



STATE OF MISSISSIPPI
HALEY REEVES BARBOUR, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
DON THOMPSON
EXECUTIVE DIRECTOR

SINGLE AUDIT FINDINGS

March 25, 2011

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2010:

AUDIT FINDINGS:

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families (TANF)
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
93.713	ARRA - Child Care Development Block Grant
93.714	ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716	ARRA- Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-08 Controls over Cost Allocation Should be Strengthened

Response:

The Mississippi Department of Human Services agrees that controls over the review of computations and data used in the cost allocation process to ensure accurate distribution of costs to federal programs should be strengthened.

Corrective Action Plan:

The Mississippi Department of Human Services has corrected all of the listed issues. All established policies and procedures are being adhered to. A routine review of the cost allocation plan is done during the quarterly cost allocation process. This is also done anytime during the quarter as situations arise, although corrections to the cost allocation tables are only made during the quarterly cost allocation process.

This task was completed by Tommy Brumfield.

SUBRECIPIENT MONITORING

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
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
93.713	ARRA- Child Care Development Block Grant
93.714	ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716	ARRA- Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-09 Controls over Sub Recipients Monitoring Should Be Strengthened

Response:

The Mississippi Department of Human Services concurs with the recommendation to strengthen controls to ensure subrecipient audit reports are received in a timely manner.

Corrective Action Plan:

The Agency will issue an initial notice letter to all subrecipients with subgrants active during the state fiscal year within 60 days from the end of the state fiscal year. A reminder letter will be issued by the end of February of the following year (prior to the earliest due date) to any subrecipients that have not submitted an audit report, if required, or the Subgrantee Audit Information Form to document that an audit is not required.

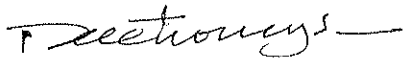
The Agency has revised its procedures for reviewing audit reports to include specific identification of audit findings and assignment of responsibility for resolving the findings to the funding division that awarded the subgrants in the Subgrantee Audit Tracking System. The transmittal memorandum will require that the funding division provide written documentation to the Office of Monitoring that the funding division has issued a management decision on the audit findings within six months from receipt of the audit report. And, once a clearance letter is received from the funding division, the Subgrantee Audit Tracking System will be updated to indicate the date the audit findings were cleared by the funding division.

The Agency will revise the initial notice letter and reminder letter to specifically state that the subgrantee is responsible for submitting the data collection form and reporting package directly to the Federal clearinghouse.

Mr. J. Win Girod, Director MDHS, Division of Program Integrity - Office of Monitoring, is the contact person. The corrective actions will be implemented for FY 2010 subrecipient audits and should be completed by June 30, 2011.

We appreciate the courtesy and professionalism demonstrated by Marilyn Purvis 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 601-359-4690.

Respectfully,



Don Thompson
Executive Director

DT:EDW:dd

Pc: Mark Smith
Richard Berry
Richard Harris
Earl D. Walker