

**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: *Kimberly A. Rector*
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
Riverside County Auditor-Controller
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Riverside, CA 92509
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www.auditorcontroller.org



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CONTROLLER
COUNTY OF RIVERSIDE

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.

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

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

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

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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.

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

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.”

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

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

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

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

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

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.

Attachment A

Internal Audit Report 2021-012

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

Report Date: June 29, 2021



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
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CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

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

June 29, 2021

Sayori Baldwin
Assistant CEO
Riverside County Department of Public Social Services, In-Home Supportive Services
4060 County Circle Drive
Riverside, CA 92503

Subject: Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

Dear Ms. Baldwin:

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside County Department of Public Social Services, In-Home Supportive Services to provide management and the Board of Supervisors with an independent assessment of internal controls over program integrity referrals, quality assurance monitoring, and service provider enrollment and monitoring.

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 sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.



Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

Our conclusion and details of our audit are documented in the body of this audit report.

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will follow-up to verify that management implemented the corrective actions.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Grand Jury

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Executive Summary

Overview

The Riverside County Department of Public Social Services (Public Social Services) aids individuals and families through temporary financial assistance, healthcare, employment and protective programs and services.

Public Social Services provides services to the public through five departments:

- Administration
- Adult Services
- Children's Services
- Self-Sufficiency
- Public Authority

The Adult Services division provides oversight for the In-Home Supportive Services program. This state funded program allows elders and people with disabilities to receive care and assistance at home or in a non-institutionalized environment. Public Authority serves as a liaison between the Adult Services division and In-Home Supportive Services consumers by establishing a registry of home care providers through recruitment, screening, and training.

Public Social Services has an adopted budget of \$1.15 billion for FY 2020-21 and 4,971 authorized positions. *County of Riverside, Fiscal Year 2020-21 Adopted Budget, 190*. Public Authority has an adopted budget of \$7.3 million and 68 authorized positions. *County of Riverside, Fiscal Year 2020-21 Adopted Budget, 196*.

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over program integrity referrals, quality assurance monitoring, and service provider enrollment and monitoring. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial information.

Audit Scope and Methodology

We conducted the audit from September 4, 2020, through January 13, 2021, for operations from July 1, 2018, through January 7, 2021. Following a risk-based approach, our scope initially included the following:

Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

- Program integrity referrals
- Quality assurance monitoring
- Service provider enrollment and monitoring

Through inquiry, observations and examination of relevant documentation related to quality assurance monitoring, we concluded that internal controls over this area are sufficient to provide reasonable assurance the objectives as described above are achieved. We focused our scope on internal controls over program integrity referrals, and service provider enrollment and monitoring.

Audit Highlights

Summary of Existing Conditions

- In-Home Supportive Services does not adhere to review and approval procedures for program integrity referrals. Lack of proper review and approval increases the potential of errors not being captured for compliance information or county resources being misused.
- In-Home Supportive Services is not reporting and processing program integrity referrals timely. Delay of investigating program integrity referrals furthers potential of abuse of program resources.
- In-Home Supportive Services does not perform secondary review and approval in the service provider enrollment process. When procedures lack secondary review, there is potential for overriding exceptions regarding service provider requirements or capturing errors with information that ensures compliance with program requirements.
- In-Home Supportive Services does not monitor for conflicts of interest where county employee-provider instance exist. Conflicts of interest can result in misrepresentation of benefits received or services provided.

Summary of Improvement Opportunities

- Ensure program integrity referrals are reviewed and approved. This will provide oversight to ensure investigations of program integrity referrals are adequate.
- Ensure program integrity referrals are reported immediately and processed by the Program Integrity Unit to reduce the impact of potential fraudulent activities.

Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

- Establish departmental policies and procedures for the review, approval, and monitoring of the service provider enrollment to ensure integrity of programs and services provided.
- Establish departmental policies and procedures that enhances the monitoring of service provider enrollment to mitigate the risks from potential conflicts of interest.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to program integrity referrals, and service provider enrollment and monitoring.

Program Integrity Referrals

Overview

The Adult Service's Divisions' Program Integrity Unit oversees the prevention, detection, and reporting of fraudulent activities within In-Home Supportive Services. The Program Integrity Unit conducts investigations to assess whether fraud exists by conducting unannounced home visits, timesheet review, and case referral to local and state agencies. In-Home Supportive Services fraud is "an intentional attempt by some providers, and in some cases beneficiaries, to receive unauthorized payments or benefits from the program. This fraud can take many forms, but the most common involves providers knowingly billing for services not performed, or providers billing for the care of more beneficiaries than they can actually serve." California Department of Health Care Services, *In-Home Supportive Services Fraud*. 2021, www.dhcs.ca.gov. Fraud can be reported by program participants, county employees, and members of the public.

Objective

To verify the adequacy and existence of internal controls over the review of program integrity referrals.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department fraud referral and overpayment policies and procedures, and California Department of Social Services regulations.
- Interviewed department management and staff to obtain an overview of the program integrity referral process.
- Selected a sample of program integrity referral case files.
- Reviewed supporting documentation for completeness and timeliness.
- Verified appropriate levels of management reviews and approvals.

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.

Management's Response:

"Concur. Riverside County Department of Public Social Services, In-Home Supportive Services concurs that signatures, dates, and approvals should be consistently applied on all fraud allegation referrals. Corrective action includes initial screening by the Program Integrity Unit (PIU) when fraud allegations are received. If information is missing such as dates and/or signatures, PIU notifies the person submitting the allegation to complete the required information. The fraud allegation is resubmitted to PIU for accurate completion and it is not processed until this information is obtained. This corrective action will continue in fraud review processes."

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Actual/estimated Date of Corrective Action: 01/29/2021.

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.

Management's Response:

"Partially concur. Fraud referrals should be reported to the Program Integrity Unit within the established timeframe which is within five (5) business days of the date of discovery (*In-Home Supportive Services Fraud Referrals Department Memorandum, 2012-089*). Fraud allegations should not be reported immediately to the Program Integrity Unit as the five (5) business days timeframe allows staff to gather information and documents to determine if a fraud allegation is warranted. Riverside County Department of Public Social Services, In-Home Supportive Services concurs that fraud allegation case reviews should be processed within the established timeframe.

Riverside County Department of Public Social Services, In-Home Supportive Services, will address the finding through training to ensure staff understand their roles/responsibilities in the process with emphasis on the importance of timely recognition of fraud and timely reporting as established in the referenced Department Memorandum."

Actual/estimated Date of Corrective Action: 07/01/2021.

Auditor's Response:

We would like to emphasize the importance of establishing a consistent approach to the management of this program. As such, the department should ensure their policies reflect how this program will be managed in regard to reporting and investigation timeframes.

Service Provider Enrollment and Monitoring

Background

In-Home Supportive Services allows elderly and disabled individuals to receive domestic and personal care in their homes at no cost. Applicants must meet eligibility requirements subject to income, expected length of disability, and level of care needed. Social workers utilize a functional index ranking system to determine the number of hours of care clients can receive based on each service category. The maximum hours any client is authorized to receive is 283 hours per month. Clients can select potential service providers or receive matching assistance based on needs and preferences. In-Home Supportive Services Public Authority facilitates the recruitment process by screening all individuals for employment and maintaining a service provider registry. The current rate of pay for service providers in Riverside County is \$14.50 per hour, at a maximum 66 hours per week.

Objective

To verify adequacy of internal controls over the provider enrollment and registry maintenance.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of service provider enrollment policies and procedures, and California Department of Social Services regulations.
- Interviewed department management and staff to obtain an overview of the provider enrollment and registry maintenance process.
- Verified provider and client case data against county employment records.
- Analyzed case data for assigned clients, service hours, and address matches.

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

Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

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.

Management's Response:

"Concur. The Public Authority (PA) recognizes the importance of having a process that includes a layer of review such as having supervisor availability to consult when unique situations arise. The PA will revise processes to include secondary review and approval, and work with Riverside County Department of Public Social Services (DPSS), In-Home Supportive Services (IHSS) Policy Unit to codify the process.

The PA and IHSS Policy Unit recommends to work in conjunction with the Auditor-Controller's Office (ACO) to ensure the review layer is sufficient and meets ACO established standards."

Actual/estimated Date of Corrective Action: 9/30/2021.

Service Provider Analysis

Overview

We performed an analysis to determine whether active county employees are also In-Home Supportive Services providers, as of December 10, 2020. The purpose of this analysis was to identify potential conflicts of interest, abuse or control weaknesses. County policies do not prohibit employees from serving as an In-Home Supportive Services provider, unless conflicts of interest exist. Examples of conflicts of interest include 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. In addition, Public Social Services employees who provide In-Home Supportive Services may exhibit a greater conflict of interest due to the proximity of sensitive program information.

In-Home Supportive Services provided a listing of 32,692 active providers and 35,455 active clients with allowable monthly service hours. Internal Audit Management obtained 22,961 active employee records from the Riverside County financial system.

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

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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 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.

Management's Response:

"Do not concur. An In-Home Supportive Services (IHSS) provider/county employee could provide IHSS services to a recipient before and after county employment hours, during his/her lunch break, scheduled day-off, and on the weekends. Riverside County Department of Public Social Services, In-Home Supportive Services should not be in the position as an "IHSS employer" to track when county employees/providers are claiming hours on IHSS time sheets. This level of supervision is the sole responsibility of the IHSS recipient. State regulations are clear that IHSS recipients are the employers. California Welfare and Institutions Code 12301.6 (c)(2)(B) states *Recipients shall retain the*

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right to hire, fire, and supervise the work of any in-home supportive services personnel providing services to them.

ACO's recommendation includes *perform periodic verification of county employee data to In-Home Supportive Services providers.* This recommendation is not within the scope of the California Welfare and Institutions Code 12301.6 (c)(2)(B). Riverside County Department of Public Social Services, In-Home Supportive Services, does not have the authority to oversee or enforce supervision of county-employee providers. As noted above, the IHSS recipient is the employer.

Riverside County Department of Public Social Services has policies in place to limit conflicts of interest. Department Policy 11-011 (*Code of Ethics and Employee Conduct*) states *All staff are responsible for making work-related ethical decisions and demonstrating high standards of professional conduct.* Other highlights of the policy includes: *employees do not personally profit, directly or indirectly, by using confidential information or by misusing County time or County resources for non-County business.* Also, *employees be fair and just in all dealings, not allowing personal feelings, prejudices, animosities or relationships to influence decisions or conduct towards others.*

Department Policy 10-010 (*Employee and Employee Relative/Non-Relative Cases*) requires that all Riverside County Department of Public Social Services employees notify his/her supervisor or manager if they are receiving any services administered by the Department. Every employee must read Department Policy 10-010 and complete form DPSS 4326 which declares the employee is *applying for or receiving services or having knowledge or a relative/non-relative applying for or receiving services from DPSS.* Highlights of this policy includes: *During work hours, an employee must not conduct personal business relating to his or her case, such as sending email, sending regular mail, instant messaging, making or receiving telephone calls, texting, or faxing information to his or her service worker.*

Department Policy 11-005 (*Employment/Activities Outside the Department*), requires that all employees must disclose and obtain approval before accepting or participating in outside employment. This policy is *to ensure that the Department's business dealings are free from impropriety and undue or unfair influence.* Every employee must complete form DPSS 2079 attesting that outside employment is *not incompatible, inconsistent, hostile to, or is in direct conflict with my DPSS employment.* The form DPSS 2079 includes the number of hours worked per month.

Department Policy 19-001 (*Confidentiality of Customer Program Records and Information*) informs employees that *All customer records and information obtained from the point of application or inquiry to the destruction of the closed case is confidential and every DPSS*

Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

employees are required to review and sign the DPSS 2922, Riverside County Department of Public Social Services Confidentiality and Information Use Agreement. The signed DPSS 2922 is an acknowledgement that staff understand confidentiality, security and the consequences for violating confidentiality or misuse of information.

Department Policy 19-003 (*Privacy and Security of Personally Identifiable Information (PII)*) informs all employees to *Only access PII that is necessary to perform a function, activity, or service directly related to the administration of a social service program.* This policy also requires that all employees that complete privacy and security training within 30 days of employment and current employees are required to complete this training annually.

Riverside County Department of Public Social Services, In-Home Supportive Services is recommending that the Auditor-Controller's Office remove the following *Establish departmental policies and procedures that enhances the monitoring of service provider enrollment to mitigate the risks from potential conflicts of interest in the Summary of Improvement Opportunities* as there is policies to address conflicts of interest and that every employee shall not access case records unless there is an approved business need.

Actual/estimated Date of Corrective Action: N/A.

Auditor's Response:

The Riverside County Department of Public Social Services policies provide a level of control that relies on declaration by individuals employed only within the department. Public Authority retains responsibility for matters regarding wages, hours and other terms and conditions of employment. County of Riverside Ordinance 819, *Delivery of In-Home Supportive Services*, states, "The IHSS Public Authority shall be deemed to be the employer of IHSS providers referred to consumers from the registry pursuant to Welfare and Institutions Code Sections 12301.6(c)(1) and (h), and 12302.25 for the limited purpose of collective bargaining within the meaning of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code, commonly known as the Meyers-Milias-Brown Act. The IHSS Public Authority shall not be deemed to be the employer of IHSS providers under this chapter for purposes of liability, including but not limited to, the negligence or intentional torts of the IHSS providers." In addition, "Pursuant to Welfare and Institutions Code Section 12301.6, the IHSS Public Authority shall provide for the following functions: Investigate the qualifications and background of potential IHSS providers listed in the registry." Our recommendation for consistent monitoring extends beyond internal department policies to address employee-providers instances in other departments while maintaining integrity and ethical conduct within the program.

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Recommendation 3.2:

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

Management's Response: Do not concur. In-Home Supportive Services (IHSS) hours are based on the assessed needs of the recipient and hours are governed by state regulations. An IHSS recipient can receive up to a state maximum of 283.00 hours a month and there are no exceptions. If an IHSS provider is attempting to claim over the authorized IHSS hours, the state system will not pay the person.

Actual/estimated Date of Corrective Action: N/A.

Auditor's Response:

A new system and change in processes to manage provider timekeeping was implemented in April of 2020. The establishment of controls and monitoring of activities should be performed to ensure they are working as designed, including internal reviews and approvals.

Attachment B



Sayori Baldwin, Assistant County Executive Officer

The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2021-012: Riverside County Department of Public Social Services, In-Home Supportive Services Audit

Sayori Baldwin

September 26th 2022

Authorized Signature

Date

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.

Current Status

Reported Finding Corrected? Yes No

Recommendation 1.1

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

Management Reply

“Concur. Riverside County Department of Public Social Services, In-Home Supportive Services concurs that signatures, dates, and approvals should be consistently applied on all fraud allegation referrals. Corrective action includes initial screening by the Program Integrity Unit (PIU) when fraud allegations are received. If information is missing such as dates and/or signatures, PIU notifies the person submitting the allegation to complete the required information. The fraud allegation is resubmitted to PIU for accurate completion and it is not processed until this information is obtained. This corrective action will continue in fraud review processes. ”

Actual/estimated Date of Corrective Action: 01/29/2021.

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Corrective actions implemented on 01/29/2021 - DPSS/IHSS corrected the issue of review/approval processes by: (1) Program Integrity (PI) staff were reminded to fully review fraud allegation packets which includes supervisory sign-off; (2) PI staff were also reminded that overpayment summaries must include two Program Integrity staff signatures.

Corrective actions implemented on 02/01/2021 - DPSS/IHSS corrected the issue of missing information by: electronically storing fraud/overpayment packets in a centralized location.

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.

Management Reply

“Partially concur. Fraud referrals should be reported to the Program Integrity Unit within the established timeframe which is within five (5) business days of the date of discovery (*In-Home Supportive Services Fraud Referrals Department Memorandum, 2012-089*). Fraud allegations should not be reported immediately to the Program Integrity Unit as the five (5) business days timeframe allows staff to gather information and documents to determine if a fraud allegation is warranted. Riverside County Department of Public Social Services, In-Home Supportive Services concurs that fraud allegation case reviews should be processed within the established timeframe.

Riverside County Department of Public Social Services, In-Home Supportive Services, will address the finding through training to ensure staff understand their roles/responsibilities in the process with emphasis on the importance of timely recognition of fraud and timely reporting as established in the referenced Department Memorandum. ”

Actual/estimated Date of Corrective Action: 07/01/2021.

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Staff were trained by the Program Integrity Unit in the months of June 2021 and July 2021. The training included reminders on processing fraud packets in accordance with the *In-Home Supportive Services Fraud Referrals Department Memorandum 2012-089*. Additionally, beginning 1/29/2021, when Program Integrity Unit staff receive untimely fraud allegation packets, they are to remind staff of the *In-Home Supportive Services Fraud Referrals Department Memorandum 2012-089* and the 5 business days processing timelines

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.

Current Status

Reported Finding Corrected? Yes No

Recommendation 2

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

Management Reply

"Concur. The Public Authority (PA) recognizes the importance of having a process that includes a layer of review such as having supervisor availability to consult when unique situations arise. The PA will revise processes to include secondary review and approval, and work with Riverside County Department of Public Social Services (DPSS), In-Home Supportive Services (IHSS) Policy Unit to codify the process.

The PA and IHSS Policy Unit recommends to work in conjunction with the Auditor- Controller's Office (ACO) to ensure the review layer is sufficient and meets ACO established standards."

Actual/estimated Date of Corrective Action: 9/30/2021.

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The IHSS Public Authority implemented a secondary review in the service *Provider Enrollment Process* through clear separation of duties. Employees responsible for provider enrollment activities culminating in a determination of provider eligibility/ineligibility to serve as a care provider to recipients of the IHSS Program, do not partake in the final association/linkage of providers to recipients' IHSS cases. Linkage to cases is handled by entirely different employees.

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 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.

Current Status

Reported Finding Corrected? Yes No

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

Corrective Action: Fully Implemented Partially Implemented Not Implemented

See below

“Do not concur. An In-Home Supportive Services (IHSS) provider/county employee could provide IHSS services to a recipient before and after county employment hours, during his/her lunch break, scheduled day-off, and on the weekends. Riverside County Department of Public Social Services, In-Home Supportive Services should not be in the position as an “IHSS employer” to track when county employees/providers are claiming hours on IHSS time sheets. This level of supervision is the sole responsibility of the IHSS recipient. State regulations are clear that IHSS recipients are the employers. California Welfare and Institutions Code 12301.6 (c)(2)(B) states *Recipients shall retain the right to hire, fire, and supervise the work of any in-home supportive services personnel providing services to them.*

ACO's recommendation includes *perform periodic verification of county employee data to In-Home Supportive Services providers.* This recommendation is not within the scope of the California Welfare and Institutions Code 12301.6 (c)(2)(B). Riverside County Department of Public Social Services, In-Home Supportive Services, does not have the authority to oversee or enforce supervision of county-employee providers. As noted above, the IHSS recipient is the employer.

Riverside County Department of Public Social Services has policies in place to limit conflicts of interest. Department Policy 11-011 (*Code of Ethics and Employee Conduct*) states *All staff are responsible for making work-related ethical decisions and demonstrating high standards of professional conduct.* Other highlights of the policy includes: *employees do not personally profit, directly or indirectly, by using confidential information or by misusing County time or County resources for non-County business.* Also, *employees be fair and just in all dealings, not allowing personal feelings, prejudices, animosities or relationships to influence decisions or conduct towards others.*

Department Policy 10-010 (*Employee and Employee Relative/Non-Relative Cases*) requires that all Riverside County Department of Public Social Services employees notify his/her supervisor or manager if they are receiving any services administered by the Department. Every employee must read Department Policy 10-010 and complete form DPSS 4326 which declares the employee is *applying for or receiving services or having knowledge or a relative/non-relative applying for or receiving services from DPSS.* Highlights of this policy includes: *During work hours, an employee must not conduct personal business relating to his or her case, such as sending email, sending regular mail, instant messaging, making or receiving telephone calls, texting, or faxing information to his or her service worker.*

Department Policy 11-005 (*Employment/Activities Outside the Department*), requires that all employees must disclose and obtain approval before accepting or participating in outside

employment. This policy is to ensure that the Department's business dealings are free from impropriety and undue or unfair influence. Every employee must complete form DPSS 2079 attesting that outside employment is not incompatible, inconsistent, hostile to, or is in direct conflict with my DPSS employment. The form DPSS 2079 includes the number of hours worked per month.

Department Policy 19-001 (*Confidentiality of Customer Program Records and Information*) informs employees that All customer records and information obtained from the point of application or inquiry to the destruction of the closed case is confidential and every DPSS employees are required to review and sign the DPSS 2922, Riverside County Department of Public Social Services Confidentiality and Information Use Agreement. The signed DPSS 2922 is an acknowledgement that staff understand confidentiality, security and the consequences for violating confidentiality or misuse of information.

Department Policy 19-003 (*Privacy and Security of Personally Identifiable Information (PII)*) informs all employees to Only access PII that is necessary to perform a function, activity, or service directly related to the administration of a social service program. This policy also requires that all employees that complete privacy and security training within 30 days of employment and current employees are required to complete this training annually.

Riverside County Department of Public Social Services, In-Home Supportive Services is recommending that the Auditor-Controller's Office remove the following *Establish departmental policies and procedures that enhances the monitoring of service provider enrollment to mitigate the risks from potential conflicts of interest* in the Summary of Improvement Opportunities as there is policies to address conflicts of interest and that every employee shall not access case records unless there is an approved business need.

Actual/estimated Date of Corrective Action: N/A.

Recommendation 3.2:

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

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Response to Recommendation 3.1 and 3.2.

Implemented 08/2021 – IHSS Program Integrity staff (supervisor or high level of classification) review a report that identifies DPSS employees who are also IHSS providers every 6 months to address any potential conflict of interest. Any new cases where Adult Services Division staff are providers are also reviewed by Program Integrity staff.

Management's Response: Do not concur. In-Home Supportive Services (IHSS) hours are based on the assessed needs of the recipient and hours are governed by state regulations. An IHSS recipient can receive up to a state maximum of 283.00 hours a month and there are no exceptions. If an IHSS provider is attempting to claim over the authorized IHSS hours, the state system will not pay the person.

Actual/estimated Date of Corrective Action: N/A.