

# Committee of the Whole Briefing

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April 28, 2026

 King County

**DCHS**

Department of Community  
and Human Services

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# Agenda

Overview

Progress on KCAO  
Recommendations

Progress on Council  
Ordinance Requirements

Next Steps

# DCHS Is Leveling Up



Creating a **culture of responsible financial stewardship**



Addressing and implementing all 10 audit recommendations and Council ordinance requirements



Building **better systems for stronger oversight**

**"[DCHS] made significant progress on audit recommendations, improving training and awareness."**

– King County Auditor's Office  
April 2026

# Progress on King County Auditor's Office Recommendations

# Policy & Procedures Recommendations

Deadline	Recommendation	Status
<p><b>March 2026</b></p>	<p><b>Seven:</b> “Enforce contract requirements related to subcontractors by ensuring, at a minimum, that 1) it has issued written approval for all subcontractors, 2) subcontracts contain language required by contract, and 3) it takes action to correct any improper payments that may have occurred related to unapproved subcontracts.”</p>	<p><b>ON TRACK</b></p>
<p><b>March 2026</b></p>	<p><b>Eight:</b> “Develop, document, and implement clear and consistent policies and procedures for:</p> <ol style="list-style-type: none"> <li>1. invoice validation</li> <li>2. contract amendments</li> <li>3. stipend payments</li> <li>4. prepaid card logs</li> <li>5. when contract payments exceed actual expenditures</li> <li>6. contract termination</li> <li>7. funding eligibility of for-profit businesses as both grantees and subcontractors on community grants</li> <li>8. documentation management”</li> </ol>	<p><b>ON TRACK</b></p>

# Provider Financial Stewardship Trainings

Deadline	Recommendation	Status
March 2026	<b>Six:</b> “Develop, document, and implement a plan for effectively communicating to grantees their role in financial stewardship and how they are supported and held accountable to that role.”	<b>ON TRACK</b>



## Trainings Launched

- Financial Management & Best Practices\*
- DCHS Contracting Overview
- Fiscal Contract Compliance

**80% of providers report feeling more prepared** to manage their DCHS contract(s) after taking the training(s)

\* Required for multiyear contracts

# DCHS Anti-Fraud Training

Deadline	Recommendation	Status
April 2026	<b>Three:</b> “Develop, document, and implement a plan to offer ongoing anti-fraud training for all staff. At a minimum, this training should include information on the impact of fraud, why people commit fraud, how to identify it, and how to report it.”	<b>ON TRACK</b>

## The Center Square

Audit update shows King County making progress in rooting out fraud

- **Developed Training AND Training Plan**
- Training launched **April 1**
- **Over 30% completion** to date



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# Hybrid Payment Risk Assessment

Deadline	Recommendation	Status
June 2026	<b>Four:</b> “Conduct and document the results of a risk assessment of its hybrid payment model that specifies how its response appropriately mitigates the risks of fraud and improper payments.”	<b>COMPLETE</b>



## We're now...

- Implementing mitigation measures
- Transitioning many contracts to alternative payment models
- Requiring CFOO and Division Directors approval

# Internal Efficiencies, Tools & Trainings

Deadline	Recommendation	Status
June 2026	<b>Two:</b> “Work with Public Health – Seattle & King County to develop, document, and implement a plan to identify opportunities for efficiencies in the financial oversight of organizations funded by both departments.”	ON TRACK
December 2026	<b>Nine:</b> “Develop, document, and implement checklists that help ensure staff adhere to all policies and procedures established in Recommendation 8.”	ON TRACK
March 2027	<b>Ten:</b> “Develop, document, and implement a comprehensive staff training plan that covers policies, procedures, and checklists from Recommendations 8 and 9.”	ON TRACK

## CULTIVATING CONNECTIONS

DCHS Strengthens Oversight and Accountability with New Policies and Improvements

Read more at  
[bit.ly/DCHSOversight](https://bit.ly/DCHSOversight)

# DCHS Future State

Deadline	Recommendation	Status
June 2027	<b>Five:</b> “Develop, document, and implement a plan to monitor the effectiveness of the Best Starts for Kids capacity-building program in improving the financial capacity of grantees and use monitoring results to inform Recommendation 6.”	ON TRACK
June 2027	<b>One:</b> “Develop, document, and implement a strategy to strengthen internal controls for financial management that includes, at a minimum, 1) a clear vision of how financial stewardship relates to program goals, and 2) the role of compliance, fiscal, and program staff in supporting fiscal stewardship.”	ON TRACK



Learn more about our ongoing work.

Visit [bit.ly/DCHSFinancialStewardship](https://bit.ly/DCHSFinancialStewardship)

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# Potential Future Structure & Functions

## 1. Ensure Role Clarity

Continue to make sure roles and responsibilities are clear among Program Managers, Contract Managers, and Finance staff

## 2. Create a Centralized Accounts Payable Team

Prioritize role separation, create standardized, efficient, timely and accurate invoice review and payment processes

## 3. Expand Compliance team

Hire a Chief Compliance Officer; add compliance staff to ensure fiscal risk assessments and contract monitoring

## 4. Internal Quality Assurance & Compliance

Compliance with internal requirements, standards, policies and procedures

## 5. Enhanced Training & Development

Develop and maintain training materials and job aids; Ensure strong onboarding plans and ongoing training requirements

## 6. Better Leverage Technology

Enhance Agiloft to support more compliance and contract management activities; identify platform to support fiscal management

## 7. Create Provider Supports & Readiness Team

Implement efficiencies; centralize and standardize CBTA supports

# Progress on County Ordinance Requirements

# Best Practices: Contract Management & Compliance Monitoring

*Ord. 19978, Section 1.A.2.a: Develop, document, implement and adhere to best practices regarding contract management and compliance monitoring, including DCHS Contract Compliance Monitoring Policy*

## Completed

- ✓ Developed and implemented **nine new nepolicies and procedures** on March 31
- ✓ Hired **Contract Management Learning and Development Manager**
- ✓ Developed **Contract Compliance Monitoring Policy**--this includes Concerns Escalation & Reporting Protocol

## Next Priorities

- Establish **department-wide contract management standards** (outside of new P&Ps)
- Job aids** and ongoing **staff trainings for new P&Ps**

# Risk Assessments

*Ordinance 19978, Section 1.A.2.c: Perform annual risk assessments of multiyear contract agencies.*



## 100% Completion in 2025

DCHS' fiscal compliance team performed a risk assessment on 100% of the 358 contractors deemed eligible.



## Plan for 2026

401 contractors are eligible for risk assessments. Includes 360 multiyear contract agencies and 41 contracts with State and/or Federal funding. All assessments are expected to be completed this year.



**Important Note:** Need for more staffing to build capacity and create strong infrastructure.

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# Site Visits

*Ordinance 19978 Section 1.A.2.c: Perform in-person site visit of multiyear contract agencies at least once every three years; Prioritize visits related to complaints or concerns*

**Triennial Monitoring Plan:** 360 multiyear agencies in 2026 to be monitored over three years (~120 this year) to meet requirements

**Risk-Based Prioritization:** Focus on agencies with complaints, concerns, or elevated needs/risk

**Blended Approach:** In-person program site visits; remote fiscal monitoring to maximize efficiency and coverage

**Coordinated & Standardized Execution:** Aligning with Public Health and partners; using common tools and ongoing tracking to ensure annual targets are met

# 2025 Contract Compliance\*

## Fiscal Monitoring Visits

Agency level

- **Above Target:** Completed 22% of visits (target was 20%)
- **Eligible Agencies:** 358 agencies

## Program Monitoring Visits

Contract level

- **Total Reviews:** 208 contracts across 129 agencies
- **In-Person vs Virtual:** ~66% of program monitoring visits were in-person (137 out of 208 visits)

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*\*Pre-dates ordinance and multi-year contract agency requirement.*

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# 2026 Contract Compliance: New Requirements

DCHS is **prioritizing in-person contract compliance site visits** for 360 multiyear contract agencies that are eligible.

## Program Monitoring

- **Visits expected in 2026:** ~120
- Prioritizing in-person visits to be conducted by DCHS' five divisions


## Fiscal Monitoring

- **Visits expected in 2026:** ~ 120
- To be done virtually except when coordinated with in-person program monitoring site visits or other exceptions.

# Increased Compliance: Provider Impact

*Ordinance 19978, Section 1.A.2.b. Establish protocols and procedures for monitoring multiyear contract agencies' time spent on compliance activities and evaluating the effectiveness and efficiency of contract processes and requirements*

 **Established Methodology:** This allows us to identify multiyear contract agencies

 **Evaluation Process:** We're adding questions to existing feedback options and mechanisms

 **Reporting Back:** We'll report back to Council by March 31, 2027

# Next Steps

# We'll Keep Leveling Up

**Strengthening Oversight:** Continue advancing financial stewardship

**Local Contract Review:** Approx. 1,950 DCHS contracts

**Staffing:** Ensure DCHS has the staff to help us **strengthen and maintain the infrastructure** needed to effectively **oversee public dollars**

**External Investigation:** Potential improper payments **findings expected soon.** We'll take **appropriate action as needed.**



Learn more about our ongoing work.

Visit [bit.ly/DCHSFinancialStewardship](https://bit.ly/DCHSFinancialStewardship)

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# Questions?

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