



AUDIT OF ULSTER COUNTY CORPORATE COMPLIANCE PROGRAM

**Office of the
Ulster County Comptroller
March S. Gallagher**





ULSTER COUNTY OFFICE OF THE COMPTROLLER

AUDIT OF ULSTER COUNTY CORPORATE COMPLIANCE

comptroller.ulstercountyny.gov

Released August 2024

Objectives

1. Assess the adequacy and appropriateness of the County's policies and procedures related to corporate compliance, including but not limited to legal and regulatory requirements, code of conduct, and ethical guidelines.
2. Evaluate the implementation and enforcement of compliance policies and procedures across various departments within the County.
3. Review the training plans and awareness initiatives designed to educate County employees about compliance standards and expectations.
4. Examine the methods and processes in place for reporting and addressing compliance concerns, including the effectiveness of the County's anonymous reporting mechanisms.
5. Assess the monitoring and auditing of compliance activities to ensure adherence to policies and regulations.
6. Identify potential areas for improvement and make recommendations to enhance the County's corporate compliance plan.

Executive Summary:

Why this audit is important

Corporate Compliance refers to the commitment to adhere to all relevant laws and regulations applicable to County government. A sound corporate compliance plan uses a risk assessment to develop policies and procedures, then through training and education effectively communicates leadership's commitment to oversight and the enforcement and discipline mechanisms in place. Corporate Compliance is the cornerstone of establishing a culture and environment that values integrity and ethical standards within an organization. The Corporate Compliance plan is intended to be aimed at the protection of taxpayer resources, and the plan needs to be well organized and managed to reduce and prevent risks to Ulster County. Shortcomings in the County's Corporate Compliance plan could leave the County susceptible to theft and/or fraud, and the mishandling of complaints could result in costly litigation.

What we found

We identified that numerous senior management personnel did not complete required Corporate Compliance training. We found the plan to be disjointed with multiple points of entry. We discovered that the Corporate Compliance program encourages the reporting of harassment and other noncompliance personnel matters that did not make it to the Corporate Compliance committee and may not receive appropriate review. The implementation of the plan lacked documentation of appropriate testing, monitoring, and reporting to detect potential issues and implement corrective actions. The auditing and monitoring efforts of the compliance plan do not identify or address all risks. Resolution of these issues could improve the effectiveness of the Corporate Compliance Plan.

What we recommend

1. Senior management should lead compliance training, with consequences for those who don't complete it. Notify supervisors of employees who fail to comply and reward those who do.
2. Assign unique tracking numbers to all compliance complaints. Use an intake form to collect complaints, which can be emailed to the Compliance Officer or Committee. Meeting minutes should track open items.
3. Clearly identify departments and billing processes subject to state and federal compliance laws. Review mandatory departments' plans and supplement risk assessments for potential areas of risk. Expand Committee membership.
4. Consolidate hotlines and communication channels, updating the Compliance Committee to include review of Special Investigations Unit ("SIU") calls and all complaints. Centralize, track, and review all complaints regardless of origin, protecting identities as needed. Ensure timely action on complaints and risk identification.

Background

The goal of Corporate Compliance is to assist an organization in adhering to laws, rules, regulations, standards, or ethical codes that might apply to a service or a transaction. Corporate compliance should encompass internal protocols and practices as well as federal and state statutes to be effective.

Federal funding comes with an obligation to have a corporate compliance plan. Although many corporate compliance plans in New York State counties focus on Medicaid and healthcare billing related fraud, Ulster County's Corporate Compliance Plan is broadly drafted to encompass and capture all potential waste, fraud, and abuse.

Communications to employees, vendors and contractors including letters and workplace posters speak to the breadth of the plan. Ulster County operates a separate call line for Medicaid fraud at the Special Investigations Unit ("SIU") of Department of Social Services ("DSS"). Federal law 42 U.S.C. 1396-a(a) and NY Social Services Law §363-d require that any entity that receives or makes annual payments have a compliance plan. The required elements of a compliance plan are to have:

1. Written policies
2. Designation of a compliance committee who report directly and are accountable to the chief executive or other senior management
3. Effective training
4. Effective lines of communication
5. Well publicized disciplinary standards
6. Routine monitoring and identification
7. System for promptly responding, investigating, correcting, and ensuring ongoing compliance¹

Ulster County has a designated Corporate Compliance Officer who also serves as a Fiscal Officer for the Department of Health. The Compliance Officer works with a Compliance Committee, appointed by the County Executive, and is made up of senior administration officials and department heads including the County Attorney and Personnel Director. The Corporate Compliance Committee meets monthly. In addition to this internal structure, Ulster County has contracted with Bonadio & Co., LLP since the inception of the program in 2012 and under the current contract since 2018 to operate the Corporate Compliance Hotline and advise the County. A Bonadio staff member also serves on the Corporate Compliance Committee in an advisory capacity. In 2023, Ulster County paid Bonadio \$21,250 for these services.

Scope

This audit covered the period of January 1, 2017, through December 31, 2023. Materials reviewed included Corporate Compliance hotline logs, Corporate Compliance Committee minutes, exclusion reports, pre-school and homecare audits, pre-school testing, review of the Standard Operating Procedures in effect for each year, a review of current training materials, and lists of employees that did not meet training requirements.

Findings & Recommendations

Finding 1 - Ulster County's Corporate Compliance training plan could be more effective.

Condition: Senior Management and other staff did not participate in mandatory training. Corporate compliance training is required for all county employees and uses a one size fits all approach with the same training being used for all employees. Review of 2020, 2021, 2022 and 2023 training logs indicated several employees forgo compliance training each year. On September 18, 2023, employees (with County email addresses) were originally asked to complete the training by November 17, 2023. When audit materials were returned on January 24, 2024, 116 employees had not met the training requirements for 2023. While the overall number of employees that neglected to meet training requirements was low, the titles of noncompliant employees included elected officials and senior management across County departments including the Commissioner of Health and Deputy County Executives from the prior Administration. The County Clerk's Office had 100% full training compliance for the entire staff in the years reviewed indicating management commitment to compliance in this department.

[1] Health Care Fraud Prevention and Enforcement Action Team, Office of Inspector General, Health Care Compliance Program Tips available at: <https://oig.hhs.gov/documents/provider-compliance-training/945/Compliance101tips508.pdf>

The training compliance deadline for 2023 was extended to February 29, 2024. At the end of February, 76 employees had still not completed the 2023 training, although 4 of those employees completed the training subsequently.

Effect: Lack of knowledge about the Corporate Compliance Plan prevents its effective administration and creates a risk of noncompliance for Ulster County which could result in litigation and/or have financial ramifications. Ulster County could lose federal or state funding, or insurance coverage for failure to comply with its own Corporate Compliance Plan. Without senior management participating, tone at the top is not set and opportunities for management to improve the compliance training is lost. Extension of the deadline without consequence for timely compliance may undermine future compliance with training requirements.

Cause: There is no consequence for failure to participate in the “mandatory” training. The Comptroller’s Office asked the Administration for the procedures used for employees who do not comply with our required training and received no response. The Compliance Committee minutes from December of 2023 indicate that the Committee is discussing making completion of training a condition of employment in new contract negotiations in 2024.

Criteria: 18 NYCRR 521-1.4(d) The required provider shall establish and implement an effective compliance training and education plan for its compliance officer and all affected individuals. The required provider shall develop and maintain a training plan. The compliance officer and all affected individuals shall complete the compliance training plan required by this subdivision no less frequently than annually. The training plan shall, at a minimum, outline the subjects or topics for training and education, the timing and frequency of the training, which affected individuals are required to attend, how attendance will be tracked, and how the effectiveness of the training will be periodically evaluated. In Ulster County the training is administered by the Personnel Department and overseen by the County Executive.

18 NYCRR §521-1.4 (f) Disciplinary standards. The required provider shall establish disciplinary standards and shall implement procedures for the enforcement of such standards to address potential violations and encourage good faith participation in the compliance plan by all affected individuals.

Recommendation: Management must set the tone for training compliance at the top. Senior management must complete training annually and consequences should be implemented for those employees who do not. A list of employees who fail to complete the training should be shared with supervisors.

Training could be better tailored based on the department. Those departments with Medicaid billing responsibilities should have a deeper level of compliance training. Those departments with tangential responsibilities could have compliance training adjusted as such.

Finding 2 - The corporate compliance process could be more transparent and well documented.

Condition: Procedures used to address complaints obscure information and make cases challenging to track. Calls come into multiple places including the corporate compliance hotline, DSS SIU, the County Executive’s Office and any other department or office of the County. There is no standard intake procedure for handling a complaint, including those about sexual harassment.

The minutes of the Corporate Compliance Committee provide a narrative overview of discussions from past meetings. However, the practice of simply cutting and pasting information into the minutes often masks crucial details regarding the timing and responsibility for addressing corporate compliance matters. This lack of clarity regarding accountability becomes evident in instances such as those documented in the April 2023 and December 2023 minutes, where it is mentioned that the Sexual Harassment Policy is under review by the County Attorney, with a projected kickoff in June 2023. Despite these updates, there appears to be a failure on the part of the Compliance Committee to hold stakeholders accountable for addressing these issues.

Effect: Risks identified, and complaints brought may not reach appropriate disposition. There is a risk of dropping issues and losing track of compliance complaints before final resolution. The documentation of the timeliness of the various stages of a complaint from the initiation to the completion is not being monitored to detect possible weaknesses of the complaint process.

Cause: Compliance Committee minutes for executive sessions do not identify which cases are being discussed or disposed of, which could be done by unique identifier but still protect whistleblower identify if necessary. Minutes for the Compliance Committee use a copy and paste function bringing old reporting and business forward, so it is impossible to determine the time frame of certain activities. For example, see this excerpt from the December 2023 minutes reporting that former Deputy County Executive Chris Kelly was to discuss with the Union the possibility of making mandatory training a condition of employment. Mr. Kelly resigned in November of 2023, however the meeting minutes read as if his efforts were current in December 2023.

Criteria: New York State Social Services Law §363 - d (2)(f) requires establishment and implementation of an effective system for routine monitoring and identification of compliance risks.

Subsection §363-d(2)(g) gives more detail on the aspects of an effective system including the ability to promptly respond to compliance issues, investigate problems, and correct them promptly. Regulatory guidance 18 NYCRR §521-1.4(h) requires that the County establish and implement procedures to respond to compliance issues as they are raised, investigating potential issues and correcting problems promptly. This requires the development of a system for responding to potential cases and issues that includes documentation of investigation.

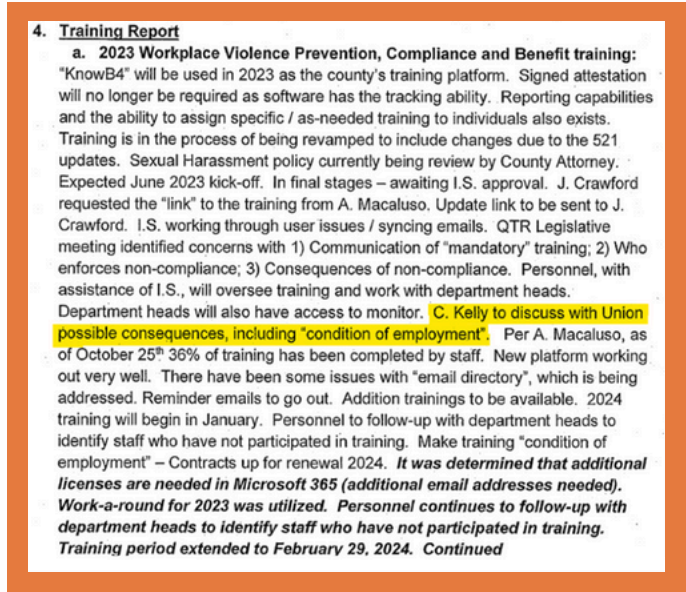
Recommendation: Ulster County should develop a unique tracking number to give every potential corporate compliance complaint. The County could implement a complaint intake form to collect all the necessary information. The form could have an email button to send the complaint to the Corporate Compliance Officer or Committee like the personnel forms used to file a request to fill a position.

Stages of the complaint process should be documented, and the minutes of the Corporate Compliance Committee should discuss current operations and where a follow up item is noted, the current status of open items.

Finding 3 - The auditing and monitoring efforts of the compliance plan could identify and address more risks.

Condition: The Compliance Plan does not have enforcement of compliance plans or testing across all pertinent departments. In response to our audit letter, which sought copies of quarterly reports submitted to the Corporate Compliance Committee from healthcare billing departments for risk mitigation as outlined in page 24, paragraph 4 of the Compliance SOP, the Corporate Compliance Officer only furnished monthly UCDS – Preschool Supportive Health Services Plan Medicaid Voids/Adjustments Reports as evidence of testing. No other department underwent testing, and no departmental plans were submitted.

Effect: Ulster County may not be responding promptly to compliance issues, taking corrective action to address risks, and ensuring that issues are prevented in the future.



Excerpt of December 2023 Corporate Compliance Committee Minutes

Cause: The Corporate Compliance Plan does not clearly identify the departments and processes to which it applies. Departments are not conducting internal risk reviews or providing those reviews to the Corporate Compliance Officer or the Committee. Continuous evaluations and enhancement of the compliance plan is lacking, as feedback or analysis regarding evolving risks and changes in regulations may not be communicated across applicable departments.

Criteria: The Ulster County Corporate Compliance Plan requires departments to develop a plan for conducting compliance reviews and recommendations to the Compliance Officer (for departments that bill Medicaid and other third-party health care payers) or the Commissioner of Finance (for all other departments). The plan must include protocols specific as to the type, frequency and manner of systems testing, according to the Ulster County Standards, Corporate Compliance Procedure, Internal Auditing and Monitoring (page 23). The system must incorporate both internal monitoring and audits, with external audits included where necessary, to assess the organization's adherence to the auditing and monitoring plan's requirements and the overall efficacy of the mandatory provider's compliance plan. Both internal and external compliance audits should prioritize risk assessment. (Reference: 18 NYCRR §521-1.4 (g))

Recommendation: The Corporate Compliance Plan should clearly identify each department and process that triggers corporate compliance responsibilities under state and federal laws. The Corporate Compliance Plan should provide guidance to applicable departments regarding appropriate risk assessments and reporting. The Corporate Compliance Committee should review the departmental submissions that are mandatory corporate compliance adherents and supplement the risk assessments for pre-school and personal care with other potential areas of risk.

Inclusion of a representative from the County Comptroller's Office as the internal auditor and a member of the Legislature as those charged with governance on the Corporate Compliance Committee would bring expertise to the Corporate Compliance Committee in evaluating potential compliance risks for testing. Furthermore, this would bring another perspective when implementing corrective actions to address risks.

Finding 4 - The communication of the plan to stakeholders about how to file complaints is confusing, duplicative, and overly broad.

Condition: The County offers various channels for reporting instances of potential waste, fraud, and abuse. The communication letters and flyers hung in County workspaces indicate that the Corporate Compliance Hotline is a catchall for all concerns including employee misconduct. The DSS SIU hotline is publicly shared as a welfare fraud hotline. In addition to these two hotlines, from time to time, the Comptroller's Office receives tips of waste, fraud and abuse via email, phone, and social media as it can be assumed other offices or units do as well.² As can be seen below, the SIU hotline calls exceed the number of all corporate compliance complaints which come through a variety of channels including the compliance hotline. As of June 14, 2024, the hotline at the Special Investigation Unit still says it is part of "County Executive Michael Hein's anti-fraud, waste, and abuse program." The Comptroller's Office communicated the need for updating on January 11, 2024.

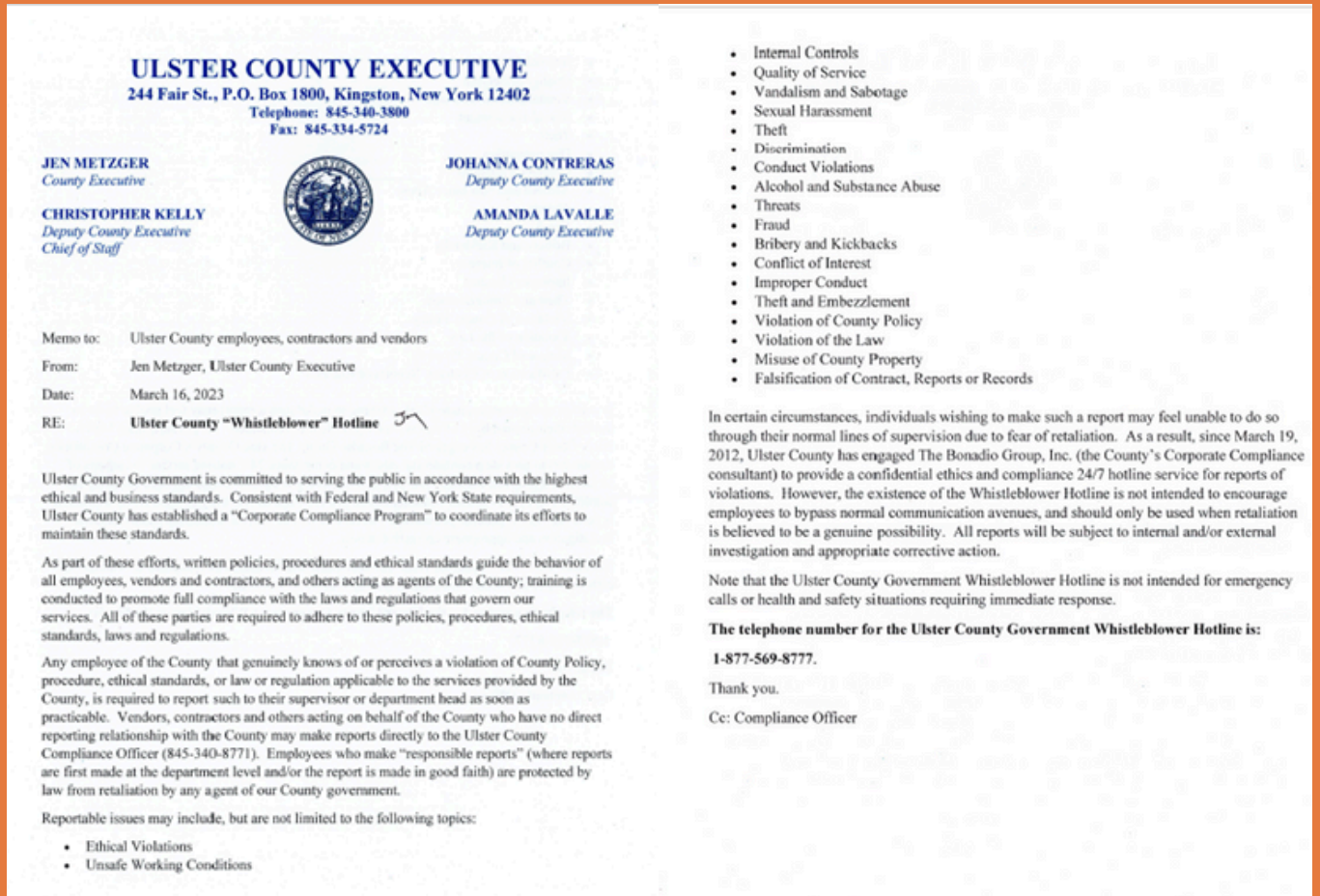
Effect: Users of both the Corporate Compliance Hotline as well as the SIU Hotline may be confused about the appropriate reporting procedure. The County may not be receiving all appropriate tips on potential waste, fraud and abuse, and those complaints that do come in may not be resulting in appropriate organizational responses such as referral for prosecution or tightening of internal controls.

Year	Special Investigation Unit Hotline	Corporate Compliance Complaints
2022	26	11
2021	33	6
2020	39	5
2019	24	6
2018	28	5
2017	43	8

[2] Those concerns that have been compliance-related have been documented and communicated to management in accordance with County of Ulster Standard Operating Procedures "Compliance Program Procedures" (see page 16).



Cause: Upon request for an explanation of the two hotlines, the Administration responded after inquiry that the SIU waste, fraud, and abuse hotline has no connection to the corporate compliance program. "The Department of Social Services Investigation Unit and the County Compliance Hotline are two different things. . . . The intent of the hotline was to provide the residents of Ulster County a way to directly make referrals to our DSS Special Investigations Unit with regard to the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance, Home Assistance & Energy Program (HEAP), Daycare and Medicaid. This is a direct hotline to the DSS SIU unit that solely works to prevent and detect fraud in relation to DSS programs only. This hotline is not set up to take or involved with looking into calls about Corporate Compliance matters."



Criteria: 18 NYCRR §521-1.4(e) requires the County to establish and implement effective lines of communication for its corporate compliance plan. NY Soc Serv §363-d(2)(d) requires the "[e]stablishment and implementation of effective lines of communication, ensuring confidentiality, between the compliance officer, members of the compliance committee, the organization's employees, managers and governing body, and the organizations first tier, downstream, and related entities. Such lines of communication shall be accessible to all and allow compliance issues to be reported including a method for anonymous and confidential good faith reporting of potential compliance issues as they are identified."

Anti-Fraud, Waste and Abuse

Our "Zero Tolerance" Anti-Fraud Waste and Abuse Initiative is an effort of the Ulster County Department of Social Services, with support of the District Attorney, to ensure that those who would abuse the welfare system are identified and prosecuted. Additionally, this effort will make certain that residents receive the benefits they need to help them get back on their feet, while at the same time stressing the County's "zero tolerance" policy against waste, fraud and abuse.

The Department of Social Services has a dedicated Special Investigations Unit (SIU), which is responsible for receiving complaints and referrals of welfare fraud in Ulster County. Their mission is to support the integrity of the full complement of Social Services administered by the Department, including Economics Supports, SNAP (Food Stamps), Medicaid, HEAP and Day Care.

Residents of Ulster County can now help the Special Investigations Unit root out welfare fraud and abuse by contacting Ulster County's dedicated anti-fraud, waste and abuse hotline at (855) SIU-TIPS or (855)-748-8477. Tips from the public can play a vital role in ensuring that only individuals who are eligible for assistance receive it. Your input can help us to prevent, detect and prosecute fraud thus retaining valuable resources to protect the interest of those who are in genuine need.

If you suspect that someone receiving welfare benefits has lied about any of the following:

- Their identity
- Income
- Assets
- Where they live
- Household composition

18 NYCRR 521-1.4(c)(1)(iv) The Compliance Committee must work with the Compliance Officer to ensure the County has effective systems and processes in place to identify compliance plan risks, overpayments and other issues, and effective policies and procedures for correcting and reporting such issue.

Recommendation: The County should consolidate hotlines and communication, revamp the Corporate Compliance Committee to incorporate review of SIU calls and all complaints that come in through other departments. All complaints must be centralized, identified, tracked, and reviewed for outcome by the Corporate Compliance Committee regardless of the origin of the complaint using redaction or assigned case numbers to protect identities where necessary. The Committee should formally engage on the SIU and personnel complaints to ensure they are being addressed, risks are identified, and corrective actions are timely implemented.

Conclusion –

Management must establish a top-down commitment by providing comprehensive training and adopting disciplinary consequences for failure to comply with training.

Ulster County's Corporate Compliance Plan could better identify and address significant risks. The Corporate Compliance Plan should outline and require a testing and monitoring plan from each department subject to mandatory corporate compliance obligations. The Corporate Compliance Committee should review the plans and testing from necessary departments and supplement the risk assessments. The County should consolidate hotlines and communication, revamp the Corporate Compliance Committee to incorporate SIU calls and complaints that come in through other departments.

Ulster County's Corporate Compliance Plan does not have transparent complaint and issue tracking which can allow things to fall through the cracks. All complaints must be centralized, identified, tracked, and reviewed for outcome by the Corporate Compliance Committee, which needs to include Legislative and Comptroller representation to assist in identifying, monitoring, and addressing risks, as well as ensuring good lines of communication and a streamlined approach to fielding complaints with the addition of independent voices on the Committee. Additionally, regular substantive reporting of the closure of complaints, risk identified, and the implementation of corrective actions must be included in meeting minutes at the very least. Ulster County should develop a transparent method for monitoring and submitting complaints to the corporate compliance system, ensuring clear tracking of individual complaints.

****Management's Response**

Management's response to our recommendations will be included at the end of our report. If there are factual errors or incorrect information we will notate these items in the last paragraph of our report.

ULSTER COUNTY CORPORATE COMPLIANCE OFFICER
244 Fair St., P.O. Box 1800, Kingston, New York 12402
Telephone: 845-340-8771



To: March Gallagher, Ulster County Comptroller
From: Thomas Gibney, Corporate Compliance Officer
Jamie Capuano, Deputy County Executive
CC: Corporate Compliance Committee
Re: Corporate Compliance Audit
Date: July 24, 2024

MANAGEMENT RESPONSE

On April 4, Comptroller Gallagher provided a draft Corporate Compliance Audit for management review and comment. The original audit was subsequently retracted by the Comptroller's Office due to factual errors and other issues and replaced with the draft audit issued on July 1, 2024.

See Note 1

The Compliance Committee welcomes rigorous review and suggestions for improvement and intends to implement several of the audit's recommendations, as discussed below while offering further corrections to some of the data and analysis.

**1. "Ulster County's Corporate Compliance Training Plan could be more effective."
RESPONSE:**

The audit examined completion rates for annual compliance trainings by the County's more than 1,400 employees. The audit period covers January 2017 through December 2023, yet the draft does not review completion rates over time. There has actually been notable improvement this year over previous years, thanks to the introduction in 2023 of a new online training module (discussed further below).

The audit states that "Deputy County Executives from prior administrations" did not complete the training but fails to mention that all three Deputy County Executives in the current administration

completed the training in 2023. The audit states that “senior management across County Departments” neglected to complete the training, when all but two of 27 Department Heads completed the training in a timely manner. (The audit also incorrectly states that the Commissioner of Health did not complete the training in 2023.) The audit correctly points out that many elected officials did not complete the training, and the County Executive will communicate with all elected officials directly on the importance of completing all compliance trainings.

See Note 2

2023 saw the introduction of the KnowBe4 training, an online training module that tracks completion and provides email notification reminders. Initiated in September 2023, the KnowBe4 training module modernized the County’s training platform, improved program participation, and enabled more accurate record-keeping. However, some employees experienced difficulty accessing the new system. A technical fix was implemented, and the deadline for completing the 2023 training was extended to February 2024. The actual completion rate for the training year was 95%, and the number of employees who did not complete the training was cut by nearly half from 2022 (76, down from 143). The Compliance Committee continues to strive to achieve a 100% compliance training rate and recognizes that a one-size-fits-all approach may not be appropriate for all employees. The Compliance Committee is reviewing options to expand offerings to include in-person training sessions, in addition to the online training option, to accommodate employees working in diverse work settings.

The Comptroller’s draft audit recommends that a list of employees who fail to complete the training should be shared with supervisors. Management agrees with this recommendation. The Comptroller also recommends that employees who complete training should be rewarded. Management does not agree with this recommendation. Training is mandatory and the Corporate Compliance Committee will continue to work with supervisors to improve training compliance.

**2. “The Corporate Compliance process could be more transparent and well documented.”
RESPONSE:**

The Compliance Officer receives reports of compliance issues through various means (verbally, through email, and through the Compliance Hotline). All reports are documented and recorded on the Compliance Issue Log with the date of the report, source of the report, type of issue/concern, program/department, a summary of the reported issue, the reported issue’s details, and the report’s status. The Compliance Issue Log provides a chronological record of all compliance reports dating back to February 2012. The Log is reviewed by the Compliance Committee at each Committee meeting in executive session and the status is documented. Compliance Issues are left open until resolved and/or corrective actions are implemented. To comply with 18NYCRR Part 521 revisions (effective 12/28/2022), the Compliance Officer reviews the Compliance Log with the County Executive and Chairperson of the Legislature.

Compliance Hotline calls are recorded and transcribed by the Bonadio Group onto the Compliance Hotline Issue Report Form. This form is emailed, with password protection, to the Compliance Officer and County Attorney representative on the Compliance Committee for their review. The Bonadio Group consultant also receives the transcribed Compliance Issue Report Form and

follows up with the Compliance Officer on the course of action. Bonadio personnel will respond to the hotline call if contact information is provided, with confirmation of receipt of the call and an explanation of the process. The Report is added to the Compliance Issue Log maintained by the Compliance Officer and is presented to, and reviewed by, the Compliance Committee during the monthly Compliance Committee Meeting.

The Compliance Committee agrees with the Comptroller's recommendation and has implemented a unique tracking number for all compliance complaints. An intake form, called the Compliance Issue In-Take Form, is already in place to track compliance complaints by both the Bonadio Group and the Corporate Compliance Program. Meeting minutes currently do track open items, contrary to what is stated in the audit.

3. "The auditing and monitoring efforts of the compliance plan could identify and address more risks."

RESPONSE:

The Standard Operating Procedures outline the billing processes that fall under the purview of the Corporate Compliance Program, as defined by the New York State Office of the Medicaid Inspector General. However, the Compliance Committee agrees that a more detailed listing of departments that fall under this definition could be helpful.

4. "The communication of the plan to stakeholders about how to file complaints is confusing, duplicative, and overly broad."

RESPONSE:

The Compliance Program's Standard Operating Procedures provide clear, consistent, and concise procedures for reporting compliance-related concerns. The Comptroller's audit recommends consolidation of two hotlines--the Special Investigation Unit hotline and the Corporate Compliance hotline. It is important to note the distinction between these two hotlines.

The Corporate Compliance hotline is an internal compliance mechanism, providing a confidential method to report non-compliance with laws and regulations within the County government or by a County vendor.

The Special Investigation Unit (SIU) is a hotline for members of the public to report potential fraud by recipients of public benefits. Currently, federal law requires that each social service district establish an internal Front-End Detection System (FEDS) to investigate potential fraud in regard to Temporary Assistance (TA) for all Family Assistance and Safety Net applications. While the Special Investigation Unit hotline is not specifically mandated, it provides a way for members of the public to report potential fraud in regard to benefits.

The Comptroller's website similarly provides a means for the public to report fraud directly to her office through a survey feature under the "contact" tab. In the event the SIU receives a referral that alleges noncompliance by an employee in connection with processing an application or

making an eligibility determination, it is standard operation procedure for this referral to be shared with the Corporate Compliance Committee.

The Comptroller's audit recommends that personnel complaints should be brought to the Corporate Compliance Committee; however, personnel matters fall outside the scope and purview of the Corporate Compliance Program.

See Note 3

Conclusion:

The Corporate Compliance Committee remains dedicated to ensuring the integrity of the Corporate Compliance Program and welcomes recommendations to improve its effectiveness. The Committee embraces the audit's constructive recommendations while also correcting inaccuracies in the audit's analysis.

Comptroller's Response to Management Comment

[1] The Administration originally requested that our Office completely withdraw this audit, despite accepting some of the recommendations. We decided instead to accept some of the changes proposed and redact portions of the original report. The adoption of the recommendations in this audit are critical for transparency and accountability. The April version of the audit identified an incorrect number of corporate compliance cases each year. This error occurred because there is no unique tracking mechanism for complaints and the original chart summarizing complaints by year included both complaints that came through the hotline as well as complaints received through other sources. The other issue that required further review was the potential that materials discussed in the draft could pose a legal liability for the County. In the interest of preventing a potential legal liability for the County, we have chosen to remove those findings and recommendations.

[2] In summarizing the failure to complete required trainings by certain staff we originally opted to be vague in reporting employee names and specific years of compliance. We would like to clarify that, as the Administration has stated, the Commissioner of Health did complete the required 2023 training. The audit does not state that the Commissioner of Health did not complete the training in 2023, although we do understand Management's confusion, as the sentence addressing the Commissioner's failure to complete trainings comes immediately after a sentence discussing 2023 trainings. The fact that the audit was trying to convey was that the Commissioner of Public Health did not complete the mandatory compliance training in 2020 or 2021 and completed the 2022 training late on 1/25/23. We also note that the Commissioner of Mental Health also had not completed the 2023 training as of the date materials for the audit were provided on 1/24/24.

[3] Complaints are routinely diverted from the Corporate Compliance Committee as 'personnel matters.' To the extent that the Compliance Officer, County Attorney, and Director of Personnel are determining what should or should not go before the Committee, the Committee is not seeing a complete and accurate picture of items that complainants are alleging are compliance issues. We recommend that the decision as to what is a compliance matter should be decided by the full committee rather than behind closed doors by two of the Administration's appointed employees.