Solano County Health & Social Services Department

Mental Health Services
Public Health Service
Substance Abuse Services
Older & Disabled Adult Services

Patrick O. Duterte, Interim Director

Employment and
Eligibility Services
Children's Services
Administrative Services

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August 18, 2014

Honorable E. Bradley Nelson
Presiding Judge of the Superior Court
Hall of Justice
Department 4, Room 306
600 Union Avenue
Fairfield, CA 94533

The Honorable Judge Nelson,

Re: Response to Grand Jury Report of June 24, 2014 – Fund 173 – Clear as Mud

Pursuant to Penal Code sections 933(c) and 933.05, the Solano County Department of Health and Social Services responds to Findings 4, 5, 7, 9, and 10 and Recommendations 4(a-c), 5(a-c), 7, 9, and 10 contained in the 2013/2014 Grand Jury Report of June 24, 2014 titled Fund 173 – Clear as Mud.

Finding 4
Health & Social Services has been lacking in accountability for the Housing & Urban Development and Community Service Block Grant vendor claims by not ensuring that the claims submitted were valid, viable and authorized under the terms of the Grants.

Response to Finding 4
Health & Social Services disagrees with this finding because the CAP Solano JPA staff was responsible for managing the contacts and grants associated with the Housing & Urban Development and Community Service Block Grants. Once it was determined that an issue existed, Health and Social Services did work with the Housing and Urban Development providers until a resolution was found. Health and Social Services had no authority regarding the Community Service Block Grants because the recipient of those funds was the CAP Solano Inc. (Non-Profit) as staff to the Cap Solano JPA.

Recommendation 4a
Health & Social Services comply with accounting and report requirements mandated by State and Federal entities. A compliance officer(s) should be appointed to oversee all Grant matters.

Response to Recommendation 4a
Health and Social Services: Health and Social Services partially agrees because the Department does comply will accounting and reporting requirements mandated by the State and Federal Government. However, a compliance officer is not required to oversee grants. Oversight of grants can be performed by an analyst or program manager.

Recommendation 4b
Health & Social Services should actively involve itself with the Solano County Community Action Partnership Joint Powers Authority Board as outlined in the Memorandum of Understanding.

Response to Recommendation 4b
Health and Social Services: Health and Social Services agrees with the recommendation and has been actively involved the Assistant Director of Health and Social Services was appointed to the CAP Solano JPA Board on April 22, 2014.

Recommendation 4c
Health & Social Services Department Head, or their designee, work with Community Action Partnership of Solano – JPA to implement the recommendations to strengthen the Continuum of Care as outlined by the HomeBase Report.

Response to Recommendation 4c
Health and Social Services: Health and Social Service agrees and has been working with the CAP Solano JPA and the Continuum of Care Membership to develop a unified Cap Solano JPA / Housing First Solano COC Board to collaborate on homeless issue.

Finding 5
Memorandum of Understanding between Health & Social Services and Solano County Community Action Partner Joint Powers Authority which was for a five year period has an expiration date of June 13, 2014.

Response to Finding 5
Health and Social Services: Health and Social Services agrees with the finding that the Memorandum of Understanding expires on June 13, 2014.

Recommendation 5a
Health & Social Services not enter into a new Memorandum of Understanding with Solano County Community Action Partnership of Solano – Joint Powers Authority until all issues regarding deficit repayment are resolved.

Response to Recommendation 5a
Health and Social Services: Health and Social Services agrees with the recommendation and does not intend to propose a new Memorandum of Understanding with Solano County Community Action Partnership - Joint Powers Authority until all issues regarding deficit repayment are resolved.

Recommendation 5b
Any new Memoranda of Understanding address deficits, deficiencies, responsible parties and corrective actions which are needed to be in compliance with the Memorandum of Understanding.

Response to Recommendation 5b
Health and Social Services: Health and Social Services partially agrees with the recommendation any new Memoranda of Understanding needs to be transparent and have accountability explicitly described; however, the expired memorandum of understanding did have components to address responsible parties and deficits.

Recommendation 5c
Any new Memorandum of Understanding entered into be limited to a two-year period

Response to Recommendation 5c
Health and Social Services: Health and Social Services partially agrees with the recommendation any new Memoranda of Understanding needs to be reviewed annually.

Finding 7
A dual relationship exists amongst the Board Members of the Joint Powers Authority Community Action Partnership of Solano and Community Action Partnership of Solano, Inc.

Response to Finding 7
Health & Social Services agrees with this finding; however, any members on the Joint Powers Authority represent their respected entity, any member on the incorporated non-profit board sit as an individual.

Recommendation 7
No one serve on the Joint Powers Authority Board who is concurrently serving on the Community Action Partnership of Solano, Inc. Board of Directors nor serve on any successor Agency involved with Community Action Partnership of Solano-Joint Powers Authority.

Response to Recommendation 7
Health and Social Services: Health and Social Services partially agrees with the recommendation; however, Health and Social Services does not have the authority to enforce this recommendation. On July 14, 2014 the Members who were a part of the CAP Solano JPA and also Members of the CAP Solano Inc. (Non – Profit) resigned from the CAP Solano Inc. (Non-Profit).

Finding 9
The deficit existing in Fund 173 of $322,767.77, plus interest, is owed and acknowledged by Community Action Partnership of Solano-Joint Powers Authority. This amount remains outstanding and unpaid.

Response to Finding 9
Health & Social Services: Health and Social Services partially agrees with this finding; because, on June 24, 2014 the Board of Supervisors took action to write off $102,178 of uncollectable Housing and Urban Development Audit exceptions and

disallowed cost from Caminar Inc. Youth & Family Services and Vacaville Social Services. Thus, reducing the deficit to $220,000; also the FY2013/14 payment of $86,975 due the CAP Solano JPA for is being credited to the remaining $220,000 deficit which reduces the debt to $133,025. The Auditor Controller and County Administrator's Office are continuing to pursue a repayment with the Cap Solano nonprofit who provides staff support to the CAP Solano JPA for the remaining balance owed.

Recommendation 9
The Solano County Board of Supervisors (or its designee) aggressively pursues collection of these taxpayer funds with public notification following collection and/or resolution of this matter.

Response to Recommendation 9
Health & Social Services: Health and Social agrees with this recommendation and on June 24, 2014 recommended the Board of Supervisors take the action described in Response to Finding # 9.

Finding 10

The shortfall on June 30, 2009 totaled $208,275.84 (post-audit). The data shows the deficit trend continued until October 3, 2012 when the taxpayer backed Fund 173 shortfall had grown to $742,675.42 (pre-audit).

Response to Finding 10
Health & Social Services: Health and Social Services partially agrees with this finding; because Health and Social Services has working with the Auditor Controller Office and HUD grant recipients to collect the outstanding accounts receivables and reduce the shortfall.

Recommendation 10

Solano County hires compliance officers and audit staff to ensure this type of extended deficit situation does not recur in the future in this or in any similar funds.

Response to Recommendation 10
Health & Social Services: Health and Social Services partially agrees this recommendation because Health and Social Services does have compliance officers and fiscal staff; however, Fund 173 is a separate fund and was not under the oversight of Health and Social Services.

Respectfully,

Patrick Duterte, Interim Director
Solano County Health & Social Services

cc: Birgitta Corsello, County Administrator
Clerk of the Board of Supervisors
Grand Jury Office