



## MISSISSIPPI STATE DEPARTMENT OF HEALTH

---

March 21, 2011

### **SINGLE AUDIT FINDINGS**

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

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Single Audit Findings for the Mississippi State Department of Health (MSDH) for the Fiscal Year ended 2010.

#### **AUDIT FINDINGS:**

##### **ALLOWABLE COSTS/ COST PRINCIPLES**

CFDA #10.557 Special Supplemental Nutrition Program for Woman, Infants, and Children  
CFDA #93.268 Immunization

Federal Award Number and Year: Various

##### **Controls over Time Study Procedures Should Be Strengthened**

The agency concurs with this finding. Office of Health Informatics will establish specified time frames (dates) for all time sheets to be received and data entered into the system. Office of Health Informatics will meet with the appropriate functional area managers to outline expectations and coordinate time study form flow. To meet these time frames, additional resources (data entry clerks) will be employed as necessary.

During the data entry process the Time Study supervisor will pull a sampling of forms and perform an internal quality assurance audit. The results will be published and forwarded to the appropriate functional manager if corrective action is required. A trend sheet will be published and forwarded to all managers.

MSDH is also reviewing an enterprise employee time and attendance program with the capability to record a breakdown of an individual's daily activities by minutes. Such an application will detail the actual times for each program an individual is involved in for cost accounting.

## ELIGIBILITY

CFDA #10.557      Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year:    5MS700704, 2009  
5MS700704, 2010

### Controls over Participants Eligibility Process Should Be Strengthened

The agency concurs with this finding. All WIC clerical and certifying staff will receive more training regarding the eligibility determination process. A state-wide training is currently being planned for the coming months and each district and non-profit will ensure that all WIC staff attend. Special emphasis will be placed on following the WIC Policy/Procedure guidelines to ensure compliance with federal and state regulations for determining participant eligibility which will ensure only clients that meet all stated criteria receive WIC services. WIC Central Office monitors will pay special attention to income criteria when in the field and any findings will be reported to the district administrators.

## PERIOD OF AVAILABILITY

CFDA #10.557      Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year:    5MS700704, 2009  
(10/1/2008-9/30/2009)

### Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements for the WIC Program

The agency concurs that there were eight instances of expenditures incurred after the period of availability paid with federal fiscal year 2009 funds instead of federal fiscal year 2010 funds. However, we do not concur that there were thirteen instances in which federal fiscal year 2009 expenditures were not paid within 90 days after the end of the federal fiscal year.

Per Otis Spears, USDA Deputy Director, Grants Management, MSDH is correct in using 120 days after the end of the federal fiscal year or to coincide with the submission of the FNS-798 final report due in early February. We have documentation of this in an e-mail.

The state FY 2010 audit finding was a repeat finding from the state FY 2009 finding. The state auditors have conducted consecutive audits of FY 2009 and FY 2010 beginning in November of 2009. Due to the timing of the two audits, there was no chance to implement corrective action after the FY 2009 findings.

Training with MSDH Finance and Administration (F&A) Director, WIC Financial Director, and WIC accounting staff was conducted in September, 2010, prior to the beginning of FFY 2011, so that it would be most effective. MSDH F&A Director has conducted an annual F&A staff training in state FY 2011, as well as other trainings as necessary to ensure that expenditures are paid from the proper grant award.

The WIC Financial Director conducted a self-audit of payments made beginning with the month of September, 2010, to allow time to correct any errors found prior to the FFY 2010 closeout due February, 2011. Past errors have been made during the time when two federal fiscal years are open concurrently.

F&A Director and Accounts Payable Director are now doing daily sampling to ensure correct period of availability before documents are filed.

## PERIOD OF AVAILABILITY

CFDA #93.268      Immunization

Federal Award Number and Year: 5H231P422524-04, 2009

### Controls Should Be Strengthened over the Immunization Program Period of Availability Requirements

The agency concurs that two instances of expenditures incurred after the period of availability. The expenditures were allowable cost for the Immunization program and reported on the Final FSR report. The agency concurs that there was one instance of expenditure for grant year 2010 being paid from grant 2009.

Random review of expenditures will be done to ensure expenditure is paid in for the proper grant award and within the period of availability for the grant period. However, due to the large volume of transactions processed by the agency, human errors will always occur.

## PROGRAM INCOME REPORTING

CFDA #93.268	Immunization
CFDA #93.712	ARRA-Immunization

Federal Award Number and Year: 5MS700704/2009  
(10/1/2008- 9/30/2009)

### Controls over the Identification and Reporting of Program Income Should Be Implemented

The agency concurs with this finding. This problem had already been identified by the agency prior to discussions with the auditors. Staff has been assigned to determine the types of program income and how it flows through the agency. When this is completed we will develop a process for correctly reporting program income in the Financial Status Reports.

## REPORTING

93.268	Immunization
93.712	ARRA-Immunization

Federal Award Number and Year: 5H23I422524-07, 2009  
5H23IP422524-07, 2010  
3H23IP422524-07SI, 2010 ARRA

## Controls over the Preparation of the Schedule of Expenditures of Federal Awards Should be Strengthened

The agency concurs with this finding. A CPA firm with experience in GAAP package preparation will be engaged until the agency can properly train staff to complete this process. Also, when CPA firm prepares the package it will be thoroughly reviewed by the Chief Financial Officer and approved by the Chief Administrative Officer.

Sincerely,

Maya Simon

Mary Currier, MD, MPH  
State Health Officer



**MISSISSIPPI STATE DEPARTMENT OF HEALTH**

March 24, 2011

**OTHER AUDIT FINDINGS**

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

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Other Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2010.

**AUDIT FINDINGS:**

**ALLOWABLE COST/COST PRINCIPLES**


CFDA # 10.557	Special Supplemental Nutrition Program for Woman, Infants and Children
CFDA # 93.268	Immunization

Federal Award Number and Year:	5MS700704/2009-WIC
	5MS700704/2010-WIC
	5H23IP422524-07-IMM
	5H23IP422524-08-IMM

**Controls over Preparation of the Indirect Cost Rate Proposal Should be Strengthened**

The agency concurs with this finding. The current proposal was prepared by a CPA firm that has extensive experience in the preparation of indirect cost proposals. Proposal was thoroughly reviewed and approved by the Chief Financial Officer and also approved by the Chief Administrative Officer.

Sincerely,

  
Mary Currier, MD, MPH  
State Health Officer