

COUNTY AUDIT DEPARTMENT

REPORT # 379

An Audit of:

SOCIAL SERVICES FISCAL CONTROLS

FEBRUARY 28, 2020



Pat Frank INTEGRITY. TRANSPARENCY. ACCOUNTABILITY.

CLERK OF COURT & COMPTROLLER • HILLSBOROUGH COUNTY, FLORIDA



February 28, 2020

The Honorable Lesley “Les” Miller, Jr., Chairman
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Sandra L. Murman
The Honorable Kimberly Overman
The Honorable Mariella Smith
The Honorable Stacy R. White

Dear Chairman Miller and Commissioners:

The Audit Team performed an audit of the Social Services Fiscal Controls (Audit Report # 379, dated February 28, 2020).

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of Social Services during this audit.

Sincerely,

Heidi Pinner, CIA, CISA, CFE, CRMA
Director of County Audit

CC: Mike Merrill, County Administrator
Carl Harness, Chief Human Services Administrator
Audrey Ziegler, Director, Social Services Department
Debbie Benavidez, Director, Enterprise Solutions and Quality Assurance
Dan Klein, Chief Executive Officer, Clerk of Court and Comptroller
Rick VanArsdall, Chief Operating Officer, BOCC Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION

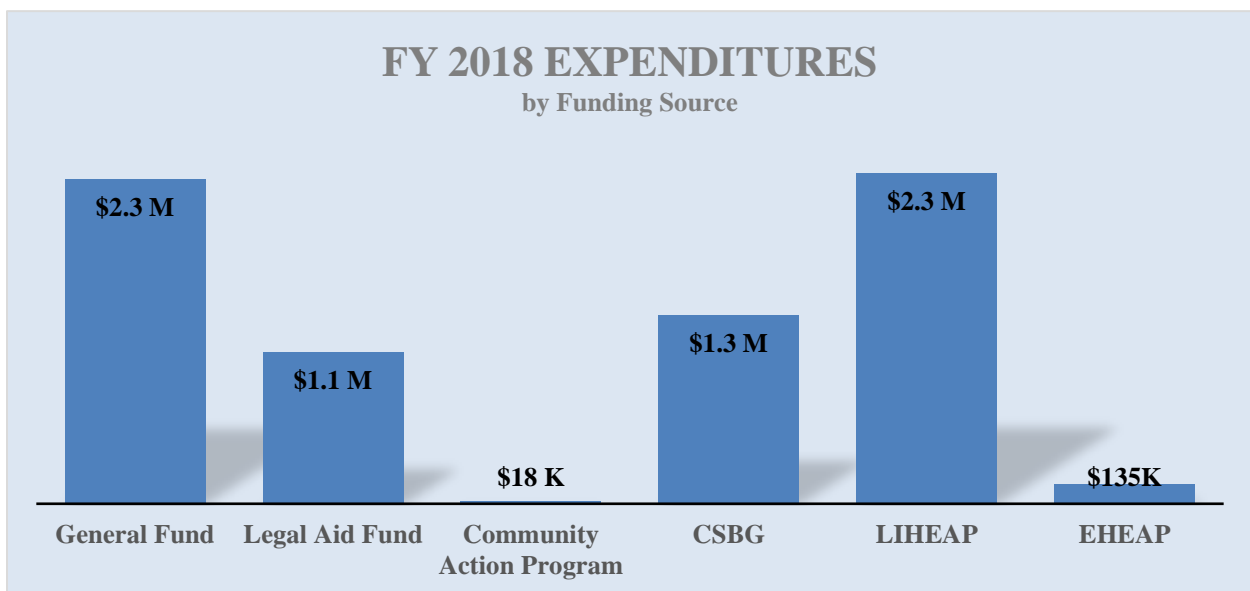
The Social Services Department (Social Services) provides comprehensive case management programs as well as stabilization services to low-income residents of Hillsborough County. Services include basic living needs, housing, education, and training for vulnerable residents.

Social Services connects residents to short-term and long-term financial assistance and partners with community groups and nonprofit organizations to provide credit counseling, food aid and other programs. Social Services also partners with schools, colleges, and businesses to provide adult education and job training that prepares workers for the careers of the future.

Social Services operates six (6) program sites throughout Hillsborough County to provide these services to residents: 5 Community Resource Centers (Lee Davis, Plant City, South Shore, University, and West Tampa) and 1 Adult and Career Services Center.

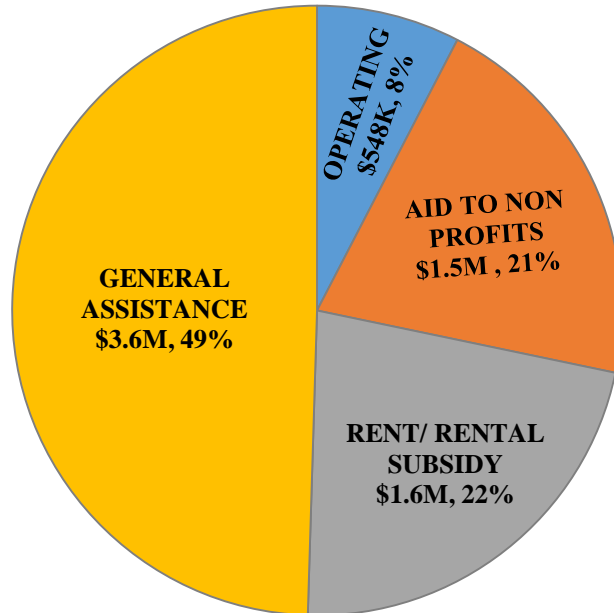
Household income is used to determine eligibility for many programs. Depending on the program, the applicant is required to meet different percentages of the Federal Poverty Guidelines.

During FY 2018, Social Services had \$7,192,386 in operating and program expenditures. These expenditures were supported by various funding sources, including the Community Services Block Grant (CSBG), the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Home Energy Assistance for the Elderly Program (EHEAP), as depicted in the chart below:



Approximately \$5.2 million of the \$7.2 million in expenditures was used to provide rental and general assistance as shown in the chart below:

Breakdown of FY 2018 Expenditures



OBJECTIVE

The objective of the audit was to determine whether or not the fiscal controls over Social Services payments (rent, utility, food assistance, education, etc.) were adequate.

SCOPE

The Audit Team reviewed the control environment and performed a risk assessment of the various funding sources and transaction types. Based on this assessment, the scope of the audit testing was limited to social services payments from the General Fund and the following grants: CSBG (Community Services Block Grant), LIHEAP (Low Income Home Energy Assistance Program, and EHEAP (Emergency Home Energy Assistance Program for the Elderly).

The period used for transaction testing was October 1, 2017 through December 31, 2018.

The audit was conducted in conformance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

OVERALL EVALUATION

The Audit Team did not identify any material concerns that require management’s corrective action. Management has adequate controls in place for client assistance payments, including:

- Appropriate separation of duties between the processes for verifying eligibility and processing payments.
- Monitoring expenditures for allowability and accuracy prior to payment authorization.
- Monthly grant reconciliations.
- Daily quality assurance (QA) activities and monthly management case reviews.
- A case management system with preventive controls in place to ensure compliance.
- Periodic external/regulatory monitoring visits.
- A centralized and automated call center to schedule client appointments.
- An internal training team dedicated to providing mandatory policy training sessions.

Full testing results are included on page 4 of this Report.

OPINION



The control environment relative to fiscal controls over client assistance payments is at the managed maturity level. This means that established controls are defined and documented, control awareness exists and potential control gaps are detected and remediated timely. This level of control maturity provides greater reliance on prevention versus detection controls and the chain of accountability is well understood.

The exit conference was held on February 24, 2020.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

AUDITED BY

Heidi Pinner CIA CISA CFE CRMA, Senior Director, County Audit
 Margaret Brown CIA, Audit Manager
 Lovonia Scott, Staff Auditor

AUDIT COMMENTS & RECOMMENDATIONS

AUDIT COMMENT 1

✔ **Expenditures were properly approved, supported, and served a valid public purpose.**

The Audit Team obtained a population of FY 2018 expenditures from Oracle's General Ledger for Social Services. Testing was limited to rental and general assistance payments from the General Fund, LIHEAP and EHEAP account codes. The Audit Team selected a sample of 50 expenditures (25 rental assistance expenditures and 25 general assistance expenditures) for review.

For each expenditure selected, the Audit Team examined the supporting documentation maintained in the *OnBase Document Retrieval System* to ensure that the expenditure:

- Had supervisory approval which was clearly identifiable.
- Was sufficiently supported with documentation.
- Was reasonable, serving a valid public purpose.
- Was an allowable cost under the grant guidelines.

Results of Testing

All 50 of the expenditures tested were properly approved, sufficiently supported, allowable and appeared reasonable.

RECOMMENDATION

The Audit Team did not identify any material concerns that require management's corrective action.

AUDIT COMMENT 2

✔ Controls are in place to ensure accurate grant reporting.

The objective was to determine whether or not grant reimbursements sought from the grantor were sufficiently and adequately supported to ensure accurate reporting in Oracle.

The Audit Team identified and reconciled:

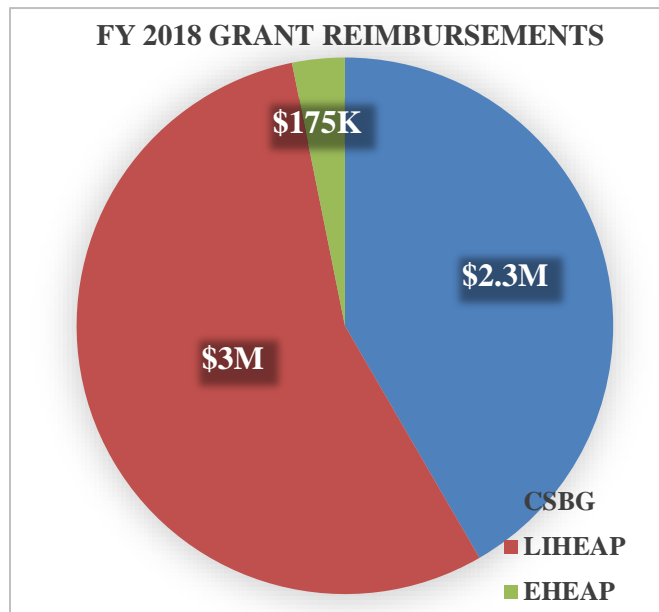
- All reimbursements for FY 2018 which were received from the CSBG, LIHEAP and EHEAP grantors for grant services/programs provided to clients.
- All reimbursement requests for each of the three grants.
- The documents prepared by Social Services and submitted to the respective grantor for these reimbursements.

The Audit Team reviewed the Oracle data and the data provided by Social Services and reconciled the two sets of data to verify accuracy.

Results of Testing

In FY 2018, there were a total of 39 grant reimbursements sought by Social Services and received by the County: 12 monthly reimbursements plus one close-out reimbursement for each of three grants. These reimbursements came from the CSBG, LIHEAP and EHEAP programs and totaled \$5,515,868.43 as shown in the chart below.

All FY 2018 grant reimbursements sought from the grantor were sufficiently and adequately supported to ensure accurate reporting.



RECOMMENDATION

The Audit Team did not identify any material concerns that require management's corrective action.

AUDIT COMMENT 3**✔ There are adequate controls over client eligibility and benefit payments.**

The objective was to determine whether or not there were adequate controls in place to ensure that clients were eligible for the financial assistance (benefit payment) received and the client's eligibility was sufficiently documented in Social Services' records.

The Audit Team obtained a population of clients who received financial assistance during the scope period. This data was reviewed and a sample of 50 clients who received a benefit payment was selected.

The Audit Team reviewed client case file information and documentation maintained by Social Services in their *CLASS* system and *ImageNow* document retrieval application to verify that the required and applicable documentation was obtained and documented to support the financial assistance provided to the client. Documentation reviewed by the Audit Team included:

- Application/Applicant Worksheet.
- Budget worksheet and/or a completed spending plan.
- Signed and completed reimbursement forms and information release authorizations.
- Copies of valid photo identification.
- Evidence of verification of social security numbers, citizen/residency status, county residency, income, & other financial resources.
- Other qualifying documents necessary to confirm individual circumstances or eligibility.

Results of Testing

For the 50 clients tested, the Audit Team determined that:

- All clients were eligible for the financial assistance granted.
- All clients had eligibility and benefits sufficiently supported.

RECOMMENDATION

The Audit Team did not identify any material concerns that require management's corrective action.