useful metrics, such as fraud reports that have been received but not yet entered into the SIU's tracking system, are visible in real time but not historically tracked. On May 5, 2022, for instance, SIU staff could see that the unit had received 280 fraud reports that had not yet been entered into its system, but they could not view this data for any other date, because the number is updated on an ongoing basis and older versions of the figure are not retained or tracked (in other words, this information is continuously over-written, and the previous versions are not saved.).

In addition to ensuring that current or impending backlogs are communicated to SSA leadership, revising the quarterly dashboards could improve the SIU's ability to analyze key data on trends and overall unit performance. While the SIU already tracks referral and unassigned case data, compiling this data in a single document would streamline analysis efforts. Revising the dashboard would also provide an opportunity to permanently record new statistics, including data that the SIU staff can currently only view in real time. Recording these kinds of data systematically could help management measure changes over time and respond accordingly. The SIU could also use a dashboard update as an opportunity to identify new statistics to track, such as the number of days that cases remain pending before being assigned. Figure 3.2 below shows a selection of data categories related to investigations and notes whether the SIU records the data, whether it reports it to CDSS and whether it reports it on quarterly internal dashboards.

Figure 3.2: SIU Reporting Practices for Select Data Categories

Metric	Recorded by SIU	Reported to CDSS	Reported Internally to SSA Management
Outcome of Investigations	Yes	Yes	Yes
Outcome of Administrative Hearings	Yes	Yes	Yes
Dollar Amount of Identified Fraud	Yes	Yes	Yes
Average Number of Days to Conclude Investigation	Yes	Yes	No
Number of Referrals	Yes	No	No
Number of Unassigned Cases	Yes	Yes(1)	No
Received Cases Not Yet Entered	No	No	No
Average Number of Days Before Case Assigned for Investigation	No	No	No

Source: Special Investigations Unit; DSS–466 forms; Management Audit Division assessments.

Note: (1) As noted above, the SIU erroneously reports this figure to CDSS.

Updating its internal reporting practices would also provide an opportunity to establish performance targets related to backlogs, which the SIU has not done to date. Such targets could include benchmarks for the number of unassigned cases, the number of referred cases not yet entered into the SIU's database, the average number of days before a case is assigned, and/or other categories identified by the SIU or SSA leadership. Including these types of targets in quarterly reporting would make it easier to quickly distinguish between baseline activity levels and concerning problems, and it would also incentivize prompt action to address emerging backlogs.

CONCLUSION

Although the SIU prepares quarterly dashboards for SSA leadership on fraud investigations, these reports lack important indicators of present or expected backlogs. Such metrics include data tracked elsewhere, such as referrals and unassigned cases, as well as data that SIU staff can access real time but do not record, such as referred cases that are not yet entered into their database. Adding these categories and other meaningful data points into SIU's quarterly internal reporting could alert SSA leadership to emerging backlogs. It could also facilitate improved data analysis, helping managers understand backlogs in context and determine whether temporary staffing increases or other responsive steps are necessary. Updating the quarterly dashboard format would also provide an opportunity to establish performance targets related to preventing and/or limiting backlogs, which the SIU has not yet created.

An increase in unassigned investigations in the first quarter of 2022 makes these issues particularly timely and addressing the current backlog and taking steps to minimize future repeats would help the County in multiple ways. Delayed investigations increase the length of time an individual may be engaging in fraud, which increases the financial impact of the fraud and thus the sum for which the County is obligated to pursue restitution under state regulations. Delayed investigations also carry costs for individuals who are ultimately found to be committing fraud, as these individuals will likely continue receiving the benefits in question until an investigation is complete, increasing the amount for which they may ultimately owe the County in restitution or that the County may experience as a loss.

Separately, the SIU should correct an error in its reporting of fraud investigation data by including active investigations in its quarterly "investigations pending" totals.

RECOMMENDATIONS

The SIU Supervising Welfare Fraud Investigator and the Deputy Director of Program Support, Research, and Evaluation should:

3.1 Modify the SIU's internal quarterly dashboard, which tracks and reports key SIU metrics and activity to SSA management on a quarterly basis, to include detailed statistics on all unassigned investigations, including the type of investigation and duration of days cases have been unassigned. (Priority 3)

3.2 Establish goals or performance measures related to the SIU's backlog and report the SIU's performance in meeting these goals in internal dashboards and reports used by SIU management and provided to SSA leadership for oversight. (Priority 3)

3.3 Closely monitor SIU's pending case count going forward to assess whether one-time intervention is needed to keep the unit's backlog to a manageable volume. (Priority 3)

3.4 Review and modify, as needed, the data points reported to CDSS in the "investigations pending" categories of the DSS 466 form to ensure compliance with CDSS reporting instructions for active and pending investigations, and ask CDSS staff for guidance regarding updating past reports if necessary. (Priority 1)

SAVINGS, BENEFITS, AND COSTS

Improving the SIU's tracking of its pending investigations and establishing related performance goals will improve the SIU's overall management of its backlog and can reduce the amount of time that investigations are pending before being assigned. By decreasing the amount of time during which fraud cases continue unaddressed, these changes could reduce the total payments made due to fraud. This will reduce the among of restitution that the County is obligated to seek by state regulations, decreasing administrative burden and potential losses, and it will also benefit the individuals found to have committed fraud, who face restitution obligations and potential criminal penalties that increase along with the total value of benefits improperly obtained. These improvements and goals can be accomplished within the unit's existing personnel resources.

Section 4: Prior Audit Recommendations related to Property and Inventory

Background

In October 2012, the Board of Supervisors adopted several recommendations from our management audit of the Social Services Agency (SSA) administration and support services. These recommendations included: (A) Recommendation 1.2: that the Board of Supervisors adopt a policy that requires lease vs. purchase analyses of proposed real estate transactions; (B) Recommendation 1.4: that SSA develop a regular process to inventory supplies to ensure the security and efficient use of assets; and (C) Recommendation 1.5: that SSA develop an inventory of stored furnishings and equipment and develop an inventory records policy.

Problem, Cause, and Adverse Effect

We were unable to verify that the lease vs. buy cost analysis, as recommended in Recommendation 1.2 and subsequently established in Board Policy Manual Section 5.9.5.1, was conducted for recent SSA real estate transactions. The Facilities and Fleet (FAF) Department, as the property managing department, is responsible for conducing such analyses under Section 5.9.5.1. Based on the publicly-available documents we reviewed for a recent transaction, we conclude that the Board of Supervisors was at best presented with a narrative recommendation that did not include cost estimates of leasing versus purchasing the property; however, this information, given the nature of the subject matter, may have been provided to the Board of Supervisors when they met in closed session. If not, the absence of this information would be a violation of Board policy, limit the Board's ability to make fully informed decisions, and reduce transparency. In addition, it is our opinion that this information benefits the public and should be included as part of the transaction's public legislative file.

We also identified opportunities for improvement in SSA's warehouse and inventory management practices to fully implement our 2012 Recommendations 1.4 and 1.5. SSA does not maintain documented inventory of the supplies stored at the West Julian Street campus, and while the Purchasing and Supply Operations team visually monitors supply inventory, there is no established process or policy to formally carry out inventory of supplies on a regular basis. Relatedly, although there is an inventory document for furniture and equipment stored at SSA's 1877 Senter Road warehouse, it is not comprehensive and did not always include a number or count of the items stored, or an item's location within the warehouse. Improvements in these areas will help ensure security and efficient use of assets.

Recommendations

The Board of Supervisors should direct the Administration and County Counsel to develop a procedure to certify compliance with Policy Manual Section 5.9.5.1 for applicable real estate transactions. SSA should formalize its current supply management practices, including establishing numerical thresholds for supply re-ordering, how the current visual monitoring system is documented, and how frequently a formal inventory is conducted. SSA should also prioritize the development and roll-out of a new warehouse inventory tracking system.

Savings, Benefits, and Costs

Implementation of these recommendations would have no fiscal impact on the County's General Fund but would ensure compliance with the Board of Supervisors Policy Manual and our prior audit recommendations.

FINDING

Background

In October 2012, the Board of Supervisors adopted several recommendations from our Management Audit of the Social Services Agency's Administration and Support Services. These recommendations included:

- **Recommendation 1.2**, which recommended that the Board of Supervisors adopt a policy that requires presentation to the Board of Supervisors of lease vs. purchase analyses when there is a potential lease or purchase choice where the value of the transaction exceeds $500,000 or extends beyond five years.
- **Recommendation 1.4**, which recommended that the Social Services Agency develop a regular process and policies to inventory supplies on a regular basis, to ensure the security and efficient use of assets.
- **Recommendation 1.5**, which recommended that the Social Services Agency develop, maintain, and distribute an inventory of stored furnishings and equipment, and develop a policy requiring upkeep of inventory records.

The circumstances contributing to each of the above recommendations are described in more detail below.

Lease vs. Purchase Analyses

The Social Services Agency occupies 17 facilities across the County of Santa Clara.[14] Most SSA facilities are leased from third-party commercial landlords, and only three facilities are actually owned by the County. The owned facilities include 1510–1540 Parkmoor Avenue (Parkmoor Office Center) and 725 East Santa Clara Street (RAIC or "Kieki Center") in San Jose, and 90 South Highland Avenue (Department of Family and Children's Services - South County Emergency Response) in San Martin. SSA's Central Services manages all SSA facilities, both County-owned and leased.

Prior Audit Finding and Recommendation

Our 2012 audit of SSA administration and support services found that in 2012, the County executed a lease for SSA office space that cost almost two times more than the building, improvements, and maintenance were worth. In addition, we found that associated improvements and related costs were not properly planned, budgeted for, or monitored by SSA, resulting in an estimated $6.8 million in excess costs to the General Fund. We recommended that the Board of Supervisors adopt a policy that requires presentation to the Board of Supervisors of lease vs. purchase analyses when there is a potential lease or purchase choice where the value of the transaction exceeds $500,000 or extends beyond five years.

14 SSA FY22 Facility Portfolio.

The Board of Supervisors adopted this recommendation in October 2012. In December 2012, the Facilities and Fleet Department (FAF) advised the Finance and Government Operations Committee that FAF was working with County Counsel to propose placement and language to be included in the Board Policy Manual.[15] Finally, in September 2013, the Board received and adopted Policy Resolution 2013–148, adding Section 5.9.5.1 ("Leases or Rentals"), among other provisions, to Chapter 5, as follows:

- Prior to any request for the lease or purchase of property for use by a County department or office, the *requesting* department must develop and present to the *property managing* department (either the Office of County Executive, FAF, Parks and Recreation, Roads, or Airports, as applicable), a written plan demonstrating the objectives of and need for the property and its intended use.
- The *requesting* department must work with the *property managing* department to develop project specifications and performance standards for the lease or purchase of the property.
- Using the *requesting* department's written plan and other relevant information, the *property managing* department must develop an analysis to determine the cost/benefit of leasing versus purchasing the property.

Current Audit Follow-Up

We contacted FAF Real Estate on April 21, 2022, to obtain their analyses developed as the property managing department for SSA-related real estate transactions pursuant to Section 5.9.5.1. They advised us they would review their SSA-related real estate transactions since the addition of Section 5.9.5.1. Several weeks later on June 16, 2022, we contacted FAF Real Estate for a status update of our request. To reduce the burden of gathering this information, we shortened our request from all SSA lease vs. buy analyses to one analysis.

On June 24, 2022, FAF Real Estate provided us with access to its electronic files containing current leases with the Sobrato Organization, a third-party commercial landlord, for the properties located at 333, 353, and 373 West Julian Street in San Jose. In addition to leases, the files contained information that can be generally divided into two groups:

1. The majority of the information in the files pertained to SSA's plan to consolidate functions at the Julian campus. In no particular order, there were project analyses, estimated operating expenses, tenant improvement (TI) plans, TI budgets and narratives, approvals of TI plans, the project schedule, presentations by the owner/developer, agreements with commercial construction and construction management firms, floor plans of

15 The Board of Supervisors Policy Manual was created upon the adoption of Policy Resolution 95–01 in June 1995, in which the Board of Supervisors directed the preparation of a manual for the purpose of articulating standards and policies adopted by the Board, pursuant to the authority that is vested in the Board of Supervisors by the Constitution, State codes, and the County Charter. The policies guide the Board, as well as officials and employees of the County, in their conduct and interaction with the public, County commissions, and committees, and persons and entities that do business with the County. The Clerk of the Board of Supervisors is responsible for updating the manual at the direction of the Board. Possible repercussion for failure to comply with any given policy in the Policy Manual is outlined in policy itself, or in the specific section of the manual where the policy resides.

improvements, work authorizations of and invoices from the architect/interior designer, design proposals, correspondence around a non-binding letter of intent to lease, a property comparison, appraisal reports, comparables data, lighting proposals, employee headcounts, listing data for commercial space, property details, information on the growth of SSA's caseload, a scope of work for a traffic study, analyses of short and long-term lease extensions, and strategic space planning data.

2. In addition, the files contained information that was presented to the Board in January 2018 as the Board was considering approval of the leases. This documentation included a memo from FAF and SSA, together advising the Board that *"the best short-term option"* for the County was to lease the properties because at that time SSA had an immediate need for additional space, and a desire to consolidate operations from five other leased and one owned facilities into a larger SSA-occupied Julian campus to improve client service delivery. According to the memo, it would take many years for the County to develop its own facilities.

At the time we advised FAF Real Estate that none of the information reviewed included the analysis required by Section 5.9.5.1, to determine the cost effectiveness of lease versus buy options for Board review. We explained that we needed documentation to show that FAF and SSA conducted the required analysis. On July 8, 2022, FAF Real Estate emailed us with additional information on SSA's space consolidation plan, which we also reviewed.

We conclude, based on our review of all of the documentation provided to us by FAF, that the analysis to determine the costs and benefits of leasing versus purchasing the property required in Section 5.9.5.1 of the Board's Policy Manual was not conducted for the properties located at 333, 353, and 373 West Julian Street in San Jose in sufficient detail to fulfil the purpose of the policy section and our 2012 recommendation. For example, the Board could have reviewed a summary table or chart of the estimated costs and benefits of leasing the Julian Street campus versus buying a comparable property elsewhere. It is important to note that most analyses of this kind will typically conclude that it is cheaper for the County to lease than purchase a property, but only after comparing reimbursements from the State for leasing a property (reportedly 70–80% of SSA's space costs/year) to reimbursements from the State for buying one (currently 2% of total costs/year for the depreciation of an owned facility). This kind of analysis often fails to capture the other long-term benefits of owning a property, such as building appreciation, equity ownership interest, and fixed-rate payments over time. It also fails to capture less-tangible benefits, such as freedom from a landlord's terms and conditions, and stability of long-lasting relationships within the community as the result of remaining in one neighborhood for several years. If the Board had been presented with this kind of analysis, it may have chosen to reject the Julian leases, especially if there was a cheaper, longer-term alternative for the County to buy. Instead, the Board of Supervisors was at best presented with a narrative recommendation; however, this narrative recommendation contained neither calculations and cost estimates of leasing versus purchasing the property nor policy choices or alternatives for the Board to consider. There is no evidence that a cost analysis of leasing vs. purchasing was conducted. However, this information may have been provided to the Board of Supervisors in closed session.

The purpose of this information is for the benefit of the Board of Supervisors, to inform the Board, and to guide policy decision-making by allowing the Board to consider alternatives and to consider the costs of the policy alternatives. The absence of this information limits the Board's ability to make fully informed decisions and reduces transparency. In addition, it is our opinion that non-confidential and non-privileged information benefits the public and should be included as part of the transaction's public legislative file. Therefore, we recommend that the Board of Supervisors direct the Administration and County Counsel to develop a procedure to certify compliance with Section 5.9.5.1 for proposed real estate transactions, which should be incorporated into Section 5.9.5.1 of the Board's Policy Manual, and to report back to the Board on placement and language in as soon as possible. In addition, we recommend that the Board of Supervisors direct the Administration and County Counsel to develop language requiring that non-confidential and non-privileged information from the analysis conducted under Section 5.9.5.1 be included in the public information file when the transaction comes before the Board for approval.

Supplies, Furniture, and Equipment Storage and Inventory

The Central Services division of SSA is responsible for the storage and management of goods, supplies, equipment, and furniture, as follows:

1. Office supplies, janitorial supplies, and personal protective equipment are stored primarily at SSA's 333 West Julian Street campus in one of three supply rooms, or at a warehouse located at 1867 Senter Road. The purchasing, storage, and distribution activities of goods and supplies, including the supply rooms at the West Julian Street campus and 1877 Senter Road, are managed by the Purchasing and Supply Operations team within Central Services.

2. Furniture and equipment, including new and used desk chairs, cubicle walls, desks, and tables, are stored in a warehouse located at 1877 Senter Road. The furniture and equipment warehouse at 1877 Senter Road is managed by the Facilities, Fleet, and Warehouse Operations team within Central Services.

Prior Audit Finding and Recommendation

Our 2012 audit of SSA administration and support services found that in 2012, there was no formal inventory of supplies stored at the Julian Street campus or 1867 Senter Road. We recommended that SSA develop a process and policies to inventory supplies on a regular basis to ensure the security and efficient use of assets (Recommendation 1.4 in our 2012 audit). Similarly, our 2012 audit found that there was no real-time inventory of furniture and furnishings at SSA's warehouse at 1877 Senter Road. We recommended that SSA develop, maintain, and distribute an inventory of stored furnishing and equipment, and develop a policy requiring upkeep of inventory records (Recommendation 1.5 in our 2012 audit).

Current Audit Follow-up

As part of our audit fieldwork, we conducted site visits to SSA's storage locations and warehouse, requested and reviewed inventory records and policies, and spoke to representatives from the Purchasing and Supply Operations team (responsible for goods and supplies at Julian Street and 1867 Senter Road) and the Facilities, Fleet, and Warehouse Operations team (responsible for furniture and equipment at the warehouse at 1877 Senter Road). In general, we found that while SSA's warehousing and inventory practices have improved since 2012, the recommendations from our 2012 audit have not been fully implemented, and SSA has opportunities to improve its inventory and record-keeping practices for both goods/supplies and furniture/equipment, as described below:

1. There is no documented inventory of the supplies stored at the West Julian Street campus or the 1867 Senter Road warehouse. While the Purchasing and Supply Operations team visually monitors the supply inventory, there is no established process or policy to formally inventory supplies on a regular basis, as recommended in the 2012 audit. During our site visit, we noted that while the Purchasing and Supply Operations team is physically based in the largest of the supply rooms and can monitor supply levels throughout the day, the other supply storage locations at the Julian campus may receive less regular monitoring of supply levels.

   We discussed the practicality, costs, and benefits of implementing a formal technological inventory management system with the Purchasing and Supply Operations team to replace the current system of visual monitoring, given the total volume of SSA's supply purchases.[16] While SSA's current visual monitoring practice seems adequate, it should be formalized and documented in accordance with recommendation 1.4 in our 2012 audit. We therefore continue to recommend that SSA develop a "regular process and policies to inventory supplies" and, in addition, that SSA formalize its current supply management practices, including numerical thresholds for supply re-ordering, how the current visual monitoring system is documented and/or certified, and how frequently SSA should formally inventory and document supply levels. In addition, as discussed below, if SSA implements a new inventory management system for its furniture and equipment warehouse, SSA should explore the feasibility of incorporating the management of goods and supplies inventory into that system.

2. SSA has developed an inventory database of its stored furnishings and equipment, but it is not comprehensive. In response to our request, SSA provided us with a copy of its inventory stored at the 1877 Senter Road warehouse in an Excel file, which we reviewed. The inventory database did contain types of furniture and equipment, grouped by type of item. However, the database did not always include a number or count of the items stored, and only occasionally included an aisle or bin reference that would indicate the physical location of the item within the warehouse.

16 In FY 2020–21, SSA placed 651 supply operations orders totaling $273,819, which reflects a decrease in supply usage due to the COVID-19 pandemic, SSA office closures, and telework. In FY 2018–19, the last full fiscal year before the COVID-19 pandemic, SSA placed 1,905 supply operations orders totaling $846,920.

This inventory tracking system has opportunities for improvement to increase efficiency of asset tracking, avoid unnecessary purchasing of items currently stored in the warehouse, and to reduce the likelihood of theft. In addition, the tracking of older, used items that are unlikely to be re-used (such as used desk chairs) would facilitate SSA's item disposal process and reduce the need for warehouse space. During our fieldwork site visit to the 1877 Senter Road warehouse, Facilities, Fleet, and Warehouse Operations representatives advised us that SSA is currently in the process of revamping its warehouse inventory database and system. Therefore, we recommend that SSA and Central Services prioritize the development and rollout of a new warehouse inventory tracking system and ensure that the new system will include real-time information of the number and types of items, their physical location (by aisle and bin) within the warehouse, whether or not the item is new or used, and the age of the item.

CONCLUSION

We were unable to verify that the lease vs. buy cost analysis, as recommended in Recommendation 1.2 and subsequently established in Board Policy Manual Section 5.9.5.1, was conducted for recent SSA real estate transactions. Based on the documents we reviewed for a recent transaction, we conclude that the Board of Supervisors was at best presented with a narrative recommendation that did not include cost estimates of leasing versus purchasing the property. However, this information may have been presented to the Board of Supervisors in closed session. The absence of this information would be a violation of Board policy, limit the Board's ability to make fully informed decisions, and reduce transparency. In addition, it is our opinion that non-confidential and non-privileged information associated with this analysis benefits the public and should be included as part of the transaction's public legislative file.

Separately, we identified opportunities for improvement in SSA's warehouse and inventory management practices to fully implement our 2012 Recommendations 1.4 and 1.5. Improvements in these areas will help ensure security and efficient use of assets, avoid unnecessary purchasing of items currently stored in the warehouse, and to reduce the likelihood of theft or loss of goods, supplies, and furnishings.

RECOMMENDATIONS

The Board of Supervisors should:

4.1 Direct County Administration and County Counsel to develop a procedure to certify compliance with Section 5.9.5.1 for proposed real estate transactions. In situations where hardship may preclude compliance with Section 5.9.5.1, a waiver from this policy could be approved by the Board or designee. This procedure should be incorporated into Section 5.9.5.1 of the Board's Policy Manual. The Board of Supervisors should request that the Administration and County Counsel report back to the Board on placement and language in the Board's Policy Manual as soon as possible. (Priority 1)

4.2 Direct the Administration and County Counsel to develop language requiring that non-confidential and non-privileged information associated with the analysis conducted under Section 5.9.5.1 be included in the public information file when the transaction comes before the Board for approval in open session. (Priority 2)

The Social Services Agency Central Services should:

4.3 Formalize its current goods and supplies management practices, including establishing numerical thresholds for supply re-ordering, how the current visual monitoring system is documented and/or certified, and how frequently SSA should formally conduct inventory and document supply levels. In addition, if SSA implements a new inventory management system for its furniture and equipment warehouse, SSA should explore the feasibility of incorporating the management of goods and supplies inventory into that system. (Priority 3)

4.4 Prioritize the development and rollout of a new warehouse inventory tracking system and ensure that the new system will include real-time information of the number and types of items, their physical location (by aisle and bin) within the warehouse, whether the item is new or used, and the age of the item. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

Implementation of these recommendations will require staff time and possibly expenditures for a software package but would have no fiscal impact on the County's General Fund but would ensure compliance with the Board of Supervisors Policy Manual and our prior audit recommendations. Recommendations 4.1 and 4.2 will improve the information provided to the Board of Supervisors in real estate transactions and overall transparency. Recommendations 4.3 and 4.4 may increase SSA's efficiency of asset tracking, avoid unnecessary purchasing of items currently stored in the warehouse, and to reduce the likelihood of theft or loss of goods, supplies, and furnishings.

Section 5: Data Governance and Information Sharing

Background

Multiple laws and regulations establish data privacy requirements and responsibilities of the Social Services Agency (SSA) in the use, sharing, and security of client data. SSA data reside in several welfare case management systems, and the laws and systems that surround the data maintained by SSA are complex and the datasets are, in some cases, legally siloed. However, research shows that health and social services data and information exchange can improve care coordination and delivery, while reducing costs.

Problem, Cause, and Adverse Effect

SSA departments provide overlapping safety net services to children, families, and adults. These departments would benefit from internal legal data sharing solutions, so that service providers have a "whole person" view of the individual they are serving. In addition, the centralized SSA Agency Office divisions should be able to undertake cross-systems, cross-departmental projects to improve service delivery and operations. When legal to do so, SSA should ultimately be able to share data securely with other County departments, as needed, for improved client service and research. However, our audit review found that SSA lacks strong data governance and data sharing policies, workflows, and leadership to address the privacy constraints on data usage to enable robust data sharing. SSA also lacks a system to creatively generate solutions to overcome barriers to data sharing, which results in a strict, restrictive attitude toward research and technology projects that puts the County behind statewide advancements in data exchange. In the time since our audit fieldwork was completed, SSA reports that it has made some changes that have resulted in improvements in these areas.

SSA has identified the need for improvement in its data governance practices and has formed a Data Governance Committee. However, SSA remains without a central repository of privacy laws and criteria for data usage and structure and has not established a data access request workflow to allow parties to submit requests for data access or data sharing. This lack of progress is likely due in part to the fact that SSA has not formally assigned responsibility for data governance, privacy, and security policy to any individual or individuals. As a result, although data governance policy setting and improvement is *one* priority for the Data Governance Committee as a whole, there is not one individual for whom data governance is the *primary* priority, and no individual responsible for executing the needs of the Data Governance Committee.

Recommendations

SSA should establish Data Governance Committee needs for executive leadership and day-to-day management responsibility; develop concrete goals, timelines, and milestones for its key initiatives; and report regularly to the Board of Supervisors on SSA's progress toward these goals.

Savings, Benefits, and Costs

Improvements to SSA's data management and governance practices will enable SSA to provide better service to SSA clients, produce robust cross-systems research and evaluation projects, improve data privacy and security policy, and identify occurrences of record duplication and welfare fraud. Prioritizing data governance will increase the workload of certain employees, including the members of the Data Governance Committee.

FINDING

Privacy Laws Governing Information Sharing

Multiple laws and regulations establish data privacy requirements and responsibilities for the Social Services Agency (SSA or the Agency) and its departments in the use, sharing, and security of client data, including both identifiable and de-identified data. **Identifiable data** is data that contains personal characteristics of individuals that can be tied back to an individual, either directly (in the case of record-level data comprised of data entries with information on specific individuals), or indirectly (in the case of aggregate data that reports characteristics of a very small group of individuals). **De-identified data** is data that has been aggregated and/or masked to prevent the identification of any specific individual within the dataset.

The relevant statutes and their effects on SSA's departments are summarized briefly below.

- **Cal. Welf. & Inst. Code § 827** lists the entities that are entitled to child welfare case file information, which is maintained by the Department of Family and Children's Services (DFCS) in the state's CWS/CMS system. An entity not listed in Cal. Welf. & Inst. Code § 827 must petition the juvenile court for case file information. There is no research exception for child welfare, meaning that identifiable case file access is not permitted for non-listed entities even for the purposes of research and evaluation.
  - **Current status within SSA:** Research and program evaluation using identifiable case file information is permissible within DFCS. According to SSA, the Office of Research and Evaluation has access to non-case file identifiable information, but may not regularly use this information. De-identified, aggregate child welfare information may be used and shared outside of DFCS.
- **Cal. Welf. & Inst. Code §§ 17006 and 17006.5** state that General Assistance records must be kept confidential except in limited circumstances. Within SSA, examination and inspection of General Assistance records is limited to the County officers charged with the supervision, direction, or fiscal control of GA relief. However, any citizen may request, by name, a "statement of the amount, character, and value of the relief received by any person."[17]
  - **Current status within SSA:** According to SSA, the Office of Research and Evaluation can in practice extract General Assistance data as part of the CalWIN system, and depending on the type and characteristics of the data, public benefit information may be shared for the purposes of research and evaluation without the authorization of the benefit applicant or recipient. De-identified GA data may be used and shared externally.
- **Cal. Welf. & Inst. Code § 10850 et seq.** states that public benefit information, which is maintained by the Department of Employment and Benefits Services (DEBS) and the Department of Aging and Adult Services (DAAS), may be shared for purposes directly connected with the administration of the program, and further authorizes the California Department of Social Services (CDSS) to

17 Cal. Welf. & Inst. Code § 17006.

promulgate regulations for research use. CDSS regulations[18] in turn state that information may be released without an authorization for research purposes as long as the research organization[19] complies with Cal. Welf. & Inst. Code § 10850. This Code section applies to all information and does not make a distinction between identifiable and de-identified data.

- **Current status within SSA:** Depending on the type and characteristics of the data, public benefit information may be shared for the purposes of research and evaluation without the authorization of the benefit applicant/ recipient. This framework is less strict than the framework outlined for child welfare and General Assistance data described above. When sharing data between DFCS and DEBS or DAAS, the stricter data framework applies.

The SSA data discussed above reside in one of several welfare case management systems that SSA uses to provide benefits and services to clients, including: CalWIN, which administers eligibility and welfare benefits for most public assistance programs, including CalFresh and CalWORKS; CWS/CMS, which is California's child welfare case management system; CMIPS II, which is the case management and payroll system for In-Home Supportive Services; APS, which is the case management system for Adult Protective Services; and Panoramic, which is the case management system used by the Public Administrator/ Guardian/ Conservator. Data maintained by these systems is all governed, as applicable, by the laws outlined above.

Needed Data Governance Structure Improvements

A 2022 review of the health and social services data exchange landscape in California released by the California Health and Human Services Agency notes that "research shows that effective health and human services data exchange can improve care coordination and delivery, while reducing costs," and that "fragmented data exchange can inhibit data-driven efforts to better coordinate human and social supports and [...] provide opportunities to deliver services that are more client centered, efficient, effective, and tailored."[20] As departments within SSA that provide overlapping safety net services to children, families, and adults, DEBS, DAAS, DFCS, and VSO should be able to share data legally and securely with one another so that the social workers, eligibility workers, and other providers have access to a "whole person" view of the individual they are serving and see what other SSA services that individual is receiving and may be eligible for. In addition, while preventing public disclosure of individual client information, the centralized SSA Agency Office divisions and the Technology Services and Solutions SSA group should be able to undertake cross-systems, cross-departmental research and technology projects to improve service delivery and

18 CDSS Manual of Policies and Procedures 19–004.8.

19 When sharing identifiable information with a university for a research project, Cal. Civ. Code § 1798.24(t) requires that entities submit research proposal to the Committee for the Protection for Human Subjects (CPHS) for the California Health and Human Services Agency, or an Institutional Review Board that contracts with CPHS.

20 "California Data Exchange Landscape," version 1.0, July 1, 2022. California Health and Human Services Agency, Center for Data Insights and Innovation.

the overall operations of all SSA departments. And finally, SSA should eventually be able to share data legally and securely with other County departments,[21] as needed, to improve cross-departmental service delivery, program evaluation, and quality improvement.

However, the laws and systems that surround the data maintained by SSA are complex and the datasets are, in some cases, legally siloed, particularly data that contains information related to child welfare cases (governed by Cal. Welf. & Inst. Code § 827). Our audit review found that SSA lacks strong data governance and data sharing policies and leadership to address these constraints and to enable the data sharing described above. It also lacks a system to creatively generate solutions to overcome identified barriers to data sharing, which results in a strict, restrictive attitude toward research and technology projects that puts the County behind statewide advancements in data exchange, as discussed in more detail in the following section.

In the absence of effective data governance, the complexity of the laws and information system frameworks impair robust cross-systems research and evaluation projects, improvements in data privacy and security policy, and technological opportunities to identify occurrences of record duplication and welfare fraud. In turn, this absence limits SSA's and the County's ability to evaluate its programs and improve service delivery for ongoing quality improvement for the populations they serve.

In the time since our audit fieldwork, SSA has reported making changes leading to progress in many of the areas discussed below. Specifically, SSA reports that executive sponsors and co-managers have been identified and named, with clear responsibilities for data governance, and that an action plan with milestones and dates has been developed. SSA also reports that additional work developing a privacy policy, a workplan for the master data management tool, and a Community Information Exchange are all underway. Since these changes occurred after our audit fieldwork was completed, we have not evaluated their impact.

Need for Data Sharing Workflow

SSA does not have a centralized set of data access criteria and has not formalized a data access/sharing workflow, policy, or governing document to facilitate research and evaluation projects and improved service delivery that involve data sharing among SSA departments. The data sharing workflow should be structured according to all the applicable legal, security, and privacy criteria, and should clearly define approval steps for data access requestors. The workflow should also establish a formal tracking system for data access requests. Overall, a formal workflow will help SSA ensure that all data access requests are evaluated consistently and in accordance with all necessary data access criteria. The absence of such a workflow limits SSA's opportunities for cross-systems research and evaluation, both internally within SSA and externally in collaboration with other County departments and valid third-party researchers, along with SSA's and, by extension, the County's ability to evaluate its programs and improve service delivery for ongoing quality improvement.

21 Sharing data with other County departments would also require compliance with other privacy laws and regulations, including the Health Insurance Portability and Accountability Act [HIPAA] for protected health information, and 42 C.F.R. Part 2, the federal substance use disorder confidentiality regulation, which applies to some categories of substance use disorder information.

Elsewhere in the County, the Health and Hospital System (HHS) has established a Data Access Request form that a requestor fills out to request access to the County of Santa Clara's Health System (CSCHS) data. The Data Access Request process evaluates the request against: (a) accordance with the relevant privacy laws, (b) whether the requestor has proper safeguards in place to protect the security of the data, and (c) whether the County has legal agreements in place to share and protect the data. A similar data access request workflow for SSA data that incorporates the specific laws and criteria applicable to SSA would allow consistent, ongoing evaluation of data access requests from an established privacy, security, and legal framework.

Data Systems Management and Improvement

SSA's lack of a robust data governance policy has also impacted the Agency's technological advancements. In 2017, the County entered into an agreement for a total not-to-exceed cost of $615,874 for the purchase and maintenance of a master data management (MDM) software tool, which would match the records of SSA clients across SSA's various welfare case management systems to create a consolidated identity repository. This master record would allow for advanced cross-systems reporting and analytics and provide a "whole person" view of SSA clients who receive services and benefits from multiple SSA departments. The MDM tool would also allow SSA to resolve, de-duplicate, and consolidate client records and to identify fraudulent records across and within systems.

However, implementation of the MDM tool was not assessed against a robust data governance policy that would identify legal, privacy, or security barriers to the use of the software and allow SSA to develop strategies to ensure successful MDM implementation. Consequently, rollout of the MDM software tool was halted in December 2018 due to the project proposal not being compliant with the privacy laws that apply to the data held by SSA as identified by the Office of the County Counsel. SSA has been unable to make use of the tool despite its purchase of the software and annual payments for software maintenance and support to the software vendor. Without the MDM tool, SSA remains unable to systematically match, consolidate, or de-duplicate client records across case management systems for the purposes of research and evaluation or fraud identification. A robust data governance policy would facilitate SSA's evaluation of the potential benefits to an MDM software tool, identification of legal barriers to implementation, and development of potential solutions to address identified barriers.

State-wide Advancements in Data Sharing

In 2021, the California Legislature passed Assembly Bill 133, which committed California to building a "health information exchange" with the goal of integrating the siloed medical care, behavioral health, and social services systems. In July of 2022, in accordance with AB 133, the California Department of Health and Human Services (CalHHS) released the Data Exchange Framework, Data Sharing Agreement, and an initial set of Policies and Procedures. By January of 2023, CalHHS and the California State Association of Counties will encourage county health, public health, and social services providers to connect to the Data Exchange Framework. The Data Exchange Framework acts as a statewide data sharing agreement to accelerate and expand the exchange of health information among health care entities, government agencies, and social services programs. (It is not a centralized data repository.)

Participants, including social services organizations like SSA, may enter into a Single Data Sharing Agreement with the California Health and Human Services Agency to facilitate data exchange in compliance with all applicable federal, state, and local laws, regulations, and policies. The Data Exchange Framework also includes a Strategy for Digital Identities to meet the requirements of AB 133 to "develop [...] a strategy for unique, secure digital identities capable of supporting master patient indices to be implemented by both private and public organizations in California" and to address the identified need for "coordinated person identity matching services [...] to improve effective exchange of health and social services information," a similar concept to SSA's aborted attempt to create a master data management tool.

California's recent progress on health and social services data sharing and digital identities demonstrates not only that it is possible to create an exchange data framework that supports data sharing to the exetnt it is legally compliant with applicable laws, but that Santa Clara County's lack of innovation in the area of social services data exchange governance puts it behind the state standard and impairs the Agency's overall progress toward improved services coordination, delivery, and efficiency.

SSA's Data Governance Committee

SSA has identified the need for improvement and innovation in its data governance practices and formed a Data Governance Committee in FY 2015–16 with representatives from SSA's Agency Office, Technology Services and Solutions (TSS), SSA's Program Support, Research and Evaluation division, and County Counsel. The stated goal of the Data Governance Committee is to develop a data strategy that identifies who will be tasked with data-related projects, activities, and timeframes to acquire and use high-quality data throughout the organization. The Data Governance Committee has five established workgroups, with goals described briefly below:

- Legal: to identify privacy laws and criteria for data usage and structure
- Data Access: to identify data access levels, criteria for data access, and legal structures
- Data Workflow: to create a workflow covering the span of data requests to fulfillment
- Data Systems: to identify and promote best practices for data systems
- Research and Continuous Quality Improvement: to identify analytics and research needs, and guidelines for research

In addition to the Data Governance Committee, SSA has designated one IT Supervisor within Program Support, Research and Evaluation as the individual responsible for compliance with Medi-Cal privacy and security requirements and for the reporting of Medi-Cal privacy breaches, although this responsibility is not formally stated in the individual's job description or responsibilities.

However, the Data Governance Committee has not made notable progress on its goals since its creation in FY 2015–16 Most crucially, SSA remains without a central repository of privacy laws and criteria for data usage and structure and has not established a data access request workflow, which are in many ways foundational elements and pre-requisites for progress on its other stated goals. The lack of progress may be due, in part, to a lack of formally established responsibility. SSA has not assigned either executive leadership or day-to-day management responsibility for data governance to any individual or individuals. As a result, although data governance policy setting and improvement is *one* priority for each of the members of the Data Governance Committee, there is not one individual for whom data governance policy and improvement is the *primary* priority, and no individual responsible for executing the day-to-day, on-the-ground needs of the Data Governance Committee in order for it to make progress.

To ensure progress on its data governance goals, we recommend that the Data Governance Committee establish its needs for executive leadership and day-to-day management responsibility and prepare a staffing needs assessment for the Social Services Agency Director. The staffing needs assessment should account for a temporary time period of higher staffing needs, to accomplish the initial goals established by the Data Governance Committee, as well as ongoing, long-term needs for data governance oversight, management, and ongoing evaluation once the framework has been established. To the extent feasible, the staffing needs assessment should make use of existing positions within SSA and TSS, including positions that could be partially assigned to the work of the Data Governance Committee, rather than propose the creation of new positions.

In addition, the Data Governance Committee should develop concrete goals, timelines, and milestones for its key initiatives, including the development of a data sharing workflow and the resumption of use of its MDM software tool. Beginning in January 2023, a representative from the Data Governance Committee should report every six months to the Board of Supervisors on SSA's progress toward these goals, and in their report should identify major legal or technological obstacles to a reasonable data governance policy and workflow.

CONCLUSION

SSA has an overall need to improve its data management and governance practices in order to provide better service to SSA clients, produce robust cross-systems research and evaluation projects, improve data privacy and security policy, ensure integrated and high level service to its clients, and to identify occurrences of record duplication and welfare fraud. SSA lags behind other County departments and state-level progress on data sharing and information exchange, which ultimately compromises improvements in service delivery. SSA has identified the need for improvement and innovation in this area and has taken steps to improve its data management practices; however, data governance and data sharing policies remain undeveloped, technological solutions and research initiatives have stalled, and SSA has not formally assigned responsibility for data management, privacy, and information security policy to any individual or individuals within SSA leadership. We conclude that more formalized leadership and responsibility for data governance is needed, along with concrete goals, timelines, and regular reporting to the Board of Supervisors, to ensure progress on data governance policy.

As noted earlier in this report, in the time since our audit fieldwork, SSA has reported progress in many of the areas discussed below. Specifically, SSA reports that executive sponsors and co-managers have been identified and named, with clear responsibilities for data governance, and that an action plan with milestones and dates has been developed. SSA also reports that additional work developing a privacy policy, a workplan for the master data management tool, and a Community

Information Exchange are all underway. Since these changes occurred after our audit fieldwork was completed, we have not evaluated their impact. and dates has been developed. SSA also reports that additional work developing a privacy policy, a workplan for the master data management tool, and a Community Information Exchange are all underway. Since these changes occurred after our audit fieldwork was completed, we have not evaluated their impact.

RECOMMENDATIONS

The SSA Director should direct members of the Social Services Agency Data Governance Committee to:

5.1 Formally establish Data Governance Committee needs for executive leadership and day-to-day management responsibility and prepare a staffing proposal for the Social Services Agency Director. The staffing proposal should account for a temporary time period of higher staffing needs, to accomplish the initial goals established by the Data Governance Committee, as well as ongoing, long-term needs for data governance oversight, management, and ongoing evaluation once the framework has been established. To the extent feasible, the staffing proposal should make use of existing positions within SSA and TSS, including positions that could be partially assigned to the work of the Data Governance Committee, rather than propose the creation of new positions. (Priority 3)

5.2 Develop concrete goals, timelines, and milestones for its key initiatives, including the development of a data sharing workflow and the tailoring of its proposed use of its MDM software tool to be used in a manner that is compliant with applicable privacy laws. (Priority 3)

5.3 Beginning in January 2023, report every six months to the Board of Supervisors on SSA's progress toward these goals, and in their report should identify major legal or technological obstacles to a reasonable data governance policy and workflow. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

Improvements to SSA's data management and governance practices will enable the Agency to provide better and more integrated services to SSA clients, produce robust cross-systems research and evaluation projects, improve data privacy and security policy, and identify occurrences of record duplication and welfare fraud. Prioritizing data governance will increase the workload of certain employees, including the members of the Data Governance Committee. While we do not recommend the addition of a new position to perform SSA's privacy officer functionality, SSA may find that time-limited resources may be needed to support the work of the Data Governance Committee to develop and manage the concrete goals, timelines, and milestones we recommend.

Section 6: User Access to Information System Applications

Background

Social Service Agency (SSA) staff use software applications that are specific to the work of SSA departments. The two largest of these are State applications: CalWIN, used by the Department of Employment and Benefits Services, and Child Welfare Services/ Case Management System used by the Department of Family and Children's Services. The CATS (CalWIN Application and Triage Support) unit in SSA supports CalWIN. The County's Technology Services and Solutions Department (TSS) supports the Child Welfare Services/Case Management System and in-house and vendor applications.

Problem, Cause, and Adverse Effect

TSS and SSA enter annually into a Letter of Understanding defining the respective roles of each agency in administering and granting access to information system applications. The Letter of Understanding requires TSS and SSA to comply with confidentiality requirements set by the California Welfare and Institutions Codes and County IT security policies. TSS and CATS have varying approaches to monitoring ongoing access to IT systems. SSA has a security policy specific to CalWIN, documented in a 2005 agency memorandum, which defines responsibility for terminating user access to CalWIN when an SSA staff member retires, resigns, is terminated, is on extended leave, or has a change in job duties. The TSS SSA unit does not have documented procedures on terminating users from State, in-house, or vendor applications when the user retires, resigns, or transfers out of the job function, other than the County policy defining departments' responsibility to terminate users' access when they change jobs or duties. Our review of user access to CalWIN and Child Welfare Services/Case Management System found that, while SSA and Technology Services and Solutions have sufficient policies and procedures for granting user access to sensitive information system applications, managing ongoing user access needs improvement. Despite CATS reporting they review the user list monthly to remove inactive users, we found approximately 17% of names on the original list of CalWIN users provided to the Management Audit Division team in mid-May 2022 were no longer active users. In late May 2022, in preparation for the transition from CalWIN to CalSAWS, the CATS unit in SSA reviewed the original CalWIN user list in preparation for the transition to CalSAWS and deleted approximately 400 of 2,400 names. Approximately five% of names on the list of Child Welfare Services/ Case Management System users were staff who had left DFCS and did not have an end date for their Child Welfare Services/Case Management System accounts. In addition, eleven CalWIN users and nine Child Welfare Services/Case Management System users were on unpaid leave and should have had their access terminated during their leave.

Recommendations

The SSA Data Governance Committee needs to formulate policies and procedures to ensure only qualified users have ongoing access to information system applications.

Savings, Benefits, and Costs

Formulating and documenting procedures to ensure appropriate user access to information system applications is within the scope and responsibility of SSA and TSS staff and will not result in new costs to the County. Consistent procedures will ensure that only eligible users have ongoing access to these applications and enhance system security.

FINDING

User Access to SSA Systems

Social Services Agency (SSA) staff use software applications that are specific to the work of SSA departments. The largest of these are three State applications: CalWIN, used by Department of Employment and Benefits Services (Employment and Benefit Services); Child Welfare Services/Case Management System, used by Department of Family and Children's Services (Family and Children's Services); and CMIPS II, used by In-Home Supportive Services. The CATS (CalWIN Application and Triage Support) unit in SSA supports CalWIN. The Technology Services and Solutions unit supporting SSA (Technology Services and Solutions SSA unit) supports the other State applications, applications developed in-house, and vendor applications. See Figure 6.1 below.

Figure 6.1: *SSA Software Applications*

Application	User department	Supported by
CalWIN	Department of Employment and Benefits Services (Employment and Benefit Services)	SSA's CalWIN Application and Triage Support team (CATS)
Child Welfare Services/Case Management System	Family and Children's Services (DFCS)	Technology Services and Solutions/SSA unit
CMIPS II	In-House Supportive Services	Technology Services and Solutions/SSA unit
Other State applications, applications developed in-house, other vendor applications	Various departments	Technology Services and Solutions/SSA unit

Source: Management Audit review of software applications.

Technology Services and Solutions and SSA enter annually into a Letter of Understanding defining the respective roles of each agency in IT service and support. Under the Letter of Understanding, Technology Services and Solutions is responsible for application development, departmental application support and management, and identity and access management, among other responsibilities. The Letter of Understanding also requires Technology Services and Solutions and SSA to comply with confidentiality requirements set by the California Welfare and Institutions Codes and County IT security policies.

According to the County's Information Technology Security Policies, County departments must ensure that only users with legitimate needs to access County IT resources are provided with user accounts. User access is limited to IT information necessary for the user to perform their job duties. County departments are responsible to terminate users' access when they change jobs or duties. Our review of user access to two State systems—CalWIN and Child Welfare Services/Case Management System—shows that current practices do not ensure that inactive users are consistently removed from user lists.

SSA and Technology Services and Solutions Procedures to Grant User Access

Access to CalWIN

CATS is responsible to grant access to CalWIN and to monitor ongoing user eligibility to access the system. CalWIN has approximately 2,000 users, who include Employment and Benefit Services and other SSA staff; other County departments, including Child Support Services, Health and Hospital System, Public Health Department, and Technology Services and Solutions; community-based organizations; and California Department of Social Services and Department of Health Care Services. SSA implemented form SC 159, which Employment and Benefit Services staff fill out to obtain CalWIN access on hire or to record a change in their status, such as name change or change in job status or location. The staff person's manager signs the form, which is then forwarded to CATS for approval. The manager is also responsible for submitting the "delete" SC 159 when the staff person retires, resigns, is terminated, is on extended leave, or has a change in job duties which no longer require access to CalWIN.

In addition, SSA uses form SC 159a for CalWIN users outside of Employment and Benefit Services, including staff from other County departments and community-based organizations. According to a November 2021 memorandum from the SSA Chief Deputy Director, the agency adopted a new form SC 159a as part of the agency-wide implementation of data governance and to prepare for the migration from CalWIN to CalSAWS.[22] SSA enters into memoranda of understanding (MOUs) with other County departments and community-based organizations for their staff to gain access to CalWIN. Once the MOU is approved, County departments and community-based organizations requesting CalWIN access must complete the Community Partner/Contractor Access Security Statement, which is signed by both the party requesting access and the SSA manager.

Access to Child Welfare Services/Case Management System and Other Systems

Technology Services and Solutions is responsible to grant access to Countywide systems and to applications specific to SSA, including the State applications other than CalWIN, in-house applications, and vendor applications. Access to the State applications, of which Child Welfare Services/Case Management System is the largest with approximately 900 users, is managed by Technology Services and Solutions SSA unit application administrators. All parties requesting access to Child Welfare Services/Case Management System, including DFCS and SSA, other County departments, and community-based organizations and contractors, fill out form SC 1646, which has fields to define the role of the user and level of access needed, requires approval by the State Administrative Support Bureau and SSA managers. Access by external agencies to Child Welfare Services/Case Management System is limited and according to DFCS staff, SSA's only MOU for access to Child Welfare Services/Case Management System is with the County Office of Education.[23] However, other organizations such as community-based organizations, are allowed access without an MOU with SSA.

22 CalSAWS is the state-wide system to administer public assistance, replacing CalWIN.

23 The Community Partner/Contractor Access Security Statement references the Child Welfare Services/Case Management System, Child Welfare Services/Case Management System and according to Technology Services and Solutions staff, community based organizations have access through contracts.

The procedure for user access to in-house applications is less defined. While user access to State and vendor applications is granted by application developers, user access to in-house applications may be granted by application developers.

Privacy and Security Training and Levels of User Access

The County requires privacy and security training for newly hired staff and annual online training for all County staff through the County's SCC Learn website. Online privacy and security training is provided to County staff, stakeholders, contractors, and vendors who do not have access to the SCC Learn website.

Access to County information systems is based on the user's job functions. Employment and Benefit Services eligibility workers have access to CalWIN fields for client eligibility determination and case management, while other SSA staff may only have view access. Staff from community-based organizations may have inquiry access only or may be able to enter case comments, depending on the organizations' role. Child Welfare Services/Case Management System has different levels of user access, including DFCS staff managing child welfare cases, county administrators, office administration, adoptions, sensitive cases, and sealed cases (for which only a Technology Services and Solutions IT Manager has access). Health and Hospital System and Public Health Department staff with Child Welfare Services/Case Management System access can enter case comments, but Sheriff Department staff with Child Welfare Services/Case Management System access cannot.

Procedures to Monitor Ongoing Access to IT Systems

The Technology Services and Solutions SSA unit and CATS have varying approaches to monitoring ongoing access to IT systems. SSA has a security policy specific to CalWIN, documented in a 2005 agency memorandum, which defines responsibility for terminating user access to CalWIN when an SSA staff member retires, resigns, is terminated, is on extended leave, or has a change in job duties. According to discussions with CATS staff, ongoing CalWIN access is reviewed monthly. CATS receives reports from the Employment Services Agency (ESA) on retirements and resignations, notifies Employment and Benefit Services district offices on who retires or resigns, and sets an end-date for system users. CATS staff also meet monthly with program managers on notifying CATS of retirements and resignations.

The Technology Services and Solutions SSA unit does not have documented procedures on terminating users from State, in-house, or vendor applications when the user retires, resigns, or transfers out of the job function, other than the County policy defining departments' responsibility to terminate users' access when they change jobs or duties. According to discussions with Technology Services and Solutions staff, the Technology Services and Solutions SSA unit relies on department managers to notify Technology Services and Solutions when a staff member resigns, retires, or no longer needs access, but the unit does not consistently receive timely information on staff changes. Also, forms included in the County's exit procedures have fields for Technology Services and Solutions to terminate access to County information systems, and when Technology Services and Solutions terminates user access to County information systems, end dates for access to State systems are included.

Technology Services and Solutions application administrators review staff rosters to match names with information in the human resources management system, PeopleSoft; however, this manual process is considered tedious and not consistently performed. Notifying Technology Services and Solutions of changes to user access to Child Welfare Services/Case Management System, the largest State system administered by the Technology Services and Solutions SSA unit, is the responsibility of DFCS managers. According to discussions with DFCS staff, senior management analysts in the department review Child Welfare Services/Case Management System user access lists each month and work with Technology Services and Solutions on removing staff who are no longer authorized access.

Technology Services and Solutions does not currently receive ESA reports on retirements and resignations. According to discussions with Technology Services and Solutions SSA unit management, while Technology Services and Solutions previously received hard copies of Personnel Action Requests (PAR) from ESA, informing Technology Services and Solutions of employees who retired, resigned, or changed jobs, Technology Services and Solutions does not currently receive an electronic copy of the PAR (referred to as an ePAR). According to Technology Services and Solutions SSA unit management, Technology Services and Solutions could receive the ePAR through an inexpensive technical solution. SSA and Technology Services and Solutions also need to develop a process to electronically compare CalWIN and Child Welfare Services/Case Management System users with ESA employment lists.

Ongoing User Access to CalWIN and Child Welfare Services/Case Management System

We reviewed the user lists for CalWIN and Child Welfare Services/Case Management System and matched names to the ESA staff list for SSA. For names not on the ESA staff list, we matched the names to active County email accounts.

The original CalWIN user list provided by CATS in mid-May had more than 2,400 names. CATS provided an updated list in late May, which according to CATS was generated as part of the transition from CalWIN to CalSAWS. For the transition, CATS requested SSA managers to review the list of CalWIN users, including SSA staff and community-based organizations, to identify retirements, resignations, and job changes; the revised list after review had fewer than 2,000 names, a reduction of approximately 400 names. Of the revised list, we were able to identify most users through matching the ESA staff list,[24] active County email accounts, or non-County email accounts, such as accounts for community-based organizations, contractors, State or other government agencies, and financial auditors. However, we could not identify 120 users on the CalWIN list. According to follow up review by CATS staff, the 120 users included staff from other California counties with access to CalWIN, State agency staff, and auditors. One of the users was determined to be inactive and deleted from CalWIN access.

The Child Welfare Services/Case Management System list included SSA users (including other County departments and community-based organizations working with SSA) and Juvenile Probation users. We reviewed the approximately 800 Child Welfare Services/Case Management System SSA users, of whom most were SSA and other County department staff matching the ESA staff list or active County email accounts. We could not identify 50 names on the Child Welfare Services/Case

24 The ESA list did not include all active SSA users. Of 683 SSA users on the list, we matched 630 on the ESA list and 53 from active email accounts.

Management System list. According to follow up review by Technology Services and Solutions SSA unit staff, seven users were active DFCS, Public Health Department, or County Office of Education staff[25], but 43 (50 less the seven they identified) of the users were staff that had left DFCS and did not have an end date in the Child Welfare Services/Case Management System accounts.

Continued Access for Unpaid Leave

SSA's policy for user access to CalWIN states that access is ended for staff on extended leave.[26] Technology Services and Solutions does not have a documented policy for user access to Child Welfare Services/Case Management System or other systems for staff on extended leave. Of the active CalWIN users, eleven were on unpaid leave, and of the active Child Welfare Services/Case Management System users, nine were on unpaid leave. These users should have had their access terminated during their leave per SSA policy but remained on the active user lists.

CONCLUSION

SSA and Technology Services and Solutions have sufficient policies and procedures to grant user access to sensitive information system applications. However, SSA and Technology Services and Solutions procedures to monitor ongoing user access to CalWIN and Child Welfare Services/Case Management System need improvement. Approximately 400, or 17%, of 2,400 names on the original list of CalWIN users provided to the Management Audit Division team in May 2022 were no longer active users despite CATS reporting that they review the user list monthly to remove users who are no longer authorized due to job transfer, retirement, or other reasons. Approximately 5% of names on the list of Child Welfare Services/Case Management System users were staff who had left DFCS and did not have an end date for their Child Welfare Services/Case Management System accounts. In addition, eleven CalWIN users and nine Child Welfare Services/Case Management System users were on unpaid leave and should have had their access terminated during their leave. The SSA Data Governance Committee[27] needs to formulate policies and procedures to ensure only qualified users have access to information system applications.

25 According to Technology Services and Solutions SSA unit staff, the County has an MOU with the County Office of Education for access to Child Welfare Services/Case Management System.

26 There are certain types of leave, such as pregnancy related disability, where an employee can elect to take unpaid leave, so that fact that the leave was unpaid would not necessarily mean the employee had exhausted their leave banks.

27 The SSA Data Governance Committee has members from SSA's Agency Office, Technology Services and Solutions, SSA's Program Support, Research and Evaluation division, and County Counsel. The stated goal of the Data Governance Committee is to develop a data strategy that identifies who will be tasked with data-related projects, activities, and time frames to acquire and use high-quality data throughout the organization.

RECOMMENDATIONS

The SSA Data Governance Committee should:

6.1 Formulate and document procedures for user access to information system applications, including (1) consistent procedures and documentation on the status of users with application access, including users outside of SSA and the County, (2) timely notification to CATS and Technology Services and Solutions staff on employee change in employment status, including change of job or job functions, unpaid leave, retirement, or resignation, (3) routine monitoring of user lists and electronic comparisons with ESA lists to identify inactive and ineligible users, and (4) routine inclusion of end dates for application access. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

Formulating and documenting procedures to ensure appropriate user access to information system applications is within the scope and responsibility of SSA and Technology Services and Solutions staff and will not result in new costs to the County. Consistent procedures will ensure that only eligible users have ongoing access to these applications and enhance system security.

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Section 7: CalWIN to CalSAWS Transition

Background

Santa Clara County is a member of an 18-county consortium that administers the public benefits system, CalWIN. The Social Services Agency's (SSA) CalWIN Application and Triage Support unit (CATS) administers user access to CalWIN. The Technology Services and Solutions Department (TSS) maintains in-house applications ancillary to CalWIN functions. In response to a federal mandate, all California counties are transitioning to the California Statewide Automated Welfare System (CalSAWS).

Problem, Cause, and Adverse Effect

The transition to CalSAWS will change work functions for TSS, CATS, and Department of Benefit and Employment Services (Benefit and Employment Services) staff. Four functions—document imaging, task management, lobby kiosks, and marquees—that are not available in CalWIN will be part of CalSAWS. TSS currently supports these four functions, but when the County transitions to CalSAWS, responsibility for user support for these functions will shift to CATS, although TSS will continue to support connectivity and proper operations.

In addition, the SSA Director approved continued use of five ancillary in-house applications supported by TSS rather than use the comparable functions in CalSAWS. While the State reimburses the County for the costs of CalSAWS, use of in-house applications is a General Fund cost. Not all SSA draft business decision documents regarding the transition to CalSAWS provided estimates of ancillary application costs and the General Fund impact. Also, the justification for retaining at least two of the in-house applications is not clear.

Further, TSS and Employment and Benefits Services staff currently use an in-house automated tool for routine data entry in CalWIN. The State restricts the use of such tools in CalSAWS to prevent introduction of malicious software, which will require Employment and Benefits Services staff to make manual entries in CalSAWS that are currently automated in CalWIN.

Recommendations

The SSA Director and TSS Chief Information Officer will need to coordinate implementation of CalSAWS to identify changes in TSS staff allocation to support SSA functions and in CATS staff workload for CalSAWS user support. Also, the SSA Director should review the decisions and require detailed cost estimates to retain in-house ancillary applications rather than use the comparable CalSAWS functions. The County should also work with the CalSAWS Consortium to enhance CalSAWS functions to address SSA business processes and minimize the need for ancillary in-house applications.

Savings, Benefits, and Costs

These recommendations are intended to contain staff and application costs for the transition to CalSAWS. TSS could potentially reduce the number of staff supporting SSA but the actual allocation of staff would depend on the change in Technology Services and Solutions workload for supporting CalSAWS' cloud-based platform and ancillary applications. CATS workload for CalSAWS user support could increase. The exact change in TSS and CATS workload is not known prior to full implementation of CalSAWS. These recommendations are also intended to minimize the impact to the General Fund to maintain ancillary in-house applications that could otherwise be included in CalSAWS and reimbursed by the State.

FINDING

Statewide Transition to CalSAWS

Santa Clara County participates in the 18-county consortium that administers the system supporting public assistance eligibility determination and case management. CalWIN (CalWORKS Information Network) was implemented in 1999 as one of four State-authorized county consortia whose role was to administer systems supporting public assistance eligibility determination and case management.[28] CalWIN is maintained and operated by Electronic Data Systems, the vendor selected by the CalWIN consortium.

In response to a federal mandate, California counties are transitioning to a single statewide system to administer public assistance programs, and in 2019 the State formed a Joint Powers Authority (JPA) to implement the California Statewide Automated Welfare System (CalSAWS). Two of three current consortia—LRS (Los Angeles County) and C-IV (39 other California counties)—combined into one consortium in 2017 and selected LRS as the base for CalSAWS. Implementation of CalSAWS is by Accenture, the vendor selected by Los Angeles County to develop LRS. The CalSAWS Consortium will select a vendor to maintain and operate the system through a competitive Request for Proposals (RFP), which was scheduled to be released in July 2022.

The C-IV counties transitioned to CalSAWS in 2021 with continuing review and support during the spring of 2022. CalWIN counties, including Santa Clara County, began transitioning to CalSAWS in 2022 in phases (or "waves"). The first wave was initially made up of Yolo, Placer, and Contra Costa counties, which were scheduled to transition to CalSAWS in October 2022. Santa Clara County is in the second wave and scheduled to transition to CalSAWS in February 2023. Because Contra Costa County was not ready to transition to CalSAWS in the first wave, the Contra Costa County transition was delayed to the second wave in February 2023.

Social Service Agency and Technology Services and Solutions

The Social Service Agency's CalWIN Application and Triage Support (CATS) unit supports CalWIN, and CATS staff administer user access and troubleshoot access issues. In the transition to CalSAWS, CATS staff are primarily assisting in documenting business processes, creating "swimlane" diagrams that detail public assistance eligibility determination and case management workflow, and supporting policies based on system functionality. CATS staff also represent Santa Clara County in the CalSAWS Consortium. Other implementation activities, including business process engineering, organizational change management, and training and implementation support, are provided by vendors selected by the CalSAWS Consortium. CATS, in coordination with the SSA Staff Development and Training unit, is planning for training and support for Department of Employment and Benefit Services (Employment and Benefit Services) and other SSA staff when CalSAWS goes live in 2023.

28 The original four consortia were: CalWIN, ISAWS (Napa County and 34 small counties), LEADER Replacement System or LRS (Los Angeles County), and C-IV (Merced, Riverside, San Bernardino, and Stanislaus). ISAWS combined with C-IV to form a 39-county consortium.

The Technology Services and Solutions unit supporting SSA develops and maintains applications ancillary to CalWIN functions.[29] While CalWIN and CalSAWS are maintained and operated by vendors through contracts with the respective consortia, Technology Services and Solutions maintains and operates in-house applications supporting work processes not included in CalWIN.[30] In the transition to CalSAWS, Technology Services and Solutions is providing technical support, including revamping ancillary applications, migrating data, and matching CalWIN data and fields to CalSAWS data and fields, and preparing for moving to a statewide cloud application as part of CalSAWS.

Impact of CalSAWS Changes on Work Functions and Workload

The transition to CalSAWS will change work functions for Technology Services and Solutions, CATS, and Employment and Benefit Services staff, which will impact the workload of each organization. Several functions currently supported by Technology Services and Solutions outside of CalWIN will be part of CalSAWS, including document imaging, task management, lobby kiosks, and marquees. Responsibility for supporting these functions will move from Technology Services and Solutions to CATS and the State's CalSAWS support staff, although according to Technology Services and Solutions staff, Technology Services and Solutions will continue to provide some support for the marquees and lobby kiosks. Other functions will be supported by Technology Services and Solutions through the development of ancillary applications. Also, some routine tasks that are currently automated in CalWIN may be manual in CalSAWS. These changes in work functions and the potential impact on workload are discussed below.

Functions Core to CalSAWS

As noted above, four functions that are not available in CalWIN will be part of CalSAWS. Currently, Technology Services and Solutions supports applications or platforms for these four functions—document imaging, task management, lobby kiosks, and marquees— although Technology Services and Solutions will continue to support some aspects of these applications and platforms to ensure connectivity and proper operations.

Document imaging is the process to convert paper documents to an electronic format, including storing, indexing, and retrieving documents. Because CalWIN does not provide document imaging, Technology Services and Solutions purchased a vendor product to manage document imaging, and Technology Services and Solutions staff support the imaging platform, which provides document storage and indexing to CalWIN and two other State systems, In-Home Supportive Services and Child Welfare. CalSAWS has a document imaging function, which according to CalSAWS representatives, will be cloud-based, allow direct access to imaging functions without using a desktop application, and provide automatic reading and validating key values tied to a document. The vendor platform will continue to be used for In-Home Supportive Services and CWS/CMS but will no longer be needed for work performed by Employment and Benefit Services staff when CalSAWS is implemented.

29 The Technology Services and Solutions unit that provides support to SSA is responsible for developing and/or administering other applications used by SSA, including the State applications for Child Welfare and In-Home Supportive Services, applications developed in-house, and vendor applications.

30 CalWIN is used by the SSA Department of Employment and Benefit Services. The Technology Services and Solutions unit supporting SSA also develops in-house applications for the SSA Department of Family and Child Services, In-Home Supportive Services, and Administrative Office.

Lobby kiosks are a self-service tool, allowing clients to check in for appointments, submit forms, and other tasks. Kiosks provide front-end service (rather than information storage) and create tickets in Task Management for follow up. Task Management assigns work to Employment and Benefit Services staff. The CalSAWS kiosk and task management functions will replace the existing tools, which will no longer be maintained by Technology Services and Solutions staff.

Marquees, which are part of the CalSAWS lobby management system, are scrolling text devices that also provide announcements, such as “now serving…”. Currently, Technology Services and Solutions supports the marquee application and workstations in each SSA office. When CalSAWS is implemented, CalSAWS will generate marquees via a web browser, but Technology Services and Solutions staff will continue to maintain the workstations.

The current number of Technology Services and Solutions staff assigned to support these applications varies. For the imaging platform, most staff hours (approximately 30 hours per week) are used for new features and enhancements to the imaging functionality and interfacing with the smart scanner. Fewer staff hours are used for maintenance and operation of the imaging platform and task management and lobby kiosk applications. Although Technology Services and Solutions staff will continue to support the vendor imaging platform for In-Home Supportive Services and CWS/CMS, fewer staff hours will be needed for imaging platform enhancements. Also, Technology Services and Solutions staff hours (approximately 0.5 full-time equivalent (FTE) positions) will not be needed to support the Task Management tool after CalSAWS is implemented.

According to discussions with Technology Services and Solutions staff, because Santa Clara County is the first large county to go live with CalSAWS, the change in Technology Services and Solutions workload will not be known until CalSAWS is fully implemented statewide. During implementation, Technology Services and Solutions will be responsible for modifying applications to be compatible with CalSAWS and with the cloud computing platform used by CalSAWS. Working with the cloud computing platform is new to Santa Clara County, and according to discussions with Technology Services and Solutions staff, will require staff development, use of new tools, some trial and error, and potentially contracting for vendor support.

When CalSAWS goes live, CATS staff will be responsible for responding to users’ requests and troubleshooting problems in the implementation and use of CalSAWS. Maintenance and operation of CalSAWS will be the responsibility of the CalSAWS vendor. CATS staff will be responsible for setting up the task management structure in CalSAWS and for user support, business process changes, and document design for the imaging, task management, and kiosk functions in CalSAWS.

The change in Technology Services and Solutions and CATS staff requirements due to the CalSAWS implementation is not yet known. The SSA Director and Technology Services and Solutions Chief Information Officer will need to closely coordinate implementation of CalSAWS to ensure efficient use of Technology Services and Solutions and CATS staff time.

Continued Use of Ancillary Applications

As of August 2022, Employment and Benefit Services staff recommended and the SSA Director approved continued use of five ancillary in-house applications rather than use the comparable functions in CalSAWS:

- The Corrective Action Tracking Reporting system tracks quality assurance reviews for the CalFresh program, creating reports and dashboards used for internal purposes. CalSAWS provides quality review forms that can be used for quality assurance purposes, but according to SSA, use of the CalSAWS quality review forms would provide the State access to Santa Clara County error data which the County is collecting to reduce error rates and is not meant for State or federal review.

- The Employment Connection Application assists the Employment and Benefit Services Employment Service Bureau in managing employment placement, employer contracts, and participant information. CalSAWS allows for tracking participant information, including eligibility for work programs, and tracking Welfare-to-Work activities, but according to SSA, the CalSAWS function is not sufficient because it cannot incorporate County processes, such as managing employer contracts.

- The Income Eligibility Verification System (IEVS) is a task management tool to manage IEVS unit assignments. IEVS eligibility examiners determine and calculate cash assistance overpayments. CalSAWS has a similar task management tool, but according to SSA, the CalSAWS tool is insufficient in that employment and client letters generated by CalSAWS are not the same as Santa Clara County employment and client letters; and the dashboard, Integrated Fraud Detection assignment, and budget calculation functions are less comprehensive or streamlined, or could potentially have more system issues than the in-house application.

- The Vocational Services and Appeals System portal provides data storage infrastructure for the General Assistance Vocational Services, General Assistance Appeals, and CalFresh Employment and Training programs. The CalSAWS system differs from the in-house portal in that the CalSAWS system automatically reduces the General Assistance grant to a non-compliant client, which is counter to County policy. According to SSA, the in-house portal allows automated processing of non-compliant cases for General Assistance, which are sent directly to the Appeals Unit. Use of the CalSAWS system would require manual processing of non-compliant General Assistance client cases, increasing workload and staffing requirements.

- The Supplemental Security Income (SSI) Advocacy Application manages and tracks application stages and activities for individuals with physical or mental health disabilities who are applying for Supplemental Security Income. The application is also used for the Housing and Disability Advocacy Program for disabled homeless individuals applying for disability benefit programs. The CalSAWS function differs from the in-house SSI Advocacy Application in that the CalSAWS function allows all staff assigned to SSI cases to view the notes page, which may include confidential information; does not allow for contact information for more than one authorized representative for the individual applicant; and does not support the Housing and Disability Advocacy Program.

Continued use of these two additional ancillary applications are under review:

- Department of Eligibility and Benefit Services External Referral Application is a system that will allow for referrals, tracking of the referrals, and communication around referrals from SSA staff to business partners assisting aided adults (parents or needy caretaker relatives) and General Assistance unhoused clients with employment services and housing, respectively. The CalSAWS function differs in that it does not allow for the secured referrals and tracking communicated to external partners.

- The ancillary application Tally provides the number of Generic Intake and Foster Care Intake Caseloads Assignments and Capacity per worker, allowing supervising staff to make caseload assignment decisions based off existing staff's availability, on a daily, weekly, monthly, and as-needed basis. The CalSAWS function differs in that its Task Management functionality does not allow for Employment and Benefit Services requirements including treating every month as a 21-day work month or allowing for multiple assignments.

The process to review and recommend continued use of in-house ancillary applications, rather than use the CalSAWS functions for specific programs, began with review by Employment and Benefit Services staff of the application's use in meeting program needs. According to discussions with SSA and Technology Services and Solutions staff, the decision to retain certain in-house ancillary applications rather than use the CalSAWS functions was a business rather than a technical decision. Technology Services and Solutions reviewed the decisions to identify the technical need to retain the in-house application, and Employment and Benefit Services and SSA executive management reviewed and approved the recommendations by Employment and Benefit Services staff to retain the ancillary applications.

While the State reimburses the County for the costs of CalSAWS, use of in-house applications is a General Fund cost. Not all SSA draft business decision documents regarding the transition to CalSAWS provided estimates of ancillary application costs and the General Fund impact. The estimated costs to implement the Employment Connection Application and the SSI Advocacy Application were $80,000 in the first year and $40,000 in subsequent years, although these estimates did not include the cost to modify the application to work with CalSAWS. The estimated cost to implement the Vocational Services and Appeals System portal was $90,000 per year, but these estimates did not include the cost to modify the application to work with CalSAWS. Estimated costs to implement the Corrective Action Tracking Reporting system and Income Eligibility Verification System (IEVS) were not included in the decision papers.

The SSA Director should further review the decisions and develop estimates of the total General Fund costs to retain in-house ancillary applications rather than use the comparable CalSAWS functions, especially since costs for these applications will be covered by the County General Fund with estimated but not yet determined costs of several hundred thousand dollars per year. Retaining some ancillary applications may justify the costs, such as retaining the Corrective Action Tracking Reporting system to allow quality review and reduction of the error rate in CalFresh eligibility and case management. However, if this in-house application is retained, the SSA Director should obtain detailed information on the costs to modify the application to work with CalSAWS and the annual support costs. Also, retaining the SSI Advocacy Application may be necessary, primarily because CalSAWS does not support the Housing and Disability Advocacy Program, which is supported by the ancillary application; and retaining the Employment Connection Application, which includes a database for local jobsites and provides for electronic invoicing, may be justified if the costs of retaining the application are less than staff costs for managing job sites for employment contracting.

Decisions to retain two other ancillary applications are less clear and should be further reviewed. The decision to retain the County's Income Eligibility Verification System rather than use the CalSAWS function was based on concerns that employment and client letters generated by CalSAWS are not the same as Santa Clara County employment and client letters, and that the dashboard, Integrated Fraud Detection assignment, and budget calculation functions are less comprehensive or streamlined or could potentially have more system issues than the in-house application. The decision document to retain the in-house Income Eligibility Verification System did not report the costs or sufficiently justify the use of the in-house application rather than the CalSAWS function.

Also, development of the CalSAWS system for the Vocational Services and Appeal System is in a preliminary stage. According to the SSA decision paper, the CalSAWS system will likely be capable of absorbing the need for the County's Vocational Services and Appeal Systems portal but could potentially include a "magic button" to automatically reduce the General Assistance grant of a non-compliant client. If the CalSAWS system includes the "magic button", SSA staff would need to process these clients manually, which could significantly increase staff costs. The SSA Director should request updated and ongoing information about CalSAWS development of the Vocational Services and Appeal Systems (including whether it will include the "magic button" function) and detailed cost estimates of maintaining the in-house Vocational Services and Appeal System compared to using the function in CalSAWS to ensure that retention of the Vocational Services and Appeal System portal is justified and cost-effective.

SSA and Technology Services and Solutions representatives to the CalSAWS Consortium should continue to work with the Consortium to enhance CalSAWS functions to minimize the need for ancillary in-house applications. Other California counties may also benefit from enhanced CalSAWS functions that better align with their business processes.

Change in Automated Processes

Technology Services and Solutions developed a quality assurance tool, designated "QF Test", to test new applications to ensure their compatibility with CalWIN. QF Test also serves as an automation tool to update data in CalWIN; for example, the tool can automatically reassign cases from one eligibility worker to another, saving staff time from reassigning cases manually. According to discussions with Technology Services and Solutions and SSA staff, the State restricts the use of automation tools in CalSAWS to prevent introduction of malicious software.

Employment and Benefit Services staff have used QF Test for routine data entry in CalWIN. Both CATS and Employment and Benefit Services staff have expressed concerns about loss of this tool, which would increase workload for staff. According to the Employment and Benefit Services Director, more recent discussions indicate that CalSAWS may allow some automation, although the extent of automation may not be known until CalSAWS goes live. Because the extent to which Employment and Benefit Services staff workload will be increased due to the loss of automated processes is not yet known, the SSA Director should request regular updates from the Employment and Benefit Services Director on use of automation tools in CalSAWS and impact on Employment and Benefit Services staff workload.

CONCLUSION

The transition from CalWIN to CalSAWS will impact work functions and workload for Technology Services and Solutions, CATS, and Employment and Benefit Services staff, but the full impact will not be known until CalSAWS goes live in approximately February 2023. According to Technology Services and Solutions staff, while Technology Services and Solutions will no longer be responsible for maintaining certain applications that are currently outside of CalWIN but will be included in CalSAWS, the reduction in workload cannot be fully known prior to CalSAWS implementation because Technology Services and Solutions staff will be responsible for modifying applications to be compatible with CalSAWS and with the cloud computing platform used by CalSAWS, requiring a change in infrastructure and staff skills. CATS staff will have new workload for responding to CalSAWS user requests, and Employment and Benefit Services staff will have increased workload from loss of current automated processes, but the change in workload is not yet known.

Also, SSA decided to maintain five in-house applications that could otherwise be implemented as part of CalSAWS. While the State reimburses the County for the costs of CalSAWS, use of in-house applications is a General Fund cost, but SSA has not determined these costs and not all SSA's draft decision documents to maintain in-house applications provided estimates of ancillary application costs for this approach, which could amount to several hundred thousand dollars per year.

RECOMMENDATIONS

The SSA Director and Technology Services and Solutions Chief Information Officer should:

7.1 Coordinate CalSAWS implementation efforts to ensure efficient use of staff time and resources, including identifying changes in the Technology Services and Solutions staff allocation to support SSA functions that will offset potential increases in CATS staff allocation to support CalSAWS. (Priority 3)

The SSA Director should:

7.2 Further review the decisions, justifications, and General Fund and other cost impacts to retain in-house ancillary applications rather than use the comparable CalSAWS functions, including requiring staff to prepare detailed cost information for implementation, CalSAWS interface, and annual maintenance and operations. (Priority 1)

7.3 Request County representatives to the CalSAWS Consortium to work with the Consortium to enhance CalSAWS functions to address SSA business processes and minimize the need for ancillary in-house applications. (Priority 3)

7.4 Request regular updates from the Employment and Benefit Services Director on use of automation tools in CalSAWS and impact on Employment and Benefit Services staff workload. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

These recommendations are intended to contain staff and application costs for the transition to CalSAWS. Technology Services and Solutions could potentially reduce the number of staff supporting SSA, which we estimate would be approximately two FTE, but the actual number of staff positions after the system changes will depend on the change in Technology Services and Solutions workload for supporting CalSAWS' cloud-based platform and ancillary applications. CATS workload for CalSAWS user support could increase, although the exact change in Technology Services and Solutions and CATS workload is not known prior to CalSAWS implementation, which is scheduled to begin in February 2023. Assessment of the full impact of CalSAWS implementation on Technology Services and Solutions workload could take up to 12 months, according to Technology Services and Solutions staff.

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Attachments A-E

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County of Santa Clara
Social Services Agency

353 West Julian Street
San Jose, California 95110-2335

DATE: August 21, 2023

TO: Board of Supervisors Management Audit Division

DL

FROM: Daniel Little, Social Services Agency Director

SUBJECT: Response to Management Audit of the Administrative Functions of the Social Services Agency and Technology Services and Solutions Support for the Social Services Agency

Thank you for the opportunity to respond to audit of the administrative functions of the Social Services Agency (Agency) and those support services provided to the Agency by Technology Services and Solutions (TSS).

Section 1. Contract Monitoring and Invoicing Recommendations

The Manager of the Office of Contract Management should:

1.1 Update the Contract Budget/Invoice Management Procedure to clarify for which types of claimed costs general ledger reports alone are sufficient documentation to substantiate reported costs for cost reimbursement invoices, and under what circumstances additional and more detailed supporting documentation is required. (Priority 3)

1.2 Consider adding language to the Contract Budget/Invoice Management Procedure stating that fixed costs of a certain type under a specified dollar threshold require only general ledger reports as backup documentation. OCM should subsequently no longer accept or pay invoices submitted with general ledger reports when additional detail is required in their contracts. (Priority 3)

1.3 Update the Contract Budget/Invoice Management Procedure to include general standards for supporting documentation and details that should be provided with fee-for-service invoices to ensure that invoice reviewers are able to validate that the services being invoiced are consistent with the terms of the contract and within the appropriate time period. (Priority 3)

1.4 Amend its contracts with contractors that have differing performance monitoring report requirements to accurately state the specific requirements when they differ from OCM's standard requirements. (Priority 3)

1.5 Conduct a comprehensive assessment of performance monitoring reports to identify the most common errors in reports submitted by contractors. Using this information, OCM should attempt to modify the most confusing or error-prone elements of the performance monitoring report requirements and provide contractor outreach and assistance as needed to ensure contractors understand and are able to comply with all reporting requirements. (Priority 3)

1.6 Review and add additional detail to document OCM's practices for addressing poor contractor performance, up to and including the specific steps taken during or in lieu of a Corrective Action Plan. This documentation should define the scenarios in which a contractor would be placed under a Corrective Action Plan and define different types of underperformance and how they would be addressed by OCM. (Priority 3)

Response to Recommendations 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6 – Do not agree.

Social Services Agency does not agree with the recommendations. SSA-OCM administers agreements for the county that provide for a wide variety of professional needs and client services. SSA recommends OCM to have options of acceptable invoicing and monitoring methods used countywide in the administration of agreements.

The SSA Office of Contract Management's (OCM) invoicing procedures do not set a minimum standard for all agreements. Procedures permit options for the invoicing and documentation to be set by the type of service industry standards, and other factors. The Office manages agreements covering a broad variety of agreements with varying conditions, scope of service, and billing standards.

Fee-for-Service invoices are based on a straight formula of how many service events/units took place against the cost. These invoices can be complex, some include recipients' names, others count of food trays, or sessions, they have variation depending on who delivered a specific service. As applicable, SSA receives the necessary evidence to pay for services in alignment with the contract terms. SSA's procedure distinguishes between what is acceptable to process for payment and what is needed to do a deeper analysis for inquiry and onsite monitoring.

SSA-OCM procedures include direction on how to approach low performance for contractors. It describes a collaborative approach to course correct based on the nature of the service, and the reasons for low performance. The full SSA's portfolio of services and related agreements does not lend itself to a single monitoring standard, but to specified areas that are applicable to the service, how it is delivered, regulated, and informed by acceptable practice. SSA-OCM believes there is adequate direction and clarity provided to the vendors, along with outreach and assistance needed to ensure contractors understand and comply with reporting requirements.

Procedurally, SSA-OCM is diligent on ensuring that invoices processed were substantiated for payment. The Office will delay payment until questions about invoices are answered or another monitoring procedure is initiated and resolved. SSA-OCM currently maintains its procedures and processes for corrective actions with a vendor is adequate.

Section 2. Compliance with State-Mandated Employee Trainings Recommendations

The Staff Development and Training Division should:

2.1 Modify its training compliance record keeping to track each new child welfare social worker’s trainings in a single database by cohort year, each continuing worker’s training in a separate database on a two-year cycle, and for management to be able to determine if their training compliance correction plans are achieving the desired results. (Priority 1)

2.2 Provide the Department of Family and Children Services with a monthly list of all employees out of compliance with mandated trainings, as well as information on the specific trainings that need to be remedied, to allow the Department of Family and Children Services to remind these employees of their responsibility to train. (Priority 1)

2.3 Work with the Department of Family and Children Services on the feasibility of implementing a pilot program to assist trainees to manage their caseloads and workloads, while completing mandated trainings. (Priority 1)

Response to Recommendations 2.1 and 2.2 – Agree

The SSA Staff Development and Training division (SSA-SD&T) will implement the recommendation to track new hire's trainings by cohort year, and existing worker's training in a separate tracking database on a two-year cycle.

SSA-SD&T will increase notifying management of employee compliance and mandated trainings attended from quarterly to monthly basis.

Response to Recommendation 2.3 – Partially agree

The recommendation for DFCS to create a pilot program for new hires to manage their caseloads and complete requirements, may not be necessary. A significant improvement in training compliance should be seen based on the July 2021 implementation of Common Core 3.5 which consolidates the Level 200 series into a one set of trainings that formerly needed to be completed when a social worker was assigned a caseload. Common Core 3.5 reduces the number of Field Activities required, and SD&T now mandates and ensures that all Field Activities are complete prior to a social worker being assigned a caseload. These two significant areas of how mandated training is managed under Common Core is expected to greatly improve initial compliance rates.

Section 3. Tracking of Welfare Fraud Investigations Recommendations

The SIU Supervising Welfare Fraud Investigator and the Deputy Director of Program Support, Research, and Evaluation should:

3.1 Modify the SIU's internal quarterly dashboard, which tracks and reports key SIU metrics and activity to SSA management on a quarterly basis, to include detailed statistics on all unassigned investigations, including the type of investigation and duration of days cases have been unassigned. (Priority 3)

3.2 Establish goals or performance measures related to the SIU's backlog and report the SIU's performance in meeting these goals in internal dashboards and reports used by SIU management and provided to SSA leadership for oversight. (Priority 3)

3.3 Closely monitor SIU's pending case count going forward to assess whether one-time intervention is needed to keep the unit's backlog to a manageable volume. (Priority 3)

3.4 Review and modify, as needed, the data points reported to CDSS in the "investigations pending" categories of the DSS 466 form to ensure compliance with CDSS reporting instructions for active and pending investigations, and ask CDSS staff for guidance regarding updating past reports if necessary. (Priority 1)

Response to Recommendation 3.1 – Agree

The Special Investigative Unit will develop an internal tracking system and dashboard to report key metrics and activity of the Unit on a quarterly basis. This system will be used for the ongoing monitoring of case flow, assignments, and timeliness.

Response to Recommendations 3.2 and 3.3 -- Agree

SIU will work to develop a plan for addressing the existing backlog as recommended. Key indicators will be tracking progress made toward clearing the backlog and logging captured information on progress and status of each case. Management will closely monitor SIU's pending case count going forward to assess whether one-time intervention is needed to keep the unit's backlog manageable.

Response to Recommendations 3.4 -- Disagree

SIU has confirmed with CDSS that data reported to the State has been done correctly. While the recommendation is to report pending investigations, this will be information used to monitor progress and track upcoming assignments within SIU for the other related recommendations. Revising past reports to CDSS is not required.

Section 4. Prior Audit Recommendations related to Property and Inventory Recommendations

The Board of Supervisors should:

4.1 Direct County Administration and County Counsel to develop a procedure to certify compliance with Section 5.9.5.1 for proposed real estate transactions. In situations where hardship may preclude compliance with Section 5.9.5.1, a waiver from this policy could be approved by the Board or designee. This procedure should be incorporated into Section 5.9.5.1 of the Board's Policy Manual. The Board of Supervisors should request that the Administration and County Counsel report back to the Board on placement and language in the Board's Policy Manual as soon as possible. (Priority 1)

4.2 Direct the Administration and County Counsel to develop language requiring that non-confidential and non-privileged information associated with the analysis conducted under Section 5.9.5.1 be included in the public information file when the transaction comes before the Board for approval in open session. (Priority 2)

The Social Services Agency Central Services should:

4.3 Formalize its current goods and supplies management practices, including establishing numerical thresholds for supply re-ordering, how the current visual monitoring system is documented and/or certified, and how frequently SSA should formally conduct inventory and document supply levels. In addition, if SSA implements a new inventory management system for its furniture and equipment warehouse, SSA should explore the feasibility of incorporating the management of goods and supplies inventory into that system. (Priority 3)

4.4 Prioritize the development and rollout of a new warehouse inventory tracking system and ensure that the new system will include real-time information of the number and types of items, their physical location (by aisle and bin) within the warehouse, whether the item is new or used, and the age of the item. (Priority 3)

Response to Recommendations 4.1, 4.2, 4.3, and 4.4 – Agree

Social Services Agency will work with County Administration and County Counsel to clarify procedures to comply with real estate transactions and share information of the analysis to be included in Board actions.

SSA will formalize its current goods and supplies management practices, implementing some of the recommended practices of the audit finding. There is agreement that management of goods and supplies inventory should be included, as feasible, in other inventory management systems.

Social Services Agency agrees that the warehouse inventory tracking system is in need of revision or replacement to include real-time information of the number and types of items, their physical location within the warehouse, whether the item is new or used, and the age of the item.

Section 5. Data Governance

The SSA Director should direct members of the Social Services Agency Data Governance Committee to :

5.1 Formally establish Data Governance Committee needs for executive leadership and day-to-day management responsibility and prepare a staffing proposal for the Social Services Agency Director. The staffing proposal should account for a temporary time period of higher staffing needs, to accomplish the initial goals established by the Data Governance Committee, as well as ongoing, long-term needs for data governance oversight, management, and ongoing evaluation once the framework has been established. To the extent feasible, the staffing proposal should make use of existing positions within SSA and TSS, including positions that could be partially assigned to the work of the Data Governance Committee, rather than propose the creation of new positions. (Priority 3)

5.2 Develop concrete goals, timelines, and milestones for its key initiatives, including the development of a data sharing workflow and the tailoring of its proposed use of its MDM software tool to be used in a manner that is compliant with applicable privacy laws. (Priority 3)

5.3 Beginning in January 2023, report every six months to the Board of Supervisors on SSA's progress toward these goals, and in their report should identify major legal or technological obstacles to a reasonable data governance policy and workflow. (Priority 3)

Response to Recommendations 5.1, 5.2, and 5.3 – Agree

The Social Services Agency agrees with the recommendations relating to data governance and notes that significant progress has been achieved since the audit concluded.

SSA has identified executive-level sponsors and dedicated program managers who guide and report regularly to SSA executive leadership team on activities and developments within the data governance framework. SSA is proposing this would be the means for identifying peak workflow needs across all departments within SSA and be able to assign staff with subject matter expertise to data governance activities.

SSA's Data Governance Workgroup has established a Systems and Data Access Request (SDAR) Committee and form, which connects SSA data sharing or systems access requests and contract agreements involving data sharing, which is reviewed through various lenses, prior to being approved for next steps. The SDAR is weaving this privacy review process into our existing TSS application request workflows.

SSA's Data Governance Committee has developed an action plan with goals and timelines, established after the period of this audit study. A strategic 3-year workplan is under development, which will prepare SSA for the successful acquisition of an MDM. SSA is working with the County Privacy office and County Counsel on the creation of an SSA-specific privacy framework; this will be the foundation for a future SSA privacy policy and protocols to be adopted.

SSA will work with the County Privacy Office and other internal stakeholders to develop a report to the Board of Supervisors every six months on SSA specific data governance goals and the overall development of county infrastructure and policies supporting those goals.

Section 6. User Access

The SSA Data Governance Committee should:

6.1 Formulate and document procedures for user access to information system applications, including (1) consistent procedures and documentation on the status of users with application access, including users outside of SSA and the County, (2) timely notification to CATS and Technology Services and Solutions staff on employee change in employment status, including change of job or job functions, unpaid leave, retirement, or resignation, (3) routine monitoring of user lists and electronic comparisons with ESA lists to identify inactive and ineligible users, and (4) routine inclusion of end dates for application access. (Priority 3)

Response to Recommendation 6.1 – Agree

The Social Services Agency Data Governance Committee (SSA-DG) will document and instruct staff on updated protocols for data access through our systems. SSA-DG will evaluate and update the process for documenting the status of access to internal and external users. SSA-DG will also work with TSS and training to ensure that managers and supervisors will provide prompt and timely notification to appropriate system administrators to discontinue, suspend, or limit access employees of their access to the system based on change in their employment or job function, to include end dates for access. Including in that process and our protocols we will regularly check with ESA and HR on an employee's status.

As a result of the Systems and Data Access Review (SDAR) Committee work, CATS is developing a process to routinely review system user access on a regular frequency to further reduce the number of users having access after the time they should be terminated. The SDAR Committee also reviews the justification for extending access to these systems by contracted partners, and monitoring their access to these systems as well, in alignment with the monitoring of SSA staff access.

SSA abides strictly by all applicable regulatory and legal restrictions in sharing Child Welfare data, as well as access to the State's Child Welfare Services/ Case Management System. Any and all requests to share data to this system undergoes a systematic review for legality, business need, security, and contract needs, for each and every request to share with any entity, including SSA staff, not directly working for DFCS; this equally includes all external organizations, CBOs or otherwise. Access to the data and systems will confirm that proper legal instruments are in place with all agreements.

Section 7. CalSAWS Transition

The SSA Director and Technology Services and Solutions Chief Information Officer should:

7.1 Coordinate CalSAWS implementation efforts to ensure efficient use of staff time and resources, including identifying changes in the Technology Services and Solutions staff allocation to support SSA functions that will offset potential increases in CATS staff allocation to support CalSAWS. (Priority 3)

The SSA Director should:

7.2 Further review the decisions, justifications, and General Fund and other cost impacts to retain in-house ancillary applications rather than use the comparable CalSAWS functions, including requiring staff to prepare detailed cost information for implementation, CalSAWS interface, and annual maintenance and operations. (Priority 1)

7.3 Request County representatives to the CalSAWS Consortium to work with the Consortium to enhance CalSAWS functions to address SSA business processes and minimize the need for ancillary in-house applications. (Priority 3)

7.4 Request regular updates from the Employment and Benefit Services Director on use of automation tools in CalSAWS and impact on Employment and Benefit Services staff workload. (Priority 3)

Response to Recommendations 7.1, 7.2, 7.3, and 7.4 – Agree

The DEBS, SSA Agency Director, and TSS Director will include regular coordination of CATS time and resources in their regularly scheduled CALSAWS implementation meetings, including identifying changes in the Technology Services and Solutions staff allocation to support SSA functions associated with CalSAWS. Coordination discussions will include immediate, near-term, and longer-term goals to sustain changes functions and processes related to CALSAWs.

Staff from TSS and SSA will re-evaluate decisions relating to developing and retaining in-house ancillary applications and comparable CALSAWS functions. The review will use the most recent fiscal information relating to project implementation and sustainability and will have in-house detailed cost information across all phases of implementation, annual maintenance and operations.
The SSA will formally request County representatives to the CalSAWS Consortium. A priority of CALSAWS Consortium participation is to advocate for enhanced CalSAWS functions to support business processes and minimize the need for ancillary in-house applications.

The Employment and Benefit Services Director agrees to provide periodic updates to on use of automation tools in CalSAWS and impact on staff workloads.

County of Santa Clara
Social Services Agency

353 West Julian Street
San Jose, California 95110-2335

Date: May 10, 2023

To: Management Audit Division

From: Daniel Little, Social Services Agency Director
Sandy Stier, IT Director Social Services

Subject: **Agency and Departmental Accomplishments: Management Audit Report of Social Services Administrative and Technology Services and Solutions Support**

The Social Services Administration (SSA) and Technology Solutions and Services (TSS) support services appreciates the Management Audit Division's opportunity to highlight some of accomplishments achieved over the course of the audit study.

<u>Employee Engagement and Well-Being</u>

- Initiated monthly Trivia Tuesday, maintaining at least two interactive live Agency-wide engagement activities on-line.
- Launched "People Powered Projects" a human centered design strategy focusing on client facing staff providing input and ideas to solve problems.
- Continued monthly SSA Voice installments, a live interactive on-line forum for staff and executive leadership to dialogue and share information.
- Continued with monthly SSA Engagement and Well-being newsletters.

<u>Staff Development</u>

- Launched Leadership Development Program
- Continued Agency-wide Mentorship Program
- Provided Social Worker internships and LCSW Clinical Supervision Program
- Completed transition to Common Core 3.5 curricula for child welfare workers
- Trained and coordinated transition for CALSAWS training for all DEBS affected staff

<u>Technology Solutions and Support</u>

- Replaced Business Planning and Cosolidation with Analytics Cloud solution for SSA Finance Budgeting and Forecasting System.
- Completed development of Case Management System (ACE Phase-II).
- Completed development of a document management system for Adult Protective Services for scanning case-related documents.
- Developed a solution to automate IHSS intake distribution process.
- Implemented a user-friendly web-based tool to better track quality assurance efforts to fully support all modules of the IHSS Quality Assurance and Program Integrity.

- Automated data entry from the PAGC case management system (Panoramic) into SAP for accounts management.
- Implementation of California Single Automated Welfare System (CalSAWS). Supported SSA in partnership with the CalSAWS Consortium to migrate over 280,000 cases representing over 475,000 clients from legacy case Management system (CalWIN) to the new statewide solution CalSAWS.
- Successfully implemented RoboHelp software for DEBS Program staff to create, edit and publish handbooks to staff and the public.
- Developed online portal for client document upload/submission.
- Resource Family Approval (Binti) software install.
- Social Worker I Connect, a scheduling solution for staff.

Data Governance
- Constituted a Data Governance Committee that meets regularly.
- Improved processes for data sharing requests, updated protocols.
- SSA's Data Governance Workgroup established a weekly Systems and Data Access Request (SDAR) Committee to review any requests to access data systems containing PII or sharing data with external partners.

Racial Equity and Social Justice
- Regular convening of the Racial Equity and Agency Leadership team.
- Held the first Agency Racial Equity and Social Justice Symposium
- Published SSA monthly Racial Equity and Social Justice Initiative newsletter.
- Facilitated SSA specific trainings in support of the racial equity analysis connected to the county budget process.

Other Administration and Operational Support
- Hired Employee Relations Manager to work across Agency departments on labor relations and policy areas.
- Hired a Continuous Quality Improvement Manager to support operations with strategies for improved client services, problem solving, and greater workforce engagement.
- Evaluated Agency Engagement and Well-Being data from Agency survey results, identifying areas for further engagement and improvement.
- Piloted 360 Evaluations for staff volunteering to participate.

Sample Selection Methodology

To select the sample, we started with the list of approximately 550 contracts provided by SSA. We then selected for contracts that were active between July 1, 2021 and June 30, 2022, yielding 277 contracts.

We created a segmented sample based on the following criteria.

1. Contractors with total contracts exceeding $800,000 in value, resulting in 25 contractors.
2. Program categories with total contracts exceeding $500,000 in value, with 22 program categories meeting this criterion.

Twenty-two contracts met both criteria.

In addition, we selected more than one contract for three contractors with five or more contracts across program categories exceeding $800,000 in total value. The additional contracts were selected based on program categories for which (1) we had no other sample contracts, or (2) for which the contractor had multiple contracts in one program category. Six contracts met these criteria.

Finally, we selected three contracts that met specific criteria: (1) the contractor had total contracts exceeding $800,000 in value, had contracts in program categories exceeding $500,000 in value, and had more than one contract in a program category; (2) the contractor had total contracts exceeding $800,000 and had a contract in a program category for which no other contracts were in the sample; and (3) the contract was the only contract in the program category.

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Staff Development and Training

Status of Common Core 3.5 Training for New Social Workers

CDSS recommends new social workers complete Common Core 3.5 within the first year of County employment

Employee	Date of Hire	Training Components Required	FOUNDATION												E&A								CP & SD			M & A		TRANS.			FA					Training Components Completed	Components Needed	Components Due Date	Currently Compliant (Yes=1, No=0)
			Classroom 1	Classroom 2	Classroom 3	Classroom 4	Classroom 5	eLearning A	Classroom 6	eLearning B	Classroom 7	eLearning C	Classroom 8	Classroom 9	Classroom 10	Classroom 11	Classroom 12	Classroom 13	eLearning D	Classroom 14	eLearning E	Classroom 15	eLearning F	eLearning G	Classroom 16	eLearning H	Classroom 17	eLearning I	eLearning J	Classroom 18	Field Activity 1	Field Activity 2	Field Activity 3	Field Activity 4	Field Activity 5				
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33				
1	7/1/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/1/2022	1
2	7/1/2021	*T	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X	X	X	X	X	X	X	X	X	X	X	X	29.0	4.0	7/1/2022	0
3	7/2/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/2/2022	1
4	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
5	7/8/2021	*U	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X	X	X	X	X	X	X	X	X	X	X	X	29.0	4.0	7/8/2022	0
6	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
7	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
8	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
9	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
10	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
11	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
12	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
13	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
14	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
15	7/8/2021	33.0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	33.0	0.0	7/8/2022	1
		Total	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	13	13	13	13	15	15	15	15	15	15	15	15	15	15	15	15	15		8		13

Notes

*T: Employee #2 needs to complete 4 components by July 1, 2022.

*U: Employee #5 needs to complete 4 components by July 8, 2022.

Component	Title
Classroom 1	Orientation to California Child Welfare Practice
Classroom 2	Introduction to Child Development
Classroom 3	Trauma-Informed Practice
Classroom 4	Fairness and Equity
Classroom 5	Child and Family Teaming
eLearning A	Federal and State Laws
Classroom 6	Legal Procedures and Responsibilities
eLearning B	Introduction to ICWA
Classroom 7	ICWA and Working with Native American Families & Tribes *(required prerequisite: Intro to ICWA eLearning)*
eLearning C	Key Issues in Child Welfare: Behavioral Health, Substance Use Disorders, and Intimate Partner Violence
Classroom 8	Key Issues in Child Welfare: Social Worker as Practitioner *(required prerequisite: Key Issues in Child Welfare: Behavioral Health, Substance Use Disorders, and Intimate Partner Violence eLearning)*
Classroom 9	Introduction to CWS/CMS
Classroom 10	Cultural Humility in Child Welfare Interviews
Classroom 11	Critical Thinking & Assessment
Classroom 12	Engagement and Interviewing *(recommended prerequisites from Foundation Block: Trauma-Informed Practice & Child and Family Teaming)*
Classroom 13	Interviewing Children *(required prerequisites: Cultural Humility in Child Welfare Interviews and Engagement & Interviewing)*
eLearning D	Child Maltreatment Identification (CMI)
Classroom 14	Child Maltreatment ID Skills Lab *(required prerequisite: CMI eLearning and Introduction to Child Development)*
eLearning E	Overview of Assessment Procedures
Classroom 15	Structured Tools and Assessment Skills Lab *(required prerequisite: Overview of Assessment Procedures eLearning)*
eLearning F	Purposeful Visitation and Family Time
eLearning G	Case Planning Basics
Classroom 16	Teaming with Families to Develop Behavioral Case Plans *(required prerequisite: Case Planning Basics eLearning)*
eLearning H	Placement
Classroom 17	Managing the Plan: Supporting Safety, Permanency and Well-being *(required prerequisite: Placement eLearning)*
eLearning I	Case Closure & After Care Plans
eLearning J	Transition Planning with Youth and Young Adults
Classroom 18	Transition Practice *(required prerequisites: Case Closure & After Care Plans and Transition Planning with Youth and Young Adults eLearning)*
Field Activity 1	Fairness and Equity *(required prerequisite from Foundation block: Fairness and Equity)*
Field Activity 2	ICWA and Working with Native American Tribes *(required prerequisites from Foundation block: Intro to ICWA eLearning and ICWA & Working with Native American Families and Tribes Classroom)*
Field Activity 3	Time and Stress Management *(no prerequisite)*
Field Activity 4	Interviewing and Social Worker Safety *(required prerequisites from Engagement & Assessment Block: Cultural Humility in Child Welfare Interviews, Engagement and Interviewing, and Interviewing Children)*
Field Activity 5	Teaming with Families: New workers will be required to complete one of four teaming options, based on their assigned role and/or caseload.

Staff Development and Training

Status of Ongoing Training for Continuing Social Workers

All child welfare workers and supervisors shall undergo 40 hours of continuing training every 24 months.

(See MPP Sections 14-130(c) and 14-510.)

For new child welfare workers and newly hired, assigned, or promoted child welfare supervisors, required hours for continuing training will commence with the state fiscal year after completion of core training.

Staff	Date of Common Core completion	FY 2021-22 Training Hours Required	Calendar Year 2021												Total Jul-Dec Training Hours Completed	Currently Compliant (1=Yes, 0=No)
			Jan Hours	Feb Hours	Mar Hours	Apr Hours	May Hours	Jun Hours	Jul Hours	Aug Hours	Sep Hours	Oct Hours	Nov Hours	Dec Hours		
1		20.0	2	1	2	1	2	2	2	2	2	2	2	2	12.0	0
2	5/21/2021	20.0							2	2	2	2	2		10.0	0
3		20.0	2	1	2	1	2	2	2	2	2	2			8.0	0
4		20.0	2	1	2	1	2	2	2	2	2	2	2	2	12.0	0
5		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
6		20.0	2	1	2	1	2	2	2	2	2	2			8.0	0
7		20.0	2	1	2	1	2	2	2	2	2	2	2	2	12.0	0
8		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
9		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
10		20.0	2	1	2	1	2	2	2	2	2	2	2	2	12.0	0
11		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
12		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
13		20.0	2	1	2	1	2	2	2	2	2	2	2	2	12.0	0
14		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
15		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	0
																0

Staff	Date of Common Core completion	FY 2021-22 Training Hours Required	Calendar Year 2022												Total Jan-Jun Training Hours Completed	Currently Compliant (1=Yes, 0=No)
			Jan Hours	Feb Hours	Mar Hours	Apr Hours	May Hours	Jun Hours	Jul Hours	Aug Hours	Sep Hours	Oct Hours	Nov Hours	Dec Hours		
1		20.0	2	1	2	1	2	2	2	2	2	2	2	2	10.0	1
2	5/21/2021	20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
3		20.0	2	1	2	1	2	2	2	2	2	2			10.0	0
4		20.0	2	1	2	1	2	2	2	2	2	2	2	2	10.0	1
5		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
6		20.0	2	1	2	1	2	2	2	2	2	2			10.0	0
7		20.0	2	1	2	1	2	2	2	2	2	2	2	2	10.0	1
8		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
9		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
10		20.0	2	1	2	1	2	2	2	2	2	2	2	2	10.0	1
11		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
12		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
13		20.0	2	1	2	1	2	2	2	2	2	2	2	2	10.0	1
14		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
15		20.0	2	1	2	1	2	2	2	2	2	2	2		10.0	1
																13

Staff	Date of Common Core completion	FY 2021-22 Training Hours Required	Total Actual Hours	Hours Needed	Hours Due Date	Currently Compliant
1		20.0	22.0	-2.0		1
2	5/21/2021	20.0	20.0	0.0	5/21/2022	1
3		20.0	18.0	2.0		0
4		20.0	22.0	-2.0		1
5		20.0	20.0	0.0		1
6		20.0	18.0	2.0		0
7		20.0	22.0	-2.0		1
8		20.0	20.0	0.0		1
9		20.0	20.0	0.0		1
10		20.0	22.0	-2.0		1
11		20.0	20.0	0.0		1
12		20.0	20.0	0.0		1
13		20.0	22.0	-2.0		1
14		20.0	20.0	0.0		1
15		20.0	20.0	0.0		1
						13

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