



INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out
Follow-Up Internal Control Audit:
Social Services Agency
Rescare Workforce Services Contract Oversight
and CalWORKs Disbursements**

**Audit No. 1839-H (Reference 1625-F1)
Report Date: September 26, 2018**

Recommendation Status

1

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

Chairman Andrew Do
1st District

Vice Chairman Shawn Nelson
4th District

Supervisor Michelle Steel
2nd District

Supervisor Todd Spitzer
3rd District

Supervisor Lisa Bartlett
5th District



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Audit No. 1839-H
(Reference 1625-F1)

September 26, 2018

To: Debra Baetz, Director
Social Services Agency

From: Scott Suzuki, CPA, Acting Director
Internal Audit Department

Subject: First & Final Close-Out Follow-Up Internal Control Audit: Social Services Agency
ResCare Workforce Services Contract Oversight and CalWORKs Disbursements

We have completed a follow-up audit of the Social Services Agency (SSA) ResCare Workforce Services Contract Oversight and CalWORKs Disbursements as of June 30, 2018, original Audit No. 1625, dated April 30, 2018. Details of our results immediately follow this letter. Additional information including background and our scope are included in Appendix A.

Our follow-up audit found that SSA implemented the one (1) recommendation from the original audit. Because the recommendation has been implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by SSA personnel during our follow-up audit. If you have any questions, please contact me directly at 714.834.5509 or Michael Dean, Senior Audit Manager, at 714.834.4101.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Social Services Agency Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Vavrinek, Trine, Day & Co., LLP, County External Auditor

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RESULTS					
FINDING No. 1	Ensure Supportive Services Reimbursement Accuracy				
CATEGORY	Control Finding				
RECOMMENDATION	We recommend SSA follow its stated policies and procedures to ensure that Supportive Services payments issued to participants are accurate.				
CURRENT STATUS	<p>Implemented. We found that SSA has taken steps to ensure that accurate Supportive Services payments are being issued appropriately to eligible participants. Notable actions taken by SSA include:</p> <ul style="list-style-type: none"> • Provided training to staff on ensuring accuracy and validity of Supportive Services payments issuance to eligible participants. • Revised the Supportive Services Transportation Request Processing Guide for additional review and reconciliation procedures to ensure accuracy and validity. • Revised the Processing Guide for ease of use and clarity based upon feedback from staff on current processes. <p>Because of the actions taken by SSA, we consider this recommendation implemented.</p>				
AUDIT TEAM	<table border="0"> <tr> <td>Michael Dean, CPA, CIA, CISA</td> <td>Senior Audit Manager</td> </tr> <tr> <td>Scott Kim, CPA, CISA</td> <td>IT Audit Manager I</td> </tr> </table>	Michael Dean, CPA, CIA, CISA	Senior Audit Manager	Scott Kim, CPA, CISA	IT Audit Manager I
Michael Dean, CPA, CIA, CISA	Senior Audit Manager				
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken as of June 30, 2018 to implement the one (1) recommendation from our original Audit No. 1625, dated April 30, 2018.
BACKGROUND	The original audit reviewed internal control over the Social Services Agency (SSA) ResCare Workforce Services Contract Oversight and CalWORKs Disbursements to evaluate: the effectiveness of internal control for contract administration to ensure the contracts are administered in compliance with the County Contract Policy Manual and SSA policy and procedures; effectiveness of internal control for CalWORKs disbursements to ensure disbursements are authorized, valid, timely, and comply with County and SSA policy and procedures; and the fiscal monitoring process performed by the external audit firm for compliance audits of program expenditures to ensure proper use of County funds. The original audit identified one (1) Control Finding.



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APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
<p>The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.</p>	<p>The department is in the process of implementing our recommendation. Additional follow-up may be required.</p>	<p>The department has taken no action to implement our recommendation. Additional follow-up may be required.</p>	<p>Circumstances have changed surrounding our original finding/ recommendation that: (1) make it no longer applicable or (2) the department has implemented and will only implement a portion of our recommendation. No further follow-up is required.</p>

