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FROM: J. Tyler McCauley
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SUBJECT: **Child Support Services Department: Status Report on Implementation of Family Support Audit Recommendations**

On September 9, 1997, the Board requested quarterly reports on the progress in implementing recommendations from Price WaterhouseCoopers' audit report on the Child Support Services Department (formerly the District Attorney's Bureau of Family Support Operations). The findings from our eighth status review are presented in this report, which mainly covers the status of issues determined to be unresolved in previous reports.

Summary of Findings

The CSSD has made progress in improving family support operations. However, further improvements are needed in the Department's customer correspondence tracking and processing procedures, and in the automated task assignment feature of the Department's ARS case management computer system. Management should continue to give these areas a high priority. Details of our review are discussed below.

Approach

Our approach has been to verify the status of recommendations in key areas identified by the Board of Supervisors and the Family Support Advisory Board (FSAB). We divided this review into two phases. Phase one of our review is presented in this report and includes on-going issues reported in previous follow-ups. Phase two will be conducted in the near future and will include areas such as the Department's procedures for serving legal documents and locating non-custodial parents.

Expanded Service Teams - Background

From February 1999 through July 1999, the Department performed a pilot of the team case processing concept as recommended in the PriceWaterhouseCoopers' audit. Upon completion of the pilot, the Department began implementing Expanded Service Teams throughout the Department between October 1999 and October 2000.

The Department's seven regional divisions each have four Expanded Service Teams that are responsible for one-fourth of the division's cases. Each case is assigned to a Case Manager who, except for certain specialized functions, handles most aspects of their assigned cases. The specialized functions were not integrated into the team approach because the Department believes that the nature of these functions (e.g., misidentified clients, establishment, collection/distribution issues, etc.) benefit more from a specialized approach. Although the Case Managers do not perform the specialized functions, they remain responsible for ensuring these functions are appropriately completed.

According to divisional managers, approximately 30% of the Expanded Service Team's workload is initiated by non-constituent mail (mail received from courts, County Departments, etc.) or forms returned from custodial and non-custodial parents. The remaining 70% is initiated by customer mail (correspondence or call center faxes from custodial and non-custodial parents and other jurisdictions). We reviewed non-constituent and customer mail worked by the Expanded Service Teams at the West Covina, Commerce, El Segundo, and Interstate Divisions.

Non-Constituent Mail Processing

We reviewed 20 enforcement transactions that were recently completed by the teams. For each transaction, we reviewed the ARS system's case history with managers from the various divisions and the Department's Performance Review Unit. We noted that all aspects of the 20 enforcement items were handled correctly and resolved timely.

However, we noted there is no initial record of incoming non-constituent mail items, nor does the Department track or monitor these items. Therefore, we could not verify that all items were accounted for. To ensure that all mail is processed, the Department should develop procedures to account for and track all non-constituent mail items.

Customer Correspondence Processing - Background

All written customer inquiries, as well as issues Call Center Family Support Officers are not able to resolve, are routed to Expanded Service Teams. These teams receive a total of approximately 10,000 items of correspondence per month. Each correspondence item is entered into and tracked through the Department's PC based automated tracking system. Departmental procedures indicate the teams are responsible for following up on most inquiries, resolving the issues, and responding to customers. As previously mentioned, for certain specialized types of inquiries,

Expanded Service Team staff refer the items to other units for further processing. However, according to Department procedures, Expanded Service Team staff are required to continue tracking and monitoring the referred items and ensure the items are properly completed.

We reviewed 40 recently received items of customer mail. For each item, we reviewed the Department's automated tracking log and the ARS system's case history with managers from the various Divisions and the Department's Performance Review Unit. Our review disclosed certain areas where correspondence was not appropriately handled, tracked, or monitored.

Customer Correspondence Resolution and Follow-Up

The Department is not always appropriately resolving customer correspondence. For ten of the 40 (25%) items of correspondence we reviewed, the Department did not resolve the issues presented by the parent. For two of the unresolved items, the parent made multiple inquiries for the same issues dating back as far as 1999 without resolution. In one of the cases, the parent called at least once per month since November 2000 for a copy of a court order. However, we noted no action has been taken to fulfill the request and the ARS case notes show the parent being told to allow more time. For the second case, the parent made a request for an increase in her child support in December 1999. Staff appropriately forwarded the case to the Modification Unit in January 2000. Since that time, ARS case notes indicate the parent has called numerous times and also faxed her concerns directly to the Modification Unit trying to determine the status of the modification. The same request was also made by another jurisdiction. However, again, we noted no action has been taken on the request.

We also noted three cases that were ultimately resolved but only after customers made additional inquiries/complaints. For example, a customer requested to have their case closed. When the customer called the Department a month later, no action had been taken. The customer called another month later and still no work had been done on the case. Finally, a resolution was reached 17 days after the due date but only after another call from the customer.

In addition, we noted situations where items were completed and resolved internally but there was no indication in the ARS case notes or tracking log that the customers were notified of the resolutions or actions that had been taken. This was the case in ten of the 40 (25%) items reviewed.

In previous follow-ups, we noted some of the same issues described above. The Department indicated that these issues could be minimized upon implementation of Expanded Service Teams. However, our review did not disclose any noticeable improvement with the implementation of the teams. Although we agree with the Department that Expanded Service Teams improve accountability, management must more closely monitor to ensure correspondence inquiries are worked and resolved. Correspondence monitoring is discussed further below.

Customer Correspondence Monitoring and Tracking

The Department has improved its quality control assessments since our previous reviews. For example, supervisors are following procedures to review actions taken by staff for ten percent of all correspondence received. However, the issues noted above might have been avoided had Expanded Service Team Case Managers monitored their caseloads more closely. We noted several areas where the Department could improve its correspondence tracking and monitoring.

- Correspondence monitoring procedures are not always followed. The Department's procedures require that supervisors review the automated tracking log daily to ensure correspondence is completed within the Department's 30 business day response goal. We reviewed the tracking logs for one week at the West Covina, El Segundo, Commerce, and Interstate Divisions and noted over 90% of the items were completed timely. However, there was no indication of supervisory follow-up on any of the overdue items.

- Twenty-two of the 40 (55%) correspondence items reviewed were incorrectly tracked by Departmental staff. Specifically,

    - For seven of the 22 items, Expanded Service Team staff inappropriately recorded the items as complete in the automated tracking log on the date they were referred to the other units, rather than the date the items were actually completed.
    - For six items, the Expanded Service Team did not identify the referral unit in the automated tracking log. As a result, central accountability was lost.
    - For three items, the automated tracking log contained inaccurate information including incorrect case numbers, dates of completion and source information.
    - For eleven items, the FSO did not update the tracking log for actions taken. As a result, the log contained outdated information and its usefulness was reduced.

- Four correspondence items could not be found on the automated tracking system. The Department indicated that this was the result of Expanded Service Team Supervisors deleting the correspondence items from the system. A supervisor's ability to delete items is a potential control weakness that management should address.

- Duplicate entries are included in the tracking log when customers make repeat requests for the same issue. By using the system's search feature before entering data, staff and managers may be able to identify repeat requests, minimize duplicate entries, and be alerted to certain inquiries that may be overdue.

Overall, it appears managers and supervisors are not taking full advantage of the automated tracking system. Several of the issues discussed above could have been identified through a cursory review of the tracking log.

Divisional management indicated that some of the above problems were the result of correspondence backlogs and heavy user activity on the automated tracking system that has slowed the system and increased processing time. Further, due to the significant system processing time, management indicated that it is not always practical to use the system's search feature. Management believes the backlog will diminish as they continue to hire additional staff. In addition, the Department is piloting a new automated tracking system at the West Covina and Encino Divisions. Management believes the new system will be more efficient and easier to use which will ultimately reduce system processing time. Subsequent to our review, management also stated they implemented certain technical enhancements to the system that have already helped speed processing time.

Until the Department is able to fully upgrade the tracking system, management needs to ensure the existing tracking log is used to the greatest extent possible. For example, management should ensure staff properly complete the log and ensure supervisors review the log to identify and follow-up on overdue items. In addition, the Department should eliminate staff's ability to delete items from the automated tracking log, and use the system's search feature where practical to help minimize duplicate entries.

ARS Tasking

The Department is working to improve accountability by implementing the automated task assignment feature of its ARS computer system (ARS is a major system used by CSSD to process all family support cases). This feature is designed to automatically assign tasks to individuals, establish due dates, and notify supervisors when tasks are overdue. We previously reported that the Department was in the initial stages of implementing tasking and that ARS systems staff were working to ensure that tasks were assigned to the correct functions and staff levels. Department management indicated they implemented tasking in the Commerce Division in June 2000 and in the El Segundo Division in May 2001. The remaining five regional divisions will be trained on tasking in August and September 2001, and should be using tasking by the end of September 2001.

Currently, 13 types of tasks are worked at the two Divisions (five in the Establishment teams and eight in the Expanded Service Teams). An additional 46 tasks are currently being developed by ARS systems staff. Twenty-one of the 46 tasks are considered high-priority and the Department anticipates those tasks will be ready for use by October 2001.

We reviewed a total of 12 tasks at one Expanded Service Team and one Establishment Team at both the Commerce and El Segundo Divisions. Our objective was to observe

how tasks were completed, how accountability was maintained, and how tasking improved case management. We noted instances where:

- Tasks were not assigned to staff timely. We noted ARS assigned some tasks to staff up to one month after the established due date.

- Tasks were not forwarded to supervisors when overdue. All 12 of the tasks we reviewed were overdue.

- Tasks were not completed correctly. For example, we noted an instance where staff did not refer the case to an attorney for further follow-up. In another case, staff did not update a particular field in the system, thereby leaving the task as incomplete.

- Tasks that had previously been completed were not automatically removed from employees' task lists. Therefore, staff manually removed the tasks from ARS. Employees' ability to remove tasks is a potential control weakness.

Department management indicated that they recognize the problems described above, and they are working with ARS systems staff and ARS users to resolve the issues. It should be noted that the Department must coordinate all ARS modifications with the ARS consortium of Orange and San Diego Counties. Management indicated that until Orange and San Diego Counties are fully converted to the ARS system in February 2002, the Department's ability to make changes to ARS tasking will be limited.

CSSD and DPSS Aid-Status and Referral Systems

On January 19, 1999, the Board of Supervisors directed the Auditor-Controller to review the Department of Public Social Services (DPSS) and the Child Support Services Department welfare aid-status and referral systems. The request was made as a result of questions concerning whether the CSSD is accurately distributing child support payments to custodial parents and/or to DPSS in accordance with applicable laws. The Board directed that we include our review of this issue in our Price WaterhouseCoopers' follow-up reports. The following actions have been taken:

- In May 1999, the CSSD and DPSS completed a study to verify the accuracy of child support distributions. The study included a sample of 1,200 cases where previously aided custodial parents were no longer eligible to receive welfare payments. From this sample there were a total of 59 cases that received regular child support payments. Out of those 59 cases, nine payments were not distributed to the custodial parents (as required) for the first month after the custodial parents stopped receiving aid. In subsequent months, payments were distributed appropriately.

- In October 1999, the CSSD and DPSS completed a second smaller study and the results showed improvement. At this point the CSSD, DPSS, and the FSAB believed the problems were resolved.

- In April 2000, the State changed distribution rules, which resulted in additional first month distribution problems. In June 2000, ARS staff made programming changes to the ARS system to address this issue.

- In August 2000, the CSSD, DPSS, and the FSAB conducted another similar study and the results indicated that first month distribution problems still existed.

- In November 2000, the CSSD, DPSS, and the FSAB began a review of all cases where previously aided custodial parents were no longer eligible to receive welfare payments and correct all the cases with first month distribution errors. To date, they have reviewed 7,989 cases from October 1998 through February 2001 and found 125 cases where the first month distributions were not correctly made. The CSSD has corrected 123 of the cases and they are in the process of correcting the remaining two. As of July 2001, the Department is still working on the review and expects to complete the project in August 2001.

In April 2001, DPSS implemented the LEADER system at all of its offices. According to management, this has eliminated the first month distribution problems. However, CSSD, DPSS, and FSAB will continue to review first month distributions for all cases to ensure distribution problems have been eliminated. We believe the Department has adequately addressed this issue.

Review of Report

The Department is in general agreement with our findings and is working to make improvements in the areas described in this report. If you have any questions, please call me or your staff may call DeWitt Roberts at (213) 974-0301.

JTM:DR:MP

c: David E. Janssen, Chief Administrative Officer
Philip L. Browning, Director, CSSD
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