

COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDIT UNIT

INTERNAL AUDIT REPORT

**SACRAMENTO SELF HELP HOUSING
FISCAL MONITORING
AGREED-UPON PROCEDURES**

DEPARTMENT OF HUMAN ASSISTANCE



Audit Committee Submittal Date: 01/24/2022

SUMMARY

Background

This fiscal monitoring agreed-upon procedures was requested by the Department of Human Assistance (DHA) as Sacramento Self Help Housing (SSHH) was assessed as a high risk subrecipient based on DHA's subrecipient risk assessment.

SSHH, a non-profit organization, provides services for the homeless including rehousing and outreach. SSHH had five programs encompassing nine agreements with Sacramento County during our Agreed-Upon Procedures engagement for the period February 6, 2018 through June 30, 2020.

Audit Objective

To assist DHA in assessing SSHH's financial condition and compliance with agreements.

Summary

Based on the agreed-upon procedures performed, we noted concerns regarding internal controls, audit reports, claim submissions and insufficient supporting documentation for claimed expenditures.



County of Sacramento

October 29, 2021

Ethan Dye, Director
Department of Human Assistance
1825 Bell Street, Suite 200
Sacramento, CA 95825

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Mr. Dye:

We have performed the procedures enumerated below, which were requested and agreed to by you, regarding Sacramento Self Help Housing's (SSHH) fiscal compliance as outlined in the contractual agreements (Agreements) with the County of Sacramento, Department of Human Assistance (DHA) as listed below:

- Full Service Rehousing Shelter Services Program:
 - Contract No. DHA-SSHH-01-19 for the period July 1, 2018 through June 30, 2019
 - Contract No. DHA-SSHH-01-20 for the period July 1, 2019 through June 30, 2020

- Homeless Outreach and Navigation Services Program:
 - Contract No. DHA-SSHH-03-18 for the period February 6, 2018 through October 31, 2018
 - Contract No. DHA-SSHH-03-19 for the period November 1, 2018 through June 30, 2019
 - Contract No. DHA-SSHH-03-20 for the period July 1, 2019 through June 30, 2020

- Flexible Supporting Rehousing Program:
 - Contract No. DHA-PRTS-SSHH-04-18 for the period July 1, 2018 through June 30, 2019
 - Contract No. DHA-PRTS-SSHH-04-20 for the period July 1, 2019 through June 30, 2020

- Housing Database Program:
 - Contract No. SSHH-05-20 for the period July 1, 2019 through June 30, 2020
- Home Safe Navigation Program:
 - Contract No. SSHH-6-20 for the period July 1, 2019 through June 30, 2020

This agreed-upon procedures engagement was conducted to assist DHA in assessing SSHH's financial condition and compliance with the Agreements and to verify that monthly invoice claims submitted by SSHH are accurate and reasonable.

DHA management is responsible for monitoring SSHH's compliance with the Agreements' requirements. The sufficiency of the procedures is solely the responsibility of DHA management. Consequently, we make no representation regarding the sufficiency of the procedures as follows either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the Agreements referred above and does not pertain to any other agreements of DHA or SSHH.

The procedures performed and our findings are as follows:

- 1) Internal Control – We inspected SSHH's written internal control policies and procedures including purchasing, vendor payments, payroll, claim submissions, cost allocations, general ledger, and financial report preparation. We also inspected SSHH's written procedures for clients' admission and release, program eligibility verification and services provided for its programs listed in the Agreements.

Finding: We noted two (2) exceptions from the review of SSHH's internal control policies and procedures. See Attachment I, *Findings and Recommendations*.

- 2) Financial Statements – We inspected SSHH's audit report for the year ended December 31, 2018 to identify any concerns or issues that require your attention. We attempted to inspect SSHH's audit report for the year ended December 31, 2019 however the audit has not yet been started.

Finding: We noted two (2) exceptions from our review of SSHH's audit reports. See Attachment I, *Findings and Recommendations*.

- 3) Claim Submission – We obtained and inspected SSHH's monthly invoice claims for March 2018, June 2018, August 2018, March 2019, June 2019, August 2019,

March 2020 and June 2020. We haphazardly selected and tested up to 30 client/units per program from these monthly invoice claims.

Finding: We noted four (4) exceptions from our review of claim submissions which resulted in questioned costs and possible non-compliance with the Agreements. See Attachment I, *Findings and Recommendations* and Schedule I, *Schedule of Budget vs Claimed and Questioned Costs*.

- 4) General Ledger – We traced SSHH’s monthly invoice claims for March 2018, June 2018, August 2018, March 2019, June 2019, August 2019, March 2020 and June 2020 to its general ledger.

Finding: We noted four (4) exceptions resulting in possible overcharges by SSHH. See Attachment I, *Findings and Recommendations* and Schedule I, *Schedule Budget vs Claimed and Questioned Costs*.

- 5) Cost Allocations – We inspected SSHH’s cost allocation policies and procedures to identify any concerns or issues that may require your attention. We tested the transactions listed at Item #3 above to identify any issues related to cost allocations.

Finding: We did not note any exceptions from our review of SSHH’s cost allocation policies and procedures.

- 6) Funding Sources – We made inquiries to SSHH management to identify any funding sources other than DHA for its programs. We also inspected SSHH’s general ledger and invoice claims for March 2018, June 2018, August 2018, March 2019, June 2019, August 2019, March 2020 and June 2020 to identify any inappropriate or duplicated charges.

Finding: We did not note any exceptions as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on SSHH’s fiscal processes or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

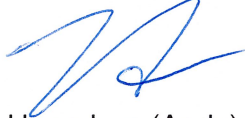
DHA management responses to the findings identified during our engagement are described in Attachment I, *Findings and Recommendations*. We did not perform procedures to validate these responses to the findings and, accordingly, we do not express an opinion on the responses to the findings.

Ethan Dye, Director
October 29, 2021
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This report is intended solely for the information and use of the Sacramento County Board of Supervisors, those charged with governance, Sacramento County Audit Committee, Sacramento County Executive, and DHA management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, CPA
Audit Manager

Enclosure

Attachment I: *Findings and Recommendations*

Schedule I: *Schedule of Budget vs Claimed and Questioned Costs*

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Review
 Schedule of Budget vs Claimed and Questioned Costs

Full Service Rehousing Shelter Rehousing Services SSHH-01-19 Operations

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 675,872.00	555,848.11	\$
Indirect Administrative Salaries and Benefits	123,202.00	50,612.24	
Program Costs	783,032.00	608,272.89	
Indirect Costs	44,147.00	41,902.19	
Total	\$ 1,626,253.00	1,256,635.43	\$

Full Service Rehousing Shelter Rehousing Services SSHH-01-19 Services

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 262,600.00	262,127.08	\$
Indirect Administrative Salaries and Benefits	36,850.00	36,617.69	
Program Costs	126,747.00	124,766.86	
Indirect Costs	27,550.00	26,266.08	
Total	\$ 453,747.00	449,777.71	\$

Full Service Rehousing Shelter Rehousing Services SSHH-01-20

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 889,731.00	820,937.32	\$ 1,939.36
Indirect Administrative Salaries and Benefits	145,036.00	67,926.98	
Program Costs	840,687.00	787,011.90	7,627.81
Indirect Costs	74,546.00	68,882.87	
Program Expenses	792,000.00	368,013.72	
Total	\$ 2,742,000.00	2,112,772.79	\$ 9,567.17

Homeless Outreach and Navigation Services SSHH-03-18

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 91,889.00	49,450.00	\$
Indirect Administrative Salaries and Benefits	9,391.00	9,390.90	
Program Costs	47,495.00	44,204.65	
Indirect Costs	11,225.00	10,654.29	
Total	\$ 160,000.00	113,699.84	\$

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Review
 Schedule of Budget vs Claimed and Questioned Costs

Homeless Outreach and Navigation Services SSHH-03-19

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 81,326.51	81,326.51	\$
Indirect Administrative Salaries and Benefits	15,245.32	15,245.32	
Program Costs	50,836.67	49,697.66	50.00
Indirect Costs	7,841.50	7,399.62	
Total	\$ 155,250.00	153,669.11	\$ 50.00

Homeless Outreach and Navigation Services SSHH-03-20

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 170,662.00	145,172.21	\$ 1,093.36
Indirect Administrative Salaries and Benefits	15,026.00	5,020.89	
Program Costs	62,118.00	60,259.12	35.00
Indirect Costs	21,944.00	17,107.55	
Total	\$ 269,750.00	227,559.77	\$ 1,128.36

Flexible Supporting Rehousing Program PRTS-SSHH-04-18

Category	Budget	Claimed	Questioned Costs
PTRS Services	\$ 562,500.00	524,500.00	\$
Housing Assistance	1,555,952.00	1,424,926.62	
HDAP Eligible	500,000.00	156,408.53	
Total	\$ 2,618,452.00	2,105,835.15	\$

Flexible Supporting Rehousing Program PRTS-SSHH-04-20

Category	Budget	Claimed	Questioned Costs
PRTS Services & Assistant - General Fund Reimbursed	\$ 1,355,500.00	1,355,500.00	\$ 1,323.57
Housing Assistance - HDAP Fund Reimbursed	72,000.00	38,424.69	
PRTS Services - HEAP Fund Reimbursed	900,000.00	302,750.00	
Housing Assistance - HEAP Fund Reimbursed	1,500,000.00	873,877.03	
PRTS Services - HSP Fund Reimbursed	56,250.00	12,000.00	
Housing Assistance - HSP Fund Reimbursed	375,750.00	6,080.58	
PRTS Services - MHSA Fund Reimbursed	450,000.00	15,500.00	
Housing Assistance - MHSA Fund Reimbursed	2,550,000.00	37,149.90	78.86
Total	\$ 7,259,500.00	2,641,282.20	\$ 1,402.43

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Review
 Schedule of Budget vs Claimed and Questioned Costs

Housing Database SSHH-05-20

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 22,960.00	2,748.23	\$
Indirect Administrative Salaries and Benefits	3,000.00		
Program Costs	2,485.00	2,474.28	
Indirect Costs	1,555.00	235.85	
Total	\$ 30,000.00	5,458.36	\$

Home Safe Navigation SSHH-06-20

Category	Budget	Claimed	Questioned Costs
Salaries and Benefits	\$ 53,289.00	42,611.42	\$
Indirect Administrative Salaries and Benefits	3,006.00	1,805.48	
Program Costs	68,531.00	48,213.20	
Indirect Costs	6,994.00	6,080.89	
Total	\$ 131,820.00	98,710.99	\$

Summary of Questioned Costs

Program	Agreement	Questioned Costs
Full Service Rehousing Shelter Rehousing Services	SSHH-01-20	\$ 9,567.17
Homeless Outreach and Navigation Services	SSHH-03-19	50.00
Homeless Outreach and Navigation Services	SSHH-03-20	1,128.36
Flexible Supporting Rehousing Program	PTRS-SSHH-04-20	1,402.43
Housing Database	SSHH-05-20	
Home Safe Navigation	SSHH-06-20	
Total		\$ 12,147.96

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Agreed-Upon Procedures
 Current Findings and Recommendations

1. INTERNAL CONTROLS

1a - Submitting Electronic Claim Form

Condition

We reviewed the Electronic Claim Forms (ECF) sent to the Department of Human Assistance (DHA) by Sacramento Self Help Housing (SSHH) and noted that multiple ECFs were missing prepared and/or approved dates, preparer's and/or approver's signatures, had the same preparers and approvers or had dates that were either before the end of the period the claim was for or after the claim was due to be submitted. SSHH lacks specifics when it comes to their internal control policies over submitting claims. The following are the ECF issues noted during our review:

Number	Contract	Number of Issues	Number of Testing Selections	ECF Issue	Claim Amount
1	SSHH-01-19	2	3	No preparer or approver.	\$114,530.02
2	SSHH-01-19	1	3	Prepared and approved by the same person.	196,861.33 (1)
3	SSHH-01-19	3	3	No dates for prepared or approved.	135,032.34 (1)
4	SSHH-01-20	3	3	Prepared and approved dated after the due date.	557,374.25
5	SSHH-03-18	1	3	Missing the approver.	15,040.68
6	SSHH-03-18	1	3	Prepared and approved dated after the due date.	20,396.77
7	SSHH-03-19	2	3	No dates for prepared or approved.	46,588.93
8	SSHH-03-20	2	3	No approval date.	14,787.23 (1)
9	SSHH-03-20	1	3	Prepared datd after the due date.	31,432.30
10	SSHH-04-18	1	3	Prepared and approved by the same person.	120,704.04
11	SSHH-04-18	1	3	No dates for prepared or approved.	N/A (1)
12	SSHH-04-18	1	3	Prepared and approved dated after the due date.	173,761.73
13	SSHH-04-20	3	3	No preparer or approver.	645,558.58
14	SSHH-04-20	3	3	No preparation date.	N/A (1)
15	SSHH-04-20	3	3	Prepared and approved dated after the due date.	N/A (1)
16	SSHH-05-20	1	3	Prepared and approved by the same person.	303.49
17	SSHH-05-20	2	3	Prepared and approved dated after the due date.	397.45 (1)
18	SSHH-06-20	3	3	Prepared and approved dated after the due date.	26,084.56
Total					\$2,098,853.70

(1) This finding has amounts that have already been presented. To avoid duplicating, the amounts have not been added more than once even if the ECF had multiple findings.

Criteria

The ECF should be approved by an authorized person other than the preparer. Forms should be signed off by preparers and approvers and dated to indicate it was completed within the required timeframe. ECFs should be submitted by either the 10th or the 15th of the following month depending on the Agreement.

County of Sacramento
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Sacramento Self Help Housing (SSHH)
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Current Findings and Recommendations

Effect

Not having the preparer and/or approver sign the ECF can cause a lack of separation of duties and lead to incorrect information being submitted to DHA. Not having dates or having incorrect dates can lead to the ECF not being submitted within the required timeframe. DHA cannot verify the ECF was prepared and approved by a separate authorized person.

Recommendation

We recommend DHA verify the ECF is properly documented before processing the claim. We also recommend DHA follow up with SSHH in regards to the creation of specific internal control policies concerning claims submission.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims. Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance.

1b – Supporting Documentation for ECF

Condition

During our invoice testing of 30 selections for the Flexible Supporting Rehousing Program Agreement SSHH-04-18, we noted supporting documentation for an ECF that was changed from \$3,000 to \$2,400 without evidence of approval. The amount was changed before SSHH submitted the claim to DHA. When SSHH was asked for support for the change and approval, SSHH was unable to locate any documentation. SSHH lacks specific internal controls for submitting claims. Please see Finding 1a.

Criteria

All ECFs should have supporting documentation and be approved. Any changes to the ECF documentation should be approved and supported by additional documentation.

Effect

Changing supporting ECF documents without approval can lead to incorrect claims being submitted.

Recommendation

DHA should follow up with SSHH to confirm procedures are created requiring supporting documentation and an authorized signature on updated ECFs.

County of Sacramento
Department of Human Assistance (DHA)
Sacramento Self Help Housing (SSHH)
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Current Findings and Recommendations

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims. Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance.

2. FINANCIAL STATEMENTS

2a - 2019 Annual Independent Audit

Condition

During our procedures, we noted SSHH's required 2019 annual financial and compliance audit has not been started. The Agreements specify that SSHH is required to submit its annual audit to DHA.

Criteria

Per section #32A in the Agreements, *"the Contractor (SSHH) shall submit to Director (DHA) an annual financial and compliance audit prepared by an independent accounting firm if the maximum total payment amount is \$100,000 or more."*

Per section #32D in the Agreements, *"the annual audit shall be submitted to Director (DHA) within six months of the end of each fiscal year of this agreement."*

Effect

Issues noted results in DHA not being able to assess the financial condition of SSHH and leaves SSHH in non-compliance with the Agreements.

Recommendation

We recommend DHA follow up with SSHH about complying with the Agreements' specific audit report requirements. If SSHH cannot submit the required report, it should obtain an extension from DHA and complete and submit the audit by the extension date.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have contracted with an audit company to perform the 2019 and 2020 audit, which is scheduled to start the first week of November. Once the 2019 and 2020 audits are completed, SSHH plans to start the 2021 audit to ensure that it will be completed by the deadline in the FY 2022 agreements. SSHH acknowledges that if they are not able to submit the required audit report within the deadline in the agreements they should request an extension from DHA.

County of Sacramento
Department of Human Assistance (DHA)
Sacramento Self Help Housing (SSHH)
Fiscal Monitoring Agreed-Upon Procedures
Current Findings and Recommendations

2b - 2018 Independent Audit Finding

Condition

While reviewing the 2018 independent audit report, we noted a material weakness finding regarding the preparation of financial statements. The report stated that the financial statements prepared by SSHH were materially misstated resulting in numerous significant audit adjustments. These incorrect amounts were neither prevented or detected and corrected by SSHH's internal controls. We requested SSHH provide a status update to its management's response to the material weakness finding. However, we did not receive any update from SSHH management nor any documents to show that any corrective actions have been taken. In addition, as stated in previous Finding 2a, SSHH has not completed its 2019 audit and accordingly we are not able to obtain the status update of the material weakness finding from SSHH's audit report.

Criteria

Sufficient internal controls should have either prevented or detected and corrected material misstatements on the financial statements.

Effect

If the corrective action SSHH's management stated in its management response to the 2018 audit report has not been taken, there is a possibility that the material weakness found of material misstatements on the financial statements could be repeated and would not be prevented or detected and corrected by internal controls. This could lead to incorrect claims being submitted to DHA.

Recommendation

We recommend DHA have SSHH review, update and implement the action plan concerning the material weakness finding.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures to include strong internal controls to prevent or detect material misstatements in their financial statements including claims that are submitted. Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance.

County of Sacramento
Department of Human Assistance (DHA)
Sacramento Self Help Housing (SSHH)
Fiscal Monitoring Agreed-Upon Procedures
Current Findings and Recommendations

3. INVOICE REVIEW

3a - Support did not include the Agreement Number

Condition

During our review of the support submitted to DHA for Agreements SSHH-05-20, SSHH-06-20, SSHH-01-19, SSHH-01-20, SSHH-03-18, SSHH-03-19, and SSHH-03-20, we noted that it did not include the Agreement number on the support as required by the Agreements.

Criteria

Per Agreements SSHH-03-18, SSHH-03-19, SSHH-03-20, SSHH-05-20, SSHH-06-20 exhibit C section 3, "*Agreement number must be identified on every claim and back-up document submitted for reimbursement.*"

Effect

Issues noted result in non-compliance with the Agreements and can lead to potential claims against the wrong Agreements.

Recommendation

DHA should make sure that the correct agreement number is on the ECF support before processing the claim payments.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance. DHA will also ensure requested ECF support has the necessary information prior to processing the claim.

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Agreed-Upon Procedures
 Current Findings and Recommendations

3b - Missing Support for Application Fee

Condition

During our testing of individual claims, SSHH was unable to provide supporting documents for the claimed application fees for two selections of \$50 in June 2019 and \$35 in June 2020 for a total of \$85 against the Homeless Outreach and Navigation Services program Agreements SSHH-03-19 and SSHH-03-20. We also noted SSHH was unable to provide support for \$78.86 in March for utilities for the Flexible Supporting Rehousing Program Agreement SSHH-04-20. These three (3) exceptions out of sixty (60) selections are questioned costs.

Project	Agreement Number	Questioned Costs		Total Claim Tested	Unsupported Claims
		Number of Exceptions	Number Tested		
Homeless Outreach and Navigation Services	SSHH-03-19 & SSHH-03-20	2	30	\$ 35,962.14	\$ 85.00
Flexible Supporting Rehousing Program	SSHH-04-20	1	30	58,181.15	78.86
Total		3	60	\$ 94,143.29	\$ 163.86

Criteria

Per section 23 part F of Agreement SSHH-03-19 "*SSHH shall maintain for four years following termination of this agreement full and complete documentation of all services and expenditures associated with performing the services covered under this agreement.*"

Per section 23 part D of Agreement SSHH-03-20 "*SSHH shall maintain for five years following termination of this agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement.*"

Per section 21 part D of Agreement SSHH-04-20 "*SSHH shall maintain for five years following termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this agreement.*"

Effect

No supporting documents were provided for the total claim amount of \$163.86. As such,

County of Sacramento
 Department of Human Assistance (DHA)
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 Fiscal Monitoring Agreed-Upon Procedures
 Current Findings and Recommendations

we consider the \$163.86 claimed as questionable costs. The issue noted results in DHA not being able to verify the allowable expenses charged to the Agreements.

Recommendation

We recommend DHA follow up with SSHH's compliance with the Agreements record retention policy and maintain records of all expenses for the required time period.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims. Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance.

3c – Email Claim Submissions

Condition

During our procedures, we noted eight (8) instances out of 25 claim submittals where the claim email from SSHH was submitted late. We also noted one (1) instance where the claim email from SSHH was submitted to the incorrect email address. SSHH lacks specific internal controls for submitting claims. Please see Finding 1a.

Late Email Submissions				
<u>Program</u>	<u>Agreement</u>		<u>Submission Due Date</u>	<u>Submission Date</u>
	<u>Number</u>	<u>ECF Month/Year</u>		
Home Safe Navigation	SSHH-06-20	August 2019	September 16th, 2019	November 4th, 2019
Flexbile Supporting Rehousing Program	SSHH-04-18	August 2018	September 10th, 2018	September 20th, 2018
Flexbile Supporting Rehousing Program	SSHH-04-20	August 2019	September 10th, 2019	October 15th, 2019
Homeless Outreach and Navifation Services	SSHH-03-18	August 2018	September 17th, 2018	October 25th, 2018
Homeless Outreach and Navifation Services	SSHH-03-20	August 2019	September 16th, 2019	December 12th, 2019
Full Service Rehousing Shelter	SSHH-01-19	August 2018	September 17th, 2018	September 28th, 2018
Full Service Rehousing Shelter	SSHH-01-19	June 2019	July 15th, 2019	July 16th, 2019
Full Service Rehousing Shelter	SSHH-01-20	August 2019	September 16th, 2019	December 21st, 2019

Criteria

Per Exhibit C section 3 for Agreements SSHH-01-19, SSHH-01-20, SSHH-03-18, SSHH-03-19, SSHH-03-20, SSHH-05-20, and SSHH-06-20, "*All claims and monthly reports must be submitted by the fifteenth (15th) day of the month following the claim period.*"

Per Exhibit C section 3 for Agreements SSHH-01-19, SSHH-01-20, SSHH-03-18, SSHH-03-19, SSHH-03-20, SSHH-05-20, and SSHH-06-20, "*Electronic Claims must be submitted to DHA-Contracts@saccounty.net.*"

County of Sacramento
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Sacramento Self Help Housing (SSHH)
Fiscal Monitoring Agreed-Upon Procedures
Current Findings and Recommendations

Per Exhibit C section 3 for Agreements SSHH-04-18 and SSHH-04-20, "*ECFs must be submitted to: FHP-Invoices@saccounty.net by the 10th of each month, or the first working day thereafter, if the 10th falls on a non-working day*"

Effect

Issues noted result in non-compliance with the Agreement and can lead to a delay in reimbursement.

Recommendation

We recommend DHA follow up with SSHH regarding adherence to the invoice claims policy.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims. Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance.

4. GENERAL LEDGER

4a - Differences between the Submitted ECF and General Ledger

Condition

During our procedures, we noted multiple differences between SSHH's ECF and the general ledger. Please see Schedule I *Schedule of Budget vs Claimed Costs and Questioned Costs*. The differences are in the tables on the following page.

County of Sacramento
 Department of Human Assistance (DHA)
 Sacramento Self Help Housing (SSHH)
 Fiscal Monitoring Agreed-Upon Procedures
 Current Findings and Recommendations

Homeless Outreach and Navigation Services SSHH-03-18

Line Item	a ECF Claimed Amount	b G/L Amount	a-b Over	b-a Under	Net
Indirect Costs	\$804.07	1,025.58		221.51	(\$221.51)
Total				221.51	(\$221.51)

Homeless Outreach and Navigation Services SSHH-03-20

Line Item	a ECF Claimed Amount	b G/L Amount	a-b Over	b-a Under	Net
Salaries & Benefits	\$12,606.78	11,513.42	1,093.36		\$1,093.36
Indirect Costs	2,841.12	3,754.67		913.55	(913.55)
Total			\$1,093.36	913.55	\$179.81

Full Service Rehousing Shelter SSHH-01-20

Line Item	a ECF Claimed Amount	b G/L Amount	a-b Over	b-a Under	Net
Salaries & Benefits	\$224,903.65	222,964.29	1,939.36		\$1,939.36 (1)
Program Costs	209,724.24	202,096.43	7,627.81		7,627.81 (1)
Indirect Costs	5,575.54	6,713.85		1,138.31	(-1,138.31)
Total			\$9,567.17	1,138.31	\$8,428.86

(1) Amounts in this line item are made up of totals from August 2019, March 2020, and June 2020.

Flexible Supporting Rehousing Program SSHH-04-20

Line Item	a ECF Claimed Amount	b G/L Amount	a-b Over	b-a Under	Net
General Housing Fund Assistance	\$180,313.97	178,990.40	1,323.57		\$1,323.57
HSP	2,108.07	2,117.25		9.18	(9.18)
Total			\$1,323.57	9.18	\$1,314.39

Cumulative Line Items with Differences Between ECF and General Ledger Totals

Total	ECF Claimed Amount	G/L Amount	Over	Under	Net
Total	\$638,877.44	629,175.89	11,984.10	2,282.55	\$9,701.55

Criteria

Accurate records need to be kept to avoid over or under claiming DHA.

Effect

Claiming more than the general ledger makes the amount claimed a questioned cost as there is no support for any amount over the general ledger. The issue noted results in DHA not being able to verify the amount claimed. We consider the total amount claimed over the general ledger of \$11,984.10 as a questioned cost.

County of Sacramento
Department of Human Assistance (DHA)
Sacramento Self Help Housing (SSHH)
Fiscal Monitoring Agreed-Upon Procedures
Current Findings and Recommendations

Recommendatio

We recommend DHA have SSHH reconcile the general ledger to the claim form before submission to avoid over or under claims. DHA should follow up with SSHH to resolve the \$11,984.10 questioned cost.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA they have updated their policies and procedures including developing a guide as well as a checklist for preparing and submitting claims Per SSHH, monthly ECFs are now reviewed by program directors and the CFO to ensure their accuracy and completeness prior to submission. DHA will review the updated policies once received to ensure SSHH is in compliance. DHA will follow up with SSHH to resolve the questioned cost.

5. COST ALLOCATION

No exceptions noted.

6. FUNDING SOURCES

No exceptions noted.

7. OTHER

Delay in Fiscal Monitoring

Condition

We started this fiscal monitoring agreed-upon procedures with SSHH in November 2020 and it has taken 9 months due to delays from SSHH. Fieldwork was scheduled to start in January and was eventually moved back multiple times to April. After two weeks of fieldwork in April were wrapped up, our fieldwork was delayed again multiple times until eventually resuming in June. SSHH has not responded to the fiscal monitoring requests in a timely manner.

Criteria

Per Exhibit C, section 3 for all Agreements "*Contractor (SSHH) shall keep documentation to substantiate all charges for line items claimed on the ECF. Documentation shall be made available to DHA upon request, or provided to an auditor in case of an audit within 5 business days.*"

County of Sacramento
Department of Human Assistance (DHA)
Sacramento Self Help Housing (SSHH)
Fiscal Monitoring Agreed-Upon Procedures
Current Findings and Recommendations

Effect

Issues noted result in non-compliance with Agreements. This also delays DHA's review of compliance with the Agreements.

Recommendation

SSHH should respond to any audit and fiscal monitoring requests promptly and provide the requested documentation within five (5) business days in accordance with the Agreements.

DHA Management Response

DHA acknowledges the finding and had a meeting with SSHH in conjunction with DOF to discuss DOF's recommendation. SSHH notified DHA the delay is due to CFO changes as well as difficulties brought on by the pandemic. In May 2021, SSHH hired a new CFO. Per SSHH, the CFO has restructured the accounting team and made significant process changes which will not only ensure the accuracy and completeness of the ECFs but also to improve the timeliness of the preparation and submission of the ECFs.