



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
**STATE AUDITOR**

February 9, 2023

Financial Audit Management Report

Robert Anderson, Executive Director  
Mississippi Department of Human Services  
200 South Lamar St.  
Jackson, MS 39201

Dear Mr. Anderson:

Enclosed for your review is the financial audit finding for the Mississippi Department of Human Services for the Fiscal Year 2022. In this finding, the Auditor's Office recommends the Mississippi Department of Human Services:

1. Strengthen Controls to Ensure Proper Review Processes for Financial Reporting.

Please review the recommendation and submit a plan to implement it by February 24, 2023. The enclosed finding contains more information about our recommendation.

During future engagements, we may review the finding in this management report to ensure procedures have been initiated to address this finding.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Mississippi Department of Human Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mississippi Department of Human Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendation enables the Mississippi Department of Human Services to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Department of Human Services throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Angela Mire".

Angela Mire, CPA, CFE  
Director, Agency Division  
Enclosures

## FINANCIAL AUDIT MANAGEMENT REPORT

The Office of the State Auditor has completed its audit of selected accounts included on the financial statements of the Mississippi Department of Human Services for the year ended June 30, 2022. These financial statements will be consolidated into the State of Mississippi's *Annual Comprehensive Financial Report*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. In accordance with *Section 7-7-211, Miss. Code Ann. (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

### **Internal Control over Financial Reporting**

In planning and performing our audit of selected accounts included on the financial statements of the Department of Human Services as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Mississippi Department of Human Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on these accounts, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Mississippi Department of Human Services' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency identified in the letter as item **2022-007** to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether selected accounts included on the financial statements of the Mississippi Department of Human Services are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Finding and Recommendation**  
**SIGNIFICANT DEFICIENCY**

<b>2022-007</b>	<b><u>Strengthen Controls to Ensure Proper Review Processes for Financial Reporting.</u></b>
<b>Repeat Finding</b>	Yes, 2021-001.
<b>Criteria</b>	<p>The <i>Internal Control – Integrated Framework</i> published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the <i>U.S. Government Accountability Office Standards for Internal Control in the Federal Government</i> (Green Book) specifies that a satisfactory control environment is only effective when control activities exist. This includes but is not limited to the review process of transactions, proper support of transactions, proper documentation and support of methodologies used in accounting practices, proper support of information and communication within the agency, and a commitment to competence by management.</p> <p>The <i>Mississippi Agency Accounting Policies and Procedures</i> (MAAPP) manual Section 27.30.05 states that supporting schedules provide the details which support the adjusted MAGIC balances on the GAAP Trial Balance.</p>
<b>Condition</b>	<p>While performing testwork related to the Mississippi Department of Human Services' (MDHS) Schedule of Federal Grant Activity, the auditor noted the following regarding the Federal Subgrant Activity Schedule:</p> <ul style="list-style-type: none"><li>• Two instances in which amounts recorded as “Passed to Subrecipients” were coded to the incorrect ALN number on the Schedule of Federal Grant Activity.</li><li>• 12 instances in which the amounts recorded as “Current Year Agency Expenditures - Amounts Paid to Subgrantees” per the Subgrant Activity Schedule (form 27.30.70) did not agree to amounts reported on the KOB1 report (Internal Order Report) within the Mississippi Accountability System for Government information and Collaboration (MAGIC).</li></ul>
<b>Cause</b>	MDHS did not enforce proper control structures over financial reporting, which attributed to the multiple errors detected on the Federal Subgrant Activity Schedule.
<b>Effect</b>	Without proper enforcement of internal controls over financial reporting, erroneous financial statements and corresponding schedules could be compiled, resulting in a misrepresentation of the financial standing of the Mississippi Department of Human Services.
<b>Recommendation</b>	We recommend management at the Department of Human Services evaluate internal control procedures over the review and approval of the Federal Sub-Grant Activity Schedule. Additionally, we recommend existing staff obtain the needed training to be able to accurately report and review financial information entered into the Federal Sub-Grant Activity Schedule.



**FINANCIAL AUDIT FINDINGS**

February 23, 2023

Hon. Shad White, State Auditor  
Office of the State Auditor  
State of Mississippi  
Post Office Box 956  
Jackson, Mississippi 39205-0956

Dear Auditor White:

Enclosed for your review is the agency's official response to the financial audit finding as defined in the Mississippi Department of Human Services (MDHS) Fiscal Year 2022 Financial Audit Management Report, along with the corrective action plan that is to be implemented.

FINANCIAL AUDIT FINDING:

**2022-007**      **Strengthen Controls to Ensure Proper Review Processes for Financial Reporting.**

MDHS Response:      MDHS agrees that controls should be strengthened to ensure proper review processes for financial reporting.

Corrective Action Plan:

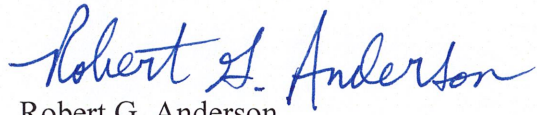
MDHS acknowledges weaknesses in some of its controls regarding the review and submission of its GAAP packet. MDHS implemented new procedures for the review and approval of the Federal Subgrant Activity Schedule in the previous year. MDHS reduced the error rate significantly over the first year. MDHS will continue to strive to reduce errors in reporting and continue to improve upon the established process.

Additionally, MDHS, as an entire agency, is conducting a 360 review of its automated systems and will be looking at this process as part of that review. MDHS hopes to identify areas where automation can help reduce human error and cut down on the manual process being performed currently.

Wayne Carpenter, Deputy Executive Director of Finance and Administration and Samuel Cole, Director of Procurement Services are the responsible parties for implementing the Corrective Action Plan. The anticipated completion date is July 1, 2023.

We appreciate the courtesy and professionalism demonstrated by Emily Mathis and her field audit staff throughout the review. Should you have any questions regarding our responses or corrective action plan, please do not hesitate to contact Brett Robinson, Director of Internal Audit, at 601-359-4697.

Respectfully,



Robert G. Anderson  
Executive Director

pc: Kameron Harris, Chief Compliance Officer  
Wayne Carpenter, Deputy Executive Director of Finance and Administration  
Patrick Black, General Counsel  
Sandra Griffith, Principal Deputy Executive Director & Inspector General



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
**STATE AUDITOR**

July 18, 2023

**Single Audit Management Report**

Robert Anderson, Executive Director  
Mississippi Department of Human Services  
200 South Lamar St.  
Jackson, MS 39201

Dear Mr. Anderson:

Enclosed for your review is the single audit findings for the Mississippi Department of Human Services for Fiscal Year 2022. In these findings, the Auditor's Office recommends the Mississippi Department of Human Services:

Single Audit Findings:

1. Strengthen Controls to Ensure Compliance with the Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements.
2. Strengthen Controls Over Subrecipient Monitoring for the Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) Programs.
3. Strengthen Controls Over On-site Monitoring Requirements for the Low Income Home Energy Assistance (LIHEAP) Program.

Please review the recommendations and submit a plan to implement them by July 28, 2023. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance on each major federal program and the results of that testing based on the requirements of *Office of Management and Budget's Uniform Guidance*. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi Department of Human Services to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Department of Human Services. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Angela Mire".

Angela Mire, CPA  
Director, Financial and Compliance Audit Division  
Enclosures



## **SINGLE AUDIT FINDINGS**

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of the State's major federal programs administered by the Mississippi Department of Human Services for the year ended June 30, 2022.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

### **Report on Compliance for Each Major Federal Program**

We have audited the Mississippi Department of Human Services' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the federal programs selected for audit that are administered by the Mississippi Department of Human Services for the year ended June 30, 2022.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mississippi Department of Human Services's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mississippi Department of Human Services' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mississippi Department of Human Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Mississippi Department of Human Services' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mississippi Department of Human Services' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items **2022-019, 2022-018, and 2022-017**.

#### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2022-019, 2022-018, and 2022-017** to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Findings and Recommendations**

**REPORTING**

***Material Weakness***

***Material Noncompliance***

**2022-019**      Strengthen Controls to Ensure Compliance with the Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements

**ALN Number**      93.558 Temporary Assistance for Needy Families (TANF)  
93.667 Social Services Block Grant (SSBG)  
93.568 Low Income Home Energy Assistance (LIHEAP)  
10.542 and 10.649 Pandemic EBT Benefits  
93.596 and 93.575 Child Care Development Fund (CCDF)

<b>Federal Award No.</b>	G2201MSTANF	G2201MSCCDM	G2201MSLIEA
	G2201MSCCDD	G2201MSSOSR	225MS410S9007

**Federal Agency**      Department of Health and Human Services

**Pass-through Entity**      N/A

**Questioned Costs**      N/A

**Criteria**      Per the *Code of Federal Regulations (2 cfr 170.200)*, “(a) federal awarding agencies are required to publicly report Federal awards that equal or exceed the micro-purchase threshold and publish the required information on a public-facing, OMB-designated, government wide website and follow Uniform Guidance to support Transparency Act implementation. (b) Federal awarding agencies that obtain post-award data on subaward obligations outside of this policy should take the necessary steps to ensure that their recipients are not required, due to the combination of agency-specific and Transparency Act reporting requirements, to submit the same or similar data multiple times during a given reporting period.”

*The Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the U.S. Government Accountability Office Standards for Internal Control in the Federal Government (Green Book) specifies that a satisfactory control environment is only effective when control activities exist. This includes but is not limited to the entity determining which laws and regulations apply to the entity and setting objectives that incorporate these requirements.*

**Condition**      When performing testwork related to Federal Funding Accountability and Transparency Act (FFATA) Reporting as of June 30, 2022, the auditor noted that the Mississippi Department of Human Services (MDHS) did not perform reporting over FFATA for Temporary Assistance for Needy Families (TANF), Child Care Development Fund (CCDF), Low Income Energy Assistance Program (LIHEAP), and Pandemic EBT as required by the *Code of Federal Regulations (2 cfr 170.200)*.

<b>Cause</b>	MDHS staff failed to follow grant regulations requiring FFATA reporting.
<b>Effect</b>	Failure to report any applicable awards and subawards resulted in MDHS being in noncompliance with federal reporting requirements and could result in a misstatement of federal expenditures to the federal awarding agency.
<b>Recommendation</b>	We recommend the Mississippi Department of Human Services strengthen controls to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) Reporting.
<b>Repeat Finding</b>	Yes, 2021-010.
<b>Statistically Valid</b>	No.

## SUBRECIPIENT MONITORING

### *Material Weakness*

### **Material Noncompliance**

<b>2022-017</b>	<u>Strengthen Controls over On-Site Monitoring for the Low Income Home Energy Assistance Program (LIHEAP).</u>	
<b>ALN Number</b>	93.568 Low Income Home Energy Assistance (LIHEAP)	
<b>Federal Award No.</b>	G2001MSLIE4	G2101MSLIEAR 2001MSE5C3
<b>Federal Agency</b>	Department of Health and Human Services	
<b>Pass-through Entity</b>	N/A	
<b>Questioned Costs</b>	None	
<b>Criteria</b>	<p>The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the U.S. Department of Health and Human Services require MDHS to administer grants in compliance with the <i>Code of Federal Regulations (2 cfr Part 200)</i>. The <i>Code of Federal Regulations (2 cfr Part 200.331)</i> designates MDHS as a pass through entity to properly identify subgrant requirements to subrecipients, evaluate the risk of noncompliance for each subrecipient, and monitor the activities of subrecipients as necessary to ensure that subgrants are used for authorized purposes, complies with the terms and conditions of the subgrants and achieves performance goals.</p> <p>The auditor evaluated the Mississippi Department of Human Services' (MDHS's) compliance with subrecipient monitoring requirements based on written policies and procedures designed by MDHS's Office of Compliance – Division of Monitoring (DM) to satisfy during-the-award monitoring requirements. DM procedures require: an on-site monitoring review of each subrecipient contract at least once during the subgrant period. Monitoring tools/checklists are used during each on-site monitoring review to provide</p>	

guidance and to document a review was performed. The on-site monitoring workpapers are reviewed and approved by DM supervisory personnel prior to issuance of a written report, the Initial Report of Findings & Recommendations, which is used for communicating finding(s) and/or questioned costs to subrecipients. The written report should be issued within 60 days from the date of the exit conference, which is normally held on the last day of the on-site review. Additionally, if the initial report identifies any administrative findings or questioned costs, a response to the findings is required to be submitted by the subrecipient to DM within thirty (30) working days from the date the report was issued.

Additionally, *The Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Manual* specifies that a satisfactory control environment is only effective when there are adequate control activities in place. Effective control activities dictate that: the agency perform appropriate multi-level reviews over the monitoring process and the agency ensures timely communication from the subgrantees and timely resolution of findings in order to prevent; detect; and deter fraud, waste, and abuse or the misuse of federal funds.

<b>Condition</b>	<p>When performing testwork over subrecipient on-site monitoring for 123 subgrant contracts during state fiscal year 2021, we noted the following exceptions:</p> <ul style="list-style-type: none"><li>• Four instances, or 3 percent, in which the Supervisor's Checklist was not included for Subrecipient on the FY 2021 Monitoring Reviews Smartsheet; therefore, auditor could not verify Supervisory Review of the Monitoring process.</li><li>• Two instances, 2 percent, in which Initial Report was not issued within 60 working days of the exit conference.</li><li>• One instance, or 1 percent, in which the Division of Monitoring did not receive a response from a subrecipient in regards to the Initial Finding Letter, or the response was not received within 30 days of the receipt of the Initial Findings Letter.</li><li>• Three instances, or 2 percent, in which auditor could not verify clearance or resolution of monitoring findings.</li></ul>
<b>Cause</b>	<p>Staff were either unaware or did not follow identified policies and procedures for monitoring requirements.</p>
<b>Effect</b>	<p>MDHS programmatic funding divisions rely upon DM monitoring procedures to verify compliance with program regulations and to identify potential problem areas needing corrective action. Failure to properly monitor subrecipients in an effective manner could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.</p>
<b>Recommendation</b>	<p>We recommend the Mississippi Department of Human Services' Office of Compliance – Division of Monitoring (DM) strengthen controls over subrecipient monitoring. We also recommend the agency ensure subgrants are monitored timely and that the "Report of Findings &amp; Recommendations" prepared as a result of the on-site monitoring be issued in a timely manner to enable immediate corrective action procedures to be initiated. Additionally, we</p>

recommend that the agency maintain all supporting monitoring tools, reports, and correspondence in the monitoring file.

**Repeat Finding** Yes, 2021-013; 2020-030 in 2020; 2019-042 in 2019; 2018-046 in 2018; 2017-037.

**Statistically Valid** No.

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***Material Weakness***

***Material Noncompliance***

**2022-018** Strengthen Controls over Subrecipient Monitoring to Ensure Compliance with Uniform Guidance Auditing Requirements.

**ALN Number** 93.558 Temporary Assistance for Needy Families (TANF)  
93.575, 93.596 Child Care Development Fund (CCDF)

**Federal Award No.** G2001MSTANF  
G2001MSCCDF

**Federal Agency** Department of Health and Human Services

**Pass-through Entity** N/A

**Questioned Costs** None

**Criteria** The *Code of Federal Regulations (2 cfr §200.331(f))* states all pass-through entities (PTE's) must verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

The *Code of Federal Regulations (2 cfr § 200.512(a)(1))* states the audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.

Additionally, per the MDHS Subgrant/Agreement Manual: All MDHS subgrantees are required to complete the MDHS Subgrantee Audit Information Form (MDHS-DPI-002). This form must be submitted to the Division of Monitoring no later than ninety (90) calendar days after the end of the subgrantee's fiscal year. This form is necessary to certify the sources and amounts of all Federal awards received and expended by the subgrantee.

**Condition** When performing testwork related to OMB Single Audit Monitoring as of June 30, 2022, the auditor noted two instances in which the Mississippi Department of



Human Services (MDHS) did not ascertain whether Single Audit Requirements were being met by subgrantees.

<b>Cause</b>	Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in fraud, waste, and abuse within the agency.
<b>Effect</b>	Staff were either unaware or did not follow identified policies and procedures for monitoring requirements.
<b>Recommendation</b>	We recommend the Mississippi Department of Human Services' Office of Compliance - Division of Monitoring (DM) strengthen controls over subrecipient monitoring for Uniform Guidance audits to ensure recipients expending \$750,000 or more in Federal funds during their fiscal year are meeting Uniform Guidance Audit requirements.
<b>Repeat Finding</b>	Yes, 2021-014; 2020-031 in 2020; 2019-043 in 2019; 2018-047 in 2018; 2017-038 in 2017; 2016-028 in 2016; 2015-009 in 2015; and 2014-016 in 2014.
<b>Statistically Valid</b>	No.

**End of Report**

**SINGLE AUDIT FINDINGS**

Shad White, State Auditor  
Office of the State Auditor  
State of Mississippi  
P. O. Box 956  
Jackson, MS 39205-0956

July 28, 2023

Dear Auditor White:

Enclosed for your review is the agency's official response and corrective action plan to the single audit findings and other findings as outlined in the Mississippi Department of Human Services (MDHS) Fiscal Year 2022 Single Audit Management Report.

**AUDIT FINDINGS:**

**REPORTING**

**ALN Number**            93.558 Temporary Assistance for Needy Families (TANF)  
                                 93.667 Social Services Block Grant (SSBG)  
                                 93.568 Low Income Home Energy Assistance (LIHEAP)  
                                 10.542 and 10.649 Pandemic EBT Benefits  
                                 93.596 and 93.575 Child Care Development Fund (CCDF)

**2022-019**                The Mississippi Department of Human Services Should Strengthen Controls to Ensure Compliance with the Federal Funding and Accountability and Transparency Act (FFATA) Reporting Requirements.

**Response:**              MDHS concurs that controls should be strengthened over FFATA reporting requirements.

**Corrective Action Plan:**

1. Strengthen controls to ensure compliance with FFATA reporting requirements.
  - A. MDHS implemented a process as of January 1, 2023, to ensure that FFATA reporting is being done and verified on a periodic basis. Standard Operating Procedures are under revision as we master this federal system.
  - B. Responsible Parties: Wayne Carpenter, Deputy of Finance and Samuel Cole, Director of Procurement Services
  - C. Anticipated Completion Date: Initial implementation was executed January 1, 2023, with newly issued subgrants. We are in the process of entering

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subgrants awarded between July 1, 2022, and December 31, 2022, in an attempt to become current on this fiscal year's reporting requirements.

## **SUBRECIPIENT MONITORING**

**ALN Number** 93.568 Low Income Home Energy Assistance (LIHEAP)

**2022-018** The Mississippi Department of Human Services Should Strengthen Controls Over Onsite Monitoring for the Low-Income Home Energy Assistance Program (LIHEAP).

**Response:** MDHS Concurrs that controls should be strengthened over On-Site monitoring for the LIHEAP Program.

MDHS also concurs with the following specific recommendations of the OSA and incorporates those recommendations as the foundation for the MDHS Corrective Action Plan (CAP) related to this finding.

### **Corrective Action Plan:**

1. Strengthen controls over the subrecipient monitoring process:
  - A. The Office of Compliance, Division of Monitoring has made significant strides in strengthening controls over the subrecipient monitoring process. The Division continues to review and update the processes and procedures as necessary to ensure processes are adequate and effective. Staff are constantly notified/trained on updates to policies, procedures, and regulations to ensure continued compliance with monitoring the agency's subgrant agreements.
  - B. Responsible Party: Kameron Harris, Chief Compliance Officer, Director of Monitoring, Laketha Gilmore
  - C. Completion Date: This corrective action has been implemented and is ongoing.
2. Ensure subgrants are monitored timely and the Report of Findings is issued in a timely manner:
  - A. The Office of Compliance, Division of Monitoring continues to improve upon the monitoring review process. The Division has implemented timeliness requirements to ensure the Agency's compliance with the monitoring process.
  - B. Responsible Parties: Kameron Harris, Chief Compliance Officer, Director of Monitoring, Laketha Gilmore
  - C. Anticipated Completion Date: This corrective action has been implemented.
3. Maintain all supporting monitoring tools, reports, and correspondence in the monitoring file:

- A. The Division of Monitoring has implemented a quality control measures to ensure all required documentation is included in the monitoring file.
- B. Responsible Parties: Kameron Harris, Chief Compliance Officer, Director of Monitoring, Laketha Gilmore
- C. Anticipated Completion Date: This corrective action has been implemented.

## **SUBRECIPIENT MONITORING**

**ALN Number** 93.558 Temporary Assistance for Needy Families (TANF)  
93.575, 93.596 Child Care Development Fund (CCDF)

**2022-017** Strengthen Controls over Subrecipient Monitoring for the Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) Programs to conform with Uniform Guidance.

**Response:** MDHS concurs that it needs to strengthen controls over subrecipient monitoring for the Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) programs to conform with Uniform Guidance.

### **Corrective Action Plan:**

1. Please refer to MDHS response in 2022-018 for measures already taken and ongoing by MDHS and all future corrective actions.
2. Responsible Parties: Kameron Harris, Chief Compliance Officer, Director of Monitoring, Laketha Gilmore
3. Anticipated Completion Date: This corrective action has been implemented and is ongoing.

MDHS appreciates the courtesy and professionalism demonstrated by your field staff throughout this audit. Should you have any questions regarding our responses or corrective action plan, please do not hesitate to contact Brett Robinson, Internal Audit Director, at 601-359-4697.

Sincerely,



Robert G. Anderson  
Executive Director

RGA