

### MANAGEMENT AUDIT OF SOCIAL SERVICES AGENCY (SSA) ADMINISTRATION AND SUPPORT SERVICES

#### AUDIT SYNOPSIS

The purpose of the management audit was to examine the operations, management practices and finances of the Social Services Agency's administrative and support functions, and to identify opportunities to increase their efficiency, effectiveness and economy. This report includes eight findings, and 36 recommendations, related to facilities, printing, collections, General Assistance program polices, management of contracts, information technology, and the organizational structure. If the County were to implement the report's recommendations, at least \$3.8 million would be saved or generated every year going forward, with the vast bulk of the savings in the General Fund.

#### KEY FINDINGS

- SSA has an excessive amount of leased warehouse space, which in 2012 amounted to about 43 square feet for each of the Agency's employees. A factor in the excessive warehouse space is the Agency's practice of storing equipment rather than deploying or disposing of it, as well as a lack of adequate record-keeping and control over warehouse inventory. In addition, security at some facilities is lax, and there are no policies related to warehouse operations.
- The County recently entered into a lease for SSA office space that will cost almost two times more than the building, improvements and maintenance are worth, and associated improvements and related costs were not properly planned, budgeted for or monitored by the Agency, resulting in an estimated \$6.8 million in excess costs to the General Fund.
- SSA operates a Publishing Services function with two staff and four printer/copiers. Although SSA also buys printing services from Central Printing Services, its use of that service has declined in recent years, even though each copy is cheaper when published centrally rather than by SSA.
- SSA operates a unit to collect debts. As of June 30, 2011, the unit was working to collect an estimated \$98 million worth of outstanding debt; this balance increased by 18 percent over the prior two fiscal years. Efficient collection of these debts is hampered by large caseloads, the unit's inability to accept many common forms of payment, and its lack of a website.
- Both the annual G.A. benefit expenditures by the General Fund and the total outstanding debt are growing rapidly, particularly for persons considered "employable." Some counties have staff specifically assigned to review and verify Social Services debts prior to forwarding the amounts to collections staff; Santa Clara does not.
- As a result of weaknesses in contract management, the County has sometimes made payments and expended monies due to SSA's payment of invoices that were not supported with proper documentation.
- Despite the millions of dollars at stake, technology-related projects are currently carried out without the benefit of an implemented strategic technology plan, without knowledge of total project costs (namely IS staffing costs), and without collaboration on project prioritization amongst the Social Services Agency's client departments.
- SSA operates two helpdesks that support different systems but perform similar duties. The operation of two separate helpdesks for one agency has resulted in excessive staffing.

A copy of the full report is available at:  
<http://www.sccgov.org/managementauditor>