COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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NUMBER OF RECOMMENDATIONS	
PRIORITY 1	0
CORRECTIVE ACTION REQUIRED WITHIN 90 DAYS	
PRIORITY 2	2
CORRECTIVE ACTION REQUIRED WITHIN 120 DAYS	
PRIORITY 3	2
CORRECTIVE ACTION REQUIRED WITHIN 180 DAYS	

February 6, 2025

TO: Each Supervisor

FROM: Oscar Valdez
Auditor-Controller

Robert G. Campbell
Assistant Auditor-Controller / Chief Audit Executive

SUBJECT: **DEPARTMENT OF PUBLIC SOCIAL SERVICES – GENERAL RELIEF PROGRAM REVIEW**

With the support and active participation of the Department of Public Social Services (DPSS or Department) management, we evaluated the design of DPSS' procedures and controls over their General Relief (GR) program to determine whether they provide reasonable assurance to management that DPSS' operations comply with State Welfare and Institutions Code, County Code, departmental policy, and best practices.

We noted opportunities to improve DPSS' processes and controls, which management has agreed to strengthen. For example:

- DPSS management will develop Key Performance Indicators (KPI) to measure the efficiency and effectiveness of the GR program, develop process and procedures to monitor KPIs to establish benchmarks to identify weaknesses and areas for improvement, establish process and procedures to periodically review KPIs to ensure they continue to be relevant, applicable to the business area, and consistent with best practices and standards, and take corrective actions as needed to address performance gaps and document the actions to ensure they result in lasting changes.

- DPSS will develop ongoing documented self-monitoring processes to regularly evaluate and document that their processes are working as intended.

These enhancements will provide greater assurance of compliance with State and County policy and that DPSS is providing public assistance to those who qualify.

FAST FACTS

The GR program's total budget for Fiscal Year 2024-25 is $302.9 million, of which $297.1 million is County funds.

The GR program provides cash assistance to approximately 120,000 participants, as of July 2024.

DPSS received an average of over 23,000 applications per month between August 2023 to July 2024.

For details of our review, see Attachment I. The Department's response, Attachment II, indicates general agreement with our findings and recommendations.

We thank DPSS management and staff for their cooperation and assistance during our review. If you have any questions please call us, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

OV:CY:RGC:MP:JU:jd

Attachments

c: Fesia A. Davenport, Chief Executive Officer
Edward Yen, Executive Officer, Board of Supervisors
Jackie Contreras, Ph.D., Director, Department of Public Social Services

LOS ANGELES COUNTY
AUDITOR-CONTROLLER

Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Mike Pirolo
DIVISION CHIEF

AUDIT DIVISION

Report #K24FP

DEPARTMENT OF PUBLIC SOCIAL SERVICES
GENERAL RELIEF PROGRAM REVIEW

BACKGROUND

The Department of Public Social Services (DPSS or Department) provides public assistance to Los Angeles County (County) residents. DPSS has over 14,000 employees and has a total budget of approximately $6.1 billion for Fiscal Year (FY) 2024-25. One of DPSS's assistance programs is the General Relief (GR) program, which provides payments to residents who meet specific requirements (e.g., personal property total value is less than $2,000 and monthly net income is less than $221) and who are not eligible for other State or federal assistance programs. Specifically, GR provides a monthly cash payment of $221 for a single person and various amounts depending on household size of up to $951 for a household of ten or more people. GR's total budget for FY 2024-25 is $302.9 million. The funding sources of GR are County funds ($297.1 million) and federal aid funds ($5.8 million). As of July 2024, the GR program had approximately 120,000 active participants.

DPSS has district offices throughout the County, of which 14 offices provide GR services including processing applications, pre-screening and referring applicants to mandatory and voluntary programs, reviewing and updating cash grant payments when changes are reported, and assisting in the appeals process of adverse actions (i.e., denial of application or discontinuance of benefits).

We reviewed controls over DPSS' GR program to determine whether they provide reasonable assurance to management that DPSS' operations comply with State Welfare and Institutions Code, County Code, departmental policy, and best practices. During our walkthroughs, reviews of written procedures and process documentation, and discussions with management, we noted that DPSS has appropriate processes/ procedures to review and process applications, meet with applicants to discuss and verify eligibility, assess applicants for referral to mandatory and voluntary programs (e.g., substance abuse and job training), initiate fraud referrals if suspicious activity is detected, adjust payments when participants' status changes, determine and communicates denials and discontinuances of benefits, conduct noncompliance reviews of participants, and assist with appeals hearings.

However, we identified opportunities for improvement, as noted in the table below.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

	ISSUE	RECOMMENDATION
1	**Key Performance Indicators** - A Key Performance Indicator (KPI) is a quantifiable performance measurement that is used to evaluate the success of an organization or of a particular activity in which it engages. Departments and units/divisions within departments should establish KPIs and periodically review them against the applicable activity to evaluate the efficiency and effectiveness of the activity, identify weaknesses and areas for improvement, etc. Departments should also periodically review the KPI thresholds to ensure that they remain the best measure of	**Priority 2 - DPSS management establish documented processes/controls to ensure that the Department:** **a) Develops KPIs to track and evaluate the effectiveness of the GR program.** **b) Periodically evaluates GR processes against established KPIs and takes corrective action, as needed.** **c) Periodically reviews the KPI thresholds to ensure the KPIs remain the best measure of performance.**

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

	TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
	ISSUE	**RECOMMENDATION**
	performance as the operations and environment change. During our review, we noted that DPSS collects data over its GR program, such as the number of applications, number of approvals and denials, staff caseloads, etc. However, these data sets are not KPIs with a quantifiable goal. The following are examples of KPIs that DPSS may consider over the GR program: • Target percentage of applications that must be processed within 30 days. • Target percentage of GR recipients who complete their annual renewal packages within required timeframes. • Target percentage of meetings held with applicants within the required timeframes after their application is submitted. **Impact:** This weakness reduces management's ability to measure and evaluate the level of success of the GR program and take any needed corrective action. DPSS has over 120,000 active participants as of July 2024 who may be impacted by staff not meeting expectations.	**Department Response: Agree** Implementation Date: June 30, 2025
2	**Management Monitoring of Controls** - DPSS needs to develop ongoing self-monitoring processes to regularly evaluate and document that the following processes are working as intended, as required by County Fiscal Manual Section 1.0.2: • Applications • Eligibility review and approval • Payments to participants • Hearings and complaints • Annual renewals • KPIs Effective self-monitoring processes may include tests or observations examining an adequate number of GR applications or annual renewal packages on a regular basis to ensure adherence to policies, and documenting and retaining evidence of this review in a manner that an independent party can subsequently validate. The monitoring process should also ensure material exceptions are elevated to management to ensure awareness of relative control risk on a timely basis	**Priority 2 - DPSS management develop and implement ongoing documented self-monitoring processes that include:** **a) Examining process and control activities, such as a review of an adequate number of GR applications on a regular basis to ensure adherence to departmental and County policies.** **b) Documenting the monitoring activity and retaining evidence so it can be subsequently validated.** **c) Elevating material exceptions to management on a timely basis to ensure awareness of relative control risk and to ensure appropriate corrective actions are implemented.** **Department Response: Agree** Implementation Date: June 30, 2025

	TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
	ISSUE	**RECOMMENDATION**
	and to ensure appropriate corrective actions are implemented. **Impact:** This weakness prevents management from having reasonable assurance that important departmental and County objectives are being achieved. An increased risk for not promptly identifying and correcting any process/control weaknesses or instances of noncompliance with departmental and County rules.	
3	**Timeframe to Contact Applicants** - DPSS' current policy and processes to review eligibility require staff to meet with applicants within five calendar days for online applications and within ten days for applications received by mail and fax. However, DPSS management indicated that they have an informal expectation for staff to initiate contact within three days of receiving all applications to ensure the meetings are scheduled on time. DPSS should consider formalizing the expectation for appointments to be set within three days of receiving an application. DPSS management should also consider this as part of the development of KPIs, as recommended above. **Impact:** This weakness may increase confusion of expectations and decrease management's ability to measure staff performance and hold staff accountable. DPSS receives an average of approximately 23,000 applications per month.	**Priority 3 - DPSS management consider updating their processes to formalize the expectation that staff initiate contact with applicants within three days of receiving applications.** **Department Response: Agree** Implementation Date: April 30, 2025
4	**Standards and Procedures** - While DPSS has written standards and procedures covering all areas of the GR program, DPSS needs to update their standards and procedures to accurately represent new system names (i.e., from Your Benefit Now Online Application to BenefitsCal) and program names (i.e., General Relief Opportunities for Work to Skills and Training to Achieve Readiness for Tomorrow). Standards and procedures should provide detailed guidance to staff and supervisors in the performance of their day-to-day duties and describe how processes are performed. They must also require staff and supervisors to maintain documentation of their processes and require an audit trail of key events where practical.	**Priority 3 - DPSS update their written standards and procedures to guide supervisors and staff in the performance of their duties.** **Department Response: Agree** Implementation Date: December 31, 2025

	TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
	ISSUE	**RECOMMENDATION**
	Impact: Increased risk of staff confusion and performing their duties incorrectly.	

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management's responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES
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Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

January 14, 2025

TO: Oscar Valdez
Auditor-Controller

FROM: Jackie Contreras, Ph.D., Director

SUBJECT: DEPARTMENT OF PUBLIC SOCIAL SERVICES – GENERAL RELIEF PROGRAM REVIEW DRAFT REPORT

Enclosed is the Los Angeles County Department of Public Social Services' response to the four (4) findings and recommendations identified in the General Relief Program Review draft report for Los Angeles County.

Please let me know if you have any questions, or your staff may contact Sheila Early, Division Chief, Research, Evaluation & Quality Assurance Division, at (562) 908-5879.

JC:ap

Enclosure

DEPARTMENT OF PUBLIC SOCIAL SERVICES
GENERAL RELIEF PROGRAM REVIEW
DEPARTMENT ACTION PLAN/RESPONSE

ISSUE 1: KEY PERFORMANCE INDICATORS	
A/C Recommendation	DPSS management establish documented processes/controls to ensure that the Department: a) Develops Key Performance Indicators (KPIs) to track and evaluate the effectiveness of the General Relief (GR) program. b) Periodically evaluates GR processes against established KPIs and takes corrective action, as needed. c) Periodically reviews the KPI thresholds to ensure the KPIs remain the best measure of performance.
Priority	**PRIORITY 2**
Agree/Disagree	**Agree**
Department Action Plan[1]	As stated in the report, the Department "*has appropriate processes/procedures to review and process applications, meet with applicants to discuss and verify eligibility, assess applicants for referral to mandatory and voluntary programs (e.g., substance abuse and job training), initiate fraud referrals if suspicious activity is detected, adjust payments when participants' status changes, determine and communicates denials and discontinuances of benefits, conduct noncompliance reviews of participants, and assist with appeals hearings.*" Additionally, the GR Program complies with the Welfare and Institution code (WIC) Division 9. Public Social Services, section 17000, and County Code 2.102.020. However, we agree that based on the available data, formal KPI's will be identified and developed for the GR Program. In addition, the GR processes we track will be formalized, evaluated, and documented to take any needed corrective actions.
Planned Implementation Date	June 30, 2025
Additional Information (optional)[2]	A redesign of the GR Program is in progress, which will impact KPIs established for the current GR process.

ISSUE 2: MANAGEMENT MONITORING OF CONTROLS	
A/C Recommendation	DPSS management develop and implement ongoing documented self-monitoring processes that include: a) Examining process and control activities, such as a review of an adequate number of GR applications on a regular basis to ensure adherence to departmental and County policies. b) Documenting the monitoring activity and retaining evidence so it can be subsequently validated. c) Elevating material exceptions to management on a timely basis to ensure awareness of relative control risk and to ensure appropriate corrective actions are implemented.
Priority	**PRIORITY 2**
Agree/Disagree	**Agree**

[1] In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.
[2] In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 2: MANAGEMENT MONITORING OF CONTROLS	
Department Action Plan[1]	The Department will conduct a review of current processes and control activities to determine if a self-monitoring procedure(s) is in place, enhancement is needed, and/or ensure procedures are formalized. In addition, if the review identifies a control is missing, a new self-monitoring procedure will be developed and formalized. All available data/reports will be used to aid in the self-monitoring controls and documentation to confirm reviews were conducted. All self-monitoring procedures and controls conducted by the Department for GR Program will be documented to formally establish the monitoring processes. The results of all monitoring reviews will be further evaluated to determine trends, best practices, and exceptions. The documentation will be stored for future auditing reviews. Trends, best practices, and exceptions will be shared with impacted stakeholders/management. Management will work on exceptions to develop and implement corrective actions.
Planned Implementation Date	June 30, 2025
Additional Information (optional)[2]	A redesign of the GR Program is in progress, which might affect areas of review and will constitute procedural changes.

ISSUE 3: TIMEFRAME TO CONTACT APPLICANTS	
A/C Recommendation	DPSS management consider updating their processes to formalize the expectation that staff initiate contact with applicants within three days of receiving applications.
Priority	PRIORITY 3
Agree/Disagree	**Agree**
Department Action Plan[1]	The Department will continue to evaluate current policies to develop a uniform standard time frame for initiating contact with the GR applicant which will address the needs of our customers, ensure program compliance, and meet the Department's operational needs. Existing policy documents will be revised accordingly and released to staff to inform them of the policy change.
Planned Implementation Date	April 30, 2025
Additional Information (optional)[2]	

ISSUE 4: STANDARDS AND PROCEDURES	
A/C Recommendation	DPSS update their written standards and procedures to guide supervisors and staff in the performance of their duties.
Priority	PRIORITY 3
Agree/Disagree	**Agree**

[1] In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.
[2] In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 4: STANDARDS AND PROCEDURES	
Department Action Plan[1]	The Department is upgrading the ePolicy platform to Adobe Experience Management (AEM). To prepare for this change, GR Program is currently converting its written policy and procedure documents to the new AEM platform. Accordingly, the documents will also reflect revisions to policy, procedures, system, and program names changes. The launch date of the new AEM ePolicy platform has not been announced.
Planned Implementation Date	December 31, 2025 (dependent on AEM launch date)
Additional Information (optional)[2]	

[1] In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.
[2] In this section the Department can provide any background or clarifying information they believe is necessary.