



STATE OF MISSISSIPPI
 Phil Bryant, Governor
DEPARTMENT OF HUMAN SERVICES
 Richard A. Berry
 Executive Director

SINGLE AUDIT FINDINGS

March 21, 2014

Stacey E. Pickering, State Auditor
 Office of the State Auditor
 State of Mississippi
 P.O. Box 956
 Jackson, Mississippi 39205-0956

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Findings in the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2013:

SINGLE AUDIT FINDINGS:

**CFDA/Finding
 Number**

Finding and Recommendation

ALLOWABLE COSTS

Material Noncompliance
Material Weakness

93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF	2011	G1202MSTANF	2012
G1201MSCCDF	2012	G1302MSTANF	2013
G1301MSCCDF	2013		

Questioned Costs: \$731

2013-010

Controls Should Be Strengthened over Compliance with Eligibility and Benefit Payment Requirements

Response:

The Mississippi Department of Human Services agrees that controls should be strengthened over compliance with eligibility and benefit payment requirements.

1. Relative to the Personal Responsibility Contract control issues, eligibility workers failed to obtain complete, accurate, and timely documentation, specifically Form MDHS-EA-312, during the application process. MDHS has policy of which eligibility workers should be aware that requires this documentation be obtained.
2. Relative to verification of immunization issues of children not attending school, eligibility workers for various reasons failed to obtain and record complete, accurate, and timely verification of immunization of children under the age of 18. MDHS has policy of which eligibility workers should be aware that requires this verification be performed.
3. Relative to cases of non-cooperation with the Division of Child Support Enforcement regarding assignment of support rights in cases where the child is receiving TANF, most of these cases were at some point of being resolved at the audit Y/E date and are now either resolved or the TANF case is closed.
4. Relative to cases that had Quarterly Wage Match Data (QWMD) dated previous to initial determination of eligibility or before the redetermination date that had not been worked, eligibility workers for reasons that are not apparent at this time did not complete the required process. MDHS has policy of which eligibility workers should be aware that requires that the QWMD be completed.

Corrective Action Plans:

1. Relative to the Personal Responsibility Contract control issues, in instances where the case is still open, the proper documentation has either been obtained or has been requested from the client. Eligibility workers will be instructed to be certain that they follow policy as outlined in the TANF Policy Manual regarding obtaining all required documentation during the application process.

2. Relative to verification of immunization, in the cases referred to in the current findings, the verifications have been documented. Eligibility workers will be instructed to be certain that they follow policy as outlined in the TANF Policy Manual regarding obtaining proof of immunization of children not attending school and who are under the age of 18.
3. Relative to not complying with Child Support Enforcement on a child for which TANF benefits are being received, where it is determined to be appropriate and depending on the facts and status of the cases at a particular point in time:
 - Complete, accurate, and timely referrals will be made between the Division of Field Operations' TANF program and Child Support Enforcement program so that there is coordination to prevent duplication of services and sufficient information that will allow for the support of children from the proper source, i.e. from TANF or the responsible parent's child support payment.
 - Regarding the cases that are the subject of the current audit findings, coordination issues between the TANF program and the Child Support Enforcement program have been resolved by making the proper referral or closing TANF cases where appropriate.
4. Relative to cases that had Quarterly Wage Match Data (QWMD) dated previous to initial determination of eligibility or before the redetermination date that had not been worked, counties have been notified to complete QWMD and process any claims, if necessary. In order to prevent failure to complete the process in the future, the following measures are being put into effect:
 - There will be a refresher training for Case Managers starting in March 2014.
 - A video conference will be conducted reiterating policies and procedures.

ELGIBILITY

Material Noncompliance

Material Weakness

93.575
93.596

Child Care and Development Block Grant
Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1001MSCCDF 2010	G1301MSCCDF 2013
G1101MSCCDF 2011	G1202MSTANF 2012
G1201MSCCDF 2012	G1302MSTANF 2013

Questioned Costs: \$868

2013-011

Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements

Response:

The Mississippi Department of Human Services agrees that controls should be strengthened to ensure compliance with eligibility requirements.

- 1. Eligibility for child care certificates could not be verified for 28 children as child care applications were not available for auditor to review:***

The children identified in question were brought over during the conversion of the system (CCIS) from the subcontractor to MDHS/DECCD. In the first conversion, the records (applications and supporting documentation) did not come from the subcontractors to MDHS/DECCD and were unavailable to support the request from the auditor.

- 2. Six instances where child care eligibility at benefit month cannot be verified because eligibility was initially determined through TANF/TCC referral but case was neither TANF nor TCC at benefit month per auditor's review of information in MAVERICS and JAWS:***

DECCD has compared the CCPS database to the MAVERICS database and found that we had not received some of the terminations that had occurred in MAVERICS. We have since terminated those cases that CCPS still had active that MAVERICS did not have active. Since CCPS receives referrals and terminations from MAVERICS through JAWS, this should not occur again. These cases were identified as coming over during the transition time before the interface from JAWS to CCPS.

3. ***One instance of a child care certificate payment for a child who was not less than 13 years of age at the benefit date and whose priority was not identified as Special Needs/Protective Services:***

This instance was a rollover issue at the beginning of the federal fiscal year. This child should not have been served past the day he turned 13 years old.

4. ***Instances where child care certificate reflected improper copay for i) case priority at benefit date as determined by auditor review of information in MAVERICS and/or JAWS or ii) the family's number of children with active child care certificates at benefit date as determined by auditor review of information in CCPS:***

In instances where copayments were calculated incorrectly for children based on case priority level and the number of children being served, DECCD will work through redetermination processes to correct these incorrect calculations.

Corrective Action Plan:

1. DECCD will conduct redetermination processes on all cases in the SFY 2014 to collect all eligibility documentation that is missing from current client files.
2. DECCD will conduct client file reconciliation on a monthly basis to make sure that all authorizations are issued appropriately.
3. CCPS has reports that will indicate on a monthly basis which children will be turning 13 and need to be terminated from the program. Staff will run the report monthly and generate correspondence through CCPS to give parents and providers a two week notice.
4. DECCD will collect all family information related to the calculation of authorizations to make sure that the information reflects the business rules built into the current CCPS.

REPORTING

Material Noncompliance
Material Weakness

93.667

Social Services Block Grant

Federal Award Number and Year: G1201MSSOSR 2012
G1301MSSOSR 2013

Questioned Costs: None

2013-012

Controls Should Be Strengthened over Compliance with Federal Funding
Accountability and Transparency Act (FFATA) Requirements

Response:

The Mississippi Department of Human Services concurs that controls should be strengthened over compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements.

1. Regarding the ten SSBG sub-awards awarded by the Division of Aging and Adult Services, changes in programmatic division personnel and the resultant transfer of duties and lack of training resulted in failure to comply with FFATA reporting requirements.
2. Regarding the 20 SSBG sub-awards awarded by the Division of Youth Services, lack of training on FFATA reporting resulted in noncompliance with FFATA reporting requirements. While 3 of the sub-awards were reported, a misinterpretation of the "obligation" date caused the reporting to not be timely.
3. Regarding the three SSBG sub-awards awarded by the Division of Social Services Block Grant, these sub-awards were in fact reported, however it was the understanding of the Division that the obligation date was the same as the effective date of the sub grant. This understanding was incorrect per the State Auditor as the obligation date should be the date the sub grant is signed.

Corrective Action Plans:

1. The Division of Aging and Adult Services (DAAS) will ensure that sub-award data will be recorded in a timely manner for FFATA reporting within the required reporting period. The Division of Budgets and Accounting is working with DAAS to provide proper training on FFATA reporting to educate DAAS staff on the FSRS system. The DAAS Director with the assistance of the DAAS

Administrative Assistant implemented a tickler system to alert Division Planner to record federal awards in the required timeframe based on receipt of all applicable awards. The DAAS Division Planner with assistance from DAAS Director is in the process of recording outstanding grant awards.

2. All sub-awards awarded by the Division of Youth Services (DYS) which meet the FFATA reporting requirement have now been reported in the FSRS system. In reference to the incorrect Obligation Date being listed, DHS has been properly trained and ensures that the Obligation Date for all current (FFY2014) and future sub-awards will consider the signature date of the sub-award as the obligation date as stated in the Federal Funding Accountability and Transparency Act (FFATA) reference guide.
3. Relative to the current audit finding, the Social Services Block Grant Division respectfully submits that: the three sub-awards that met the FFATA reporting requirements were reported in the FSRS system; however, the three sub-awards reported the obligation date as the beginning effective date of the sub-award instead of the date the sub-award was signed. SSBG did not understand that the obligation date as defined by FSRS was the date the sub-award was signed. The Office of Subgrants and Procurement (OSP) Director has communicated with all OSP staff regarding the obligation date as the date the subaward is signed and not the beginning effective date of the subaward

SUBRECIPIENT MONITORING

Material Noncompliance

93.575
93.596

Child Care and Development Block Grant
Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year: GI001MSCCDF 2010
G1101MSCCDF 2011
G1201MSCCDF 2012

Questioned Costs: None

Due to lack of proper training and an expedited attempt to get into compliance with FFATA reporting, the Division of Field Operations, Division of Youth Services, and the Division of Early Childhood Care and Development misinterpreted the requirement that the obligation date of the subawards for FFATA reporting purposes should be the date the subawards are signed and not the beginning effective date of the subaward. This was an inadvertent error. The divisions actually reported the respective subawards but considered the wrong date, the beginning effective date of the subaward as the obligation date which caused the reporting not to be timely filed.

Corrective Action Plan:

Through re-training and advice from the Office of the State Auditor, respective employees in the various divisions who are now responsible for FFATA reporting have been made aware of and have been instructed to be certain to report subawards for FFATA purposes using the date the award is signed as the obligation date.

SUBRECIPIENT MONITORING

Material Weakness

- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.667 Social Services Block Grant

Federal Award Number and Year:

G1102MSTANF 2011	G1201MSCCDF 2012
G1202MSTANF 2012	G1001MSSOSR 2010
G1001MSCCDF 2010	G1101MSSOSR 2011
G1101MSCCDF 2011	G1202MSSOSR 2012

2013-15

Controls Should Be Strengthened Over On-Site Monitoring

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring.

The Office of Monitoring (OM) experienced the loss of several key staff members during the audit period who were well trained and experienced monitors. Additionally, OM had to hire and train a new team supervisor and 4 new monitors. Further, the Community Services team operated with two members and a director for most of the fiscal year; this team was one

monitor short for most of the year which caused the team supervisor to have to be in the field with the regular monitors. This led to reports being issued late and caused lateness in the reviewing of reports and responses. Overall, lack of adequate resources in the Office of Monitoring resulted in the inability of the office to complete all work in a complete, accurate and timely manner. This is a continuing issue.

Corrective Action Plan:

The PDD team has been dissolved and merged with the Catch-All team. These team members will be cross-trained to handle a broader range of audits thereby providing greater flexibility in assigning resources to tasks. An additional monitor has been placed back on the Community Services team. This should facilitate the timeliness and correctness of all monitoring functions for the upcoming year. The Division of Program Integrity is in the process of amending the subgrant manual to include a requirement for the subrecipient DUNS number to be entered on the Subgrant Signature Sheet. This will help insure documentation of the DUNS numbers on subrecipients.

SUBRECIPIENT MONITORING

Significant Deficiency

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA — Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year:

SNAP Letter of Credit	G0901MSCCD7	2009
G0902MSTANF	G1001MSCCDF	2009
G1001MSTANF	G1101MSCCDF	2010
G1001MSTANF	G1101MSCCDF	2011
G1001MSTAN2	G0901MSSOS2	2010
G1002MSTANF	G0901MSSOSR	2010
G1102MSTANF	G1001MSSOSR	2011
G0901MSCCDF	G1101MSSOSR	2009
	G1101MSSOSR	2011

2013-016

Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits.

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring for OMB Circular A-133.

Corrective Action Plan:

The Office of Monitoring will put into place a program to help ensure subgrantees respond to initial, reminder and demand letters to stress the importance of timely reporting. Although there is not much the Office of Monitoring can do but to report violations to the funding divisions, an additional call and follow-up letter from the Director of Program Integrity should help the timeliness of receiving the reports. The Office of Monitoring will also use the State of Mississippi website to get audits of schools, counties, cities and other State entities that file audit reports with the Auditor's Office. The monitors from the Office of Monitoring will be instructed to get a copy of the subgrantees audits when completing their monitoring visits. Until the funding divisions hold subgrantees accountable for the timeliness of receiving these audit reports, the Office of Monitoring cannot do much more than to keep following up.

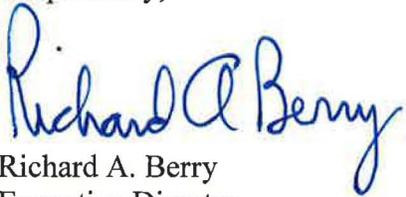
The funding divisions within MDHS will be given training to impress upon them the importance of responding to the corrective actions sent to them after a review of the A-133 Audits that is their responsibility. The Director of Program Integrity and the Director of Monitoring will also be following up by telephone and memo correspondence until a correction is received and resolved by the funding divisions.

Monthly tracking will be reviewed more closely to avoid missing any subgrantees that have expenditures and should file reports under the OMB Circular A-133.

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We appreciate the courtesy and professionalism demonstrated by Yolanda Campbell and her field staff throughout the audit. Should you have any questions regarding our responses or corrective action plans, please feel free to contact Earl D. Walker of the Division of Budgets and Accounting at 601-359-4665.

Respectfully,

A handwritten signature in blue ink that reads "Richard A. Berry". The signature is written in a cursive style with a large initial "R".

Richard A. Berry
Executive Director
RAB:EDW:pt

Pc: Mark Smith
John Davis
William Simpson
Kim Shackelford
Earl D. Walker