



Office of the City Manager

CONSENT CALENDAR
June 29, 2021

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing and Community Services

Subject: Contract No. 31900254 Amendment: Easy Does It to Provide Emergency Disability Services and Audit Recommendation Update for Fiscal Year 2022-2023

RECOMMENDATION

Adopt a Resolution approving an amendment to Contract No. 31900254 to continue funding for Easy Does It (EDI) for Fiscal Year (FY) 2022 and FY 2023 in the amount of \$1,432,011 using Measure E funds to provide emergency disability services, as long as EDI continues to demonstrate progress towards resolving the audit findings.

FISCAL IMPACTS OF RECOMMENDATION

This recommendation would continue to fund EDI for FY 2022 and FY 2023 (July 1, 2021 to June 30, 2023) using Measure E funds. This continued funding aligns with the Housing and Community Service's Community Agency Request for Proposal (RFP), at which time, Measure E funds will again be included in the RFP.

CURRENT SITUATION AND ITS EFFECTS

EDI has a contract with the City to provide emergency disability services through June 30, 2021. EDI receives nearly all of its funding through Measure E, which is a special tax that creates an essential revenue stream for funding specialized emergency care for the severely physically disabled.

The current contract with EDI requires that the agency implement and sustain the recommendations from the May 1, 2018 report from the City of Berkeley Auditor, [*Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons*](#) (Attachment 2).

EDI has made progress toward implementing the recommendations from the audit, as documented in Attachment 3. Out of the 15 recommendations that apply to EDI, the City has agreed that three have been fully implemented, partially agreed that nine have been implemented, and disagreed that three of the recommendations have been implemented. Please reference Attachment 3 for the full list of audit recommendations that will be included in the FY 2022 and FY 2023 EDI contract amendments. EDI has

demonstrated a commitment to addressing the audit findings and while they are not all complete, progress has been made.

HHCS will continue to monitor EDI's progress through standard quarterly community agency program reports, as well as specific audit recommendation implementation updates that will require documentation of agency implementation.

BACKGROUND

On May 1, 2018, the City Auditor submitted its report, [*Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons*](#) with recommendations to assist EDI in complying with its City grant agreement and strengthening its oversight and management of taxpayer money. According to a memo from the Auditor dated May 21, 2019, EDI had made little progress implementing the audit recommendations from the 2018 audit. The memo suggested that HHCS include the audit recommendation language in the EDI contract. HHCS is continuing to monitor continued progress on the audit recommendations and attaching updates to the annual amendment.

In the "Other Requirements" section of Exhibit A of EDI's contract, it notes that, as a condition of this contract and future funding, EDI will implement the audit recommendations. This requirement will remain in their contract until the recommendations have been implemented and sustained as evidenced by the appropriate documentation.

ENVIRONMENTAL SUSTAINABILITY

There are no environmental impacts associated with the recommendations in this report.

RATIONALE FOR RECOMMENDATION

EDI provides critical services to severely physically disabled people, and by implementing and sustaining the auditor's recommendations, EDI will be in good standing to continue providing those valuable services with funding from the City of Berkeley and Measure E.

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions were considered for this recommendation.

CONTACT PERSON

Mary-Claire Katz, Associate Management Analyst, HHCS, (510) 981-5414

Attachments:

- 1: Resolution
- 2: Auditor report, "*Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons*"
- 3: Easy Does It Audit Findings and Recommendations Responses

RESOLUTION NO. ##,###-N.S.

FISCAL YEAR 2022 – 2023 EASY DOES IT CONTRACT AMENDMENT AND AUDIT
RECOMMENDATION UPDATE

WHEREAS, the City of Berkeley and Easy Does It (EDI) previously entered into Contract Number 31900254, dated October 9, 2019 which Contract was authorized by the Berkeley City Council by the City Manager of the City of Berkeley; and

WHEREAS, on June 30, 2020 by Resolution No. 69,483-N.S., the Berkeley City Council authorized amendment of said Contract; and

WHEREAS, EDI has demonstrated a commitment to, and has made advances in addressing the audit findings and unresolved audit findings will be carried over into subsequent amendments of this contract; and

WHEREAS, the contract amendment with EDI will continue to stipulate that any outstanding recommendations from the May 1, 2018 report from the City of Berkeley Auditor, [Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons](#), must be implemented and that if EDI does not satisfactorily implement and sustain the audit recommendations, the City reserves the right to not recommend continued funding to EDI and may release a new request for proposals for Measure E funds.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City of Berkeley continue to fund EDI for FY 2022 (July 1, 2021 to June 30, 2022) in the amount of \$1,432,011 and FY 2023 (July 1, 2022 to June 30, 2023) using Measure E funds (Budget Code: 107-51-504-530-0000-000-4444-636110-) as originally adopted on October 9, 2019 by Resolution No. 69,010-N.S.

BE IT FURTHER RESOLVED that the City Manager or her designee is authorized to amend EDI's contract (No. 31900254) for FY 2022 (July 1, 2021 to June 30, 2022) in the amount of \$1,432,011 and FY 2023 (July 1, 2022 to June 30, 2023) as long as EDI continues to demonstrate progress towards resolving the audit findings. A record signature copy of said agreement and any amendments shall be on file in the office of the City Clerk.



Office of the City Auditor

Attachment 2

CONSENT CALENDAR

May 1, 2018

To: Honorable Mayor and Members of the City Council
From: Ann-Marie Hogan, City Auditor
Subject: Audit Report: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons

RECOMMENDATION

Request that the City Manager report back by May 7, 2019, and annually thereafter, regarding the status of recommendations until reported fully implemented by EDI.

FISCAL IMPACTS OF RECOMMENDATION

Easy Does It received \$1.17 million in Measure E special tax grant funding from the City of Berkeley in fiscal year 2017. Measure E creates an essential revenue stream for funding specialized emergency care for the severely physically disabled. If the funds are used incorrectly, the City risks losing taxpayer confidence to support the tax. It is vital, therefore, to take precautions to safeguard the money and use it as taxpayers intended.

CURRENT SITUATION AND ITS EFFECTS

Significant deficiencies in Easy Does It (EDI) operations left the agency unable to show that it had used taxpayer money as voters intended; deficiencies also put the funds at risk of theft. EDI's client data and records were unclear or missing, and its payroll records included discrepancies considered fraud indicators. However, EDI management demonstrated a commitment to serving the Berkeley community and to making positive changes, including establishing the procedures necessary to demonstrate compliance with Measure E funding requirements and to mitigate fraud risks. Making those changes will take time and will require leadership from board members who will be more involved in strategic planning, policy formation, financial planning and oversight, resource development, program review, and dispute resolution

Measure E does not allow for use of the tax revenue for City administrative costs; the City's General Fund support of staff monitoring community agencies has significantly declined over the years. HHCS reported to the City Council in September 2012 on the department's capacity restrictions, saying it has only a third of budgeted 2001 staffing to support roughly the same community agency program funding portfolio established in 2001. This forced HHCS to reduce administration efforts, resulting in little available time for monitoring Easy Does It activities to safeguard the use of public funds.¹

BACKGROUND

Easy Does It is a small nonprofit organization that provides 24/7 emergency services to Berkeley residents with severe physical disabilities. Services include emergency attendant care, accessible transportation, equipment repair; and on-demand paratransit and case-management services.

Easy Does It entered into a \$1.2 million contract with the City of Berkeley in fiscal year 2017 as part of the City's community agency grants program. The City granted EDI the money to provide services consistent with Measure E and Measure B. The City funded the grant with \$1.17 million of Measure E funds and \$50,000 of Alameda County Measure B funds. Funding also included a one-time contract increase of \$75,000 using Measure E reserves because EDI was not fiscally prepared to respond to Berkeley's mandated minimum wage increases.ⁱⁱ

ENVIRONMENTAL SUSTAINABILITY

Our office manages and stores audit workpapers and other documents electronically to significantly reduce our use of paper and ink. This particular report has no other identifiable environmental effects or opportunities associated with it.

RATIONALE FOR RECOMMENDATION

Implementing our recommendations will assist Easy Does It in complying with its City contract, including Measure E requirements, and strengthening its oversight and management of taxpayer money.

CONTACT PERSON

Ann-Marie Hogan, City Auditor, City Auditor's Office, 510-981-6750

Attachments:

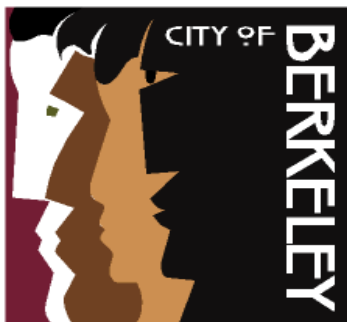
1: Audit Report: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons

ⁱ HHCS Staff Report (9/18/12) available via records online:

<https://www.cityofberkeley.info/recordsonline/search.aspx>

ⁱⁱ City of Berkeley Minimum Wage Ordinance 13.99: <http://www.codepublishing.com/CA/Berkeley/>

City of Berkeley Office of the City Auditor



Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons

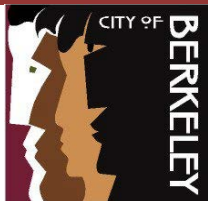
Prepared by:

Ann-Marie Hogan, City Auditor, CIA, CGAP
Claudette Biemeret, Audit Manager, CGAP
Erin Mullin, Auditor I, MPP

Presented to Council May 1, 2018

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City Of Berkeley - Office Of the City Auditor

Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons

May 1, 2018

Purpose of the Audit

Our audit asks the question: Is Easy Does It in compliance with City contract requirements and are they using Measure E and Measure B funds as intended by taxpayers?

Executive Summary

EDI unable to verify compliance with Measure E

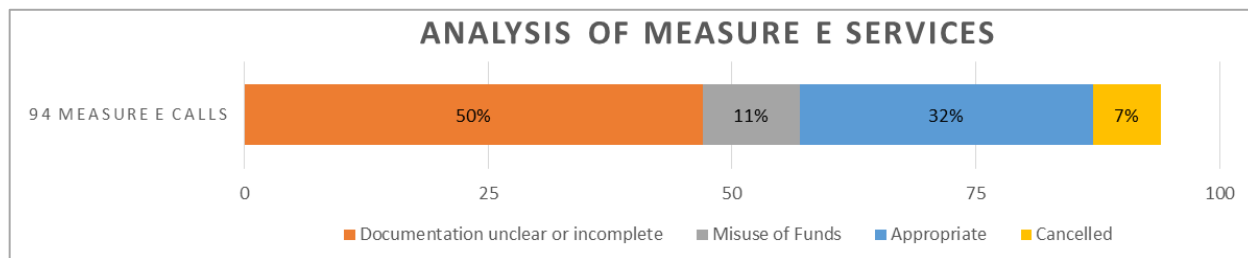
Easy Does It (EDI) provides a vital service to the Berkeley community. The agency delivers critical, on-demand care to severely physically disabled persons. Berkeley’s Measure E tax was designed to secure the funding needed to provide specific emergency services and incidental case-management to these individuals on an as-needed basis. EDI management demonstrated a commitment to the people they serve and a desire to improve services. However, significant deficiencies in operations left the agency unable to show that it had used taxpayer money as voters intended and put EDI at risk of fraud and misuse of Measure E funding.

EDI reliance on Measure E limits scope of services

Over 95%, \$1.2 million, of EDI’s revenue comes from Measure E. This limits the organization to primarily providing services that align with Measure E requirements. Therefore, EDI must implement policies and procedures that ensure it uses Measure E funding as intended. It must also develop a strong, sufficiently skilled board of directors who are able to provide oversight and constructive criticism, and make operational decisions. These changes will take time for EDI to implement but are necessary to ensure continued service delivery.

50% of cases examined lacked sufficient support

We selected 94 EDI cases to examine to verify Measure E eligibility. EDI lacked clear and sufficient support for 47 (50%) of those cases. Another 10 (11%) were for services outside the scope of Measure E, demonstrating a potential pattern of misuse.



Procedures do not ensure EDI captures service data and eligibility information

EDI's intake processes are not designed to evaluate whether service requests meet the criteria of Measure E. Easy Does It also lacks sufficient data-collection procedures: Nearly 25% of the cases recorded to its data system in fiscal year 2017 lacked coding identifying the service provided, further impairing EDI's ability to verify appropriate use of Measure E money.

Payroll processes exposed to fraud risks

There were significant discrepancies in EDI's payroll data and records that we identified as potential fraud indicators. EDI was able to provide explanations for the discrepancies but could not provide documentation supporting all of their assertions. Therefore, we did not conclude on the absence of fraud. EDI's payroll processes require immediate implementation of review practices designed to reduce the fraud exposure.

EDI uses Measure B appropriately but needs to improve its documentation practices

EDI did demonstrate it used Measure B funding as required to deliver on-demand paratransit services in fiscal year 2017. While EDI is using Measure B money appropriately, the agency routinely submitted incomplete forms to the City for funding reimbursement. Per EDI, this was partially due to a lack of communication by City staff about changes to the forms. This led to EDI and City staff spending valuable time tracking down information to substantiate that Measure B vouchers were used appropriately.

EDI's ability to demonstrate Measure B compliance stemmed from the Berkeley Aging Services Division's reimbursement practices that ensure EDI uses the funds correctly. Those practices were not in written guidance but City staff proactively created procedures during the course of this audit.

Recommendations

Easy Does It can move towards compliance and ensure the safeguarding of funding by:

- Developing a strategic plan that includes short- and long-term goals for implementing audit recommendations and other organizational changes needed to sustain operations.
- Cultivating a strong board of directors who will be involved with strategic and financial planning, policy formation, oversight, program review, and dispute resolution.
- Conducting a risk assessment of program and operational processes and establishing sufficient policies and procedures that address those risks and align with funding requirements.
- Creating and enforcing procedures for determining service eligibility and describing processes that allow for funding compliance and protect against fraud and misuse.
- Developing and enforcing streamlined data collection and recordkeeping processes that allow for the analysis of program performance and need, and demonstrate funding compliance.

We provided our recommendations to EDI and HHCS to allow management to begin implementing changes as soon as possible.

AUDIT OBJECTIVE

Is EDI using taxpayer money as intended?

Our audit asks the question: Is Easy Does It in compliance with City contract requirements and are they using Measure E and Measure B funds as intended by taxpayers?

As part of our program to assess the use of special taxes in accordance with voter intentions, we added audits of community agencies to our fiscal year [2017 Audit Plan](#).¹ We specifically chose Easy Does It because it received the second largest amount of City funding compared to all community agencies receiving grants in fiscal year 2017.

BACKGROUND

Easy Does It provides a vital service to the disabled community



Easy Does It is a small nonprofit organization that provides 24/7 emergency services to Berkeley residents with severe physical disabilities. Services include emergency attendant care, accessible transportation, and equipment repair for seniors and people with disabilities. Easy Does It (EDI) also provides on-demand transportation and case-management services. EDI has an office in Berkeley and a repair warehouse in Emeryville.

Disabled community faces health and safety risks without access to on-demand services

EDI's services are essential to the Berkeley community. While there are other non-profits with missions to serve the severely disabled community, Easy Does It is said to be the only organization that provides emergency on-demand services and they have done so for over two decades. Without their services, Berkeley residents with severe disabilities would face increased risks to their health and safety.

Services Provided and Fee Structure

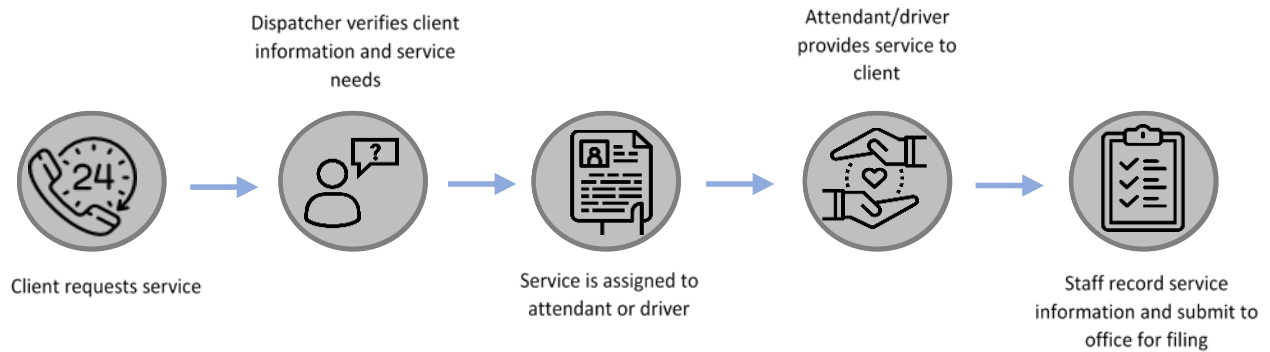
24/7 emergency attendant services available by calling 510-704-2111

EDI delivers emergency attendant care to assist with non-medical personal care, urgent errands, and urgent household needs. EDI specifically provides services on an emergency basis when there is an unforeseen lapse in a severely disabled person's attendant care. EDI is staffed 24 hours a day with dispatchers to take service calls.

¹ City Auditor's Office Fiscal Year 2017 Audit Plan: <http://bit.ly/2017AuditPlan>

Dispatchers identify the client’s needs and assign an on-call attendant to provide the services. Attendants work on-call shifts and at least two are on the schedule at any given time. Some of the typical services EDI provides include transferring clients in and out of bed, bathing, dressing, feeding, toileting, and cooking basic meals.

In addition to attendant care, Easy Does It offers emergency transportation services to assist clients who experience an unforeseen transportation need. Clients call EDI dispatch and dispatchers inform drivers where and when to pick-up and drop-off clients using lift-equipped vans.



Emergency attendant, repair and transportation service delivery model (Icons made by Freepik and Becris from www.flaticon.com)

EDI provides emergency adjustment and repairs; offers loaner program



Easy Does It also provides emergency adjustments and repairs for assistive equipment. EDI runs these services out of its Emeryville warehouse, which is stocked full of wheelchairs, tires, batteries, and a variety of spare parts. Everything in the warehouse comes from

community donations. There is no typical repair and repair times can take anywhere from 15 minutes to a couple of days, depending on the difficulty of the repair and the number of other clients. When workers cannot finish a repair the same day, Easy Does It has a loaner program so that clients can continue to get around until the repair is finished.

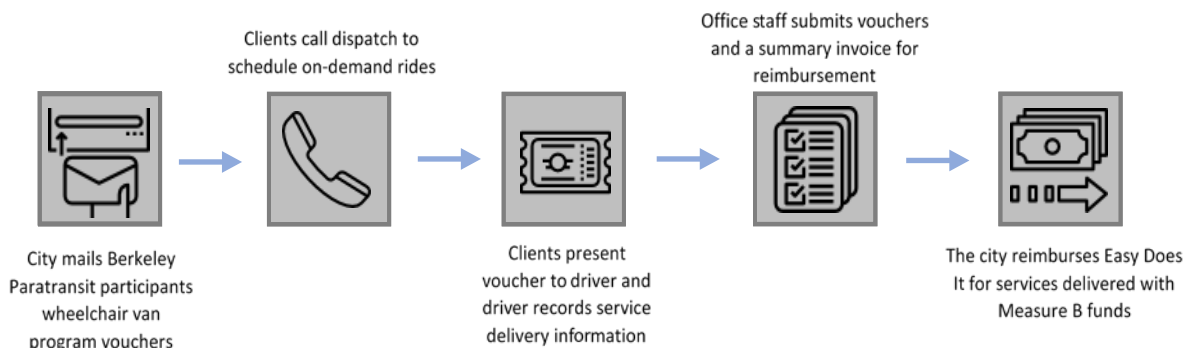
Low-cost services for clients

Easy Does It charges only \$15 per hour for its emergency services and offers a reduced rate to help low-income clients access services. Clients must apply for the reduced rate and, if they qualify, they pay only \$7 per hour for emergency services. Easy Does It aims to remain accessible to all clients while also paying its workers living wages that comply with the City’s minimum wage ordinance.²



Easy Does It offers non-emergency, on-demand rides to Berkeley paratransit users who use the City’s Wheelchair Van Program funded by Measure B. The City disburses vouchers to eligible paratransit clients to use; Easy

Does It collects these vouchers as a form of payment at the time of service and submits the collected vouchers to the City for reimbursement at the rate of \$28 per voucher. All rides must remain within one mile of the Berkeley border.



On-demand Wheelchair van program service delivery model (Icons made by Freepik and Becris from www.flaticon.com)

Contract Funding

Easy Does It received \$1.2 million in City grant funds in fiscal year 2017. The City funded the grant with \$1.17 million from Berkeley’s Measure E funds and \$50,000 from Alameda County’s Measure B funds. Funding included a one-time contract increase of \$75,000 using Measure E reserves. The City granted the additional money because EDI was not

² The Berkeley Minimum Wage Ordinance increased the City’s minimum wage from \$12.53 to \$13.75 per hour on October 1, 2017 and will increase the minimum wage again to \$15 per hour on October 1, 2018. Berkeley Municipal Code Section 13.99.040: <http://www.codepublishing.com/CA/Berkeley/>

EDI not fiscally able to cover minimum wage changes

fiscally prepared to respond to the minimum wage changes, including the removal of the on-call workers exemption from the City’s minimum wage ordinance.

Measure E

Voters adopted the Measure E special tax in 1998 specifically to raise revenue to provide emergency services and incidental case management for severely physically disabled persons. The Measure E tax, as codified in Berkeley Municipal Code (BMC) Chapter 7.88, states:

BMC Chapter 7.88 describes the specific Measure E purpose and definitions approved by Berkeley voters

- Severely physically disabled persons frequently require specialized emergency services, such as urgent response by an attendant, and transportation services and equipment repair.
- A lack of timely emergency services can threaten the life and safety of persons with severe physical disabilities.
- Severely physically disabled means subject to a physical impairment that substantially limits one or more of the major life activities of an individual such that the individual must rely on personal assistance services or equipment to perform a major life activity or to avoid being institutionalized.³

Measure E is intended to remove the need for Berkeley Fire Department personnel to respond to emergencies that can be resolved by skilled attendants able to provide specialized services for severely disabled persons reliant on assistance for personal or health care needs.

Measure B

Measure B is an Alameda County tax passed through to the City of Berkeley

Alameda County voters approved the Measure B special tax in 2000 specifically to provide transportation services for seniors and people with disabilities. The Alameda County Transit Commission is responsible for administering a ½-cent transportation sales tax, which it distributes to local transit agencies and jurisdictions to meet regional priorities, including funding for paratransit services. The City of Berkeley distributes Measure B funds to organizations such as Easy Does It to provide paratransit services.

³ Berkeley Municipal Code Chapter 7.88 Emergency Services for Severely Physically Disabled Persons Tax: <http://www.codepublishing.com/CA/Berkeley/>

FINDING AND RECOMMENDATIONS

Finding 1: EDI unable to substantiate compliance with funding requirements

EDI committed to its clients

Significant deficiencies in Easy Does It (EDI) operations left the agency unable to show that it had used taxpayer money as voters intended and put the funds at risk of theft. EDI's client data and records were unclear or missing and, in some cases, presented discrepancies considered fraud indicators. EDI has not designed and implemented an adequate system for recording, managing, and monitoring its use of Measure E money to ensure it meets funding requirements. Exacerbating the problem is a public need for services that extend beyond the limitations imposed by Measure E. More than 95% of EDI's income comes from Measure E, which means the agency cannot extend its services much beyond the tax use requirements. Throughout this audit, EDI management demonstrated a commitment to serving the Berkeley community and to making positive organizational changes. Making those changes will take time and must be spearheaded by leadership from board members who have the business and financial expertise necessary to support EDI.

Inconsistent or Missing Client Data and Case Files

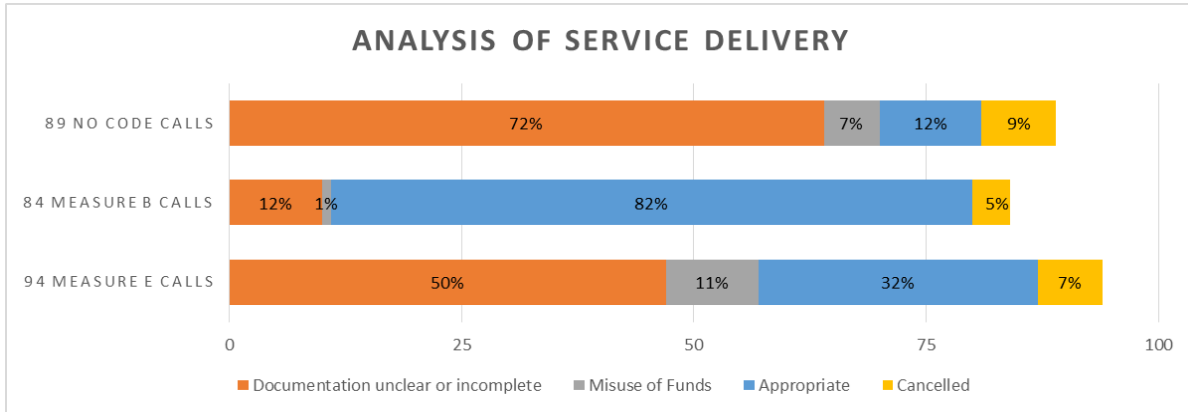
We obtained EDI case data to examine a sample selection for compliance with Measure E and Measure B. Deficiencies in the data and cases files revealed:

50% of Measure E files lacked sufficient support

- *Measure E*: EDI lacked clear and sufficient support for 47 (50%) of the 94 cases selected for examination. Another 10 (11%) were for services outside the scope of Measure E, demonstrating a potential pattern of misuse.
- *Measure B*: EDI generally used the funding correctly. Of the 84 cases examined, only one did not agree with requirements: The voucher had expired. Another 10 cases (12%) lacked sufficient documentation.

72% of non-coded cases lacked sufficient support

- *Data*: EDI did not consistently record use codes to its data system to classify the purpose of service calls. Of the 89 "no code" cases examined, 64 (72%) records lacked clear and sufficient support to substantiate the purpose of the call and funding compliance. Another 6 (7%) were outside the scope of services.



Note: See Appendix A for data selection, sampling, and examination methods.

Measure E Calls Examined

Client files missing intake forms, service agreements, sufficient descriptions to support Measure E funding use

The support missing from the EDI client files examined included variations of a lack of intake forms, service agreements, disability information, emergency need, and/or residency. Also lacking were sufficient descriptions of the disability to determine whether it met the Measure E definition of severely disabled. For example, one client’s listed disability was “left leg weakness, post-surgery,” which is too vague. In all, EDI’s client management processes and practices are disorganized and lax, leaving the agency unable to verify funding compliance.

Clarification needed as to whether providing services to nonresidents is allowable

The 10 cases identified as misuse include two for paratransit services and eight for non-residents. The two for paratransit may have been inadvertent data-entry errors preventable with better oversight. The eight for the non-resident cases present a need for clarification. According to EDI, they also provide services to clients who work or go to school in Berkeley. City staff support the use of Measure E in this way. Also, the BMC says that the Measure E services are for “persons in the City of Berkeley,” which could be interpreted to include people working and going to school in Berkeley. However, the City contract with EDI explicitly says “residency” in the scope, and the ballot argument in favor of the tax said the services are intended for “Berkeley citizens.”

Measure B Examined

EDI used Measure B appropriately

Easy Does It generally used Measure B funds to provide on-demand paratransit transportation for eligible individuals. Reimbursement practices established by the City ensure that contractors, such as EDI, use Measure B funds as intended. The City actively monitors EDI’s use of Measure B funds through the reimbursement process in which City staff

examine vouchers for eligibility. However, EDI drivers do not always fill out all the required fields, such as the length of the trip or the pick-up and drop-off addresses, on the voucher. The City needs this information to determine if the trip is eligible for reimbursement and the appropriate amount the City should pay the contractor.

No Code Cases Examined and Data Collection Practices

EDI not effectively capturing pertinent service data

EDI does not properly record program data. EDI recorded 5,555 service calls in fiscal year 2017. Of those, EDI failed to classify 1,264 (23%) as either Attendant, Repair, or Transportation. The data are necessary for determining eligibility for Measure E funding and further demonstrates disorganized processes as well as an inability to rely on agency data for reporting needs.

Manual and duplicative processes led to errors

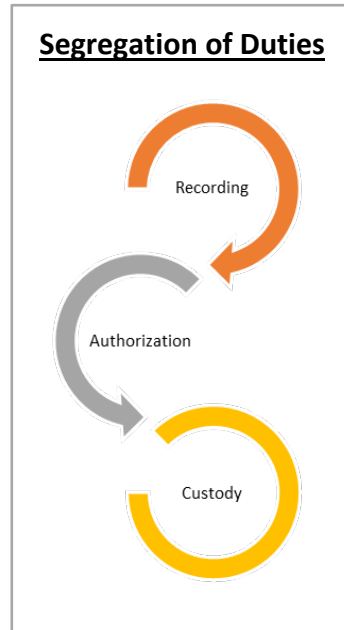
Multiple EDI staff collect data for a single client call on multiple forms: Dispatchers record client intake information on a paper form and record calls to a Google Drive spreadsheet; attendants and drivers record service data to paper forms; staff turn in service forms to the office by the end of the pay period after which office staff manually enter the information into the database. This process is vulnerable to manual entry errors and duplication.

Our examination of “no code” cases yielded the same results as our examination of Measure E coded cases: Lack of intake forms, service agreements, sufficient disability information, emergency need, and/or residency; and disorganized and lax processes.

Payroll Vulnerable to Fraud

EDI mitigates some fraud risks but gaps in procedures keep agency exposed

EDI’s program is by nature vulnerable to fraud and misuse. Employees work alone, off-site, and without direct supervision. Easy Does It mitigates some of these risks with essential control activities: Dispatchers communicate with attendants and drivers who are on call. Dispatchers are expected to document calls received and staff assigned to the case in the call log. Staff processing payroll use the call log to verify staff timesheet entries, including total on-call and service delivery hours. However, the opportunity for fraud remains.



There are significant gaps in EDI procedures that may allow for fraud and errors to go undetected. For example, only one employee can and does perform all the tasks related to a single transaction cycle. There is no evidence that anyone else reviews timesheet calculations or payroll entries. Due to their small size, EDI is not able to have full segregation of duties; however, there is an opportunity to separate the duties of approving timesheets, preparing payroll, disbursing checks, and maintaining personnel records. This would increase the chances of catching erroneous calculations and entries.

Payroll Examination

EDI was unable to locate the payroll registers for two months of payroll, and unable to provide timesheet support for 142.5 payroll hours equaling over \$2,700 in wages. The timesheets that were available indicated that EDI management does not consistently apply holiday and overtime pay, and did not reflect the overtime policy management explained. Further, significant irregularities in payroll pointed to possible fraud. For example:

- EDI recorded 240 hours of overtime in a two-week period for one employee whose position does not warrant overtime.
- EDI recorded 336 hours of regular time and 149 hours of overtime in a two-week period for one employee.
- EDI recorded manual checks for employees for one pay period yet the normal process is to use direct deposit.

Irregular payroll transactions raised fraud concerns

Audit did not conclude absence of fraud

EDI provided explanations for the discrepancies. For example, one of the irregular transactions was six months of back pay, and the manual checks were to pay employees their wages without processing payroll taxes. EDI lacked sufficient funds to pay them. We were able to confirm some statements, such as circumventing payroll taxes through the use of manual checks. However, EDI could not provide documentation or other corroborating evidence to support all of their statements. Therefore, we did not conclude that fraud did not occur.

\$1.1 million in tax dollars exposed to theft

EDI payroll represented \$1.1 million (85%) of EDI’s expenditures in fiscal year 2017, most of which was paid for using Measure E funding. EDI has a small administrative size, which makes it unfeasible to implement the full level of controls necessary to prevent payroll fraud. However, mitigating controls must be put into use to detect fraud. In response to concerns over payroll vulnerabilities, EDI staff said they implemented a review process and will begin better documenting their actions.

Noncompliance Expands to City contract

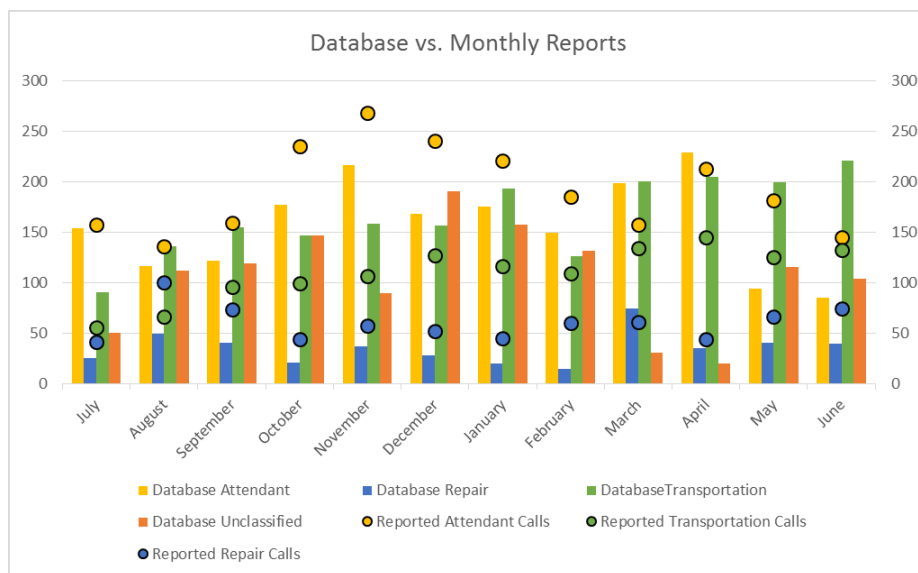
City contract includes performance reporting requirements to demonstrate use of Measure E funding

Easy Does It entered into a contract with the City of Berkeley for fiscal years 2016 and 2017.⁴ The contract grants EDI funding to provide services consistent with Measure E and Measure B requirements. EDI receives the Measure E funding through quarterly payments in advance of services provided. EDI receives the Measure B funding on a reimbursement basis for actual services provided. The contract requires EDI to submit Measure E performance reports to Health, Housing, and Community Services. City staff use the reports to monitor whether EDI is using the money in accordance with funding requirements, and to assess whether it is appropriate to release the next installment of Measure E grant funding.

Performance reporting

EDI data does not agree with performance reports sent to HHCS

Deficiencies in EDI’s data and client files called into question the accuracy of EDI’s performance reporting. Comparing EDI data to the fiscal year 2017 performance reports show significant variances:



⁴ EDI and Berkeley community services contract #10003: <https://www.cityofberkeley.info/recordsonline/search.aspx>

Measure E limits City staff's ability to provide contract oversight

Measure E does not allow for use of the tax revenue on administration, which severely limits City staff's ability to verify the accuracy of EDI's performance reports. HHCS staff routinely require clarification on submitted information. However, without funding to support oversight, HHCS staff are limited in what they can do given their other responsibilities to deliver services to the Berkeley community. This is further complicated by a need to ensure that EDI can continue to provide critical services: EDI does not have a sufficient cash flow to sustain services without funding from the City. In fact, because EDI did not submit accurate and timely reports to HHCS in fiscal year 2017, funding was delayed, which led to EDI's inability to pay the payroll taxes as discussed earlier.

Measure E Case Management

EDI required to provide case management services to clients who heavily rely on Measure E services

A stipulation of the City contract is that EDI provide basic case management services to assist clients who struggle with finding and retaining attendants. When unable to do so, clients rely too heavily on EDI, to the extent that it ceases to be an emergency service. Basic case management services include thoroughly assessing the client's need, developing a plan collaboratively with the client, and documenting all support and interventions.

55% of case files lacked documentation on outcome of efforts

Examination of EDI case management records showed that case files were incomplete, data were not free from error, and case management efforts were not compliant with the City contract. EDI did not have case management files for four of the 19 high-use clients identified during this audit. We found case management assessments for three of the four missing case management files in other office files. However, the case manager did not open a case on any of them. Of the open files we reviewed, 55% were missing an agreement and consent form, and all lacked documentation of the outcomes of case management efforts.

Further noncompliance was found with how the case manager salary is funded. The case manager works with clients who are not eligible for Measure E services. This includes people who do not have a physical disability and who live outside of Berkeley. Work is limited to answering questions and providing resources, and accounts for approximately 15% of the case management workload. This is minimal, but still a misuse.

Inadequate Internal Control System

Insufficient processes and procedures led to deficiencies

EDI lacks sufficient policies, processes, and procedures, aka internal controls, to allow the agency to ensure the integrity of its financial and performance information; assist in achieving operational goals; and support compliance with funding requirements. This inadequate internal control system led to the deficiencies cited above and revealed other weaknesses threatening EDI’s performance and fiscal stability.

Measure E Criteria

Lack of requirements for substantiating Measure E eligibility

The absence of clear client intake policies and procedures leave EDI unable to verify compliance with Measure E funding requirements. EDI’s written procedures and client forms lack the necessary steps for ensuring service is provided to severely physically disabled persons requiring emergency care as described by Measure E. Further, EDI’s service data indicate that staff are not screening and evaluating service calls to validate whether the service meets the criteria approved by taxpayers.

Measure E Case Management

Some clients come to rely on EDI for non-emergency needs and fall into a pattern of repeated use. EDI requires case management for clients who reach 25 calls in one month and identifies high users as those with 15 calls or more in a month. This threshold captures only a small portion of clients who have become overly reliant on Measure E services and require case management services. Comparatively, a similar program once offered by Alameda County set a cap on services to four calls a month. Setting a lower threshold could help EDI control over reliance on emergency services and program costs.

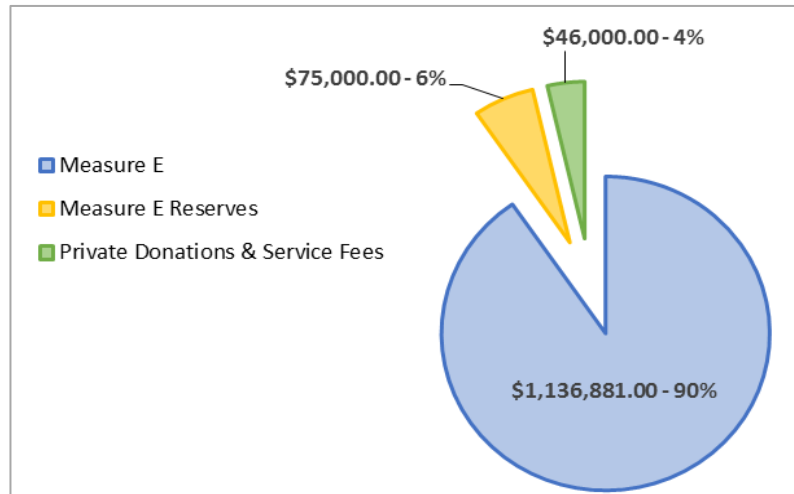
Shortage of reliable and skilled attendants increases use of EDI

When questioned about patterns of overuse, EDI management said that there is a significant shortage of reliable and skilled attendants, which increases client reliance on EDI services. Additionally, some clients refuse to work with the EDI case manager and become abusive if EDI refuses to provide services. According to EDI, one abusive client threatened to report the agency to the City Council and to public outlets. This is an unsettling concept for EDI as they fear they will lose funding.

Clients may not know EDI services highly limited to Measure E criteria

What is likely unknown to most EDI clients, is that the agency receives the majority of its funding from Measure E. EDI receives a few private donations and a small amount of revenue generated from service fees, but not enough to provide any level of substantial service.

Easy Does It Disabled Services Program Budget Fiscal Year 2017



Source: EDI’s City contract #10003, Exhibit B-1

EDI services heavily linked to Measure E criteria

Only 4%, \$46,000, of revenue not from Measure E

With only \$46,000 (4%) of EDI’s revenue coming from other sources, the agency cannot provide much service outside of the Measure E criteria. This is something EDI needs to communicate more often and more clearly to both clients and staff to help reduce use of Measure E money for nonemergency services.

Staffing Problems

The absence of a staffing analysis led to instances of improper staffing schedules. For example:

EDI does not perform staffing analysis; some overlap exists in scheduling

- EDI scheduled a single employee for overlapping dispatcher and attendant shifts in all five payroll periods we reviewed. Overlaps ranged from one to eight hours. This led to the EDI employee receiving 72 hours of dual compensation.
- EDI on-call attendant scheduling strained funding. The nature of being on-call means that there will be times employees are not called in to work. However, there were at least 58 shifts over three pay periods in fiscal year 2017 in which an on-call attendant was not dispatched to a single call. In some cases, EDI compensated staff for three consecutive days of 10-hour shifts with no service calls.

Limited cash flow requires prudent scheduling to avoid more cash shortfalls

A recurring analysis of staffing levels would give EDI the information necessary to produce schedules that are responsive to service needs and remove scheduling overlaps. EDI's limited cash flow requires prudent scheduling to avoid shortfalls such as that resulting in EDI's inability to pay the payroll taxes as described earlier in this report.

Manual staffing processes and poor recordkeeping practices mean EDI does not readily have necessary data to perform the assessment. A digital scheduling and timekeeping system integrated with payroll software could allow EDI to track data for analyzing staffing trends. This would also free up staff time to perform necessary payroll monitoring activities.

According to EDI, they must staff one female and one male attendant 24 hours a day to meet their clients' needs. EDI also said that they must have optional staff available to work with clients who are known to be abusive or who refuse to work with specific attendants. While these may be operational needs, they are not necessarily in agreement with Measure E and taxpayer intentions. These areas require legal clarification.

Measure B

Written guidance will assist in using staff time efficiently

EDI's lack of written guidance contributed to problems in the Measure B reimbursement process, such as the incomplete information noted earlier. It also led to inefficient use of staff time: Both City and EDI staff spent extra time searching for information to determine whether the Measure B vouchers were used in accordance with requirements. HHCS staff created procedures during this audit for contractors such as EDI to use in managing the Measure B voucher program. This should help limit staff inefficiencies. However, EDI expressed that part of the problem is a lack of communication from City staff about changes to the program and voucher design. Open communication is necessary to inform EDI about Measure B requirement and documentation changes.

Gas Cards

EDI's processes are insufficient to ensure that employees use company gas cards according to policy. Misuse occurred in the past when an employee used a gas card to fill up a private vehicle. HHCS staff caught the misuse and EDI recovered the funds. In response to City recommendations, EDI established a policy for using logs to track gas card usage and van mileage at the beginning and end of shifts.

Gas card and van mileage oversight insufficient; fraud risk still exists

EDI staff completed the required logs 85% of the time and had receipts supporting 92% of gas card transactions out the 48 transactions we examined. However, EDI does not require staff to specify what van they are fueling or reconcile the logs with service delivery data. Additionally, there was no evidence that management reviews these logs. Therefore, the risk of someone using the gas card for personal vehicles remains and we did not conclude that fraud did not occur in the use of gas cards.

System Overhaul

Improved policies, processes, and procedures need to be in written guidance and enforced through management oversight and employee training. The ongoing success of EDI requires that management work to implement an internal control system that ensures it uses taxpayer money in accordance with stated criteria.

The Long Road Ahead

EDI committed to serving the disabled community

EDI management expressed a commitment to improving operations and agreed that past practices could not continue. According to EDI, the deficiencies we noted were, in part, due to obstacles in operations creating an unstable environment. The agency has moved offices three times in the last six years and will have to move its repair shop at the end of the current lease in April 2018. EDI also experienced significant staff and board member turnover in recent years. In the last six years, there have been four different executive directors and the agency continues to have trouble retaining a board of active, involved members with the business and financial expertise necessary for agency leadership.

Strategic plan to guide changes will help EDI manage and prioritize improvements

EDI has a lot of work ahead to implement the changes needed to sustain its operations and support long-term fiscal health. Establishing a written strategic plan that includes short- and long-term goals will help EDI manage the implementation process. Strategic planning will provide EDI management the ability to prioritize what needs to be done and when, and focus its limited resources where they are needed most. A strategic plan will also allow EDI to note and celebrate achievements. In establishing the plan, EDI would need to perform a risk assessment of its major processes, particularly those discussed in this report, to identify and plan for changes that need to take place immediately.

Board members with the business and financial expertise needed to lead EDI

EDI has a very small administrative staff, making it an uphill battle to implement change while also continuing to provide critical services. This is where the agency would benefit from increased oversight and involvement from its board members. The current EDI board must take steps to recruit and cultivate a strong board of qualified people who will be more involved in strategic planning, policy formation, financial planning and oversight, resource development, program review, and dispute resolution.

Recommendations

Easy Does It should:

Recruit qualified board members

1.1 Recruit and cultivate qualified people with the business and financial expertise necessary to serve as active EDI board members. Include a process for vetting and voting on nominees to ensure members have the required skills and time to commit to the development and support of Easy Does It.

Perform a risk assessment

1.2 Have staff and board members jointly perform a risk assessment of all major processes to identify the operational weaknesses that leave EDI vulnerable to fraud, misuse, and abuse, and result in noncompliance with funding requirements. Rate the risks to identify those most significant in preventing EDI from achieving its mission and becoming fiscally stable.

Establish a written strategic plan

1.3 Have management and board members jointly establish a written strategic plan that includes short- and long-term goals using the recommendations from this audit and the risk assessment performed in response to recommendation 1.2. Include target implementation dates in the strategic plan. Prioritize implementation of goals identified as presenting the highest risk. Use the plan to guide the changes needed for an adequate system of internal controls, including the recommendations in this report.

Create and enforce written payroll procedures to deter and detect fraud

1.4 Create and enforce written payroll processing and monitoring procedures that include practices for detecting and deterring fraud, waste, and abuse; and that ensure payroll accuracy. This includes but is not limited to:

- Ensuring that no single person performs all the tasks related to a single transaction cycle.

		<ul style="list-style-type: none"> • Designating a second person to review and sign off on approved timesheets, changes to payroll data, time entry, and payroll pre-process registers.
Perform regular scheduling analysis	1.5	Perform a staff scheduling and service needs analysis to establish optimal staffing schedules. Perform the analysis on a recurring basis, e.g., quarterly, to identify needed changes.
Create and enforce analysis procedures	1.6	Create and enforce written procedures for analyzing and managing staff schedules. Include the requirement for conducting the analysis on a recurring basis to keep up with scheduling change needs.
Establish and enforce written procedures for determining client eligibility	1.7	<p>Establish and enforce clear written procedures for evaluating individual eligibility for Measure E services during client intake and service delivery. Use the City contract as a guide in creating the procedures and include:</p> <ul style="list-style-type: none"> • Definitions for severe physical disability and emergency that are in alignment with Measure E requirements. • Requirement to complete intake and evaluation forms, and to thoroughly document and data enter Measure E eligibility criteria: residency, severity and type of disability, and reason the client situation is an emergency.
Update forms with Measure E information	1.8	Update all forms used for client intake and eligibility evaluation with guidance for identifying the severe physical disability and emergency that are in alignment with Measure E requirements. Include on the intake form an area for staff to conclude as to whether the services provided are considered Measure E eligible. Use the City contract as a guide in creating the forms.
Account for Measure E expenditures; record to financial system accordingly	1.9	Record services to the financial system to clearly account for expenditures that are funded by Measure E and those that are not. Use the information collected during the improved screening, intake, and eligibility evaluation processes to identify the appropriate funding source.
Enforce case management rules	1.10	Create written case management procedures and enforce the requirements for Measure E clients when usage exceeds the threshold. Ensure the procedures and any related forms are consistent with Measure E contract requirements for basic case

management. Use the City contract as a guide in creating the procedures and include written processes for:

- Identifying and documenting client overuse
- Creating case management files
- Assessing client needs
- Developing a plan with the client
- Identifying and documenting clients who refuse assistance
- Documenting all support and intervention, including progress made in, or obstacles to, obtaining reliable attendant care

Use City’s Measure B voucher procedures	1.11	Enforce the use of the written Measure B voucher processing procedures developed by HHCS personnel to capture information necessary to obtain reimbursement from the City of Berkeley.
Improve gas card use monitoring	1.12	Create written and improved gas card and van use monitoring procedures that will allow management to detect fraud and misuse, and that require reconciliation of gas and van use to service data.
Train personnel on all procedures	1.13	Train staff on all procedures including those created in response to the recommendations in this audit and any developed as a result of the risk assessment performed in response to recommendation 1.2. Monitor staff’s work and provide additional training as may be warranted to ensure staff follow procedures.
Inform public on service delivery limitations	1.14	Create informational literature that helps educate the public on why Easy Does It service is almost entirely limited to Measure E eligible services. Provide this literature to new clients and their families, as well as staff, to help clarify any misconceptions about EDI’s service delivery restrictions and capabilities.
Implement electronic data collection system	1.15	If funding allows, implement a mobile, electronic data collection system that allows Easy Does It staff to capture and record client intake, service, and billing data to the central database. Train staff on the use of the system and enforce its requirements. Update procedures as may be necessary to reflect the use of the system.
Integrate an electronic scheduling and timekeeping system	1.16	If funding allows, integrate an electronic scheduling and timekeeping software application with the current payroll system that will allow for a more efficient analysis of staffing trends as aligned with service delivery needs. Train staff on the use of the

system and enforce its requirements. Update procedures as may be necessary to reflect the use of the application.

**Easy Does It
Response**

Easy Does It agrees with the finding and recommendations. See full response at Appendix B.

The City Manager’s Office and Health, Housing, and Community Services Department should:

Request City Attorney Opinion

1.17 Request an opinion from the City Attorney on whether the use of Measure E, per the governing legislation, is intended for:

- Persons who work or go to school, but do not reside, in the City of Berkeley.
- Ensuring one male and one female attendant are on staff or on call at all times.
- Ensuring optional staff availability to work with clients who are known to be abusive or who refuse to work with specific attendants.
- 24-hour service availability.
- Other items HHCS believe require clarification.

Maintain documented opinion to allow for transparency and reference.

The Health, Housing, and Community Services Department should:

Use opinion to update contract scope

1.18 Use the City Attorney opinion to:

- Inform Easy Does It on whether or not Measure E money may be used for: non-Berkeley residents who work and/or go to school in Berkeley; staffing both a male and female attendant at all times; and providing 24-hour services.
- Clarify in the scope of services of new City contracts using Measure E funding whether or not Measure E money may be used for: non-Berkeley residents who work and/or go to school in Berkeley; staffing both a male and female attendant at all times; and providing 24-hour services.

Lower the high-use thresholds	1.19 Work with EDI to lower the thresholds for high-use clients. For example, identify high-use clients as those with 10 or more calls a month, and require clients obtain case management services once they reach 20 calls in one month. Incorporate those thresholds into new City contracts for Measure E funding.
Communicate changes	1.20 Communicate with Easy Does it when there are changes to Measure B requirements and provide EDI with updated Measure B procedures discussing those changes.
City Manager Response	The City Manager agrees with the finding and recommendations. See full response at Appendix B.

FISCAL IMPACT

EDI used \$1.17 million in Measure E money in fiscal year 2017	Easy Does It received \$1.2 million in City grant funds in fiscal year 2017, including \$1.17 million from the voter approved Measure E: <i>Emergency Services for Severely Physically Disabled Persons Special Tax</i> . Measure E creates a vital funding stream for the Berkeley community. Without the funding, individuals needing specialized emergency care face threats to their life, safety, and health. It is vital, therefore, to take precautions to safeguard the money and use it as taxpayers intended. If used incorrectly, the City risks losing taxpayer confidence, which has the potential to prevent the City from getting enough voter support to increase the tax or pass new tax measures. Worse, those who need the services will not receive assistance.
Misuse jeopardizes taxpayer confidence; risks funding for services	Easy Does It uses the majority of Measure E money to cover personnel costs. In fiscal year 2017, EDI payroll represented \$1.1 million (85%) of its expenditures. Vulnerabilities in EDI’s payroll processing practices exposed the money to potential theft and misuse. In an examination of payroll records, EDI was unable to provide timesheet support for 142.5 payroll hours equaling over \$2,700 in wages.
Vulnerabilities in payroll processing exposed \$1.1 million in Measure E money to potential theft	Payroll irregularities stood out as indicative of fraud. Management provided explanations for the transactions, but could not provide documentation or other corroborating evidence to support all of their statements. Therefore, we did not conclude that fraud did not occur.
Lack of documentation to support irregularities leaves question of fraud unanswered	

CONCLUSION

EDI provides vital service that must be protected with stronger oversight

Easy Does It provides vital emergency services to the Berkeley community. The agency gives people with severe physical disabilities an affordable option for emergency attendant service when they experience an unforeseen lapse in care. Without this service, individuals would need to call the Berkeley Fire Department for assistance. The option to call Easy Does It allows the City to use its resources more efficiently and for other emergencies.

Deficiencies in procedures left EDI unable to demonstrate adherence to funding requirements

Significant deficiencies in EDI’s procedures left the agency unable to verify compliance with Measure E and City contract funding requirements. Missing and incomplete records and data raised concerns as to whether the agency was using money as taxpayers intended. In some cases, EDI used Measure E funds to cover operational costs and services not covered by the tax. The lack of sufficient support removed the ability to quantify the misuse and determine its significance.

Wide variances between EDI service delivery data and reported numbers

EDI performance reports submitted to the City failed to agree with EDI data. There were wide variances in the information for fiscal year 2017. Example: EDI’s December 2016 service report showed 240 attendant calls, but EDI’s database supported only 168, a variance of 72 calls.

Reliance on Measure E limits scope of services

EDI is reliant on Measure E funding. The agency receives a small amount of revenue from other sources, but not enough to provide any level of substantial service outside of the scope of Measure E requirements. The loss of Measure E money would be detrimental to EDI. Maintaining operations requires EDI to implement an internal control system that ensures it uses taxpayer money in accordance with stated criteria.

More active board leadership could lead to program expansion

EDI is limited in its capacity to perform monitoring, oversight, and program development activities. An active board of involved members with business and financial expertise can help in these areas. The current EDI board must take steps to recruit and cultivate a strong board of qualified people able to provide oversight and constructive criticism, and make operational decisions. If successful, EDI has the potential to expand its services beyond those defined by Measure E.

We appreciate and thank EDI and City personnel for taking time to assist with our audit

We would like to thank Easy Does It personnel for their continued cooperation during this audit. We appreciate EDI's receptiveness to our finding and recommendations, and their willingness to make improvements despite the challenges ahead.

We would also like to thank the City Manager and Health, Housing, and Community Services personnel for their assistance, and their continued commitment to supporting and improving City services.

APPENDIX A:

Scope and Methodology

We audited Easy Does It's compliance with their City contract for fiscal year 2017 (July 1, 2016 through June 30, 2017). Specifically, we assessed if Easy Does It used Measure E and Measure B funds as intended by taxpayers. We performed a risk assessment of internal controls to identify potential weaknesses, including significant fraud risks, in relation to the use of Measure E and B funding. We performed examinations of transactions to obtain reasonable assurance of detecting such fraud. To achieve our objective, we:

- Met with HHCS staff in charge of EDI contract oversight to gain an understanding of management concerns, oversight limitations, and contract monitoring findings.
- Met with EDI personnel to gain an understanding of program and administrative operations: service delivery, client eligibility evaluations, client information and data intake processes, case management practices, payroll processing, gas card use, and client billing. We also gained an understanding of EDI operational challenges, staff and board member turnover, and obstacles to providing service.
- Reviewed the City contract granting EDI the Measure E and Measure B funding, and outlining the scope of services and reporting requirements; and the City Council reports and resolutions granting use of the funds.
- Reviewed Berkeley Municipal Code Sections 13.99 (Minimum Wage) and 7.88 (Measure E); the November 1998 Ballot; and Alameda County's Measure B guidelines and forms.
- Reviewed HHCS' monitoring reports to identify known concerns and potential weaknesses in EDI's procedures and operations.
- Reviewed EDI policies, procedures, and forms; performance reports; and financial reports.
- Performed site visits at the EDI administrative office and the Emeryville warehouse.
- Reviewed professional literature to identify common threats to the stability of nonprofit organizations and best practices for applying basic economic and financial concepts to manage resources effectively and improve financial planning.
- Analyzed EDI service data to understand service volume, service types, data-collection practices, and data accuracy.

Examination of Records; Data Population; Sample Selection

Client service examination: We obtained service data from EDI's database containing 5,555 records for service in fiscal year 2017. We sequentially numbered the records for our sampling needs. We separated the data by service type codes for Measure E and Measure B, and for those lacking service

codes, to create three record subsets. For each subset, we used the sample size calculator, [Macorr](#),⁵ to select samples sizes for records examination using a confidence level of 95% and confidence interval of 10%. The result was 94 Measure E, 84 Measure B, and 89 non-coded records. We used the Excel random function to select the transactions to examine from each subset. We obtained, to the extent available, client intake forms and service agreements, invoices, and call logs to compare to the data records. We assessed service appropriateness against the correlating funding requirements to determine compliance, and checked for data errors and fraud indicators.

Payroll examination: We obtained 21 payroll registers for fiscal year 2017. We compared payroll registers to service calls to look for variances between pay and hours worked. We reviewed the registers for overtime, double time, and bonus pay codes, and looked for erroneous hours and possible fraud. We identified irregular transactions indicative of fraud. We spoke to EDI personnel and requested documentation to support their explanations for the transactions. We examined the documentation EDI personnel were able to provide to confirm some of their assertions. We then expanded our examination to test for fraud: We judgmentally selected the four payroll registers with the highest total earnings as compared to all other registers. We obtained timesheets, to the extent available, to compare to payroll registers to assess for appropriateness.

Case management examination: We obtained EDI monthly service reports for Measure E services provided in fiscal year 2017. We identified all clients with 15 more or calls for service for each month of the fiscal year. We obtained, to the extent available, client case management files. We assessed documented case management efforts against the contract requirements to determine compliance.

We limited our review to identifying whether the case management files contained City contract required documents. We did not evaluate to what extent Easy Does It performed client status assessments, which could include private personal and health information. We concluded that determining whether client files contained the required documentation was sufficient for the purpose of addressing our audit objective.

Gas Cards and Van Use: We obtained EDI gas card statements for fiscal year 2017. We judgmentally selected the four statements with the highest balance as compared to the remaining eight statements. We examined each transaction recorded to the four statements by comparing it to gas card logs, receipts, and van mileage logs. We identified irregular transactions for closer inspection for possible fraud.

⁵ Macorr: <http://www.macorr.com/sample-size-calculator.htm>

Data Reliability

We assessed the reliability of EDI's payroll data by tracing to source documents; interviewing EDI staff; and gaining an understanding of EDI's access controls. We identified inconsistencies in the information, including calculation errors and erroneous payroll entries, and determined that payroll data was not sufficiently reliable to quantify the degree of error. We used data to provide only context.

We assessed the reliability of EDI's client data by tracing to source documents; interviewing EDI staff; and gaining an understanding of EDI's database access controls. We identified inconsistencies in the information and system controls, and determined that EDI's service data was not sufficiently reliable to quantify the instances of noncompliance. We used the data to provide only context.

Fraud and Abuse Testing

We included in our examination of EDI records specific analysis to look for indications of fraud and abuse, and to identify weaknesses in the control environment that would allow it to occur. We examined gas card and van use because of a City finding of misuse in this area. EDI's controls over gas cards and van use were insufficient. Therefore, we did not conclude that fraud had not occurred.

We examined payroll because it is a high-risk area by its nature, EDI's payroll practices are insufficient, and the majority of EDI expenditures are for payroll. We performed additional procedures to identify whether fraud had occurred after we identified irregular transactions indicative of fraud. EDI was unable to provide sufficient evidence supporting the reasonableness of all the transactions. Therefore, we did not conclude that fraud had not occurred.

Auditor Independence

Our office is mandated by the Berkeley City Charter to provide contract registration services. This includes facilitating the community agency contract process so that we may register the contract before it is executed and the City may release advance funding. We identified this potential independence impairment at the start of this audit. We determined we could proceed with the audit by excluding the areas overseen by our office.

Standards Compliance Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX B

Audit Finding, Recommendations, and Management Response Summary

EDI management summary of accomplishments, challenges, and other pertinent information relative to the audit finding and recommendations:

Easy Does It staff, management and board thank the City of Berkeley for their support through the years to provide this much needed service for people with disabilities and seniors. It is very rare for a city to make such a strong commitment to this population and the city is to be commended for that. Easy Does It is a small but mighty agency that provides a big service and there are many challenges to do this type of work. We see this audit as an opportunity to refine our policies and procedures and be better at what we do. We have already begun to make changes as a result of this audit and will continue to put new procedures and policies in place in line with the findings and recommendations.

We have begun using a new Salesforce database for more accurate data collection. We have already updated our service sheets and are using them with clients. We are enforcing the use of the written Measure B voucher processing procedures developed by HHCS personnel to capture information necessary to obtain reimbursement from the City of Berkeley. We have modified our bookkeeping system to delineate services to appropriate funding stream.

Below we have gone through each recommendation and stated what our plan is to address each of them. We are committed to the citizens of Berkeley to provide the best services possible to meet our contractual commitments.

Our board of directors have made several changes listed here:

Subsequent to the 6/30/17 close of the period audited by the City of Berkeley, but prior to receipt of COB's draft audit report, the EDI Board of Directors took the following measures:

- The Executive Director was given a written evaluation for the first time in her tenure.
- Subsequent to the evaluation, the evaluation form was revised to better align with the Board's priorities.
- The Executive Director was instructed to see that written evaluations are conducted for all employees. The evaluations are currently in progress.
- The Board (on 6/30/17) included in EDI's FY18 budget non-COB funds for bonuses tied to performance evaluations.

EDI management summary of accomplishments, challenges, and other pertinent information relative to the audit finding and recommendations:

- At the Board's request, the Executive Director now provides the Board with EDI's latest bank statement each month.
- At the Board's request, the Executive Director now provides the Board with EDI's latest Profit and Loss statement each month.
- At the Board's request the Executive Director will now notify the Board should EDI borrow money via our line of credit or in any other manner.
- Board Minutes are now kept not only in a binder in the office, but also on Google Docs (accessible by Board members), and available by email to members of the public on an ongoing basis.
- The first Action & Discussion item on each month's agenda is now always Follow-up, during which members can inquire into the status of previously discussed items.

During this same time period, in response to concerns expressed by the Board, the Executive Director made the following personnel changes:

- The bookkeeper was replaced.
- The receptionist was terminated and replaced by an Office Manager competent in multiple computer programs.

Submitted on behalf of the EDI Board of Directors 3/5/18.

Larry Rosenthal
Board Secretary

Audit Title: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons					
Findings and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
Finding 1: Easy Does It unable to substantiate compliance with funding requirements					
1.1	Recruit and cultivate qualified people with the business and financial expertise necessary to serve as active Easy Does It board members. Include a process for vetting and voting on nominees to ensure members have the required skills and time to commit to the development and support of Easy Does It.	Easy Does It	Agree	Expected: TBD Ongoing; first steps taken immediately	Initial Status 5.1.18: Partially implemented. Easy Does It is actively recruiting qualified board members with business and financial expertise. All candidates will be required to submit resume, references and be interviewed by board. The board will vote on candidate and candidate will be accepted with a majority vote.
1.2	Have staff and board members jointly perform a risk assessment of all major processes to identify the operational weaknesses that leave Easy Does It vulnerable to fraud, misuse, and abuse, and result in noncompliance with funding requirements. Rate the risks to identify those most significant in preventing Easy Does It from achieving its mission and becoming fiscally stable.	Easy Does It	Agree	Expected: July 1, 2018 Process started March 1, 2018	Initial Status 5.1.18: Not implemented. We are currently reviewing all of our major processes to identify operational weaknesses and making changes to prevent fraud misuse and abuse in noncompliance with funding requirements.

Audit Title: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons					
Findings and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
1.3	Have management and board members jointly establish a written strategic plan that includes short- and long-term goals using the recommendations from this audit and the risk assessment performed in response to recommendation 1.2. Include target implementation dates in the strategic plan. Prioritize implementation of goals identified as presenting the highest risk. Use the plan to guide the changes needed for an adequate system of internal controls, including the recommendations in this report.	Easy Does It	Agree	Expected: October 2018 Initial Phase Completion Expected: May 10, 2018	Initial Status 5.1.18: Not implemented. The board and management will be having a board retreat in May to discuss development, implementation, and timeline to complete strategic plan.
1.4	Create and enforce written payroll processing and monitoring procedures that include practices for detecting and deterring fraud, waste, and abuse; and that ensure payroll accuracy. This includes but is not limited to:	Easy Does It	Agree	Expected: May 31, 2018 [Revised employee handbook with updated policies and procedures]	Initial Status 5.1.18: Not implemented. We are writing up new payroll processing and monitoring procedures. We are dividing payroll tasks between office manager, program manager and bookkeeper so no single person performs all tasks. This segregation of duties will detect and deter fraud. We are also consulting our payroll company to aid in the development of these procedures. These procedures will then be

Audit Title: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons					
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary	
<ul style="list-style-type: none"> Ensuring that no single person performs all the tasks related to a single transaction cycle. Designating a second person to review and sign off on approved timesheets, changes to payroll data, time entry, and payroll pre-process registers. 			Initial Phase Completion Expected: April 30 2018 [Change in procedures]	<p>reviewed by the executive director and approved by board to eliminate risk of fraud.</p> <p>The employee handbook is in the process of being updated. Overtime reporting will be highlighted in the manual and all staff will be trained on overtime policy including disciplinary action for not getting prior approval for overtime.</p>	
1.5	Perform a staff scheduling and service needs analysis to establish optimal staffing schedules. Perform the analysis on a recurring basis, e.g., quarterly, to identify needed changes.	Easy Does It	Agree	Expected: June 1, 2018	Initial Status 5.1.18: Not implemented. Running an emergency service organization is uniquely challenging in that emergencies do not follow schedules so there may not be a consistent time when emergencies arise. However we will do a review and an analysis to determine staffing schedules quarterly to determine optimal staffing levels.
1.6	Create and enforce written procedures for analyzing and managing staff schedules. Include the requirement for conducting the analysis on a recurring basis to keep up with scheduling change needs.	Easy Does It	Agree	Expected: June 1, 2018	Initial Status 5.1.18: Not implemented. A written procedure will be developed to do review quarterly.

Audit Title: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons					
Findings and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
1.7	<p>Establish and enforce clear written procedures for evaluating individual eligibility for Measure E services during client intake and service delivery. Use the City contract as a guide in creating the procedures and include:</p> <ul style="list-style-type: none"> • Definitions for severe physical disability and emergency that are in alignment with Measure E requirements. • Requirement to complete intake and evaluation forms, and to thoroughly document and data enter Measure E eligibility criteria: residency, severity and type of disability, and reason the client situation is an emergency. 	Easy Does It	Agree	<p>Expected: April 6, 2018</p> <p>Intake form changed: March 31, 2018</p> <p>Dispatcher initial training: February 27, 2018</p> <p>Effective immediately: Data from intake and service sheets are entered in Salesforce database</p>	<p>Initial Status 5.1.18: Not implemented. We will be redesigning new client intake form to include more detailed disability information to ensure alignment with Measure E definition of severe physical disability and to collect new data to coincide with new City Data Services information requirements. We usually ask clients to update their information yearly generally in the month of July. We are going to start updating client information as soon as new intake is complete. We will include questions:</p> <ul style="list-style-type: none"> - Because of your disability do you experience substantial limitations and need personal assistance with activities of daily living such as dressing, meal prep, bathing, transferring, toileting, housekeeping, taking medication, mobility assistance? - Are you an IHSS recipient? - Are you a Regional Center client? - Do you use East Bay Paratransit? - Are you signed up with Berkeley Paratransit? - Do you know about the Berkeley Paratransit Voucher program?

Audit Title: Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
				<p>These changes to client intake will clearly show client has a severe physical disability even if they do not have an identified diagnosis.</p> <p>Some of our clients have cognitive and or intellectual disabilities and may not self-identify as having a severe physical disability but our highly experienced staff can clearly make that determination onsite. We will review with staff in an upcoming staff meeting what is considered a severe physical disability and will train new staff on making that determination.</p> <p>It is also difficult to complete an intake with our homeless clients. They are often very suspicious and reluctant to answer intake questions and quickly become agitated if they feel we are prying too much. We have created a streamlined version of intake for our homeless clients in order to get basic information. We always attempt to get the information but if a client is highly agitated we will not do a complete intake for the safety of our staff.</p>

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				<p>We will develop a written procedure for this process.</p> <p>During the dispatch process we are asking more questions to screen and triage emergency calls. We have updating our service sheets to include questions that will further determine if service call is an emergency. The following questions have been added:</p> <ul style="list-style-type: none"> - I was unable to find assistance from other sources prompting my call to Easy Does It - Without this call I would have to call 911 for assistance. - I was unable to get assistance from other wheelchair repair shops within 24 hours - There was no other accessible transportation available to fill this urgent need - This is an urgent call because <p>The changes to service sheet clearly identify this service request as an emergency need. Dispatchers have been trained on the new procedures.</p>

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Findings and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
1.8	Update all forms used for client intake and eligibility evaluation with guidance for identifying the severe physical disability and emergency that are in alignment with Measure E requirements. Include on the intake form an area for staff to conclude as to whether the services provided are considered Measure E eligible. Use the City contract as a guide in creating the forms.	Easy Does It	Agree	Expected: April 6, 2018	Initial Status 5.1.18: Not implemented. We will be redesigning new client intake form to include more detailed disability information to ensure alignment with Measure E definition of severe physical disability and to collect new data to coincide with new City Data Services information requirements.
1.9	Record services to the financial system to clearly account for expenditures that are funded by Measure E and those that are not. Use the information collected during the improved screening, intake, and eligibility evaluation processes to identify the appropriate funding source.	Easy Does It	Agree	Actual: March 15, 2018; prior to audit issue	Initial Status 5.1.18: Implemented. The bookkeeper has implemented cost centers into accounting system to delineate services to appropriate funding stream. New dispatch procedure and service sheets determine eligibility for Measure E and B funds.
1.10	Create written case management procedures and enforce the requirements for Measure E clients when usage exceeds the threshold. Ensure the procedures and any related forms are	Easy Does It	Agree	Expected: May 1, 2018	Initial Status 5.1.18: Not Implemented. We have established written case management procedures. We will review these procedures and make changes as necessary to comply with city contract. We have established a new Salesforce

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	<p>consistent with Measure E contract requirements for basic case management. Use the City contract as a guide in creating the procedures and include written processes for:</p> <ul style="list-style-type: none"> Identifying and documenting client overuse Creating case management files Assessing client needs Developing a plan with the client Identifying and documenting clients who refuse assistance Documenting all support and intervention, including progress made in, or obstacles to, obtaining reliable attendant care 				<p>database that will make it easier for case manager to track usage of service and identify high-users more quickly.</p> <p>An immediate change now requires case manager to include a case note when a file is closed documenting the outcome of case, referrals given if any and any follow up she intends to do.</p>
1.11	<p>Enforce the use of the written Measure B voucher processing procedures developed by HHCS personnel to capture information necessary to obtain reimbursement from the City of Berkeley.</p>	Easy Does It	Agree	Actual: March 1, 2018	<p>Initial Status 5.1.18: Not implemented. We just received written Measure B voucher processing procedures from HHCS after this audit was performed. We will follow these procedures. HHCS has changed the vouchers multiple times in the last year and has not given us directions on</p>

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					new processing procedures despite our request they do so. HHCS has never notified us when a voucher was completed incorrectly.
1.12	Create written and improved gas card and van use monitoring procedures that will allow management to detect fraud and misuse, and that require reconciliation of gas and van use to service data.	Easy Does It	Agree	Actual: March 31, 2018	Initial Status 5.1.18: Implemented. We have reviewed our gas card procedures. We have revised our log sheet to include mileage so it will be easier to detect fraud. We are also designating a specific card for each vehicle. We will update our written procedures to reflect these changes. We will train staff on procedure changes. Logs will be reconciled by transportation manager monthly, and office manager will do a reconciliation to detect fraud and misuse.
1.13	Train staff on all procedures including those created in response to the recommendations in this audit and any developed as a result of the risk assessment performed in response to recommendation 1.2. Monitor staff's work and provide additional training as may be warranted to ensure staff follow procedures.	Easy Does It	Agree	Expected: TBD Initial: March 1, 2018	Initial Status 5.1.18: Partially implemented. We have monthly all staff meetings. As part of monthly staff meetings we do and will continue to review Easy Does It personnel policies and will train staff of procedure changes as they are made. We also hold bimonthly office team meetings and we will train on procedure changes as they are made.

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Findings and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary
					The executive director and program manager have an informal open door policy in which we welcome staff to discuss individual concerns about any Easy Does It policy or procedure.
1.14	Create informational literature that helps educate the public on why Easy Does It service is almost entirely limited to Measure E eligible services. Provide this literature to new clients and their families, as well as staff, to help clarify any misconceptions about Easy Does It's service delivery restrictions and capabilities.	Easy Does It	Agree	Expected: June 1, 2018 Immediate: Sending information to clients who over use service.	Initial Status 5.1.18: Not implemented. We will be sending out information packets to all clients when we update our client intake forms. Packet information will outline our services and the limitations Measure E places on Easy Does It as an emergency service. We have already begun sending information on the limits of Measure E to clients that overuse service.
1.15	If funding allows, implement a mobile, electronic data collection system that allows Easy Does It staff to capture and record client intake, service, and billing data to the central database. Train staff on the use of the system and enforce its requirements. Update procedures as may be necessary to reflect the use of the system.	Easy Does It	Agree	Expected: TBD Initial: March 2, 2018	Initial Status 5.1.18: Partially Implemented. We now have a new Salesforce database that is much more user friendly and easier to do data entry in than our previous Filemaker database. It is also easier to run reports and to determine if there is missing data. It allows us to enter service information when calls come into our dispatch program. We will continue to refine data capture as the database is fully implemented.

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				<p>We have made some personnel changes and data is now being inputted in a more timely manner. Our dispatchers are also now able to input a call directly into the database making it easier to track calls. Each call is assigned a case number and the case number will now be put on the service sheet so we can track a service throughout the service process. We will be writing up a procedure for how this process will work and outlining staff responsibilities and duties.</p> <p>We are also testing Verizon Field Force phone app to do data collection at the time of service.</p>	
1.16	If funding allows, integrate an electronic scheduling and timekeeping software application with the current payroll system that will allow for a more efficient analysis of staffing trends as aligned with service delivery needs. Train staff on the use of the system and enforce its requirements. Update procedures as may be necessary to reflect the use of the application.	Easy Does It	Partially Agree	Expected: TBD	Initial Status 5.1.18: Not implemented. We will discuss with our Salesforce consultant if it is capable to do electronic scheduling and timekeeping and determine if it is appropriate for our agency. Funding permitting we will consider purchasing a system if Salesforce does not allow us to do this function.

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1.17	<p>Request an opinion from the City Attorney on whether the use of Measure E, per the governing legislation, is intended for:</p> <ul style="list-style-type: none"> • Persons who work or go to school, but do not reside, in the City of Berkeley. • Ensuring one male and one female attendant are on staff or on call at all times. • Ensuring optional staff availability to work with clients who are known to be abusive or who refuse to work with specific attendants. • 24-hour service availability. • Other items HHCS believe require clarification. <p>Maintain documented opinion to allow for transparency and reference.</p>	City Manager's Office; HHCS	Agree	Expected: June 30, 2018	Initial Status 5.1.18: Not implemented. HHCS will request the opinion of the City Attorney on the mentioned items. Housing and Community Services (HCS) has a standing monthly meeting with staff in the City Attorney's office and we will use this time to address the identified questions. We anticipate having a resolution prior to contract amendment for the FY19 contract cycle.

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1.18	<p>Use the City Attorney opinion to:</p> <ul style="list-style-type: none"> • Inform Easy Does It on whether or not Measure E money may be used for: non-Berkeley residents who work and/or go to school in Berkeley; staffing both a male and female attendant at all times; and providing 24-hour services. • Clarify in the scope of services of new City contracts using Measure E funding whether or not Measure E money may be used for: non-Berkeley residents who work and/or go to school in Berkeley; staffing both a male and female attendant at all times; and providing 24-hour services. 	HHCS	Agree	Expected: June 30, 2018	<p>Initial Status 5.1.18: Not implemented. HCS staff have already reached out to the City Attorney to alert them that we will be seeking advice on the issue pertaining to residency.</p> <p>Additionally, HHCS will request the opinion of the City Attorney on the mentioned items. HCS has standing monthly meetings with staff in the City Attorney’s office and we will use this time to address the identified questions. We anticipate having a resolution prior to contract amendment for the FY19 contract cycle.</p>
1.19	<p>Work with EDI to lower the thresholds for high-use clients. For example, identify high-use clients as those with 10 or more calls a month, and require clients obtain case management services once they</p>	HHCS	Agree	Expected: June 30, 2018	<p>Initial Status 5.1.18: Not implemented. HCS staff will work with EDI staff to re-define high-use clients per the Auditor’s guidance, and will do so in time for incorporation into the FY19 contract amendment.</p>

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	reach 20 calls in one month. Incorporate those thresholds into new City contracts for Measure E funding.				
1.20	Communicate with Easy Does it when there are changes to Measure B requirements and provide EDI with updated Measure B procedures discussing those changes.	HHCS	Agree	Actual: March 1, 2018; prior to audit issue	Initial Status 5.1.18: Implemented. Aging Services staff will keep Easy Does It staff abreast of any changes to Measure B requirements by regularly attending monthly PAPCO (Paratransit Advisory and Planning Committee) meetings, and communicating pertinent information – including any updated Measure B procedures – to Easy Does It staff in a timely manner.

Easy Does It: Audit Findings and Recommendations Responses

	<u>Action</u>	<u>Description</u>	<u>EDI RESPONSE</u> <u>4.1.21</u>	<u>Notes</u>	<u>CITY RESPONSE</u> <u>6.30.20</u> <u>Agree/Disagree</u>	<u>CITY RESPONSE 4.19.21 Agree/Disagree</u>	<u>Progress to date: 3.30.21</u>
1.1	Recruit qualified Board Members	Recruit and cultivate qualified people with the business and financial expertise necessary to serve as active Easy Does It board members. Include a process for vetting and voting on nominees to ensure members have the required skills and time to commit to the development and support of Easy Does It.	YES	The rules for adding members to the Board are spelled out in Article 4 sections 1 and 4. Board membership has completely turned over since the COB 2017 audit. Our Treasurer, who has extensive bookkeeping experience, has overseen the complete reorganization of our financial records by our new bookkeeper. Our vice president is Chairman of the Board of a nonprofit active in more than 40 countries. Our President and Secretary have extensive experience working for government in programs serving the disabled. We continue to seek new qualified Directors.	Disagree	Agree; supporting documentation is sufficient.	<p>See Attachments 1-3.</p> <ol style="list-style-type: none"> 1. Board Recruitment process. 2. Resume of Treasurer, Jocelyn Robinson recruited and joined the board in August 2020 after Frank Rini resigned in June 2020. 3. Resume of Jan Garrett whom EDI board is considering to join the board in April.
1.2	Perform a risk assessment	Have staff and board members jointly perform a risk assessment of all major processes to identify the operational weaknesses that leave Easy Does It vulnerable to fraud, misuse, and abuse, and result in noncompliance with funding requirements. Rate the risks to identify those most significant in preventing Easy Does It from achieving its mission and becoming fiscally stable.	NOT COMPLETE - in progress	Easy Does It upated the Client Intake form to capture client's need for services and updated our Payroll Procedures.	Disagree	Partially agree; recommendation confirmed to be in process.	See 1.3 below - Strategic planning process has identified Personnel, Program and Operating procedures as high priority areas that need to be regularly reviewed and updated. Plan will include a matrix that will identify primary and sub-tasks necessary to adress these issues (and more), person(s) responsible, and timeline(s) for completion.
1.3	Establish a written strategic plan	Have management and board members jointly establish a written strategic plan that includes short- and long-term goals using the recommendations from this audit and the risk assessment performed in response to recommendation 1.2. Include target implementation dates in the strategic plan. Prioritize implementation of goals identified as presenting the highest risk. Use the plan to guide the changes needed for an adequate system of internal controls, including the recommendations in this report.	NOT COMPLETE - in progress	We intend to have our new Executive Director hired by April 1. Once the new Director becomes familiar with the needs of EDI we will organize a Board retreat, this summer and develop a strategic plan. A consultant hired by the City (as authorized by City Council) and experienced in developing strategic plans, would be of invaluable assistance.	Agree	Partially agree; recommendation confirmed to be in process. EDI needs to provide final written strategic plan for full agreement.	The EDI Board hired a consultant to facilitate a strategic planning process. Over the course of several meetings, Board and Management Consultant met with Client's Executive Director, Board Chair, Board of Directors and key staff members to conceive of the future direction of the organization, agree on strategic approaches and develop business model & funding strategy. By the end of 2022, Easy Does It (EDI) envisions becoming an organization with a strong culture of integrity, diversity, community and sustainability. EDI's three top strategic priorities are: People & Systems Development, Program Development and Growing Resources. The Board expects to adopt the 1-year plan at it's April 2021 meeting and will submit to COB early May, 2021.

1.4	Create and enforce written payroll procedures to deter and detect fraud	Create and enforce written payroll processing and monitoring procedures that include practices for detecting and deterring fraud, waste, and abuse; and that ensure payroll accuracy. This includes but is not limited to: <ul style="list-style-type: none"> • Ensuring that no single person performs all the tasks related to a single transaction cycle. • Designating a second person to review and sign off on approved timesheets, changes to payroll data, time entry, and payroll pre-process registers. [format change, per contract] 	YES	See payroll procedures	Agree	Partially agree; provide updated documentation.	Payroll procedures are updated as needed to ensure adequate checks and balances. See attachment 7.
1.5	Perform regular scheduling analysis	Perform a staff scheduling and service needs analysis to establish optimal staffing schedules. Perform the analysis on a recurring basis, e.g., quarterly, to identify needed changes.	YES	A Salesforce report inaugurated December 2019 breaks down service requests by type on an hourly basis. The report is reviewed by the Program Director monthly and the Board quarterly.	Cannot verify response	Partially agree; provide supporting documentation requested including outputs from Salesforce and documentation from ED to board, etc.	Schedule analysis is conducted as part of the annual budget process. In FY 21, staffing was reduced by approximately 50 hours per week. Adjustments were made to ensure two staff available only during "high needs" times of the day (e.g. morning attendants don't show up, evening attendants don't show up, etc.). Repair staff and Drivers have been cross trained and respond to attendant calls if/when other staff are providing service and an urgent request is made. Attendant staff are asked to come in outside of their regular shifts to cover single services (e.g. serve Jane Doe for 2 hours as there is no other staff person available). The limited staffing poses challenges: most staff are working close to 40 hours/week so go into overtime when covering extra shifts, staff may not always get relieved for duty free breaks. Most of our employees hold multiple jobs so do not have flexibility to come in outside of regularly scheduled hours, and it is difficult to hire back-up staff as people want to be "guaranteed" a certain number of hours per week to make a commitment to EDI.
1.6	Create and enforce analysis procedures	Create and enforce written procedures for analyzing and managing staff schedules. Include the requirement for conducting the analysis on a recurring basis to keep up with scheduling change needs.	in progress, expected completion June 2020	From our Salesforce database we can review service requests hour by hour. Written procedures still need to be developed now that we have a report to show hour by hour usage.	Cannot verify response	Partially agree; draft supporting documentation sufficient to show progress, EDI to provide final draft for full agreement.	See item 14. schedule plan and analysis

1.7	Establish and enforce written procedures for determining client eligibility	Establish and enforce clear written procedures for evaluating individual eligibility for Measure E services during client intake and service delivery. Use the City contract as a guide in creating the procedures and include: <ul style="list-style-type: none"> Definitions for severe physical disability and emergency that are in alignment with Measure E requirements. Requirement to complete intake and evaluation forms, and to thoroughly document and data enter Measure E eligibility criteria: residency, severity and type of disability, and reason the client situation is an emergency. 	in progress, expected completion June 2020	See Client Handbook, Client intake form and Service sheets	Agree	Partially agree; provide supporting documentation requested including outputs from salesforce and written info from ED to board, etc.	See attachment 6. Dispatch Salesforce Case Entry Measure E attachment 8. Completed Service Agreement redacted.
1.8	Update forms with Measure E information	Update all forms used for client intake and eligibility evaluation with guidance for identifying the severe physical disability and emergency that are in alignment with Measure E requirements. Include on the intake form an area for staff to conclude as to whether the services provided are considered Measure E eligible. Use the City contract as a guide in creating the forms.	YES	See Client Handook, Client Intake form and Service Agreement		Partially agree; client intake form does not include specific area for staff to conclude whether services are Meas E eligible. EDI will add this to form for COB agreement.	Every person that contacts EDI must complete a registration (intake) form <u>prior</u> to receiving services and annually thereafter. It is the responsibility of Dispatchers to verify/ensure that the registration information is collected before staff is assigned to provide service. There are several ways recipient may complete the registration process: 1) with the dispatcher over the phone 2) online: https://docs.google.com/forms/d/e/1FAIpQLScbGO-TivGEAxLjBikuLgmNHoctv1vtjfrzxaj9PKgM3DwwgQ/viewform?embedded=true 3) requesting paper and mailing to EDI.
1.9	Account for Measure Expenditures; record to financial system accordingly	Record services to the financial system to clearly account for expenditures that are funded by Measure E and those that are not. Use the information collected during the improved screening, intake, and eligibility evaluation processes to identify the appropriate funding source.	YES	Supported Living services and Measure E services are recorded in seperate logs. Non-Measure E expenditures are charged to non Measure E funds.	Disagree	Partially agree; do not see where Measure E is specified in payroll procedures, timesheets or Salesforce. Need a list of service type/list of drop downs in Salesforce as documentation. Provide documentation on how EDI justifies emergency in the list on the service agreement, and provide up to date service agreement. Key for timesheets and/or procedure document needed.	See 1.8 above related to intake requirements and assessment of Measure E eligibility together with attachment 4. Payroll procedures (updated) and attachment 5. timesheet example. Services that are provided by Measure E vs. other funding sources are clearly delineated on timesheets, in Salesforce, etc. Employee's hours worked are allocated in payroll system per program/funding source and recorded in EDI's accounting system accordingly.

1.10	Enforce case management rules	Create written case management procedures and enforce the requirements for Measure E clients when usage exceeds the threshold. Ensure the procedures and any related forms are consistent with Measure E contract requirements for basic case management. Use the City contract as a guide in creating the procedures and include written processes for: <ul style="list-style-type: none"> Identifying and documenting client overuse Creating case management files Assessing client needs Developing a plan with the client Identifying and documenting clients who refuse assistance Documenting all support and intervention, including progress made in, or obstacles to, obtaining reliable attendant care 	YES	Please see several case management letters and forms	Partially Agree	Partially agree; draft supporting documentation sufficient to show progress, EDI to provide final draft for full agreement.	Case Manager determines usage patterns on a regular basis in a number of ways: 1) monthly report from Salesforce 2) Call Logs (Google spreadsheets) 3) communication with EDI employees that provide direct service. See attachment 11. draft case management procedures. EDI is working to further develop and utilize Salesforce as a single source of information for all service delivery including case management activities.
1.11	Use City's Measure B vouchers procedures	Enforce the use of the written Measure B voucher processing procedures developed by HHCS personnel to capture information necessary to obtain reimbursement from the City of Berkeley.	YES	HHCS updated their procedures last year and we are in compliance with those procedures. As a result EDI recently received \$4,000 from Measure B and we are expecting another \$16,000 very soon. The office manager reviews vouchers for completeness, and submits completed voucher with necessary HHCS Form. The office manager works closely with HHCS and stay abreast of changes in reporting requirements.	N/A	N/A	N/A
1.12	Improve gas card use monitoring	Create written and improved gas card and van use monitoring procedures that will allow management to detect fraud and misuse, and that require reconciliation of gas and van use to service data.	YES	See Gas Card Policy	Agree	Agree; supporting documentation is sufficient.	N/A
1.13	Train personnel on all procedures	Train staff on all procedures including those created in response the recommendations in this audit and any developed as a result of the risk assessment performed in response to recommendation 1.2. Monitor staff's work and provide additional training as may be warranted to ensure staff follow procedures.	on-going	As we develop procedures, staff gets trained.	Partially Agree	Agree; supporting documentation is sufficient.	Staff are required to attend monthly all-staff, regular department, and periodic 1:1 supervision meetings. Each of these is designed to connect staff, share information, provide tools to ensure completion of work duties, acknowledge importance of the work we do. See attachment 9. All-Staff Meeting Agenda Attachment 6. Dispatch Salesforce Case Entry Measure E. 12. June 2020 Staff Meeting Agenda 13. Employee Identification procedure.
1.14	Inform public on service delivery limitations	Create informational literature that helps educate the public on why Easy Does It service is almost entirely limited to Measure E eligible services. Provide this literature to new clients and their families, as well as staff, to help clarify any misconceptions about Easy Does It's service delivery restrictions and capabilities.	in progress, expected completion June 2020	See Client Handbook (page 7 final paragraph) , Client Intake form and Service Agreement. We will incorporate this Measure E language into our Service Agreement	Disagree	Disagree; EDI to provide final public outreach documentation for COB agreement.	See attachment 7. Measure E Eligibility letter which is mailed to all clients who receive our services. Our client registration form https://docs.google.com/forms/d/e/1FAIpQLScbGO-TivGEAxLjBlkuLgmNHoctv1vtjfrzaxj9PKgM3DwwgQ/viewform?embedded=true

1.15	Implement electronic data collection system	If funding allows, implement a mobile, electronic data collection system that allows Easy Does It staff to capture and record client intake, service, and billing data to the central database. Train staff on the use of the system and enforce its requirements. Update procedures as may be necessary to reflect the use of the system.	NOT COMPLETE	We have a robust Salesforce database. With a consultant (as approved by City Council) we can integrate our existing database to communicate with field staff and capture services provided, payments and other necessary data in real time at the time of services.	Incomplete.	Incomplete.	Some electronic data collection systems are in place, we are working with a Salesforce consultant to find ways to further automate some functions (e.g. service agreements).
1.16	Integrate an electronic scheduling and timekeeping system	If funding allows, integrate an electronic scheduling and timekeeping software application with the current payroll system that will allow for a more efficient analysis of staffing trends as aligned with service delivery needs. Train staff on the use of the system and enforce its requirements. Update procedures as may be necessary to reflect the use of the application.	NOT COMPLETE	We have a robust Salesforce database. With a consultant (as approved by City Council) we can integrate our existing database to communicate with field staff and capture services provided, payments and other necessary data in real time at the time of services.	Incomplete.	Incomplete.	Electronic scheduling and timekeeping software is available through our existing payroll company, implementation is later than expected (we hoped to implement this fiscal year) we will begin to use this system in July 2021.

