

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 2.6
(ID # 21401)**

MEETING DATE:
Tuesday, March 28, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-314: Riverside County Department of Public Social Services, In-Home Supportive Services, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-314: Riverside County Department of Public Social Services, In-Home Supportive Services, Follow-up Audit

ACTION:Consent

Ben J. Benoit

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER

3/14/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: March 28, 2023
xc: Auditor-Controller

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	n/a

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

We completed a follow-up audit of the Riverside County Department of Public Social Services, In-Home Supportive Services Audit. Our audit was limited to reviewing actions taken as of September 26, 2022, to correct findings noted in our original audit report 2021-012 dated June 29, 2021. The original audit report contained five recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the five recommendations:

- Three of the recommendations were implemented.
- Two of the recommendations were partially implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2021-012 included as an attachment to this follow-up audit report or it can also be found at:

<https://auditorcontroller.org/divisions/internal-audit>

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller - Internal Audit Report 2023-314: Riverside County Department of Public Social Services, In-Home Supportive Services, Follow-up Audit.


Stephanie Perez, Principal Management Analyst 3/17/2023

Internal Audit Report 2023-314

**Riverside County
Department of Public Social Services
In-Home Supportive Services
Follow-up Audit**

Report Date: March 28, 2023



**Office of Ben J. Benoit
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Ben J. Benoit
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

March 28, 2023

Charity Douglas

Director

Riverside County Department of Public Services, In-Home Supportive Services

4060 County Circle Drive

Riverside, CA 92503

Subject: Internal Audit Report 2023-314: Riverside County Department of Public Social Services, In-Home Supportive Services, Follow-up Audit

Dear Ms. Douglas:

We completed the follow-up audit of Riverside County Department of Public Social Services, In-Home Supportive Services Audit. Our audit was limited to reviewing actions taken as of September 26, 2022, to help correct the findings noted in our original audit report 2021-012 dated June 29, 2021.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained 5 recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the 5 recommendations:

- Three of the recommendations were implemented.
- Two of the recommendations were partially implemented.

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Summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2021-012 included as "Attachment A" of this audit report along with our department status letter as "Attachment B." You can also find the original audit report at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

We thank you and your staff for your help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

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Attachments:

A. Internal Audit Report 2021-012

B. Status of Findings as Reported by Riverside County Department of Public Social, Services, In-Home Supportive Services on September 26, 2022.

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Program Integrity Referrals

Finding 1: Finding 1: Internal Controls over Program Integrity Referrals

“Public Social Services is not in compliance with department fraud referral and overpayment policies and procedures. We selected a random sample of 37 program integrity referral case files, and identified the following in our review:

- Twenty-one case files (56%) did not show evidence of proper review or approval.
- Four case files (11%) did not show evidence of timely processing.
- Two case files requested from the department were not located. As such, we were unable to verify compliance with policies and procedures.

In-Home Supportive Services Fraud Referrals Department Memorandum, 2012-089 and In-Home Supportive Services Overpayment Department Memorandum, 2012-088 requires fraud referrals to be approved and endorsed by a supervisor. Fraud referral and overpayment documentation should be submitted to the Program Integrity Unit within five business days of date of discovery (the date which potential fraud was reported or witnessed), and additional requested documentation or clarification within two business days. Lack of approvals, delayed fraud referral processing, and improper documentation retention occurred due to noncompliance with department policies. Inadequate monitoring over investigation processes can result in program inefficiencies and misrepresentation of program integrity efforts.”

Recommendation 1.1

“Ensure program integrity referrals are reviewed and approved by authorized individuals and evidenced with dates and signatures.”

Current Status 1.1: Implemented

Recommendation 1.2

“Ensure fraud referrals are reported immediately to the Program Integrity Unit and investigations are processed within the established timeframe by the Program Integrity Unit.”

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Current Status 1.2: Implemented

Service Provider Enrollment and Monitoring

Finding 2: Internal Controls over Service Provider Enrollment

“Public Authority does not have adequate review procedures in the enrollment of service providers. During our walkthrough of the department’s process, it was determined that the service provider enrollment is overseen by a Program Specialist without secondary review and approval. Standard Practice Manual 1001, *Internal Controls*, states, ‘Transactions are authorized by a person assigned approval authority.’ Department oversight of the enrollment process does not address sufficient levels of approval needed. Lack of secondary review in service provider enrollment can result in program abuse and non-compliance with California Department of Social Services regulations.”

Recommendation 2:

“Establish policies and procedures for the service provider enrollment process to include secondary review and approval.”

Current Status 2: Implemented

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Service Provider Analysis

Finding 3: Internal Controls over County Employees as In-Home Supportive Services Providers

“Department of Public Social Services does not have enhanced internal controls to help mitigate potential conflicts of interest for county employees providing care as In-Home Supportive Services providers. We identified 224 county employees that are active In-Home Supportive Services providers. Additionally, we identified the employees by department (*Illustration 1*), number of clients assigned (*Illustration 2*), allowable client service hours per month (*Illustration 3*), and matching client to provider addresses (*Illustration 4*). Refer to the charts below for the results of our review as of December 10, 2020.

Illustration 1:

Department	Active Employees
County Departments - Other	183
Department of Public Social Services	41
Total	224

Illustration 2:

Number of Assigned Clients to Active County Employees	Active Employees
One	187
Two	35
Three	2
Total	224

Illustration 3:

Allowable Hours of Care Per Month per Client	Active Employees
0-99	113
100-199	77
200-283	34
Total	224

Illustration 4:

Address Matches	Active Employees
Provider residing with client(s)	147
Provider not residing with client(s)	77
Total	224

The results of our analysis can be provided to In-Home Supportive Services to further research if any conflicts of interest have occurred. Furthermore, we understand the program does not prohibit county employees from serving as an In-Home Supportive Services provider. We are addressing this because the risk of conflict of interest does exist, such as claiming service hours while on county time, using one’s position to influence eligibility or obtain benefits for clients they are not entitled to receive. Implementing

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strong preventative controls to mitigate any potential fraud or abuse of the program is needed to maintain the integrity of the program and safeguard the assets of county citizens.”

Recommendation 3.1:

“Establish policies and procedures for the monitoring of potential county employee In-Home Supportive Services provider conflicts of interest to ensure program integrity. An example to meet this objective is to perform periodic verification of county employee data to In-Home Supportive Services providers and require declarations signifying transparency and freedom from conflicts of interest. This will help establish a clear expectation from the county employee and reinforce program guidelines.”

Current Status 3.1: Partially Implemented

While the department has developed policies and procedures for the monitoring of potential county employees and In-Home Supportive Services provider conflicts of interest, procedures are not sufficient to identify new county employees who are also IHSS providers. The current process utilizes the suggested report provided by the Auditor-Controller during the last audit review and must also rely on current department employees to self-report if they are IHSS providers. The department is limited in its access to countywide employee information and would need to rely on Riverside County Human Resources to monitor county employees who are also IHSS providers. Without adequate monitoring, there continues to be a risk that county employees are reporting county hours worked while at the same time reporting hours as IHSS providers.

Recommendation 3.2:

“Implement active monitoring to ensure the process is working as designed and hours remain within program limits.”

Current Status 3.2: Partially Implemented

As stated in current status 3.1, the current process in place is not sufficient to identify new county employees who are also IHSS providers. The department relies on self-reporting by the employee.