Table of Contents

Digest of a
Performance Audit of the
Department of Human Services'
Administrative Bureaus

The administrative bureaus within the Department of Human Services provide important supportive services that are essential to the success of the department's division's and offices. Although there has been some growth in the number of administrative staff, we found that the growth was reasonable. In addition, we also verified that each function within the department's administrative bureaus is needed. For this reason, we recommend that the Human Services Interim Study Committee reauthorize the bureaus under the terms of the Utah Sunset Act.

Although the department's employees seem to be very dedicated, the divisions and offices could be more effective if they had better support from the department's four administrative bureaus. For example, in the area of budgeting and accounting, the divisions and offices are not receiving the support and guidance they need to maintain adequate control over their financial affairs. In addition, the department's agencies are investing heavily in computer technology but are not receiving the guidance and technical support they need to make sure the systems will function correctly. We also found that the Bureau of Human Resources needs to place a higher priority on conducting recruitments and reviewing position classifications. To address these problems, the department needs to strengthen the four administrative bureaus and elevate their status within the organization. Fortunately, most of the problems that we observed were also identified by the department's management review teams. As a result, the department's administration has already begun to address many of our concerns.

The specific findings of this report include:

Administrative Growth has Been Reasonable. We used the department's payroll data to evaluate the growth and composition of the department's staff. We determined that between 1990 and 1994 most of the department's new employees filled line staff positions such as family support workers, social workers and youth corrections counselors. Support staff and management staff (which we consider to be administrative staff) grew at more moderate rates.

We also found that the percentage of staff holding support and management positions has been decreasing. In 1990 support staff accounted for 24.1% of the department's employees and 3% held management positions. By 1994, these figures decreased slightly to 22.8% and 2.7% respectively. In contrast, the number of line staff has increased. In 1990, 73% of the department's employees filled line staff positions. This figure grew slightly to 74.5% in 1994.

We also reviewed the department's justification for increasing specific support staff positions. For example, we found that the department needed to hire additional training staff to train the hundreds of new caseworkers that have been hired in recent years. In addition, more OSS Support Technicians were needed to relieve the department's caseworkers of certain tasks such as doing clerical work, transporting clients, and preparing case files. We determined that additional computer support technicians were needed to maintain the many local area networks and personal computer systems that the department has purchased in recent years. After reviewing the need for these and other new administrative staff, we concluded that the administrative staff growth has been reasonable.

Administrative Functions Needs to be Strengthened. To become more effective, the department's administrative bureaus need to be strengthened. This can be accomplished by clarifying their roles and by encouraging them to work more closely with the department's offices and divisions. For example, the Department of Human Services has not placed enough emphasis on financial management. The management teams of many divisions and offices do not include someone with a financial background. As a result, not enough is done to monitor the financial condition of specific programs, to verify that spending is in line with the budgets and to identify areas in which spending is inefficient.

The Bureau of Information Technology needs to take greater responsibility for the development and use of information technology in the department. The department has made a significant investment in mainframe computer systems, local area networks and personal computers. However, if these systems are to be used effectively, the department needs to do a better job of developing system standards, designing and installing the systems, training staff and maintaining the systems once they are installed. In our opinion, the department needs to clearly indicate that these tasks are the responsibility of the Bureau of Information Technology.

Administrators throughout the department expressed dissatisfaction with how recruitments are conducted and with the process of reclassifying positions. In order to be more responsive to agency needs, the Bureau of Human Resources needs to find ways to reduce the amount of technical and procedural tasks required of human resources staff so they can focus more of their time and attention on the recruitment and classification needs. Bureau staff also need to improve communication with agency managers and help them gain a better understanding of the state's recruitment and classification procedures.

The Bureau of Management Services provides a wide range of supportive services which are essential to the success of the department's other offices and divisions. Our only concern is that this bureau may not be the best organizational unit in which to locate the information analysts who support the Public Assistance Case Management Information

System (PACMIS) and the Unified Social Services Delivery System (USSDS). Instead, we recommend that the information analysts either be located within the Bureau of Information Technology or another, more suitable agency.

Chapter I
Introduction

The services provided by the administrative bureaus within the Department of Human Services are essential to the success of that department's other divisions and offices. For this reason, we recommend that the Human Services Interim Committee re-authorize the bureaus under the terms of the Utah Sunset Act. In addition, the growth of the department's administration has been reasonable and the new administrative positions have been needed. However, much can be done to improve the effectiveness of the department's administrative bureaus. Fortunately, a recent management review by the department has uncovered many of the same problems identified in this report. Management has already begun to correct many of these problems.

This audit was requested by the Human Services Interim Committee that is conducting a "sunset review" of the department's administrative bureaus. The Utah Sunset Act (**Utah Code** Section 63-54-9) requires the Legislature to periodically evaluate whether agencies continue to offer a relevant "public purpose and interest." In October 1994, the Human Services Interim Committee was asked to determine whether the department's administrative bureaus should be re-authorized. During their review, a few Legislators were concerned that too much of the department's new funding had been used to increase the number of administrative staff and not to provide additional caseworkers as intended. For this reason, the committee decided to postpone its re-authorization until the Legislative Auditor General could complete a sunset review of the administrative bureaus.

To address legislative concerns about the administrative growth, we used the department's payroll information for the years 1990 to 1994 to measure the growth of each line, support and management position. We found that most of the growth occurred among the line staff positions such as family support workers, youth corrections counselors and social service workers. A more moderate rate of growth occurred among the department's support and management staff, which we considered to be administrative positions. The support staff include positions such as secretaries, accountants, clerical staff and computer technicians. The management staff are the managers and directors of the department's divisions, regions and offices. We found that during the four-year study period, the management and support positions had actually declined as a percent of the department's total staff.

We also examined the need for each bureau and its importance to the department's mission. First we evaluated the work load of the bureaus and verified that staffing levels are appropriate. Then we interviewed the directors and regional managers of the divisions and offices and other department staff to verify that the services provided by each bureau are used by the rest of the department. We also consulted with staff from the state administrative agencies, such as the Division of Finance, Department of Human Resource Management, Division of Purchasing and others, to find out if there are alternative ways of providing administrative support to the Department of Human Services. We concluded that the services

provided by each of the four administrative bureaus are essential to the success of the rest of the department and that it is appropriate that these services be provided by department-level bureaus.

Although the bureaus are needed, we found that there are some administrative functions that are not being carried out as effectively as they need to be. For example, the department needs to strengthen its financial management practices. In addition, the development and support of information technology systems is not receiving adequate oversight from the Bureau of Information Technology. Finally, the Human Resources unit needs to improve the recruitment process and do a better job of updating positions classifications. At the end of this report we offer a number of suggestions as to how these problems should be addressed.

Legislators should be aware that a number of changes have been made to the department's administration since the time they requested this audit. Shortly after we began our review, the Bureau of General Services was eliminated. Some of that bureau's functions were dropped and others were given to the Bureau of Management Services. In addition, the department's new executive director began a management review at about the time we began to complete our fieldwork. He assigned several "action teams" to evaluate a number of the department's agencies, including some of the administrative functions that were also the focus of our audit. The reports prepared by the action teams identify many of the same problems we had identified. In response to the recommendations of these action teams, management has already made a number of changes in the department's administrative structure. For example, the Office of Liability Management has been eliminated and many of its functions have been assigned to what is now a much stronger Bureau of Finance. The administration has indicated that it will continue to make a number of organizational changes as a result of this management review. For the most part we support the changes that have been made so far and commend the department for initiating these improvements on its own.

Scope and Objectives

This audit was requested by the Human Services Interim Study Committee who have been asked to conduct a sunset review of the administrative bureaus within the Department of Human Services. These include the Bureaus of Finance, Management Services, Electronic Data Processing, General Services and Human Resources. Shortly after this audit began, the department eliminated the Bureau of General Services. For this reason, the scope of this audit only included the four remaining bureaus.

The two primary objectives of the audit were to:

1. Determine whether increases in administrative staff have been appropriate, and

2. Verify that each function within the four administrative bureaus is needed and identify any improvements that can be made.

Chapter II summarizes our analysis of administrative growth between 1990 and 1994 and the department's justification for hiring additional administrative staff. Chapter III explains why each of the four administrative bureaus is needed and recommends a number of ways they can be improved.

This Page Left Blank Intentionally

Chapter II
Administrative Growth has
Been Reasonable

The administrative staff growth within the Department of Human Services has been reasonable. In fact, the percentage of employees holding administrative positions has declined slightly since 1990. We also verified the need for many of the administrative positions that were added in recent years. We found that the new administrative staff were needed to provide the support or supervision required for the hundreds of new front-line staff that have been hired in recent years.

There are no standards for judging how many administrative staff a state agency should employ. The number of administrative positions will vary depending upon an agency's mission. Because clear standards do not exist, we used two approaches to evaluate administrative staff growth. First, we compared the number of administrative positions in 1994 to the number in 1990. We began our analysis with the data from 1990 because it was during the years after 1990 that the Legislature began to significantly increase the number of employees in the department. Second, we reviewed the administrative positions that experienced the most growth to determine whether there was adequate justification for the additional staff.

Payroll Data Show Most Growth
Occurred Among Line Staff

We found the department's payroll data from 1990 and 1994 to be very useful for analyzing the growth of the department's various job classifications. We used the data to: (1) evaluate the composition of the department's staff over time, and (2) evaluate the number of new administrative and line staff. We found that the percentage of employees serving in administrative positions has actually declined slightly. In addition, we found that a majority of the new FTEs were hired in line staff positions.

To evaluate the composition of the staff within the department, we classified each employee as a "line," "support" or "management" staff. This method of categorizing employees is commonly used in the field of human resource management. Line staff are those who actually carry out the mission of the agency and provide direct services to clients. They include positions such as family services workers, youth counselors, social workers and ORS investigators. When we refer to the department's administrative staff we are generally referring to the "support" and "management" categories. "Support staff" provide the support

5

services that are necessary in order for the department's line staff to do their jobs. Support staff include positions such as computer support technicians, accountants, and clerical workers. The "management staff" are those who provide oversight of the department's organizational units. The classification of each position as line, support, or management was based on our analysis of the written positions descriptions maintained by the Department of Human Resource Management. In addition, we also received information from several human resource specialists in the Department of Human Services and in the Department of Human Resource Management.

Percentage of Administrative Staff has Declined Slightly

Using the department's payroll data, we found that there has been little change in the percentage of line, support and management positions between 1990 and 1994. As shown in Figure I, 73.0% of the department's employees held line staff positions in 1990. By 1994, the percentage of line staff increased slightly to 74.5%. In contrast, support staff accounted for 24.1 percent of the employees and 3% percent held management positions in 1990. By 1994 these figures decreased to 22.8% and 2.7% respectively.[1]

---

[1]Staffing levels are reported in terms of full-time-equivalent employees (or FTEs). This was necessary because some positions are part-time and others are filled for only part of the fiscal year. An FTE equals one employee working full-time for a year, or 2080 hours. The actual number of people employed by the department is higher than the number of FTEs.

Figure I
Composition of Staff in the Department of Human Services
Percentage of FTEs by Line, Support, and Management Staff
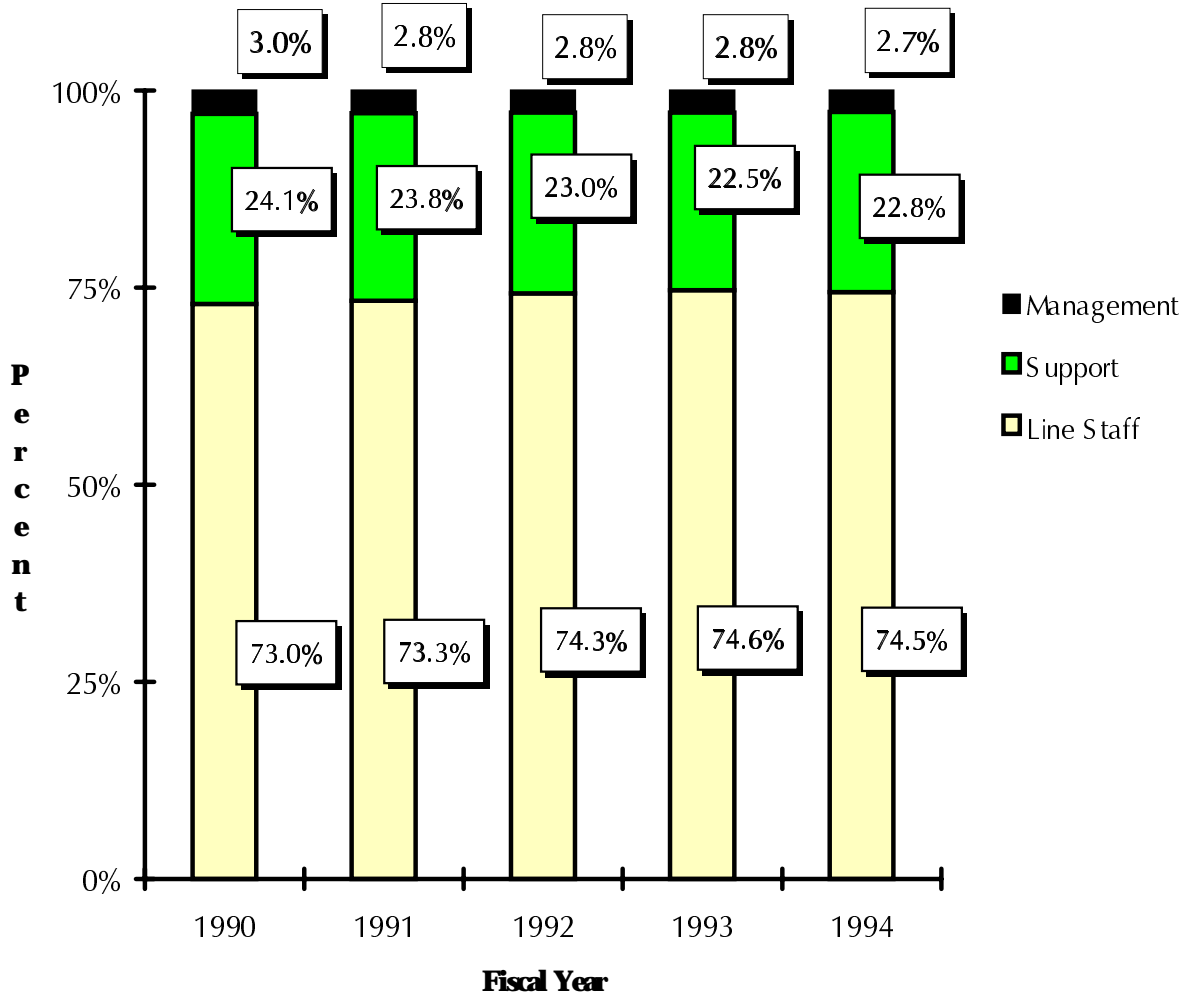
The data from the year 1990 can be a useful standard for evaluating the growth of the department's support and management staff because it was after 1990 that the Legislature significantly increased the number of employees in the department. The data show that most of the new employees filled line staff positions and that the department has not significantly increased the number of support or management staff.

7

Most New Staff have Filled Line Positions

The department's payroll data also show that most of the new employees have filled line staff positions. As shown in Figure II, 666 of the 814 new FTEs added between 1990 and 1994 were line staff, 135.8 were support staff, and 12 were management staff.

Figure II Growth in Employment 1990 to 1994					
Staff Type	1990 FTEs	1994 FTEs	Net Growth	Percent Growth	Category as Percent of Net Growth
Line	2,867.2	3,533.6	666.4	23.2	81.8%
Support	946.2	1,082.0	135.8	14.4	16.7%
Management	116.7	129.1	12.4	10.6	1.5%
TOTAL	3930.1	4,744.7	814.7	20.7	100.0%

Figure II also shows the rate of growth was highest in the line staff category. The number of line staff grew 23.2% during the four years between 1990 and 1994. Support staff and management staff grew at 14.4% and 10.6% respectively during the study period. In addition, the data show that a large majority (81.%) of the new employees filled line staff positions. Only 16.7 percent of new employees were support staff and 1.5% were management staff. Using 1990 data as a benchmark, the data suggest that the growth of support and management staff has been reasonable.

Additions to Support Staff Were Justified

The second approach we used to evaluate administrative staff growth was to verify the need for additional employees in selected support staff positions. We concentrated on the two support staff positions that experienced the greatest growth: a position called Office of Social Services (OSS) Support Technician and one called the Accounting Technician position. We also evaluated the need for additional staff in the areas of computer support, finance and accounting, and human resource management. These three functions were selected because they are the responsibility of the administrative bureaus receiving a sunset review. To verify

the need for new staff in these positions, we reviewed the written justification that accompanies each request for the new positions and we interviewed the supervisors and managers in some of the units receiving the additional staff. We found that reasonable justification existed for each new position.

Most New Support Staff Were Hired to Relieve Line Staff of Their Clerical Duties

The two support staff positions that experienced the greatest growth were the OSS Support Technicians and the Accounting Technician positions. For comparison, these two support positions are listed in Figure III with other line positions that experienced the most growth between 1990 and 1994.

Figure III Positions With Highest Growth 1990 - 1994		
Category	**Position Title**	**FTE Growth**
Line	Family Support Worker I, II & III	169.7
Line	Youth Corrections Counselor I, II & III	77.3
Line	Investigator - ORS I, II & III	67.0
Line	Treatment Worker I, II & III	55.5
Support	OSS Support Technician	48.2
Line	Social Worker	43.5
Line	Treatment Worker DD/MR I & II	42.4
Line	Treatment Supervisor	41.9
Support	Accounting Technician I, II, & III	32.5
Line	Investigative Technician - ORS II	31.7
Line	Human Services Technician I & II	31.2
Line	Youth Corrections Technician I & II	26.1
Line	Social Service Eligibility Technician	26.0
Line	Psychiatric Technician	21.3
Line	Family Support Supervisor	18.0
Subtotal		732.3
Other FTE Growth		82.4
Total FTE Growth		814.7

Some Legislators are concerned that the department has hired too many administrative staff and not enough caseworkers. However, most of the new administrative staff positions were created in order to help caseworkers become more effective. For example, in the Division of Family Services, the OSS Support Technicians perform many tasks that would otherwise be performed by caseworkers. These include such tasks as transporting clients, performing clerical work, filing and gathering documents. By hiring more OSS Support Technicians to assist them, caseworkers are able to focus their attention on the needs of their clients.

Like the OSS Support Technicians, the Accounting Technicians were hired to provide additional administrative support to both the caseworkers and local administrative staff. The accounting technicians perform many of an agency's reporting functions so the caseworkers and budget and accounting staff can perform other, more complex functions. In recent years, the regional offices have been assigned many administrative tasks that were previously performed at the department level. In addition, as the regional offices have grown, local managers have needed to hire additional staff to manage the payroll, maintain the management information system, and prepare federal reports. These duties have been given to accounting technicians so they do not have to be performed by line staff and other administrators.

Hiring Staff in Human Resources, Computer Support, and Finance was Justified

The hiring of additional staff in the areas of computer support, human resource management and finance was also justified. These areas correspond to the responsibilities of the administrative bureaus being reviewed by the Human Services Interim Committee. However, we decided not to limit our analysis to the positions within the four administrative bureaus because many of the bureau staff have recently been reassigned to the department's divisions and offices. For this reason, we focused our analysis on these broad administrative functions whether or not they were still located in the administrative bureaus.

Most of the new Human Resource Staff Were Required by Previous Legislative Audit. The new positions in the human resources area were mostly training staff that who were added as a result of a legislative audit of the Division of Family Services. In report number 93-06, **A Performance Audit of Utah's Child Welfare System**, we recommended that the division seek legislative funding for a more extensive training program, including additional training staff:

We recommend that DFS management complete their plans for a more extensive training program and then implement their plans for an eight-week training program. We recommend that the Legislature provide funding to implement this expanded training program.

This recommendation was made after legislative auditors found that more comprehensive training was needed to provide family support workers with the knowledge and skills they need

to perform their jobs. During this current audit, we found that the department continues to have a large number of relatively inexperienced staff and the Division of Family Services is in the process of hiring even more caseworkers. The Office of Recovery Services also hired a number of new training staff to help prepare staff for the use of the new Office of Recovery Services Information System (ORSIS). This suggests that the department was justified in hiring these additional training staff.

Other staff added in the human resources category since 1990 include seven new human resources technicians. These positions were added to a few divisions and offices that have experienced significant growth. In those divisions, the work load in the human services area alone justified the creation of a human resources technician. The number of new staff added in this area has been small.

Additional Data Processing Staff Were Hired to Operate LANs/Computers. The department has attempted to improve the productivity of its line staff by providing employees with desktop computers that are linked by local area networks (LAN). This is necessary to improve the productivity of staff and to help them respond to an ever-growing demand for services. However, one of the costs of automation is the need to hire additional technical support staff to maintain the computer systems. This support is provided by LAN Administrators, or in some agencies, Technical Support Specialists.

Although the department has recently hired a few new LAN administrators, we found that the growth in LAN administrators is not keeping up with the growth in new computer equipment. Even with the addition of two new FTEs in 1994, we found that the department's LAN administrators are being asked to carry a fairly heavy work load. This problem is most notable in some rural regions where each computer technician is required to travel to several remote offices.

Department-wide, each LAN administrator is required to maintain an average of 157 computer devices. The suggested industry standard is 120 devices per LAN administrator. The State Division of Information Technology (ITS) recommends an even lower ratio of 75 devices per LAN administrator. With the recent acquisition of 500 new computers by the Division of Family Services, we anticipate that the department may need to hire even more LAN Administrators. In Chapter III of this report we recommend that the department strengthen its strategic planning in the area of information technology. As part of that enhanced planning, we recommend that the department conduct a thorough evaluation of its technical support needs.

In addition to the LAN Administrators, the department also added one Database Analyst position to the Bureau of Information Technology to assist with the oversight and development of the database used by the new ORSIS computer system at the Division of Recovery Services. It is hoped that, as the department adopts advanced new computer systems such as the ORSIS

system, staff productivity should increase. This, however, requires that the department hire the additional technical support required to maintain the systems.

Additional Finance and Accounting Staff Have Been Needed. The Department of Human Services has been required by a number of different outside entities to improve its accountability. This has required the addition of a number of new positions in the finance and accounting areas. As shown in Figure III above, the department has hired a number of additional accounting technicians to meet the requirements of its new management information system and to perform a wide range of clerical functions.

The department has also added a number of new Support Services Technicians and Accountant positions. The creation of these positions became necessary after the Office of Social Services was divided into separate regional offices. Many of the financial and operational functions that were once performed by a centralized service system became the responsibility of independent agency offices. This decentralization of the department's service delivery system required that some of the newly created regional offices have their own financial management staff. In the following chapter, we indicate that the finance and accounting staff perform a very important function that should receive greater emphasis than it has had in the past.

In this chapter we have provided data which suggest that the growth of the department's administrative staff has been reasonable. Moreover, it appears the additional support staff have been needed to provide the department's line workers with the financial, technical and other supportive services they need. In the next chapter, we offer a number of suggestions for improving the effectiveness of these support staff.

Chapter III
Administrative Functions Need
to be Strengthened

The services provided by the administrative bureaus are essential to the success of the rest of the department. For this reason, we recommend that the bureaus of Finance, Information Technology, Human Resources and Management Services be re-authorized under the terms of the Utah Sunset Act. However, to be more effective, these administrative bureaus need to be strengthened by clarifying their roles and by encouraging them to work more closely with the department's offices and divisions.

Although the department's employees seem to be very dedicated, the divisions and offices could be more effective if they had better support from the department's four administrative bureaus. For example, in the area of budgeting and accounting, the divisions and offices are not receiving the support and guidance they need to maintain adequate control over their financial affairs. In addition, the department's agencies are investing heavily in computer technology but are not receiving the guidance and technical support they need to make sure the systems will function correctly. We also found that the Bureau of Human Resources needs to be more responsive to the needs of the divisions and offices. Specifically, agencies need them to place a higher priority on conducting recruitments and reviewing positions classifications.

To address these problems, the department needs to strengthen the four administrative bureaus and elevate their status within the organization. Fortunately, most of the problems that we observed were also identified by the department's management review teams. As a result, the department's administration has already begun to address many of our concerns.

Financial Management Needs Greater Emphasis

The Department of Human Services has not placed enough emphasis on financial management. The management teams of many divisions and offices do not include someone with a financial background. As a result, not enough is done to monitor the financial condition of specific programs, to verify that spending is in line with the budgets and to identify areas in which spending is inefficient. We recognize that some department agencies are facing very challenging social, legal and political problems that make it difficult for them to control spending. In fact, one program overspent its budget by some $5 million during fiscal year 1995. This suggests that better financial management practices are needed. Specifically, agencies need to make sure the budget is used as a planning tool, that spending is monitored and compared to the budget, and that forecasts are used to predict future spending needs.

Fortunately, the financial management problems were also identified during the department's management review. As a result, the administration has reorganized the Bureau of Finance and is giving that bureau the support it needs to provide greater leadership in this area. In addition, individuals with expertise in financial management have been assigned to the agencies with the most serious financial problems. We recommend that the Legislature support management's recent actions in this area and that they re-authorize the bureau under the terms of the Utah Sunset Act.

Budget and Forecasts are Tools for Planning and Control

The Department of Human Services needs to use the budget as a tool for planning and spending control. The budget is a planning tool because it forces agencies to evaluate their future spending needs and write a formal proposal as to how resources will be used to accomplish the agency's goals and objectives. The budget plan should be based on quantifiable data such as the number of clients served in the past or forecasts of future demand for services. One of the advantages of the budget process is that it forces managers to plan ahead rather than waiting for daily crises to arise. In addition, it requires managers to communicate their plans to agency staff, the Governor and the Legislature. This, in turn, should lead to greater cooperation between management, staff and state officials.

Once agency managers, the Governor and the Legislature agree on the spending plan, the budget can be used as a tool for monitoring and controlling the agency's spending practices. Periodically, managers should compare actual expenditures to the budgeted amounts, analyze unit cost data such as the cost per client or cost per day of care, and compare the spending in one region to that of another. This analysis should help managers pinpoint inefficient expenditure areas and find ways to keep costs as low as possible. If program expenditure data are combined with performance measures, managers should be able to compare the costs to the benefits of their agency's programs. This, in turn, should help state policy makers assess the value of the public investment in the agency's programs.

Budgets and Forecasts are not Used Effectively

Although agency staff submit a budget request each year, they are not using the budget process as a tool for planning and spending control within their agencies. We found that not enough time is spent preparing and planning the budgets before they are submitted to the Governor's office. Then, during the fiscal year, the budget is not used to monitor agency spending and to identify programs where spending is out of line. Finally, we observed that the forecasts used to predict future spending are not prepared in a consistent manner.

The Department Does not Spend Enough Time Preparing a Spending Plan. Department staff are not spending sufficient time preparing and analyzing budget proposals. The budget and accounting staff spend most of July and August closing the accounts of the prior fiscal year. This does not leave them with sufficient time to perform the planning and analysis

necessary to submit a well-prepared budget in September. As a result, agency budgets tend to be prepared too quickly and with little review from the department's budget manager. The budgets often contain errors. Requests for additional funding are often not supported by reliable measures of past client activity or forecasts of future demand for services. In addition, budgets are usually submitted to the Office of Planning and Budget long after the Governor's deadline. This suggests that the department is not using the budget process as the planning tool it should be. They are not able to develop a long-range spending plan to address their problems and they cannot use the budget as an effective tool for communicating their spending needs to the Legislature.

Spending Practices are not Monitored. We also found that the budgets are not being used to monitor and control spending. Most agency directors and managers are not doing enough analysis of the spending practices within their agencies. They are also not asking some obvious financial questions that we raised such as: "Why are some agencies spending more than their budgeted amounts?" or "Why is the average program cost for a certain client population in one region nearly twice the amount in another region?" Managers are also not comparing their actual spending to the budgeted amounts. A regional manager of one division told us that he usually does not even know whether his region is under or over budget until just a few weeks before the end of the fiscal year. This suggests that managers are not using the budgets and the expenditure reports to monitor the cost of their programs and to identify inefficiencies.

Forecasts are not Prepared Consistently. Agencies in the Department of Human Services are required to prepare monthly forecasts of the expected client demand for services. If used properly, the forecasts should help managers anticipate program areas that may need to be expanded or changed. However, division and department managers have not been using the forecasts. One division was recently caught off guard by a sudden rise in the case load in one of its programs. As a result, the department needed to shift funds from other programs to accomodate the increased demand for services. In addition, the division has not had the staff or the programs it has needed to respond to the increased client enrollment.

Some have suggested that the reason why administrators have not used the forecasts is that the reports are not prepared in a consistent manner. In one division, for example, each region uses a different methodology to prepare their monthly forecast. On the other hand, others have suggested that regional staff are not careful about how they prepare their forecasts because managers rarely use them. Without a more accurate and consistent approach for forecasting client needs, some agencies will continue to have difficulty predicting their spending needs accurately. Instead of having a well-prepared strategy for dealing with a rising case load, the department will continue to operate in a crisis mode.

Weak Financial Practices can Cause Deficits and Noncompliance

The impact of the department's weak financial management is illustrated by two examples. First, it is demonstrated by the difficultly the Division of Family Services has had in controlling the spending in the Out-of-home Program. This has resulted in a multimillion dollar deficit in the fiscal year 1995 expenditures for that program. Second, the department has not corrected several financial problems identified in past state auditor reports. We believe these two problems could have been avoided, or at least would not be as serious, if greater emphasis had been placed on financial management.

Spending for Out-of-home Care Needs to be Controlled. Spending for out-of-home care by the Division of Family Services has consistently exceeded the budget. In December 1994, department staff predicted the Division of Family Services would experience a deficit at the end of fiscal year 1995 of $5.2 million. They said this was due to a lack of financial controls in the division and an increase in the demand for services from out-of-home providers such as foster parents, groups homes and psychiatric hospitals. To avoid overspending the budget, the department received approval from the legislature during the 1995 session to use funds from other department line items to cover the division's deficit. As a result, the department has succeeded in addressing the deficit within the Division of Family Services but it has done so at the expense of other programs. In addition, the underlying causes of the division's spending problems have not been resolved. The Division is still spending more than the Legislature has appropriated for out-of-home services for fiscal year 1996.

We recognize that there are a number of social, legal and political factors that have made it difficult for the Division of Family Services to control its spending for out-of-home care. However, a report by the department's own Office of Liability Management indicates that the *"lack of fiscal controls, together with [other factors] created the deficit problem."* We support their recommendation that *"Fiscal controls need to be developed that will prevent regions from overspending the budget."* Through our discussions with division managers and staff, we have also concluded that more needs to be done by local administrators to keep spending in line with the budget. In addition, we found that the division needs to do better planning and preparing of its budget proposal.

The Office of Liability Management and many observers of the Division of Family Services both within and outside the department have suggested that caseworkers are not being held accountable for how their decisions affect the budget. Caseworkers are making large financial commitments when they decide to place a child in an out-of-home setting. However, we have been told that some caseworkers are authorizing more services than are needed because they feel they are under pressure from a lawsuit against the department to provide clients with all the care they need. They feel they would be personally at risk if they were to provide fewer services than are needed by a client. The relative inexperience of some caseworkers may also have contributed to the division's spending problems. We have been told that some of the department's newer caseworkers have been authorizing more services

than are needed based on the recommendation of the private providers of those services. To bring spending under control, managers at both the division and region level need to hold staff accountable for their spending practices.

Audit Findings are Still Unresolved. The department has not addressed a number of problems identified by past State Auditor reports. Some of the specific problems identified in the State Auditor's Management Letter for the fiscal year ended June 30, 1994 are: (1) several errors in the direct cost allocations were caused by deficiencies in the Random Moment Sampling system; (2) errors in the allocation of costs to federal grants and state funds have occurred; (3) noncompliance with the requirements of three federal programs was identified , and, (4) controls over who may access the Unified Social Services Delivery System (USSDS) and the state's new accounting system (FINET) do not exist. The State Auditor attributed the audit findings to *"significant deficiencies in the design or operation of the internal control structure… ."*

What we find to be most significant, however, is the statement by the State Auditor that some of these findings were reported in previous years and have still not been corrected. The department's lack of action in these matters is another indicator that the department does not have adequate oversight of its financial affairs. It appears that no one at the department level has the responsibility to see that deficiencies in the department's financial management practices are corrected. This provides further evidence that there needs to be strong financial oversight from a department-level bureau such as the Bureau of Finance.

Financial Management Needs to Play a More Prominent Role

In most organizations in both the public and private sectors, the chief financial officer plays a prominent role in the administration. This is necessary because financial management issues touch on almost every policy decision made by an organization. It has been several years since the Department of Human Services has had someone in its administration who was responsible for overseeing the department's financial affairs. Likewise, most divisions have lacked someone with enough financial expertise to make sure good financial management practices are used. The reason is that most division directors and deputy directors have come from the ranks of the department's professional social workers and do not have the expertise they need to oversee their division's finances.

As a result of its recent management review, the department is trying to strengthen its financial management practices. The Bureau of Finance has been reorganized and has been given a more prominent role in the administration. Agencies that have not had adequate financial management staff are being given extra support so they can close out the financial records in the fall without having it interrupt the preparation of the budget. In addition, a new budget director position has been created that will provide department-level oversight of the budget. In fact, for the first time in several years, the department's budget has been completed on time this year. In order to give the Division of Family Services the support it needs, the

administration has appointed a new deputy director who has a strong financial management background. The division has also created a new finance director position. We view these as very positive steps and anticipate that the department will continue to give financial management the emphasis it needs.

Bureau of Information Technology
Needs to Take a Stronger Role

The Bureau of Information Technology needs to take greater responsibility for the development and use of information technology in the department. One of the department's goals is to improve services to clients and to increase the efficiency of staff through the use of information technology. This has required a significant investment in mainframe computer systems, local area networks and personal computers. However, it is a very complex process to design system standards, to install the new systems, to train staff in how to use the equipment, and then to maintain the systems. This is why the department needs a highly trained staff of computer programmers and technicians. We believe this should be the role of the Bureau of Information Technology and is the reason why the bureau should be re-authorized.

Our interviews with management and staff throughout the department indicate that the Bureau of Information Technology is not yet providing the level of oversight and technical support that agencies need. Many agency managers believe that the department is not providing adequate support for local area networks (LANs). In addition, we found that the Bureau of Information Technology needs to provide agencies with better technical support and training.

One reason the Bureau of Information Technology has not provided greater leadership in the area of information technology is that its role and authority have not been clearly defined. As a result, there have been disagreements over who has responsibility for the department's information technology systems. A debate over who should pay for new technology has also been an obstacle to cooperation. To address these problems, the department needs to clarify and strengthen the role of the Bureau of Information Technology and develop a clear strategy for funding information technology.

Technical Support of LANs Needs to be Improved

The department is not providing effective oversight over local area networks because the role of the Bureau of Information Technology has not been clearly defined. As a result, it is not clear who is responsible for establishing system standards, for providing technical support, and for paying the cost of new equipment. In addition, we found that some LAN administrators carry heavy work loads and some agencies are not following the department's

information technology plan. These problems are preventing the department from receiving the full benefit of its investments in personal computers and local area networks.

LAN Administration is Poorly Organized. The Department of Human Services has an overly complicated approach for providing technical support for its LANs. The LANs in many department agencies are supported by staff from the Bureau of Information Technology. In addition, some agencies have a LAN administrator on their own staff. Furthermore, the state Division of Information Technology Services provides support for the LAN systems of all state agencies located in the state's regional services centers in Provo and Ogden including the human services offices located there. With so many different groups providing technical support, it is unclear who is responsible for developing system protocols, hardware and software standards, and for making sure that staff receive consistent and appropriate training.

The confusion over who is responsible for LAN support has been a source of contention in the department. As one outside observer said: *"There is an unhealthy competition between the agencies in how to fund and administer information technology and some struggle with the desire to autonomously meet their own IT requirements."* In addition, it is unclear who is responsible for paying for system upgrades and for technical support. This has also made it difficult for agencies to agree on who should establish system standards and oversee the technical staff.

In our view, the department LANs and personal computers should operate under a single set of system standards. To do this, those who provide technical LAN support need to operate under a common service plan and receive the same training. We believe it should be the responsibility of the Bureau of Information Technology to define those system standards and prepare a strategic plan for the department's use of information technology.

LAN Operators Carry Heavy Work Loads. The heavy work load assigned to some LAN administrators is another problem that further complicates the debate over who should oversee the LAN support staff. In some regions the number of LAN administrators has not kept up with the growth in the number of computers and LAN servers. The Utah Division of Information Technology (ITS) recommends a ratio of one LAN administrator for every 75 computer devices. Budget limitations, however, make this ratio very difficult to achieve. Even in the regional centers where ITS provides LAN support, there is a ratio of one computer support technician for every 115 computer devices. In the department of human services, the average ratio is one LAN administrator for every 157 devices; in some regions the ratio is much higher.

The heavy work load carried by some LAN Administrators has made it difficult for them to provide adequate system support. This is not only frustrating to staff who are not able to use their equipment but it also contributes to down time, which hurts staff productivity. The lack of adequate LAN support is also frustrating to the regional administrators who must rely on LAN administrators from other agencies. They are put in the difficult position of needing to

keep their systems operational without having direct supervision of their LAN support staff. To resolve this problem, the department needs to clearly define who is responsible for coordinating technical support. In our opinion, if the Bureau of Information Technology is to be the agency that oversees the department's system standards and guidelines, they should also be the ones responsible for coordinating the technical support staff who implement those standards.

Some Regions are not Keeping Their Systems up to Date. Another result of the department's highly decentralized approach to maintaining LANs is that some regions are choosing not to make the system upgrades suggested by the department's Information Technology Plan. When agencies do not make system upgrades on schedule, it is difficult for the department to make software upgrades and provide consistent technical support.

The department regularly updates its system standards and guidelines in an annual Information Technology Plan. The use of guidelines and standards allows data to be shared between the department's various agencies and programs. In addition, the use of department-wide standards for computer hardware enables the department to have software maintenance agreements with major vendors. Then, as upgrades become available, all agencies can make the upgrades at the same time and at a lower cost. However, if upgrades are not done simultaneously, it makes it very difficult for the department to provide consistent training and help desk support.

We found that some regional offices are not making the system upgrades required by this information technology plan. For example, when some rural regions did not make the upgrades from 386 computers to the 486 models, they were not able to install the next upgrades of the system software. Although the department asked each agency to make room in their budgets for these upgrades, some have failed to do so.

Agencies Need Better Technical Support

Many of the agency staff we interviewed told us that they do not feel they are receiving adequate computer technical support. Specifically, staff are concerned with the lack of assistance provided by the help desks, the lack of adequate computer training, and the difficulty they have in obtaining management data from the mainframe systems. One reason staff may not be receiving the computer support they need is that the department has not clearly defined which agencies are responsible for providing these services. In our opinion, these services should either be provided directly by the Bureau of Information Technology or the bureau should at least be responsible for developing a service plan and coordinating with those entities responsible for providing technical support and training.

Help Desk Needs to Provide Better Support. Many of the staff we interviewed expressed concern for the lack of adequate technical support. We were frequently told that staff are not getting the technical assistance they need and that they usually have to resort to "asking around

the office" to get answers to their technical problems. For most, this approach is acceptable until they have a technical problem that no one can answer or until they receive advice that is incorrect. Our findings are supported by a recent survey conducted by the Bureau of Information Technology. It indicates that employees in the department's administration building have been receiving inconsistent, insufficient, and untimely answers to their computer questions from the bureau's customer support team.

One of the department's management review teams also evaluated the quality of the department's technical support. They concluded that technical support has not been adequate and made the following recommendations: (1) co-locate all computer help desks (Customer Support, R&D, PACMIS, USSDS and ORSIS) in order to lessen caller confusion; and (2) assure that adequate caller logs are kept so that common software problems can be better tracked in the future; and (3) use the information in the caller logs to develop appropriate and focused EDP training.

Better Staff Training is Needed. Another common complaint we received from staff was that they did not feel they were receiving adequate training on the use of their computers. Division management and employees told us that they either get too little training or training that is not relevant to their needs. This is a concern because the department will receive little benefit from its investment in technology if staff are not given appropriate training in how to use the equipment.

The department's management review teams also observed this problem and suggested that Bureau of Information Technology take responsibility for the department's computer training. Specifically, they recommended that the Bureau provide in-house training that is more customized to the needs of each respective division instead of merely sending employees to local training vendors. They also suggested that some divisions, particularly the Office of Family Support, could conduct their own training.

BIT Programmers Should Provide Data When Requested. Many agency staff are frustrated because they cannot get the information they need and in the format they want from the department's mainframe computer systems. In most cases they have to make formal requests to programmers for specific reports. We heard several complaints that this process takes too long and the reports sometimes do not come in the requested format. Some have suggested that the Bureau of Information Technology should download the requested data so agency staff can build their own reports using a spreadsheet or database software package. However, this approach has not been used because the Bureau of Information Technology has been too busy to provide this service and agency managers have not been informed of this alternative.

The problems we found in the area of information technology need to be addressed under the leadership of a department-level bureau such as the Bureau of Information Technology. For this reason, we recommend that the Human Services Interim Committee re-authorize this

bureau. However, to be effective, the Bureau of Information Technology needs to work cooperatively with the department agencies that it serves. Under the bureau's leadership those who have an interest in the development of information technology need to work together to prepare long-range strategic plans, to establish department standards, and find an efficient way to provide support services.

Human Resources Needs to
Improve Recruitments and Classifications

Although the Bureau of Human Resources needs to be more responsive to the needs of their client agencies, we believe the bureau is needed and should be re-authorized. The Bureau of Human Resources is needed to carry out the duties delegated to the Department of Human Services by the Department of Human Resource Management. Administrators throughout the department spoke very highly of many of the services they receive from the bureau under the delegation agreement. However, there is some dissatisfaction with how recruitments are conducted and with the process of reclassifying positions. In order to be more responsive to agency needs, the human resources staff need to focus more of their attention on making sure that recruitments and position classifications are performed in a timely manner.

BHR Should be Re-authorized

It is the state's current policy that certain human resources functions be performed by state agencies through a delegation agreement with the Department of Human Resource Management (DHRM). The Bureau of Human Resources is the entity responsible for carrying out this delegation agreement for the Department of Human Services. Officials from DHRM told us the bureau is doing a good job of performing its responsibilities and that the present arrangement should continue. They told us that it would be inappropriate to shift these responsibilities back to DHRM at the state level, or to further delegate the responsibilities to the individual divisions and offices within the Department of Human Services. The administrative staff within five DHS divisions told us that they rely quite heavily on the BHR for human resource services. For these reasons, we have concluded that the Bureau of Human Resources is needed and should be re-authorized under the terms of the Utah Sunset Act.

Recruitment and Classification can be Improved

Agency managers feel that the bureau's top priority should be to conduct timely recruitments and to address problems with the classification system. They believe this is necessary if the bureau is to fulfill its mission to make sure the department hires and retains the best qualified candidates. However, many agency managers believe that bureau is not making recruitments and classifications their top priority. Instead, they believe the bureau focuses too much on procedural issues and on compliance with the state's personnel rules. Obviously, the

department must comply with the state's personnel rules. However, we believe the bureau can be more responsive to the needs of the divisions and offices within the department of Human Services.

Recruitments Need to be More Timely. Several agency managers suggested that the department's process of recruiting entry-level positions is so slow that the best candidates have often found other employment by the time the department is ready to make them an offer. As required by state personnel rules, the department goes through a fairly lengthy process in order to hire entry-level positions. It requires the department to advertise positions, review the applications, create a registry of qualified applicants and interview the candidates. However, this process has been known to take from 3 to 5 months to complete. The best applicants are usually not willing to wait that long. Agency managers suggest that the bureau and the agencies should work better together to find ways to make the recruitment process proceed more quickly so that highly qualified applicants can be identified and offered employment as soon as possible.

Classification Problems Need to be Addressed. Agency managers identified many positions that they felt were improperly classified. They expressed a great deal of frustration with the Bureau of Human Resources because they feel the bureau is not willing to deal with classification problems as quickly as agency managers would like. For example, in recent years the department has hired dozens of new "OSS Support Technicians." However this is an old position classification left over from the days in which many of the department's services were offered through a centralized service system called the Office of Social Services. Many division managers are using this position for a wide range of functions that do not fit within the formal job specifications for the position. Agency managers told us that they continue to use outdated position classifications such as the OSS Support Technicians because the Bureau of Human Resources cannot keep up with the requests for reclassification. Managers have told us that when positions are not properly classified, it is difficult for them to conduct recruitments because the minimum qualifications and the salary ranges do not match the background of the people they are looking for.

Improved Communication can Help Staff Focus on Agency Needs

The Department of Human Resource Management (DHRM) and one of the Department's management review teams have offered a number of suggestions for improving the Bureau of Human Resources. They observed that the Bureau of Human Resources has focused too much on technical and procedural tasks and not enough on the priorities of the agencies they serve. Both groups have suggested ways the bureau can shift more of its resources away from technical and procedural activities and more towards meeting the specific needs of the agencies it serves.

As did we, the management review teams found that the top priority among agencies are recruitments and classifications. However, they found that the bureau's *"organizational structure and staffing patterns do not sufficiently reflect priority functions and needs."* They suggested that the bureau *"lacks the staff to adequately perform classification and recruitment functions in a timely and effective manner."* However, rather than hiring additional human resource staff, they suggested that the bureau use the existing staff more effectively. They suggested that the bureau should reduce *"inconsistencies in staff work loads"* and to reassign staff away from less critical areas to those areas needed most by their client agencies. In addition, the management review team suggested that some human resources staff should be physically located within the client agencies they serve. This, they said, should improve communication and help the Bureau of Human Resources become more responsive to the needs of its client agencies.

The Department of Human Resource Management is making a number of changes that should also allow the bureaus to devote more of their resources to recruitments and classifications. New automated human resource management systems called HR Streamline and Resumex should reduce the technical and procedural tasks performed by human resources staff and provide them with more time for accomplishing other human resource functions, especially recruitments. According to DHRM, these new system should allow human resource staff to act in more of a *"consultative and oversight role."* In addition, DHRM also suggests that improved communication is needed. A recent DHRM report observed that *"conflicts sometimes results when agencies must balance loyalties between professional standards (laws, rules, policies) and the demands and loyalty of their own agency management."* They suggested that *"many agency HR divisions or bureaus need to listen and communicate better not only with its own agency management but also with other agencies' HR and DHRM."*

We recommend that the Bureau of Human Resources find ways to reduce the amount of technical and procedural tasks required of human resources staff so they can focus more of their time and attention on the recruitment and classification needs of the department's offices and divisions. We also recommend that DHRM and the Bureau of Human Resources take steps to improve communication between agency managers and human resource analysts so both groups can work together to address recruitment and classification problems.

Bureau of Management Services
Should be Re-authorized

The Bureau of Management Services provides a wide range of supportive services including random moment sampling, contract management, facilities planning and management, and maintenance of the Unified Social Services Delivery System (USSDS) and the Public Assistance Case Management System (PACMIS). We found that each of these services is essential to the success of the department's other offices and divisions. For this

reason, we recommend that the bureau be re-authorized. Our only concern is that this bureau may not be the best organizational unit in which to locate the information analysts who support the Public Assistance Case Management Information System (PACMIS) and the Unified Social Services Delivery System (USSDS). Instead, we recommend that the information analysts be located within the Bureau of Information Technology.

The Bureau of Management Services offers a wide range of administrative functions. We verified that each of these functions is necessary and that the current staffing levels are appropriate. The bureau's contract analysts manage all of the department's contracts with private providers. The facilities planners are responsible for managing the facilities either owned or leased by the department. The emergency response coordinator is the department's liaison with the State Emergency Services Division. Finally, the bureau's team of information analysts act as a resource for the users of the PACMIS and USSDS system and the computer programmers in the Bureau of Information Technology. Each of these positions performs a needed function within the Department of Human Services.

We also determined that the information analysts provide an important service to the agencies within the Department of Human Services. However, we believe they would be more effective if they were located in the Bureau of Information Technology. The main responsibility of the information analysts is to coordinate programming projects on behalf of the users of the PACMIS and USSDS computer systems. When department staff need to have special programming done on the systems, the information analysts draft the project requests. This is necessary because neither the users of the system nor the computer programmers have enough working knowledge of the PACMIS and USSDS policies to prepare the project requests on their own. We believe the information analysts would be more effective if they were located in the Bureau of Information Technology. It would improve coordination between the information analysts and the programmers, there would be better cross training, and it would allow the department to have a single point of accountability for the development of the projects.

The Department of Human Services has already transferred the USSDS help desk to the Bureau of Information Technology. However, they have placed the PACMIS help desk unit in the Office of Family Support. This could be an acceptable alternative. We recommend that they monitor this arrangement and transfer the PACMIS unit to the Bureau of Information Technology if they are not found to be effective in the Office of Family Support.

Recommendations:

1. We recommend that the Legislature re-authorize the bureaus of Finance, Information Technology, Human Resources and Management Services.

2. We recommend that the department strengthen its financial management by clearly defining the role of the Bureau of Finance as the entity responsible for overseeing department-wide financial management practices.

3. We recommend that the Department of Human Bureau of Finance require department agencies to use the budget process as a means of both planning and monitoring agency finances.

4. We recommend that the department clarify the role of the Bureau of Information Technology and establish that bureau as the entity responsible for overseeing the use of information technology in the department.

5. We recommend that the Bureau of Information Technology work with department agencies to develop a long-range strategic plan for the use of information technology, establish system standards and guidelines, develop a unified approach for providing LAN support, and develop a plan for funding technology development and support in the department.

6. We recommend that the Bureau of Human Resources find ways to reduce the amount of technical and procedural tasks required of human resources staff so they can allocate more of their time to addressing the priorities of the department's offices and divisions.

7. We recommend that the Deaprtment of Human Services monitor the effectiveness of the PACMIS help desk unit in the Office of Family Support. If they are not found to be sufficiently effective in that location, we recommend that they be placed with other help desk staff in the Bureau of Information Technology.

Agency Response