



Social Services Agency and Probation Department
**Internal Controls Audit of California Fostering Connections to Success Act:
Non-Minor Dependent Youth and Extended Foster Care Program**

February 15, 2024
Assignment #: 10365

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Executive Summary

Background

Internal Audit Division (IAD) evaluated internal controls of the County's California Fostering Connections to Success Act: Non-Minor Dependent Youth and Extended Foster Care Program (AB12 Program). The AB12 Program is administered by the Social Services Agency's (Agency) Department of Family & Children's Services (DFCS) and the Probation Department's Juvenile Probation Division (JPD). The audit was selected through our annual risk assessment and audit planning process.

Objective

The audit was performed to determine if:

- (1) management's controls over the AB12 Program's administration were in place and operated effectively,
- (2) community-based organizations who provided services to non-minor dependent youth (youth) enrolled in the AB12 Program were in compliance with contract terms and applicable laws/regulations and
- (3) financial assistance payments were timely and accurately distributed to eligible youth.

Scope

The audit scope focused on examining AB12 Program processes and documentation for the period July 1, 2020 to June 30, 2022.

What We Found

The AB12 Program was created by the State of California's Department of Social Services (CDSS) so eligible youth in the child welfare and juvenile probation systems can remain in foster care until age 21 through the safety net of County services. Eligible youth receive extended payment benefits and transitional support services. Goals and benefits for youth of the AB12 Program include:

- Providing youth additional time to address the effects of trauma, obtaining educational and employment training and developing permanent connections with supportive adults.
- Continuing participation in the Independent Living Program to help youth gain the knowledge and skills needed for self-sufficiency and successful transition into adulthood.

DFCS and JPD contract with community-based organizations (e.g., licensed transitional housing providers) who provide supportive housing and related services to eligible youth.

Overall, we believe management's internal controls over AB12 Program administration and compliance were generally effective; however, the eight improvements identified in the areas summarized below and detailed in the **Findings and Recommendations** section of this report will help strengthen internal controls and mitigate potential risks.

Operating Effectiveness: Program Administration has the following three findings:

- Performance measures and goals were not developed.
- Progress reports were not received from transitional housing providers.
- Record retention policy was not in place.

Administration of Financial Assistance Payments has the following one finding:

- Payment assistance process was not effectively coordinated.

Program Compliance has the following four findings:

- Transitional housing provider did not comply with regulatory guidance.
- Required eligibility forms were missing or not reviewed timely.
- Required eligibility documentation was not signed or dated by all parties.
- Enrollment documentation did not contain required explanations.

We also noted two "**Other Observations**" submitted for management's consideration.

Executive Summary

The chart below summarizes risk categories for each audit area by priority ratings.

#	Area	Priority Rating			Total
		High (1)	Medium (2)	Low (3)	
1	Operating Effectiveness: Program Administration	2	1	-	3
2	Administration of Financial Assistance Payments	1	-	-	1
3	Program Compliance	1	2	1	4
Total Findings		4	3	1	8

See **Appendix 1** for a definition of priority ratings.

Audit reports are designed to assist management and provide constructive recommendations for improving their operations. As a result, the report generally does not address activities reviewed that are functioning effectively; however, Appendix 4 highlights the accomplishments of the AB12 Program administration. The draft report was discussed with management prior to final issuance. A total of 13 recommendations were made for the eight findings noted in the table above. Management agreed with all 13 recommendations. Attached herein is their formal response. In accordance with professional auditing standards, IAD intends to perform a follow-up audit on the recommendations and may include other observations presented in Appendix 5.

We conducted the engagement in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

It is anticipated this report will be submitted to the Finance and Government Operations Committee in Spring 2024. This report is intended solely for the County and its stakeholders; however, this report is a matter of public record, and its distribution is not limited.

We would like to thank management and staff for their time, cooperation and assistance provided throughout the engagement.



Robyn Rose, CPA, CICA
Internal Audit Manager
February 15, 2024

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Findings and Recommendations

OPERATING EFFECTIVENESS: PROGRAM ADMINISTRATION

FINDING 1: Performance measures and goals were not developed.	
OBJECTIVE	To determine if management developed performance measures and goals to effectively monitor the AB12 Program.
CRITERIA	<p>U.S. Government Accountability Office’s Standards of Internal Controls in the Federal Government (“Green Book”):</p> <ul style="list-style-type: none"> • Principle 6.02 – Definitions of Objectives states in part “Management defines objectives in specific and measurable terms to enable the design of internal control for related risks. Specific terms are fully and clearly set forth so they can be easily understood. Measurable terms allow for the assessment of performance toward achieving objectives.” • Principle 16 – Perform Monitoring Activities states in part “Management retains responsibility for monitoring the effectiveness of internal control over the assigned processes performed by service organizations.”
CONDITION	<p>During the audit, we noted performance measures, goals or expected outcomes were not developed for the AB12 Program, which are useful tools for effectively monitoring and assessing program results and identifying opportunities for improvement.</p> <p>We also noted management currently monitors social workers' in-person monthly contact and Case Plan information included in monthly data reports. The information collected in these reports could be a source for developing performance measures specific to the AB12 Program.</p> <p>Without defined objectives, goals and baseline metrics there is an increased risk management cannot measure program effectiveness, determine appropriateness of resource allocation or identify potential challenges.</p>
RECOMMENDATIONS	<p>1.1 DFCS and JPD management should develop goals and performance measurements in alignment with the AB12 Program's mission and objectives and consider including the following examples:</p> <ul style="list-style-type: none"> • rate of participants successfully exiting the program with a college degree or a trade school certification, • rate of participants working full or part-time upon exiting the AB12 Program, • frequency of youth transitioning between housing placement settings, • trend analysis for housing placement settings preferred by participants, which would help management explore expanding housing options, and • length of time to investigate and resolve submitted complaints. <p>1.2 DFCS and JPD management should communicate the newly developed goals and performance measures to staff and how they relate to their job duty expectations, which will help ensure alignment with the AB12 Program's mission and objectives.</p>
PRIORITY/EXPECTED COMPLETION DATE	High (1) – Within one to three months after issuance of the final audit report
MANAGEMENT’S RESPONSE	Agreed – DFCS management will strengthen performance measures aligned with departmental goals, objectives and performance metrics.

Findings and Recommendations

FINDING 2: Progress reports were not received from transitional housing providers.	
OBJECTIVE	To ensure transitional housing providers servicing youth enrolled in the AB12 Program comply with contract terms.
CRITERIA	<p>Memorandum of Understanding (MOU) between the County of Santa Clara and Transitional Housing Program Plus Foster Care (THP+FC) transitional housing providers from 2017-2022 states:</p> <ul style="list-style-type: none"> Section 4.f. - “[THP+FC] will submit quarterly progress reports using the Quarterly Program Report template provided by the County in electronic format. The Report is to monitor the completion or revision of goals outlined in Transitional Independent Living Program (TILP). [Youth] not complying with the goals outlined in their TILP and extended foster care requirements, a monthly progress report will be submitted to the [social worker/probation officer].” Section 12.b - “[THP+FC] will track and report annually on goals and measures to evaluate the impact of THP+ FC program.”
CONDITION	<p>Based on results of testing procedures, we noted three transitional housing providers did not submit quarterly and annual performance reports for the period reviewed. Per MOU requirements, the reports are used by DCFS management to review, evaluate and monitor progress of the youth’s TILP. The plans are jointly developed by the social worker/probation officer and youth upon entering the AB12 Program.</p> <p>Not receiving or reviewing progress reports of enrolled participants can lead to management not successfully monitoring or evaluating effectiveness of program goals and outcomes.</p>
RECOMMENDATION	2.1 To comply with MOU requirements, DCFS management should coordinate with the Agency’s Office of Contract Management to request and review quarterly and annual progress reports from transitional housing providers to ensure goals outlined in the youth’s TILP are met.
PRIORITY/EXPECTED COMPLETION DATE	High (1) – Within one to three months after issuance of the final audit report
MANAGEMENT’S RESPONSE	Agreed – DCFS management will establish a quality assurance system and program monitoring. DCFS will also address areas of growth for transitional housing providers through benchmarking and defined outcomes.

Findings and Recommendations

FINDING 3: Record retention policy was not in place.	
OBJECTIVE	To determine if record retention practices are in place for AB12 Program case files and related supporting documentation in compliance with laws and regulations.
CRITERIA	Per the County’s Record Retention and Destruction Policy – Board Policy 3.57, Section 3.57.5(A) states in part “Departments must review their Departmental Schedules with County Counsel at least every five years to ensure that the schedules comply with the law and properly reflect Departmental record retention and destruction practices...upon completion of the Departmental Schedules, Departments must prepare their own Departmental Policies, which must be consistent with this...Policy. Departmental Policies must define internal processes for the management, retention, and destruction of Departmental Records. Departmental Schedules must be attached to Departmental Policies and be incorporated therein by reference.”
CONDITION	Based on inquiry with management, we noted Record Retention and Destruction Schedules were established by the Agency in February 2015. The schedules referenced AB12 Program documentation; however, a defined departmental record retention policy outlining internal processes for management was not in place as required by Board Policy 3.57. Additionally, closed case records were kept in an off-site retention center without an assigned destruction period. If documentation is not maintained in accordance with established retention requirements, there is a risk of files becoming unrecoverable prior to a regulatory review.
RECOMMENDATIONS	3.1 County Counsel was in the process of drafting a record retention policy for the Agency as of the report issuance date. DFCS and JPD management should ensure the new policy aligns with guidance established by CDSS, such as recording the proposed destruction date and unique identifier outside of the case file. 3.2 DFCS and JPD management should ensure guidance in the updated record retention policy is timely communicated to staff.
PRIORITY/EXPECTED COMPLETION DATE	Medium (2) – Within three to six months after issuance of the final audit report
MANAGEMENT’S RESPONSE	Agreed – DFCS is finalizing a record retention policy in partnership with Social Services Agency. The updated policy will be discussed with staff to ensure they are clear on the changes. JPD’s record retention policy conforms with all applicable laws and CDSS guidance.

Findings and Recommendations

ADMINISTRATION OF FINANCIAL ASSISTANCE PAYMENTS

FINDING 4: Payment assistance process was not effectively coordinated.	
OBJECTIVE	To determine if financial assistance payments were accurate, properly supported and distributed timely to eligible youth.
CRITERIA	DFCS Operational Policies & Procedures, Handbook 24: Extended Foster Care Program provides guidance on payment assistance for youth enrolled in the AB12 Program. For example, youth may be eligible to receive a stipend for specific expenses from the Independent Living Program (ILP)/Emancipated Youth Stipend (EYS) funded by CDSS and the DFCS's Special Funds Program if they participate in the ILP and comply with Extended Foster Care requirements. ILP/EYS provides assistance in the following areas: transportation, employment, education, health care, parenting, housing and miscellaneous needs. Payments from DFCS's Special Funds Program have a limit based on item(s) requested and require approval by the Special Funds Unit and Purchasing or Department Manager prior to payment issuance.
CONDITION	<p>Based on results of testing procedures, we noted the following inconsistencies in ILP/EYS and DFCS Special Funds Program payment requests for two of 30 participants reviewed:</p> <ul style="list-style-type: none"> • Two payment requests totaling \$2,456 were approved to assist a youth with purchasing household items and attending a driving class; however, DFCS staff were unable to confirm if payments were issued after searching in SAP, the County's financial system. • A \$500 request to assist a youth with their car expenses was approved by the Social Workers Group and subsequently submitted to the Fiscal Group for payment issuance. The payment was never issued as a receipt for reimbursement was not submitted by the youth. After further investigation, we noted the two groups did not coordinate on the status of the missing information to ensure completion of the payment process. <p>Insufficient coordination creates the risk of issuing improper payments, processing delays or non-compliance with program requirements.</p>
RECOMMENDATIONS	<p>4.1 DFCS management should follow-up with the social worker to ensure the youth received the \$2,456 payment. The case file should be updated accordingly.</p> <p>4.2 DFCS management should ensure the Social Workers and Fiscal Groups coordinate when requesting, approving and issuing payments from the CDSS and DFCS Special Funds Program by:</p> <ul style="list-style-type: none"> • tracking the various stages of the approval process (e.g. log or electronic workflow) and • following up on any missing supporting documentation required to reimburse the youth promptly.
PRIORITY/EXPECTED COMPLETION DATE	High (1) – Within one to three months after issuance of the final audit report
MANAGEMENT'S RESPONSE	Agreed – DFCS management will establish a tracking system to ensure all youth receive their allotted payment and the process will be documented accordingly.

Findings and Recommendations

PROGRAM COMPLIANCE

FINDING 5: Transitional housing provider did not comply with regulatory guidance.	
OBJECTIVE	To ensure transitional housing providers complied with laws and regulations applicable to the AB12 Program.
CRITERIA	California Code of Regulations (CCR), Title 22, Section 80069(a): Client Medical Assessments states in part "...prior to or within 30 calendar days following the acceptance of a client, the licensee shall obtain a written medical assessment of the client, as specified in Section 80069(c), which enables the licensee to determine his/her ability to provide necessary health related services to the client. The assessment shall be used in developing the Needs and Services Plan. The assessment shall be performed by a licensed physician or designee, who is also a licensed professional, and the assessment shall not be more than one year old when obtained.
CONDITION	<p>CDSS, Community Care Licensing Division (CCLD) is responsible for enforcing licensing regulations outlined in CCR, Title 22, which include conducting annual site visits and complaint investigations of licensed facilities to ensure compliance with regulatory guidance. Any deficiencies noted during the review are communicated to the facility on the CCLD Annual Inspection Report.</p> <p>Based on results of testing procedures, we noted a compliance deficiency on the CCLD Annual Inspection Report reviewed for one of three transitional housing providers. The provider did not comply with the CCR requirement to obtain a written medical assessment of youth living at the facility prior to or within 30 calendar days following their acceptance into the AB12 Program.</p> <p>Not meeting licensing requirements can lead to non-compliance with regulatory guidance coupled with potential health and safety risks to participants if special accommodations or restrictions are not addressed.</p>
RECOMMENDATION	<p>5.1 DFCS management should perform the following tasks to ensure transitional housing providers comply with CCLD licensing requirements:</p> <ul style="list-style-type: none"> • create a compliance checklist that aligns with CCLD requirements, • conduct periodic site visits to ensure compliance with and conformance to CCLD requirements, • communicate any deficiencies noted, and • timely follow-up on the status of corrective actions.
PRIORITY/EXPECTED COMPLETION DATE	High (1) – Within one to three months after issuance of the final audit report
MANAGEMENT'S RESPONSE	Agreed – DFCS management will establish a program monitoring process aligned with contractual responsibilities of the transitional housing provider.

Findings and Recommendations

FINDING 6: Required eligibility forms were missing or not reviewed timely.	
OBJECTIVE	To ensure management complied with AB12 Program eligibility requirements.
CRITERIA	<p>Per the DFCS Operational Policies & Procedures, Foster Care Policy Handbook, Chapter 39: Extended Foster Care (EFC) Benefits:</p> <ul style="list-style-type: none"> Section 39.3.1 states in part "...to continue [receiving EFC] benefits the youth must meet one of the five education and employment conditions...The conditions must be verified by the youth's social worker or probation officer and documented on the "Six-Month Certification of Participation" (SOC 161) form. This document certifies the NMD is currently in compliance and is expected to continue with compliance for the following six months." Section 39.11 states in part "...The SOC 161 must be received by [the eligibility worker] by the end of the month following the month in which the next SOC 161 is due."
CONDITION	<p>Based on results of testing procedures, we noted the following instances of non-compliance with the SOC 161 form requirements for two of 30 participants reviewed:</p> <ul style="list-style-type: none"> The SOC 161 form was missing for one participant. The SOC 161 form for one participant was reviewed and approved by an eligibility worker more than two months after completion by the social worker. <p>Missing or untimely verification of required documentation creates the risk of issuing payments to ineligible participants or not sustaining the scrutiny of regulators.</p>
RECOMMENDATIONS	<p>6.1 DFCS and JPD management should perform spot checks of case files for youth enrolled in the AB12 Program to ensure social workers/probation officers complete necessary documentation (e.g., SOC 161 form) for continued eligibility compliance.</p> <p>6.2 DFCS and JPD management should ensure AB12 Program participation forms are timely reviewed and approved by eligibility workers to prevent the issuance of payments to ineligible participants.</p>
PRIORITY/EXPECTED COMPLETION DATE	Low (3) – Within six to twelve months after issuance of the final audit report
MANAGEMENT'S RESPONSE	Agreed – DFCS management will perform monthly reviews of social workers caseload and quarterly random checks of youth case files to ensure proper documentation is reflected, identify payment errors and determine process improvement opportunities. The JPD Supervising Probation Officer is responsible for monthly audits of case files to ensure all mandated contacts and documentation is complete and submitted timely.

Findings and Recommendations

FINDING 7: Required eligibility documentation was not signed or dated by all parties.	
OBJECTIVE	To ensure management complied with AB12 Program eligibility requirements.
CRITERIA	Green Book, Principle 10 – Design Control Activities, Attribute 10.03: states in part “Management designs appropriate types of control activities for the entity’s internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system...In addition, management designs control activities so that all transactions are completely and accurately recorded.”
CONDITION	<p>Based on results of testing procedures, we noted the following instances related to the completeness of required eligibility documentation for three of 30 participants reviewed:</p> <ul style="list-style-type: none"> • The Mutual Agreement for EFC (SOC 162 Form) was not dated by the social worker for one participant, which is a document that must be signed by the youth specifying their intention to voluntarily remain in extended foster care and comply with AB12 Program requirements. The form also requires social worker and supervisor signatures. • The Juvenile Court Status Review Hearing Report maintained by DFCS staff was not signed or dated by the social worker for one participant. Per California Welfare and Institution Code Section 366.31, the report is required to be completed by the social worker every six-month documenting the youth’s continued participation in the AB12 Program. After further investigation by DFCS, a signed copy maintained by County Counsel was provided to the auditor-in-charge after completion of fieldwork. • The TILP document for one participant did not have the youth's signature and date. The document describes activities and services the youth will receive to support their case plan goals and is required for continued participation in the AB12 Program. <p>Not maintaining complete eligibility documentation required for program participation could result in loss of benefits for participants or not sustaining the scrutiny of regulators.</p>
RECOMMENDATIONS	<p>7.1 DFCS management should ensure social workers complete all required documentation related to youth’s eligibility and participation with subsequent review and approval by a supervisor.</p> <p>7.2 DFCS management should ensure youth’s case files containing their signed eligibility related documentation/forms are kept in a centralized location for proper record retention and completeness of the information.</p>
PRIORITY/EXPECTED COMPLETION DATE	Medium (2) – Within three to six months after issuance of the final audit report
MANAGEMENT’S RESPONSE	Agreed – DFCS management will perform monthly reviews of social workers caseload and quarterly random checks of youth case files to ensure proper documentation is reflected. Supervisors will perform quality control procedures before a case file is closed.

Findings and Recommendations

FINDING 8: Enrollment documentation did not contain required explanations.	
OBJECTIVE	To ensure management complied with AB12 Program documentation requirements.
CRITERIA	<p>Green Book, Principle 10 – Design Control Activities, Attribute 10.03: states in part “...management designs control activities so that all transactions are completely and accurately recorded.”</p> <p>Per the CDSS Manual of Policies and Procedures Division 31:</p> <ul style="list-style-type: none"> • Chapter 31-225.2 Case Plan Update Documentation states “The case plan update shall be considered complete only if all of the elements specified in Section 31-225 have been documented and the social worker's supervisor has signed and dated the case plan update.” • Chapter 31-230.11 Case Plan Update Time Frames and Administrative Requirements for Court-Ordered Cases states in part “...At a minimum, the social worker shall complete a case plan update in conjunction with each status review hearing, but no less often than once every six months.”
CONDITION	<p>The CDSS Child Welfare Services Case Plan Update form (Form) should be completed and updated every six months to ensure verification of the participant's continued enrollment in the AB12 Program. The form requires parent/guardian signature or an explanation when a signature is not necessary for participants over 18 years old who reside with a non-related legal guardian.</p> <p>Based on results of testing procedures, we noted the Forms for five of 30 participants reviewed did not have a non-signature explanation for youth over 18 years old.</p> <p>If required program-related documentation is incomplete, there is a risk of not sustaining the scrutiny of regulators or confirming participant’s continued eligibility.</p>
RECOMMENDATION	8.1 DFCS management should ensure the Form is revised to either note a signature is not required when the youth is over 18 years old (e.g., checkbox or stamp) or a non-signature explanation should be included.
PRIORITY/EXPECTED COMPLETION DATE	Medium (2) – Within three to six months after issuance of the final audit report
MANAGEMENT’S RESPONSE	Agreed – DFCS management will update the non-signature requirement on the Form for youth who are 18 years or older and communicate the change to staff and youth.

APPENDIX 1: DEFINITION OF PRIORITY RATINGS FOR AUDIT RECOMMENDATIONS

Priority Ratings	Definition of Priority Ratings and Suggested Implementation Timeframe
<p>High / Priority One (1)</p>	<p>Priority One recommendations are assigned to the highest assessed level of risk. For these recommendations, internal controls are considered poor or insufficient, which results in the likelihood of financial loss, waste, misappropriation of assets, or errors for the area(s) evaluated. Priority One recommendations also include issues related to non-compliance with laws, regulations or policies and procedures.</p> <p>Management should urgently implement these recommendations within one to three months after issuance of the final audit report to avoid risk exposure.</p>
<p>Medium / Priority Two (2)</p>	<p>Priority Two recommendations are assigned to the moderately assessed level of risk. For these recommendations, internal controls provide reasonable assurance that the County program(s) or area(s) evaluated are protected from potential financial loss, waste, misappropriation of assets, or errors; however, additional action is needed to strengthen current practices.</p> <p>Management should promptly implement these recommendations within three to six months after issuance of the final audit report to improve internal control processes.</p>
<p>Low / Priority Three (3)</p>	<p>Priority Three recommendations are assigned to the lowest assessed level of risk. For these recommendations, internal controls are operating as designed to ensure the County program(s) or area(s) evaluated are protected from potential financial loss, waste, misappropriation of assets, or errors. These recommendations are desired actions to enhance current practices.</p> <p>Management should consider implementing these recommendations within six to 12 months after issuance of the final audit report to provide additional confidence in the internal control system.</p>

APPENDIX 2: INTERNAL CONTROLS FRAMEWORK

We utilized guidance in the U.S. Government Accountability Office’s *Standards of Internal Controls in the Federal Government* (“Green Book”)¹ to evaluate best practices for internal controls within government entities. Internal controls are processes used by management to help achieve their goals and objectives related to operations, reporting, and compliance.

Standards in the “Green Book” comprise of the following five internal control components and corresponding 17 principles that work together in an integrated framework:

Components	Principles
Control Environment	<ol style="list-style-type: none"> 1. The oversight body and management should demonstrate a commitment to integrity and ethical values. 2. The oversight body should oversee the entity’s internal control system. 3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve its objectives. 4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals. 5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.
Risk Assessment	<ol style="list-style-type: none"> 6. Management should define objectives clearly to enable the identification of risks and define risk tolerances. 7. Management should identify, analyze, and respond to risks related to achieving the defined objectives. 8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks. 9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.
Control Activities	<ol style="list-style-type: none"> 10. Management should design control activities (i.e., policies and procedures) to achieve objectives and respond to risks. 11. Management should design the information system and related control activities to achieve objectives and respond to risks. 12. Management should implement control activities through policies.
Information and Communication	<ol style="list-style-type: none"> 13. Management should use quality information to achieve its objectives. 14. Management should internally communicate the necessary quality information to achieve its objectives. 15. Management should externally communicate the necessary quality information to achieve its objectives.
Monitoring Activities	<ol style="list-style-type: none"> 16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. 17. Management should remediate identified internal control deficiencies on a timely basis.

¹ Source: <https://www.gao.gov/greenbook>

APPENDIX 3: PROGRAM BACKGROUND, METHODOLOGY AND SCOPE LIMITATION

PROGRAM BACKGROUND

The California Fostering Connections to Success Act: Non-Minor Dependent Youth and Extended Foster Care Program, known as AB12 Program, took effect in 2012 and allows eligible youth to remain in foster care up to age 21. Youth enrolled in the AB12 Program are designated as Non-Minor Dependents (NMDs) and have access to services which provide time and support needed to gradually become fully independent adults.

The AB12 Program is administered by both DFCS and JPD who ensure participating youth meet specific eligibility criteria, such as:

- age,
- education and employment participation conditions,
- TILP (updated every six months),
- authority for placement, and
- eligible facilities.

Foster care youth who are supervised by JPD can choose to participate in the AB12 Program under court supervision and receive extended benefit payments along with transitional housing services.

Program Benefits for youth include:

- Kinship Guardianship Assistance payments to age 21,
- Adoption Assistance Program 18+,
- Wraparound Program,
- housing support,
- extended foster care payments,
- educational travel reimbursement,
- groceries,
- parenting support plan for NMD parent,
- infant supplement rate payment,
- funeral cost,
- clothing allowance,
- medical and dental care, and
- counseling, educational or vocational support.

Placement and Housing Services accessible to youth include:

- available licensed or approved facility,
- current or another licensed/approved caregiver,
- transitional housing providers, or
- independent living situations.

Decisions regarding placement are based on safety, least restrictiveness, and needs of the youth. The placement should provide young adults with opportunities for incremental responsibilities which helps them successfully transition into independent living. Their comfort level for a living situation is considered in the placement setting.

Appendix

METHODOLOGY

To achieve our audit objectives, IAD performed the following procedures:

- Reviewed applicable laws, regulations, policies and procedures.
- Reviewed quarterly and annual reports presented to the Board of Supervisors, State of California and other agencies.
- Interviewed DFCS and JPD staff responsible for the administration of services provided to transitioning youth enrolled in the AB12 Program.
- Performed walkthroughs and reviewed DFCS processes related to youth in transition services.
- Examined case file documentation.
- Analyzed AB12 Program expenditures.
- Reviewed DFCS contracts with community-based organizations that provide services to non-minor dependents.

SCOPE LIMITATION

IAD focused on the financial and housing assistance components of the AB12 Program. Direct access to participant's case files were restricted to protect youth case records containing confidential information. To overcome this limitation and ensure protection of sensitive information, supporting documentation and related data selected for testing were redacted by the departments before providing to IAD for review.

APPENDIX 4: ACCOMPLISHMENTS

The following accomplishments by JPD and DFCS were noted during the audit period:

JPD

As of June 30, 2023, 14 NMDs within JPD were eligible to participate in the AB12 Program according to Welfare and Institution Code Section 450 criteria. During the fiscal year, five youth aged out, two transitioned into the AB12 Program and one was terminated for not meeting the minimum participation criteria. There were eight NMD's who resided in Santa Clara County, with an average of 66% preferring the Supervised Independent Living Program (SILP) housing choice. Three NMD's resided in a THP+FC.

The assigned Probation Officer conducts an Exit Questionnaire when a youth approaches age 21 and nearing the end of their time in the AB12 Program. Information collected is submitted to CDSS. For the five youth who exited the AB12 Program during the fiscal year, the following information was reported:

- 100% were not custodial parents of one or more children.
- 100% of the exiting youths' whereabouts were known during the quarter they exited.
- 100% completed high school or equivalent.
- 20% (one youth) attended two years of college.
- 20% (one youth) were enrolled in on the job training, certificate program or vocational education and/or completed on the job training, certificate program or vocational education.
- 80% (four youth) obtained employment.
- 80% (four youth) had either a checking or savings account, or both.
- 100% had housing, including making their own arrangement to rent independently, share rent with another person (four youth) or live in supportive housing (one youth).
- 100% had Medi-Cal insurance.
- 100% reported having at least one connection to a caring, committed adult who could provide a safe, stable relationship, guidance, and emotional support.

DFCS

During the pandemic, NMD teams at the San Jose - Julian and Gilroy - South County sites pivoted from their normal ways by learning how to meet expectations while also engaging and motivating the youth despite the CDSS EFC criteria exemption during that time, such as:

- participating in virtual meetings,
- using DocuSign to obtain required signatures and submit referrals and other documents, and
- youth participating in virtual education, telemental health services and Child and Family Teams.

Appendix 5: OTHER OBSERVATIONS (OBS)

OBS 1 – CONTRACT TERMS WERE NOT FOLLOWED FOR PAYMENT REQUEST PROCESS.

Observation: During the audit, we noted a change in the invoicing process for transitional housing providers. DFCS previously provided transitional housing providers with an agreed upon monthly invoice template, which detailed the list of participants housed and discharged during the period certified by the provider and DFCS Program Monitor. Starting in May 2021, DFCS Eligibility Group ceased reviewing and approving monthly invoices received from transitional housing providers prior to payment issuance. Instead, DFCS relied on other documentation retained internally that included the participant's personal information, eligibility status and living situation.

Not reviewing agreed upon documentation for accuracy can lead to non-compliance with terms and conditions, inconsistent monitoring or issuing unallowable payments.

Suggestion: DFCS management should ensure transitional housing providers comply with MOU requirements of submitting a monthly invoice template for payment requests or amend the contract language to align with current practices. DFCS management should also implement additional controls to monitor participants' housing placement settings such as admission or discharge date to ensure transitional housing providers are paid according to contract terms.

OBS 2 – COMPLAINTS AGAINST PROVIDERS WERE NOT TIMELY ADDRESSED.

Observation: (related to Finding 5) A CCLD Complaint Investigation Report is required to be completed by an evaluator when a complaint is received (internally or externally). The local licensing office may conduct unannounced visits to facilities and investigate complaints as soon as feasible. Based on the review of CCLD Complaint Investigation reports filed against a transitional housing provider, who are licensed by CCLD and certified by DFCS, we noted the date of the complaints compared to the final report date ranged from two to five months. The reports included allegations of facility disrepair, illegal activities and safety concerns that went unaddressed until the final CCLD report was issued.

If complaints filed against external parties are not reviewed promptly, there is a risk unresolved allegations could result in non-compliance with program requirements, coupled with negatively impacting the participant's success and safety.

Suggestion: DFCS management should ensure all CCLD Investigation Reports documenting complaints filed against transitional housing providers are reviewed by the DFCS Placement Group immediately after receiving notification. Although only CCLD evaluators have authority to investigate severe allegations, the Placement Group can contact transitional housing providers to immediately address less severe complaints, such as facility disrepair. The Placement Group should also follow up and ensure corrective action plans are remediated.

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Date: Friday, March 8, 2024

To: Robyn Rose
Internal Audit Manager, Internal Audit Division
Office of the County Executive

From: Damion Wright
Director, Department of Family and Children Services

DocuSigned by:

Damion Wright

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Subject: Internal Controls Audit of California Fostering Connections to Success Act: Non-Minor Dependent Youth and Extended Foster Care Program

Thank you for the opportunity to respond to the audit of the administrative functions of the Department of Family and Children Services (Agency) and the Probation Department in regard to the California Fostering Connections to Success Act: Non-Minor Dependent Youth and Extended Foster Care Program.

OPERATING EFFECTIVENESS: PROGRAM ADMINISTRATION

DFCS and JPD management should:

- 1.1 - Develop goals and performance measurements in alignment with the AB12 Program's mission and objectives and consider including the following examples:
 - rate of participants successfully exiting the program with a college degree or a trade school certification
 - rate of participants working full or part-time upon exiting the AB12 Program,
 - frequency of youth transitioning between housing placement settings,
 - trend analysis for housing placement settings preferred by participants, which would help management explore expanding housing options, and
 - length of time to investigate and resolve submitted complaints.
- 1.2 - Communicate the newly developed goals and performance measures to staff and how they relate to their job duty expectations, which will help ensure alignment with the AB12 Program's mission and objectives.

Response to Recommendations 1.1 and 1.2 – Agree

DFCS will strengthen performance measures aligned with departmental goals with clear objectives and performance metrics utilizing a CQI methodology.

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DFCS has identified key data points that will be tracked monthly and reviewed to support quality assurance of the programming including but not limited to:

- Monthly face to face contacts
- Case plan completion (or service objectives met) of Transitional Independent Living Plan (TILP)
- Required medical and dental appointments including pilot of the new incentive program to launch in 2024 for young adults following through with medical and dental.

In development of goals, DFCS will work with all layers of program staff to support communication throughout the organization to underline mission and objective(s) of extended foster care including but not limited to securing educational opportunities, housing and independent living skills for transitional age youth, and the subsequent impact on their well-being.

The Juvenile Probation Department provides quarterly outcomes reports to CDSS. When a youth is approaching the age of 21 and nearing the end of their time as a Nonminor Dependent, the assigned Probation Officer conducts an Exit Questionnaire. This information is collected and submitted to the California Department of Social Services via the form SOC 450XP titled, "Outcomes for Nonminor Dependents Probation Youth Exiting Foster Care."

The SOC 450XP captures 48 data points across the following domains:

- Part A: Outcomes for Nonminor Dependents Probation Youth Exiting Foster Care
- Part B: Educational Attainment/Enrollment
- Part C: Means of Financial Support and/or Other Financial Resources
- Part D: Housing Arrangements
- Part E: Health Care Insurance, and
- Part F: Permanency Connection.

Juvenile Probation will work with DFCS partners and relevant CQI teams to ensure probation data is also shared locally.

- 2.1: To comply with MOU requirements, DFCS management should request and review quarterly and annual progress reports from transitional housing providers to ensure goals outlined in the youth's TILP are met.

Response to Recommendations 2.1 – Agree

DFCS management will establish program monitoring and a quality assurance system in partnership with the Office of Contract Management (OCM) by regularly reviewing reports from providers and cross-walking progress and goal completion within TILPs. DFCS will also identify

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and address areas of growth for the providers through monitoring benchmarks and defined outcomes. DFCS will establish regular provider meetings around program monitoring and evaluation through review of the contractually required logic model of service.

- 3.1 - County Counsel and SSA/DFCS is in the process of drafting a record retention policy for the Agency as of the report issuance date. DFCS and JPD management should ensure the new policy aligns with guidance established by CDSS, such as recording the proposed destruction date and unique identifier outside of the case file.
- 3.2 - DFCS and JPD management should ensure guidance in the updated record retention policy is timely communicated to staff.

Response to Recommendations 3.1 and 3.2 – Agree

In partnership with the Social Services Agency, DFCS is finalizing a record retention policy to be in place within three to six months that will ensure meeting requirements. The continuous quality improvement process continues to be inclusive of all State issued All County Letters (ACLs) or All County Information Notices (ACINs). DFCS will work with the DFCS Policy Unit to ensure that a review against current direction as to retention and destruction timeframes.

DFCS will engage program staff to walk through any policy updates to ensure staff are clear on any impacts. DFCS will also communicate any updated record retention policy through the DFCS Policy unit process which requires department-wide notification, and the policy being accessible to all staff through the County intranet.

Juvenile Probation has a records maintenance and retention policy entitled, “Policy 306: Records Maintenance and Release,” published on the web-based and Mobile App Lexipol System. All policies and procedures uploaded in the Lexipol system are up to date and have been validated for accuracy by the Probation Department. The Lexipol platform provides improved documentation, history of acknowledgement, supplements ongoing training on specified policies and procedures and gives Managers and Supervisors the ability to track Probation Officer review and acknowledgement of policies and procedures. The Probation Department’s policies conform with all applicable laws and CDSS guidance.

ADMINISTRATION OF FINANCIAL ASSISTANCE PAYMENTS

- 4.1 DFCS management should follow-up with the social worker to ensure the youth received the \$2,456 payment. The case file should be updated accordingly.
- 4.2 DFCS management should ensure the Social Workers and Fiscal Groups coordinate when requesting, approving and issuing payments from the CDSS and DFCS Special Funds Program by:

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- tracking the various stages of the approval process (e.g. log or electronic workflow) and
- following up on any missing supporting documentation required to reimburse the youth promptly.

Response to Recommendations 4.1 and 4.2 – Agree

DFCS will establish a tracking system to confirm all youth/ young adults receive their allotted payment as well as documenting that information in the Child Welfare System (CWS)/ Case Management System (CMS) and other required documentation. DFCS will establish a time-limited workgroup with program staff, Special Funds and Social Services Agency (SSA) Financial Management Services (FMS) to outline processes for approval and timely payments.

PROGRAM COMPLIANCE

- 5.1 - DFCS management should perform the following tasks to ensure transitional housing providers comply with CCLD licensing requirements:
 - create a compliance checklist that aligns with CCLD requirements,
 - conduct periodic site visits to ensure compliance with and conformance to CCLD requirements,
 - communicate any deficiencies noted, and
 - timely follow-up on the status of corrective actions.

Response to Recommendations 5.1 – Agree

DFCS will establish a program monitoring process that includes regular site visits and an in-person assessment of the transitional housing facilities. DFCS will partner with OCM to determine outlined CCLD requirements that are in alignment with contractual responsibilities of the provider (contractor). DFCS will document this information and or ensure any compliance with or concerns of the provider in the most appropriate contract monitoring documentation.

- 6.1 - DFCS and JPD management should perform spot checks of case files for youth enrolled in the AB12 Program to ensure social workers/probation officers complete necessary documentation (e.g., SOC 161 form) for continued eligibility compliance
- 6.2 DFCS and JPD management should ensure AB12 Program participation forms are timely reviewed and approved by eligibility workers to prevent the issuance of payments to ineligible participants.

Response to Recommendations 6.1 and 6.2 – Agree

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DFCS will implement a regular review process through monthly supervision, which will require supervisors to go over the social worker's caseload for those youth/ young adults expecting a monthly payment to ensure appropriate documentation is reflected in the physical case file. DFCS will also implement a quarterly process where supervisors/managers from DFCS and Department of Employment and Benefit Services (DEBS) will have random cases pulled for review utilizing a check list of what is required for payment issuance. DFCS will partner with DEBS to identify payment errors and determine any revisions to the process that need to be implemented. DFCS will monitor number of payment errors to reduce and maintain that number to 0.

DFCS clerical has ensured that monthly ticklers are provided for upcoming documents that are due for the month. In addition, clerical will include supervisor in the email when it is sent to eligibility worker for processing. Further, the Department will work with DEBS to ensure that the Eligibility Worker is processing documents on their end in a timely manner.

DFCS does highlight the difficulty in completing the SOC 161, when NMD is not engaging or complying with monthly contacts and during this period, due to the pandemic, NMDs were not required to meet with Social Worker nor were required to meet EFC criteria.

The Supervising Probation Officer is responsible for monthly audits to ensure that all mandated contacts and documentation, including the SOC 161, are completed and submitted in a timely manner. Additionally, Juvenile Probation's Foster Care Clerk sends an email reminder to the assigned Probation Officer a month in advance alerting the officer of any required documentation due for submission. The Foster Clerk and Supervising Probation Officer are in regular contact with one another about outstanding and upcoming documentation due for renewal.

Probation has been successful in completing the SOC 161 because a failure to do so may lead to a disruption in payment of the monthly stipend and/or housing. Both the assigned officer and the NMD are aware of this and understand the importance of timely submission of documentation.

- 7.1 - DFCS management should ensure social workers complete all required documentation related to youth's eligibility and participation with subsequent review and approval by a supervisor.
- 7.2 - DFCS management should ensure youth's case files containing their signed eligibility related documentation/forms are kept in a centralized location for proper record retention and completeness of the information.

Response to Recommendations 7.1 and 7.2 – Agree

DFCS will implement a regular review process through monthly supervision, which will require supervisors to go over the social worker's caseload for those youth/ young adults to ensure

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appropriate documentation is reflected in the physical case file. DFCS will also implement a quarterly process where managers will have random cases pulled for review utilizing a checklist of what is required for the case file.

DFCS will ensure a quality control measure to ensure a final review by supervisor prior to closure. Starting in March 2024, all NMDs are being transitioned to two specialized teams ensuring clear communication and tracking for requirements.

Before a case closes, DFCS will ensure all required documents are in the file.

- 8.1 - DFCS management should ensure the Child Welfare Services Case Plan Update form is revised to either note a signature is not required when the youth is over 18 years old (e.g., checkbox or stamp) or a non-signature explanation should be included.

Response to Recommendations 8.1 – Agree

DFCS will work with the DFCS Policy Unit to update the Child Welfare Services Case Plan Update form to update the non-requirement of signature for a young adult, 18 years or over. DFCS will ensure that the new form and process will be communicated to the program staff and the young adults. DFCS will send a copy of the change to all young adults via email, text, and or via messaging service.

We are very appreciative of the time and effort that your office has dedicated to this audit and would like to share the following accomplishment:

Given the pandemic, DFCS' NMD teams at the Julian site and two NMD Workers and one social work supervisor in South County pivoted from their normal ways of completing tasks to learning new ways to meet expectations and engage and motivate their NMDs to complete paperwork, despite NMDs not being required to meet Extended Foster Care (EFC) criteria including but not limited to:

- Participating in meetings virtually,
- Utilizing DocuSign to obtain the proper signatures and for submission of submitting referrals and other documents.
- Many of our NMDs also found different ways on how to overcome the new “norm” that the pandemic contributed as they learned ways to increase their resilience including but not limited to virtual education, tele mental health services, and virtual CFTs.

Thank you for your team's helpful and professional collaboration.