



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 15, 2014

DEPARTMENT OF CHILDREN AND FAMILY SERVICES TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

For the third year in a row, the Department of Children and Family Services did not maintain and verify documents supporting the number of hours some participants in the Temporary Assistance for Needy Families program worked, an oversight that could cost the state money, according to a report released Monday by Legislative Auditor Daryl Purpera.

The management letter from the state auditor's Financial Audit Services said that the failure to maintain and verify all documentations for the TANF programs could cost the state a penalty of \$1.1 million to \$5.5 million – 1 percent to 5 percent of the \$110 million of the adjusted grant award for the program.

“The likelihood of such an assessment is unknown,” the report said. “Case workers did not adhere to the requirements in the state’s work verification plan pertaining to maintaining and verifying supporting documentation for the hours worked by (TANF) clients and did not ensure there was documentation of work activity in the client file.” The report said that a review of 25 files showed that six did not contain the needed client work documents.

In its response to the report, the department said the six exceptions were “not indicative of the quality of work” performed on the 13,000 cases managed by the department for the fiscal year that ended on June 30, 2014. Auditors pointed out that if six out of 25 files – 24 percent – did not have the documents, then “several thousand cases may not be properly documented” if the 24 percent is projected over all the files.

In another finding, the state auditor said for the second consecutive year the department “did not have complete eligibility and related documentation for clients receiving benefits” from the TANF program. The report said those incomplete files could result in the state having to pay back to the federal government \$10,388.

The report said that, of 25 files studied, 12 lacked proper documentation, such as not having child support forms, applications for TANF assistance, birth certificates to verify a child’s age, and forms verifying income eligibility for the TANF program.

“These exceptions increase the risk that (TANF) clients may receive benefits to which they are not entitled and could result in the department having to repay the funds to the federal grantor,” the report said.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

“Because of the exceptions noted in a program that disbursed \$144 million during the fiscal year 2014,” the report said, “we recommend that DCFS ensure that its case workers include all required documentation in their case files.”

In its response, the agency said that the 12 exceptions “were not indicative of the quality of work performed on the 35,374 applications reviewed by the department” in the fiscal year that ended in June. Auditors responded “the error rate of 12 missing documents in 25 client files indicates that several thousand applications may not be properly documented.”

The management letter also said that more than \$150,000 was stolen by employees who worked in the agency’s Bureau of Audit and Compliance Services and used state-issued credit cards to make improper purchases.

The management letter also said that five DCFS employees improperly received more than \$43,500 in benefits from the Supplemental Nutrition Assistance Program, the Child Care Assistance Program or both. The report said that the employees either did not report the proper number of household members, did not state they were employees of the agency or did not accurately report their level of income to get the benefits. The workers have been terminated, according to the report, and the agency had recouped almost \$22,700 as of June 30, 2014.

The management letter also cited DCFS for failing to perform periodic reviews of the rates it pays for foster care under to the Office of Juvenile Justice program, as federal law requires. The agency paid \$2.6 million in the 2014 fiscal year, but by not performing the rate review, auditors said, those payments “may be disallowed by the federal grantor.”

For more information, contact:

Daryl G. Purpera, CPA, CFE
Legislative Auditor
225-339-3800

On Twitter: DCFS did not maintain and verify documents supporting the number of hours some TANF participants worked.