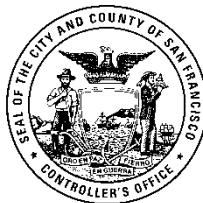


City and County of San Francisco

Office of the Controller – City Services Auditor

HUMAN SERVICES AGENCY:

The Department Effectively Ensures That County Adult Assistance Programs Provide Maximum Benefits to Eligible Clients



August 4, 2016

**OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR**

The City Services Auditor Division (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

CSA may conduct financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

CSA conducts audits in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office. These standards require:

- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

For questions regarding the report, please contact Director of City Audits Tonia Lediju at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Audit Team: Mamadou Gning, Lead Audit Manager
Kat Scoggin, Audit Manager
Michael Bahler, Staff Auditor



City and County of San Francisco

Office of the Controller - City Services Auditor

Human Services Agency:

August 4, 2016

The Department Effectively Ensures That County Adult Assistance Programs Provide Maximum Benefits to Eligible Applicants

Why We Did the Audit

The City Services Auditor Division (CSA) of the Office of the Controller audited the Human Services Agency's eligibility screen procedures for participation in the four programs administered by its County Adult Assistance Programs division (CAAP).

What We Found

CAAP effectively screens applicants to determine their eligibility for its programs. Applicants must meet requirements based on residency, age, identification, financial resources, and housing expenses.

CAAP Workers Effectively Screen Applicants for Primary Eligibility Criteria

Eligibility Requirement	CAAP Verification Procedures	
Residency	San Francisco residency for at least 15-30 days, depending on the program	Require proof of residency, such as a recent utility bill or rental agreement
Identity	Age 18 years or older	Require identification, such as California driver's license or identification card, U. S. passport, or current federal government identification issued to immigrants
	Legal status in the U. S.	Require a verifiable social security number
Resources	Monthly income less than the program's monthly grant	<ul style="list-style-type: none">Inquire of applicantCheck for wages reported to the state Employment Development Department
	Financial savings that do not exceed the program's monthly grant	<ul style="list-style-type: none">Inquire of applicantCheck for interest or dividends reported to the state Franchise Tax Board, which may indicate a retirement or investment account
	Do not own a vehicle worth more than \$4,649	<ul style="list-style-type: none">Inquire of applicantDetermine market value of vehicle
Expenses	For homeless persons, housing expenses do not exceed total benefit amount	Require proof of rent and housing-related expenses for which applicant is responsible, such as a utility bill

Source: See Exhibit 3 in the report for greater detail and source information.

After initial intake and throughout program participation, CAAP's Triage Unit effectively assesses clients' ability to work and eligibility for disability benefits. CAAP continues to monitor clients' ongoing eligibility through automated system alerts, employment services program staff, and semiannual renewal appointments. Access controls over CalWIN, CAAP's case management system, are adequate to protect against unauthorized alteration or access to case files.

Copies of the full report may be obtained at:

*Office of the Controller • City Hall, Room 316 • 1 Dr. Carlton B. Goodlett Place • San Francisco, CA 94102 • 415.554.7500
or on the Internet at <http://www.sfgov.org/controller>*

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 4, 2016

Human Services Commission
170 Otis Street
San Francisco, CA 94103

Mr. Trent Rhorer
Executive Director
Human Services Agency
170 Otis Street
San Francisco, CA 94103

Dear Commission President and Members, and Mr. Rhorer:

The Office of the Controller's City Services Auditor Division (CSA) presents its audit report of the eligibility verification processes for Human Services Agency programs administered by the department's County Adult Assistance Programs division (CAAP): General Assistance, Personal Assisted Employment Services, Cash Assistance Linked to Medi-Cal, and Supplemental Security Income Pending. The audit, conducted as part of CSA's ongoing program to audit eligibility screening procedures of city programs, had as its objective to assess the adequacy of the department's processes for whether clients meet all eligibility requirements.

The audit concluded that the department effectively screens participants for eligibility, effectively assesses clients, and provides adequate access controls over information and computer systems. The report has no recommendations. The Human Service Agency's response to the report is attached as an appendix.

CSA appreciates the assistance and cooperation of Human Services Agency staff during the audit. For questions about the report, please contact me at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Respectfully,

Tonia Lediju
Director of City Audits

cc: Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

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GLOSSARY OF TERMS

CAAP	County Adult Assistance Programs division, the division of the Human Services Agency that oversees the four assistance programs that are the subject of this audit
CalWIN	System used by the Human Services Agency to manage cases for County Adult Assistance Programs division clients
City	City and County of San Francisco
Client	An active participant—or applicant for new benefits or services—of the County Adult Assistance Programs division
CSA	City Services Auditor Division of the Office of the Controller
General Assistance	Safety net for indigent adults ineligible for assistance through other programs; a program under the County Adult Assistance Programs division
Human Services	Human Services Agency
iFile	Digital document storage system the Human Services Agency uses to store documentation related to files of County Adult Assistance Programs division clients
IEVS	Income Eligibility and Verification System, a federally mandated system established to provide accurate information to determine eligibility for public assistance
PAES	Personal Assisted Employment Services, one of four programs under the County Adult Assistance Programs division
SSI	Supplemental Security Income, a federally funded program to provide benefits to disabled persons with little or no income

INTRODUCTION

Audit Authority

This audit was conducted under the authority of the Charter of the City and County of San Francisco (City), Section 3.105 and Appendix F, which requires that the City Services Auditor (CSA) of the Office of the Controller conduct periodic, comprehensive financial and performance audits of city departments, services, and activities. CSA conducted this audit under that authority and pursuant to its annual audit plan. This audit is part of CSA's continuous program to audit eligibility screening processes for city programs.

Background

Human Services' CAAP programs seek to help indigent city residents.

The County Adult Assistance Programs division (CAAP) of the City's Human Services Agency (Human Services) oversees four programs that seek to provide short-term financial or in-kind assistance, employment services, and other services to city residents who are unable to support themselves or receive aid from other public assistance programs. Also, CAAP programs seek to enable and encourage clients to become employed, receive support from other sources, and reduce or eliminate conditions that led to indigence and dependency.

Human Services has four CAAP programs.

CAAP administers four programs, which are summarized in Exhibit 1.

EXHIBIT 1 Human Services Offers Four County Adult Assistance Programs



Supplemental Security Income Pending

Benefit up to \$466 for disabled individuals who have not yet begun receiving Supplemental Security Income from the federal government.



Personal Assisted Employment Services

Assist participants with gaining sustainable employment. Cash benefit of up to \$466.



Cash Assistance Linked to Medi-Cal

Benefit up to \$466 for aged or disabled Medi-Cal recipients who do not qualify for Supplemental Security Income.



General Assistance

Safety net providing grants up to \$378 to indigent adults who are not receiving benefits from any other CAAP program.

Note: Benefit amounts are monthly.

Source: Human Services Agency, County Adult Assistance Programs information sheet, Form 2133CR, dated 2/22/16.

Human Services has one eligibility screening process for all CAAP programs.

CAAP program applicants and participants (clients) apply for benefits at 1235 Mission Street. The client first registers at a kiosk and then completes an application, which is available in six languages. The client then meets with a reception worker who accepts the application, determines whether it is complete, and checks if the client has any sanctions that would prohibit him or her from receiving benefits at that time. A CAAP client can receive sanctions for failing to meet eligibility requirements or not complying with program requirements.

CAAP programs have seven primary eligibility requirements.

CAAP eligibility workers then meet with the client and accept documents that prove he or she meets each eligibility requirement.

Exhibit 2 shows the seven primary eligibility criteria, which are in four categories.

EXHIBIT 2	CAAP Program Participants Must Meet Seven Eligibility Requirements
 Residency	1. San Francisco residency for at least 15-30 days, depending on the program
 Identity	2. Age 18 years or older 3. Legal status in the United States
 Resources	4. Monthly income less than the program's maximum monthly grant 5. Financial savings that do not exceed the program's monthly grant 6. Do not own a vehicle with a value of more than \$4,649
 Expenses	7. Rent does not exceed the program's maximum grant amount; or, for homeowners, housing expenses do not exceed available income and/or assets, including the program's maximum grant amount.

Note: CAAP does not provide services to individuals receiving Supplemental Security Income, the federal disability benefit. Individuals with minor children living in the home are ineligible for CAAP, but can seek benefits from family-centered programs such as CalWORKS or County Family Relief.

Source: Human Services Agency, County Adult Assistance Programs information sheet, Form 2133CR, dated 2/22/16 and the San Francisco Administrative Code, Chapter 20.

After intake, clients meet with a triage worker who assesses their employability. If participating in the Personal Assisted Employment Services program (PAES), CAAP assigns the client an employment specialist. According to one of the employment specialists, their work with clients is to identify barriers to employment. Overcoming those barriers, along with job-seeking activities, becomes a part of the client's employment plan.

CAAP workers use a variety of systems to check clients' eligibility.

CAAP staff uses several systems to determine client eligibility and to corroborate eligibility information provided by clients.

- *CalWIN* is a case management system that logs meetings with the client, contains case notes, and indicates sanctions.

- *Income Eligibility and Verification System (IEVS)*¹ allows CAAP staff to check other government systems for existing wage and employment information, bank accounts, and life insurance policies, as well as distribution of public assistance, unemployment, disability, or Social Security benefits. IEVS also allows verification of Social Security numbers and immigration status.
- *Equifax Verification Services*² shows active or last employment for some, but not all, employers.
- *iFile* shows prior applications, supporting documentation provided by the client for any CAAP program, and other CAAP documents, such as correspondence or benefits-tracking logs.

The Administrative Code governs eligibility requirements for CAAP programs.

The San Francisco Administrative Code, Chapter 20, governs the four programs administered by CAAP, establishing each program's eligibility requirements, benefits, and intended purpose.

Objective

The audit objective was to determine whether Human Services adequately verifies the initial and ongoing eligibility of participants in the four CAAP programs.

Scope and Methodology

The audit included CAAP program policies and procedures and case file documentation from fiscal year 2014-15.

What we did.

To achieve the objective, the audit team:

- Interviewed 12 key staff, including management, reception, eligibility workers, employment specialists and medical staff.
- For a random, statistical sample of 11 of 3,238 CAAP program clients who submitted a request for new or continuing services in fiscal year 2014-15,

¹ IEVS is a federally mandated system established to provide accurate information for the determination of eligibility to public assistance.

² Equifax is a company that offers verification of employment and income information.

verified that they met eligibility requirements and that CAAP staff adequately documented eligibility determinations. Because the sample represented a statistical, random sample, the results of the testing can be projected on to the entire population of CAAP clients.

- For a random, statistical sample of 8 of 19 PAES participants who had exhausted their 27 months of employment services benefits, verified that they met eligibility requirements and that CAAP adequately documented eligibility determinations. Because the sample represented a statistical, random sample, the results of the testing can be projected on to the entire population of PAES clients.
- Reviewed the access controls over CalWIN to ensure that access privileges were appropriate for each job classification.

Statement of Auditing Standards

CSA conducted this audit in accordance with generally accepted government auditing standards. These standards require planning and performing the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. CSA believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

AUDIT RESULTS

Summary	CAAP effectively screens the eligibility of applicants applying for program requirements including age, identification, residency, financial resources, and housing expenses. After initial intake and throughout program participation, CAAP's Triage Unit effectively assesses clients' ability to work and eligibility for disability benefits. CAAP monitors clients' ongoing eligibility through automated system alerts, employment services program staff, and semiannual renewal appointments. Access controls over CalWIN, CAAP's case management system, are generally adequate to protect against unauthorized alteration or access to case files.
Finding 1	CAAP effectively screens clients to determine whether they meet program requirements.
<i>CAAP's initial eligibility screening process requires multiple reviews of each case file.</i>	During initial intake CAAP uses a combination of independently verified data and documentation provided by the clients to effectively determine whether they meet eligibility requirements. If they do, Human Services accepts them into a CAAP program.
<i>Reception staff initially screens all new clients.</i>	The eligibility of each client is reviewed by as many as three CAAP workers, depending on the eligibility criterion. For each new benefit request, workers use a variety of independent resources and documentation provided by the applicant to ensure that he or she meets the eligibility requirements. CAAP staff performs the processes described below.
	A reception worker:
	<ul style="list-style-type: none">• Ensures that the application is complete.• Checks CalWIN for sanctions or special indicators that might disqualify the client from receiving benefits.

- Checks IEVS to identify whether the applicant receives Medi-Cal or Supplemental Security Income (SSI).³
- Checks IEVS to see if the applicant receives benefits from other public assistance programs.

CAAP staff double checks for sanctions and use of other assistance programs.

After reception, other CAAP employees then:

- Check again for sanctions and special indicators.
- Check again for assistance from other jurisdictions.
- Scan the application for the electronic case file.

An eligibility worker completes the initial intake.

An eligibility worker then reviews the case file and performs preliminary research to look for information that might make the applicant ineligible. To do so, the worker:

- Reviews the client's case file in CalWIN for sanctions, special indicators, and case notes.
- Updates the case file with any relevant information from IEVS.
- Checks Equifax for any additional employment or wage information.

After this preliminary review, the eligibility worker then meets with the applicant to collect supporting documentation and confirms or denies eligibility.

Exhibit 3 summarizes CAAP's verification procedures.

³ Medi-Cal recipients are eligible for all CAAP programs, whereas Cash Assistance Linked to Medi-Cal and SSI recipients are ineligible for all CAAP programs.

EXHIBIT 3 CAAP Workers Effectively Screen Applicants for the Seven Primary Eligibility Criteria

Eligibility Requirement	CAAP Verification Procedure
 Residency	San Francisco residency; minimum of 15-30 days depending on the program Require proof of residency such as a: <ul style="list-style-type: none">• Recent utility bill with San Francisco address on it• Rental agreement or a signed landlord statement
	Age 18 years or older Require identification ^a such as a: <ul style="list-style-type: none">• California driver's license or identification card• U. S. passport• Current federal identification issued to immigrants
	Legal status in the United States Require a verifiable Social Security number ^b
	Monthly income less than the program's monthly grant <ul style="list-style-type: none">• Inquire of applicant• Check IEVS for wages reported to the California Employment Development Department by California employers• Check Equifax for current or past employment
	Financial savings that do not exceed the program's monthly grant <ul style="list-style-type: none">• Inquire of applicant• Check IEVS for interest or dividends reported to the California Franchise Tax Board, which may indicate a retirement or investment account
	Not owning a vehicle valued at over \$4,649 <ul style="list-style-type: none">• Inquire of applicant• Based on the make, model, year, and reported condition of any reported vehicle, determine its market value by consulting California Department of Motor Vehicles license fee rates, Kelly Blue Book, or National Automobile Dealers Association website
 Expenses	Housing expenses that do not exceed total benefit amount. <ul style="list-style-type: none">• Require proof of rent amount, such as a rental agreement or statement from a landlord; if applicant brings a landlord statement, call the landlord to check the information

Notes:

^a If applicants do not have identification, CAAP will assist them in obtaining identification.

^b If they do not have a Social Security card, applicants can verbally provide their number to the CAAP eligibility worker, who then asks the unit supervisor to call the Social Security Administration to verify the number. In some cases, Social Security numbers can be verified in IEVS.

Sources: Auditor observation, auditor review of a sample of case files, County Adult Assistance Program manual, and San Francisco Administrative Code, Chapter 20

CAAP eligibility workers update CalWIN data and add case notes after every client interaction.

CAAP workers record each client interaction by entering detailed notes into CalWIN, which allows any case worker to handle any case because all pertinent information is readily available. This also provides documentation that would allow CAAP to defend its determinations and decisions in the event of a client complaint or appeal.

If an eligibility requirement cannot be verified, applicants must return with documentation.

During initial intake, if a CAAP eligibility worker cannot verify that the client meets one or more eligibility requirements, the client must return with the required documents to prove eligibility.

CSA used a sample of cases to test the effectiveness of CAAP screening procedures.

CAAP staff adequately ensures that clients meet the criteria to qualify for CAAP programs by corroborating client-provided eligibility information with independent resources such as wage, employment, and tax information from other government agencies.

To determine whether CAAP's controls over eligibility are adequate, CSA tested a random statistical sample of 11 of 3,238 CAAP program client cases. Because PAES clients are subject to additional ongoing eligibility requirements, CSA selected an additional random statistical sample of 8 of 19 PAES cases in which clients had exhausted their 27 months of employment services. In all 19 cases, CAAP provided adequate documentation supporting each client's eligibility for services. Because the samples revealed no errors, statistical projection indicates that the error rate for the entire population of cases is less than 2 percent.

Finding 2

CAAP effectively assesses each client's ability to work and eligibility for disability benefits.

The Triage Unit assesses each client's ability to work.

CAAP assesses whether each client is eligible for SSI and reports that it effectively diverts SSI-eligible clients to the federally funded disability program.

CAAP triage workers are licensed social workers or therapists. According to triage unit management, the workers assess clients by conducting a semi-structured interview intended to identify any disability or barrier to employability. Triage workers assess each client when he or she initially applies for benefits and then at least

annually as long as the client remains in any CAAP program. According to CAAP, workers may refer a client back to triage if they suspect the client has developed a disability.

Exhibit 4 summarizes the Triage Unit's reported client assessment outcomes for July through December 2015.

EXHIBIT 4 CAAP's Triage Unit Reports Assessing 5,075 Clients in July Through December 2015 and Diverting 26 Percent to Disability Benefits

Triage Outcome	Clients ^a		Service Options
Age Exempt, No Disability	680	13%	None; can elect Personal Assisted Employment Services
Able to Work, No Restriction	1,346	27%	Personal Assisted Employment Services or General Assistance Workfare ^b
Able to Work, Light Duty	1,474	29%	Personal Assisted Employment Services or General Assistance Job Search ^c
Temporary Exemption	246	5%	None
Likely Disabled	1,329	26%	Assistance with obtaining SSI
Total Assessments	5,075		

Notes:

^a Percentages do not total to 100 due to rounding.

^b CAAP requires Workfare clients to complete job assignments with city departments or nonprofit organizations that have agreements with Human Services.

^c CAAP requires Job Search clients to perform a specified amount of employment-seeking activities.

Source: CAAP Triage Unit

CAAP procedures for assessing clients' disability status effectively divert disabled clients to the federally funded disability program. Clients receive a greater financial benefit from SSI, and the referral of such clients helps to preserve city funds.

Finding 3

CAAP monitors clients' ongoing eligibility through automated system alerts, the efforts of employment services program staff, and semiannual renewal appointments.

CAAP continually monitors whether clients meet CAAP programs' residency and income requirements.

IEVS automatically alerts program staff of indicators that may render a client ineligible.

The IEVS system incorporates automated alerts that inform CAAP staff if a client begins receiving benefits in another jurisdiction, has wages reported to the California Employment Development Department, or begins collecting SSI.

PAES workers monitor clients' compliance with employment plans.

According to employment services workers, they meet with PAES clients monthly to verify that they are complying with the requirements of their employment plan. The worker logs these visits on a tracking sheet that becomes a part of the client's case file. The worker also informs client who are approaching the end of their 27 months of permitted employment services. According to PAES staff, when clients exhaust the 27 months of employment services, staff notifies them in writing that they are no longer eligible for such services.

CAAP staff monitors continuing eligibility during semiannual renewal appointments.

PAES clients that have exhausted their 27 months of employment services benefits and other CAAP clients must meet at least twice a year with an eligibility worker who determines whether there has been a change in the client's income or employment or any other event that would make the client ineligible to receive benefits from CAAP. Those who fail to attend a renewal appointment can be sanctioned or have their program benefits discontinued.

Finding 4

Human Services requires login credentials and has controls to prevent access from outside the building.

Access controls over CalWIN protect against unauthorized alteration or access to case files.

Human Services provides adequate controls over user accounts that provide access to the CalWIN system, which contains information on each client's benefits, including documentation of the client's eligibility.

Each CalWIN user must provide credentials to log on to the system. Human Services has several user security profiles that restrict access to only the functions each user needs to perform his or her job duties. Further, CalWIN allows users to update and add to case files, but does not allow deletion of data. Employees who have separated from Human Services no longer have access to CalWIN. Overall, the risk of unauthorized access to or alteration of case data is minimal.

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Also, case file documentation in iFiles can only be accessed onsite by authorized users with active credentials and cannot be exported from the system.

APPENDIX: DEPARTMENT RESPONSE

City and County of San Francisco



Edwin M. Lee, Mayor

Human Services Agency

Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

July 26, 2016

Tonia Lediju
Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: HSA Acknowledgement to CSA Draft Audit Report of CAAP Program Eligibility Verification Processes

Dear Ms. Lediju,

The Human Services Agency (HSA) has received the draft audit report, *The Department Effectively Ensures that County Adult Assistance Programs Provide Maximum Benefits to Eligible Clients*, dated July 25th, 2016. This letter is to confirm that we agree with the findings of the report.

Thank you for the time spent by your staff to review the program eligibility process.

Sincerely,

A handwritten signature in black ink, appearing to read "Trent Rhorer".

Trent Rhorer
Executive Director, Human Services Agency
City and County of San Francisco