



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#131320

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DATE: 10/15/2019

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE DEPARTMENT OF HUMAN SERVICES**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report for the Department of Human Services.

BACKGROUND:

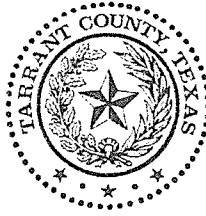
In accordance with Local Government Code, the Auditor's Office reviewed internal controls established by the Department of Human Services and determined whether staff complied with documented policies and procedures when providing assistance to individuals during October 1, 2018 through April 30, 2019.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



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October 1, 2019

Ms. Julie Parks, Director, Tarrant County Department of Human Services
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

RE: Auditor's Report – Department of Human Services

SUMMARY

In accordance with Local Government Code, we reviewed internal controls established by the Department of Human Services and determined whether staff complied with documented policies and procedures when providing assistance to individuals during October 1, 2018 through April 30, 2019. We used data recorded in the Human Services Case Management System (CMS) and SAP, the County's general ledger, to conduct our review. Our review was limited in scope because we could not verify the integrity of the information entered into CMS.

As a result of our review, we observed that Human Services did not have resources to verify whether applicants were eligible for assistance. We discussed this observation and less significant matters with the Director of Tarrant County Human Services. Attached is a written response.

BACKGROUND

Local Government Code, Subtitle B, Chapter 81.027 states that a Commissioners Court may provide support to paupers who are unable to support themselves. The primary mission of the Department of Human Services is to provide for the disposition of deceased paupers and temporary financial assistance to eligible indigent county residents. Financial assistance is provided to eligible individuals and families for rent, mortgage, utilities, food and hygiene items, and transportation. Funding for assistance is available through two sources: 1) the County's general fund, and 2) funds provided by various outside agencies, such as utility companies and grants.

Human Services uses CMS to record activities. The system is not integrated with SAP. Human Services is working with the Information Technology Department to develop in-house software. Although the new software will not be integrated with SAP, the software will allow payment data from CMS to wind-shuttle into SAP. The project was expected to be implemented in December 2019, but is now expected to be implemented in October 2020.

OBSERVATION AND RECOMMENDATIONS

Observation 1 Human Services did not have resources to verify whether applicants were eligible for assistance.

Background

The Tarrant County Department of Human Services Policy and Procedures Manual is designed to ensure that applicants requesting assistance are evaluated for eligibility in a consistent and fair manner. To evaluate whether an applicant is eligible for assistance, the application requires disclosure of all individuals living in the household and the combined household income. An applicant certifies that the information included on the application is true and correct by their signature. The form also states that the applicant may be subject to prosecution or denied benefits for providing false or fraudulent information. According to policy, applicants on a housing program, such as Section 8, are not eligible for assistance unless the individual is eligible for “Crisis” assistance. Any income and household changes must be reported immediately so individuals can be reviewed for continued eligibility.

During the audit period, Human Services provided assistance totaling \$575,366 to 874 County residents.

Observation

Human Services did not have resources to verify whether applicants were eligible for assistance. Specifically, staff could not verify whether applicants received housing benefits from a housing program such as Section 8. The Housing Office provided us with a report from the Housing Pro (Happy) software listing individuals who received housing benefits during our audit period. We compared the list of active housing participants to a report generated from CMS that listed individuals who received assistance from Human Services. As a result, Human Services provided assistance to five ineligible clients during October 1, 2018 through April 30, 2019. Specifically:

1. One client specifically indicated that he was not receiving any housing assistance on an application dated March 2019. However, the applicant had received Section 8 Housing assistance since 2003. The applicant was not eligible for utility assistance in the amount of \$247.79.
2. Three clients submitted utility bills to Human Services for payment *after* they were approved for housing assistance from Tarrant County. The applicants had not been approved for Section 8 Housing assistance at the time they applied for utility assistance. The three applicants received utility assistance totaling \$268.41.
3. We interviewed one Tarrant County employee who appeared to be receiving assistance since the employee's address matched a client's address recorded in CMS. The employee stated that he had lived at the address for more than 15 years with his spouse, mother-in-law, and children. This was the same address provided by a client, his mother-in-law, on the application when requesting utility assistance. Based on the family size and income, the client was not eligible for utility assistance totaling \$980.

We did not disclose any client information to the employee due to confidentiality.

We confirmed that the Housing Office had not provided utility assistance to any of the five clients.

Recommendations

The Tarrant County Housing Office is an authorized user for the Public and Indian Housing Information Center (PIC) system managed by HUD. The PIC system is a repository of individuals who receive assistance from any housing authority. The Tarrant County Housing Office agreed to partner with Human Services to assist in verifying the eligibility of applicants seeking financial assistance. We recommend Human Services management develop a process to determine whether applicants receive any housing benefits prior to the approval for assistance.

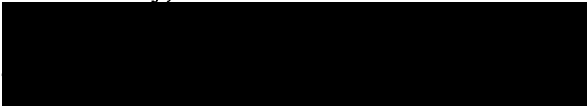
It should be noted that Human Services staff do not have the SAP access rights to verify whether applicants are County employees or reside with a County employee. Since these rights would allow access to sensitive information, we will perform this test in our audits.

In accordance with policy, we also recommend that the Director of Human Services pursue reimbursement of the assistance paid to the five ineligible clients. Unless repayment is received, the clients should be denied future assistance.

CLOSING REMARKS

We appreciate the cooperation of the Human Services staff during our review. Please do not hesitate to call if you have any questions regarding the contents of this report.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment: Management's Response

Distribution: Lisa Love-Martin, Assistant Director, Human Services
Betty Laquey, Financial Manager, Human Services

Audit Team: Kim Trussell, Audit Manager
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TARRANT COUNTY

DEPARTMENT OF HUMAN SERVICES

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Ms. S. Renee Tidwell, CPA
Mr. G. K. Maenius, County Administrator
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Tarrant County Department of Human Services

Dear Ms. Tidwell:

Tarrant County Department of Human Services (TCDHS) is in receipt of your Auditor's Report dated October 1, 2019. We appreciate this review giving us an opportunity to improve our processes and practices. I would like to respond to the following;

Observation 1 Human Services did not have the resources to verify whether applicants were eligible for assistance.

As noted in the Auditor's Report, applicants on a housing program, such as Section 8, are not eligible for assistance unless the individual is eligible for "Crisis" assistance. The Audit Report identified that TCHDS assisted four ineligible clients receiving housing benefits.

TCDHS agrees with the recommendation to partner with Tarrant County Housing Assistance Office (TCHAO) to determine whether TCDHS applicants receive any housing benefits prior to the approval for assistance. TCDHS and TCHAO will develop a process using TCHAO's access to the Public and Indian Housing Information Center (PIC) managed by HUD to verify the eligibility of applicants seeking financial assistance.

An additional client was found to be ineligible because the client failed to report all household members. Based on family size and income the client was not eligible for the utility assistance of \$980. TCDHS would not have known about the additional household members had the Auditor's Office not identified that a county employee lived at the same address. This could be a future finding as only the Auditor's Office has the capability to run SAP employee records.

The Director of Human Services will pursue reimbursement of assistance paid to the five ineligible clients. Future assistance will be denied unless the client meets eligibility requirements and repayment is received.

Again, thank you for your recommendations to improve our services to the community.


Julie Parks, Director, TCDHS