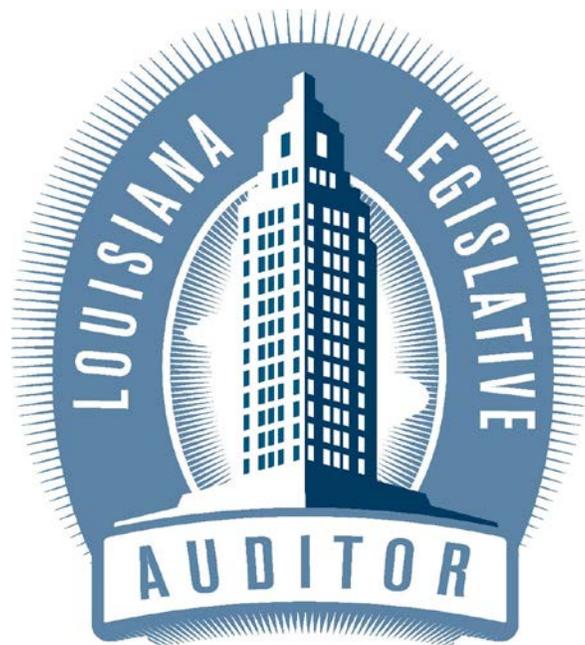


DEPARTMENT OF CHILDREN AND FAMILY SERVICES
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 21, 2015

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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DARYL G. PURPERA, CPA, CFE

ASSISTANT LEGISLATIVE AUDITOR
FOR STATE AUDIT SERVICES
NICOLE EDMONDSON, CIA, CGAP, MPA

DIRECTOR OF FINANCIAL AUDIT
ERNEST F. SUMMERVILLE, JR., CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$1.10. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 9191 or Report ID No. 80150092 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Department of Children and Family Services

December 2015

Audit Control # 80150092

Introduction

As a part of our audit of the state of Louisiana's Comprehensive Annual Financial Report (CAFR) and the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2015, we performed procedures at the Department of Children and Family Services (DCFS) to provide assurances on financial information that is significant to the state of Louisiana's CAFR; to evaluate the effectiveness of DCFS's internal controls over financial reporting and compliance; and to determine whether DCFS complied with applicable laws and regulations. In addition, we determined whether management had taken actions to correct findings reported in the prior year.

DCFS is a component of the state of Louisiana created within the executive branch of state government. DCFS is responsible for overseeing federal programs that assist families with needed assistance programs, including the Supplemental Nutrition Assistance Program (SNAP - formerly Food Stamps). DCFS's mission is to keep children safe, help individuals and families become self-sufficient, and provide safe refuge during disasters.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the DCFS management letter dated December 10, 2014. We determined that management has resolved the prior-year findings related to theft of public funds, Foster Care rate review, and payroll charged to incorrect federal programs. The findings relating to control weakness over Temporary Assistance for Needy Families (TANF) work verification plan and noncompliance with TANF eligibility requirements have not been resolved and are addressed again in this letter. The finding related to improper employee activity in federal programs is repeated, although the specific facts and circumstances have changed from the prior year.

Current-year Findings

Control Weakness over Temporary Assistance for Needy Families (TANF) Work Verification Plan

For the fourth consecutive year, DCFS did not maintain and verify all documentation required under the federal TANF program cluster, potentially subjecting the department to financial penalties from the federal government. The federal grantor could assess the state penalties totaling not less than 1% and not more than 5% of the \$111 million adjusted grant award based on the exceptions noted below; however, the likelihood of such an assessment is unknown.

Caseworkers did not adhere to requirements in the state's work verification plan pertaining to maintaining and verifying supporting documentation for the hours worked by clients and did not ensure there was documentation of work activity in the client file. Our review of 25 "work eligible" client files revealed that five (20%) of the files did not contain documentation or verification of the clients' work activity that caseworkers entered into DCFS's job-tracking system as required by federal regulations.

DCFS should ensure its caseworkers document or verify their clients' work activities and conduct periodic checks of the completeness of records going forward to comply with federal documentation requirements. Management did not specifically concur or disagree with the finding but outlined a plan of corrective action (see Appendix A, page 1).

Inadequate Control over TANF Eligibility Documentation

For the third consecutive year, DCFS did not have complete eligibility and related documentation for clients receiving cash benefits under the federal TANF program cluster, resulting in known questioned costs of \$22,772 for which the state may be liable. A review of 25 client files revealed that DCFS's case workers failed to include all required documentation in eight (32%) of their case files:

- Five files did not indicate that wage information available in the Clearance Summary was viewed or cleared.
- Three files did not contain verification from valid collateral parties that the child lives with the parent or qualified relative who received assistance.
- Two files did not contain the "Notice of Cooperation with Child Support Enforcement and Agreement to Relinquish Child Support Payments" form or agreement.
- One file did not contain an application for assistance.

These exceptions increase the risk that clients may receive benefits to which they are not entitled and could result in DCFS having to repay the funds to the federal grantor. DCFS supervision and review failed to identify and correct the errors noted.

Because of the exceptions noted in a program that disbursed approximately \$146 million during fiscal year 2015, DCFS should ensure its caseworkers include all required client documentation in the OnBase system and that the responsible supervisors perform effective checks of the completeness of records in the system to comply with federal documentation requirements. DCFS should also consider the effectiveness of its case review policy that requires supervisors to review a minimum of two case readings for each worker per month. Management did not specifically concur or disagree with the finding but outlined a plan of corrective action (see Appendix A, page 2).

Improper Employee Activity in Federal Programs

DCFS, Fraud and Recovery Unit identified improper activity by four employees who received benefits under the Supplemental Nutrition Assistance Program (SNAP)/Disaster Supplemental Nutrition Assistance Program (DSNAP) and by two employees who violated department policy related to SNAP cases.

Four employees were cited for intentional program violations as follows:

- One former employee did not accurately report household members and their income and improperly received \$36,630 in SNAP benefits from February 2008 through April 2014. The employee resigned in April 2015.
- One former employee did not accurately report household members, did not report DCFS employment income, and improperly received \$5,990 in SNAP benefits from August 2012 to April 2014. The employee was terminated in June 2014.
- One former employee did not report DCFS employment income and improperly received \$1,736 in SNAP benefits from June 2013 to March 2014. The employee was terminated in March 2015.
- One employee did not accurately report household members and their income and improperly received \$1,578 in SNAP benefits from October 2012 to December 2012 and \$526 in DSNAP benefits in September 2012. The employee was hired in January 2013 and is currently employed.

Two former employees violated DCFS policy that states employees are prohibited from taking any action on their personal case or on a case involving an immediate family member, friend, or social acquaintance.

Amounts not recouped by DCFS as of June 30, 2015, totaled \$45,536 and represent questioned costs.

Management should continue to investigate improper employee activities and emphasize the criminal consequences of such activities. Management did not specifically concur or disagree with the finding but outlined a plan of corrective action (see Appendix A, page 3).

Additional Comments: Our finding was presented to management for a formal response on October 7, 2015. At that time the employee mentioned above in the fourth bullet was still employed. The employee was terminated on November 12, 2015.

Inadequate Controls over Foster Care Program Payments

DCFS did not ensure that certain monthly payments to foster families and a travel expense charged to the Foster Care program were authorized and supported prior to payment. Failure to properly authorize automated payments to foster families could allow improper payments to continue for up to a year. Lack of supporting documentation for expenditures increases the risk of questioned costs that could be disallowed by the federal grantor.

Our procedures revealed that four of 25 payments (16%) were not properly authorized or supported as follows:

- Three authorization forms for monthly payments to foster families were signed and dated by the responsible worker after the service period dates, ranging from approximately one month to six months later. The signatures on forms were dated the same month the auditor requested the client files.
- One travel expense reimbursement lacked supporting documentation.

DCFS management should follow established policies and procedures to ensure payments to foster families and travel reimbursements are properly authorized and supported. Management did not specifically concur or disagree with the finding but outlined a plan of corrective action (see Appendix A, page 4).

Inadequate Control over SNAP Documentation

DCFS did not ensure that accurate and complete information was entered into the automated data processing system (LAMI), which is used for SNAP eligibility determination and benefit computation. Failure to obtain and accurately enter eligibility information into LAMI increases the risk that individuals may receive benefits they are not entitled to receive or receive an incorrect benefit amount. Furthermore, inadequate supervision and review may allow errors in benefit amounts to go uncorrected.

Our procedures revealed that three out of 25 cases (12%) of clients receiving benefits had the following errors:

- One household member was assigned a temporary Social Security Number (SSN) until proof could be shown that one had been applied for or obtained. The temporary SSN remained in LAMI for two years and was not detected even though the case was recertified by case workers four times during that period.

- One recipient's income was incorrectly entered into LAMI, resulting in the client receiving \$3 less per month in benefits.
- One recipient's application listed two sources of income. For one income source, there was no support in LAMI. For the other source, the income was entered into LAMI as bi-weekly rather than monthly and erroneously lowered the recipient's benefit amount. Upon recertification, the client received additional monthly funds.

DCFS should ensure its caseworkers obtain and accurately enter eligibility information into LAMI. In addition, DCFS should consider the effectiveness of its case review policy that requires supervisors to review a minimum of two case readings for each worker per month. Management did not specifically concur or disagree with the finding but outlined a plan of corrective action (see Appendix A, page 5).

Lacking Controls over Cost Allocation for Federal Funds

DCFS did not include a procedure in its approved Cost Allocation Plan (CAP) that describes the methodology for reallocating \$47 million of eligible expenses to other federal programs. In fiscal year 2015, expenses charged to federal programs through cost allocation totaled \$281 million. In addition, errors were noted during our review of the cost allocation steps used.

The cost allocation is calculated and administered through a series of steps to assign administrative costs to federal programs that allow these costs. In our review of 25 cost allocation steps, we noted the following errors:

- For two steps, the allocation method used did not agree to the approved CAP.
- For the information entered into one step, the state agency providing the statistic did not maintain supporting documentation.
- In one step, an employee's department did not change the reporting category to reflect current job duties, which resulted in the allocation incorrectly including a federal program.

These conditions occurred because of a lack of communication between the sections within the departments that led to the steps not being updated timely. Also, DCFS management considers the reallocation of eligible expenses to be a cost reporting issue and not a cost allocation issue.

Failure to describe all procedures used to allocate federal program costs may prevent the federal government from making an informed judgment on the state's method of allocating all costs. In addition, not including all procedures for allocating costs does not allow for the establishment of criteria to determine whether the costs allocated are allowable to be charged to the federal programs. Furthermore, errors in the cost allocation could result in costs charged to federal programs that did not receive the benefit.

DCFS should amend CAP to include the procedures for reallocating funds to other federal programs and for necessary changes in processes. DCFS should also establish a policy to ensure supporting documentation for costs entered into cost allocation steps is retained. Management's response did not state whether or not the department concurred with the finding. Management noted that the financial reporting practice of reallocating eligible expenses is allowable by the federal governing standards and is not required to be described in an agency's approved cost allocation plan (see Appendix A, page 6).

Additional Comments: Internal control over cost allocation should include a plan that describes the procedures used to allocate all costs. We recommend the department amend the plan to describe the allocation of all costs.

Inadequate Control over Child Care Assistance Program Attendance

DCFS did not review child care provider transactions with high occurrences of children checking-in and out for previous days' attendance to identify potential improper payments in the Child Care Assistance Program (CCAP).

Children are checked-in electronically using a finger scan of the parent or household designee who transfers the child to the child care provider. The process to check-in a child for a previous day is referred to as "back-scanning." Excessive back-scanning increases the risk that children could be checked-in for days they were not in attendance allowing the provider to be overpaid and possibly resulting in disallowed costs by the federal grantor.

In our sample of 25 child care expenditures from July 2014 to April 2015, we noted that six full-time children (24%) were back-scanned for previous days' attendance fifty percent of the time or more. Per the federally-approved state plan for the administration of CCAP, DCFS should run system reports that flag errors as part of the activities to identify program violations and administrative error to ensure program integrity. DCFS management noted the department does not have adequate resources to monitor and review those transactions identified as high occurrences of previous days' check-in and out.

Since CCAP is moving to the Department of Education for fiscal year 2016, we recommend the appropriate department monitor and review high instances of children checking-in and out for previous days' attendance to ensure child care payments to the provider are allowable. DCFS management did not concur with the finding and noted that back-scanning is a necessity. Management also noted that DCFS has system reports that flag errors to identify potential program violations (see Appendix A, page 7).

Additional Comments: As noted above, the federally-approved state plan lists reports that DCFS should not only generate but use to identify program violations and ensure program integrity. Without active monitoring and investigation, the reports do not serve their intended purposes. DCFS staff admitted that the reports were not monitored for high-risk instances because of staffing issues. High-risk instances of back-scanning should be identified and investigated to ensure that attendance and resulting payments are correct.

Comprehensive Annual Financial Report (CAFR) - State of Louisiana

As a part of our audit of the state of Louisiana's CAFR for the year ended June 30, 2015, we considered internal control over financial reporting and examined evidence supporting DCFS's SNAP expenditures. Our audit included tests of DCFS's compliance with laws and regulations that could have a direct and material effect on the financial statements, as required by *Government Auditing Standards*.

Based on the results of these procedures on the financial statements, we did not report any internal control deficiencies or noncompliance with laws or regulations. In addition, the SNAP expenditures tested are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2015, we performed internal control and compliance testing as required by the Office of Management and Budget (OMB) Circular A-133 on DCFS's major federal programs, as follows:

- Supplemental Nutrition Assistance Program Cluster (CFDA 10.551, 10.561)
- Temporary Assistance for Needy Families Cluster (CFDA 93.558)
- Child Care Development Fund Cluster (CFDA 93.575, 93.596)
- Child Support Enforcement (CFDA 93.563)
- Foster Care – Title IV-E (CFDA 93.658)
- Social Services Block Grant (CFDA 93.667)
- Disability Insurance / SSI Cluster (CFDA 96.001, 93.006)

Those tests included evaluating the effectiveness of DCFS's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether DCFS complied with applicable program requirements.

In addition, we performed procedures on information submitted by DCFS to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards and the Summary Schedule of Prior Audit Findings, as required by OMB Circular A-133.

Based on the results of these Single Audit procedures, we reported findings related to control weakness over TANF work verification plan, inadequate control over TANF eligibility documentation, improper employee activity in federal programs, inadequate controls over Foster

Care program payments, inadequate control over SNAP documentation, lacking control over cost allocation for federal funds, and inadequate control over Child Care assistance program attendance that will also be included in the Single Audit for the year ended June 30, 2015. In addition, the information submitted for the preparation of the state's Schedule of Expenditures of Federal Awards and the Summary Schedule of Prior Audit Findings, as adjusted, were materially correct.

Other Report

Strategies to Empower People (STEP) Program - Department of Children and Family Services

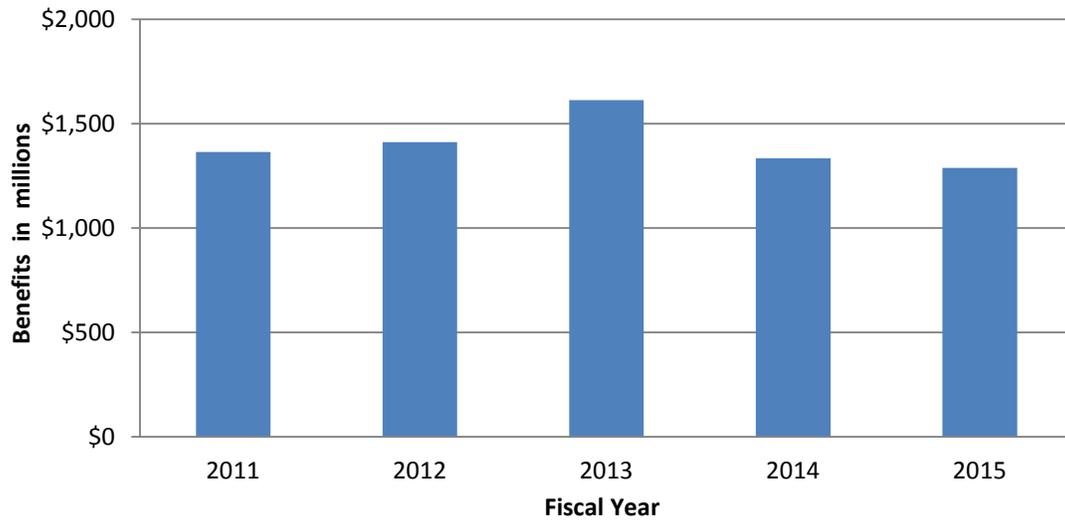
On September 2, 2015, Performance Audit Services issued a report on the progress DCFS made toward addressing the two primary issues identified in a 2012 performance audit on the Strategies to Empower People (STEP) Program. Overall, auditors found that DCFS reduced transportation costs by 81% from approximately \$5.5 million in fiscal year 2011 to just over \$1 million in fiscal year 2015. Also, while DCFS has still not achieved its employment goal for STEP participants leaving the program, the agency recently entered into a contract with the Louisiana Workforce Commission to assist in job placement. The full report is available in the Audit Report Library on the Legislative Auditor's website at www.la.gov.

Trend Analysis

We compared the most current and prior-year financial activity using DCFS's annual fiscal reports and/or system-generated reports and obtained explanations from DCFS management for any significant variances. We also prepared an analysis of SNAP benefits and average number of SNAP households that received benefits over the last five fiscal years.

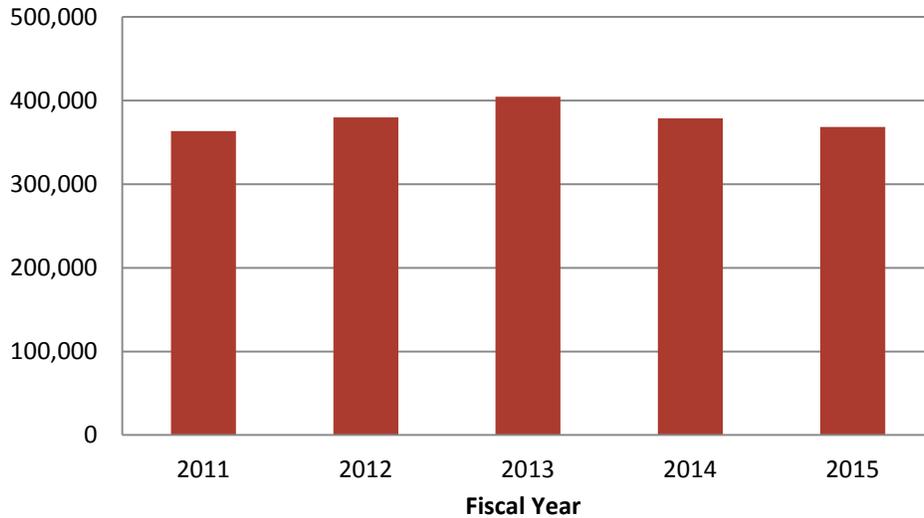
In analyzing financial trends of DCFS SNAP benefits over the past five fiscal years, benefits remained fairly consistent between fiscal years 2011 and 2012. However, in fiscal year 2013, benefits increased due to disaster food stamps issued for hurricane Isaac. In fiscal year 2014, benefits decreased by the disaster food stamps issued in the prior year and also due to the conclusion of American Recovery and Reinvestment Act benefits, which started in fiscal year 2009 (Exhibit 1). In fiscal year 2015, benefits decreased slightly due to natural fluctuation in SNAP participation. The average number of households follows the financial trends of SNAP benefits (Exhibit 2).

**Exhibit 1
SNAP Benefits**



Source: Fiscal year 2011-2015 Annual Fiscal Reports

**Exhibit 2
Average Number of SNAP Households**



Source: Fiscal year 2011-2015 DCFS website

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of DCFS. The nature of the recommendations, their implementation costs, and their potential impact on the operations of DCFS should be considered in reaching decisions on courses of action.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

BL:AD:WDG:EFS:aa

DCFS 2015

APPENDIX A: MANAGEMENT'S RESPONSES



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Bobby Jindal, Governor
Suzy Sonnier, Secretary

November 23, 2015

Daryl G. Purpera, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397
Via email: dpurpera@lla.la.gov

Attn: Alana Davis, Audit Manager

Re: Control Weakness over TANF Work Verification Plan

Dear Mr. Purpera:

The following is submitted in response to your request dated October 26, 2015 regarding the aforementioned audit finding. In January and February 2015, the Department of Children and Family Services (DCFS) conducted and completed Strategies to Empower People (STEP) case review project. As a follow-up measure, in June 2015, STEP Case Managers reviewed ten of their assigned cases to ensure that documentation was in the Document Imaging System and had been correctly entered in the Jobs Automated System (JAS).

In July 2015, DCFS contracted with the Louisiana Workforce Commission (LWC) to administer the STEP program. DCFS will work with LWC to ensure that its caseworkers maintain and verify all documentation required under the STEP program.

As always, I remain available for discussion as may be requested.

Sincerely,



Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director





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November 23, 2015

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CPA, CFE
Legislative Auditor
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Baton Rouge, LA 70804
Via email: dpurpera@lla.la.gov

Re: Inadequate Control over TANF Eligibility Documentation

Dear Mr. Purpera:

The following is submitted in response to your request dated November 2, 2015, regarding the aforementioned audit finding. The Department of Children and Family Services (DCFS) Economic Stability Manager will conference with each supervisor and analyst who was assigned to a case cited, to review the error and associated policy requirement. In addition, the Temporary Assistance for Needy Families (TANF) Economic Stability Program consultants will focus their case reviews on the Kinship Care Subsidy Program (KCSP) for the next quarter.

DCFS will continue reinforce with all of our KCSP eligibility workers the requirements to maintain and verify all documentation required under the KCSP program. As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director





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November 20, 2015

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Baton Rouge, LA 70804-9397
Via email: dpurpera@lla.la.gov

Attn: Alana Davis, Audit Manager

RE: Improper Employee Activity in Federal Programs

Dear Mr. Purpera:

The following is submitted in response to your request dated October 7, 2015, regarding the aforementioned audit finding. The Department of Children and Family Services (DCFS), through its Fraud and Recovery Unit, initiates a review of each employee who receives benefits under the programs administered, including the Supplemental Nutrition Assistance Program (SNAP). This internal investigative review identified improper activity by six employees – four were cited for Intentional Program Violations and two for violation of DCFS policy. The results of the DCFS investigation were properly reported to the U.S. Department of Agriculture and the Louisiana Legislative Auditor. None of the individuals cited by DCFS continue to be employed by the Department. DCFS is actively pursuing repayment of the funds.

DCFS maintains a zero tolerance for fraud, waste, and abuse. The Department prioritizes the implementation of strong policies and protocols in order to prevent and detect any possible fraud associated with programs it administers. DCFS will continue to review all employees and address any improper activity as expeditiously as possible.

As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director





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Bobby Jindal, Governor
Suzy Sonnier, Secretary

November 23, 2015

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397
Via email: dpurpera@lla.la.gov

Attn: Alana Davis, Audit Manager

RE: Inadequate Controls Over Foster Care Payments

Dear Mr. Purpera:

The following is submitted in response to your request dated October 15, 2015 regarding the aforementioned audit finding. Please note that the Department subsequently reviewed the payment authorizations and have determined them to be allowable expenditures of the program.

The Department continues to enhance the foster care payment authorization process within the Common Access Front End system (CAFÉ) for both recurring and non-recurring payments. Through CAFÉ, foster parents can submit non-recurring reimbursement requests via the on-line portal. These requests are then routed electronically to the worker who reviews and submits to the supervisor for approval. Once approved by the supervisor, requests are submitted for payment. For recurring payments, workers will also process requests in CAFÉ. Upon completion by the worker, requests will be routed electronically to the supervisor for review, approval, and payment submission. DCFS anticipates these enhancements will resolve the issues noted in the finding.

In addition, in order to ensure that department policies are followed, foster care managers will review Department Policy 6-1605 with staff regarding foster care payments, expenditures and approvals.

As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director





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Bobby Jindal, Governor
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November 23, 2015

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Via email: dpurpera@lla.la.gov

Attn: Alana Davis, Audit Manager

Re: Inadequate Control over SNAP Documentation

Dear Mr. Purpera:

The Department of Children and Family Services (DCFS) is committed to ensuring accuracy of benefit determinations. Staff are trained to follow policy, supervisors are responsible for reviewing cases of their direct reports, and quality control staff randomly select cases to review for errors.

The Economic Stability (ES) Manager in each parish office where the errors were cited will conduct a conference with the individual eligibility worker and their supervisor to review the error and the associated policy requirements. DCFS Division of Operations has sent written communication reinforcing to all parish offices of their responsibility to review and clear the Pseudo SSN Listing Report issued on INFOPAC monthly. State Office Operations staff will monitor the report as well to ensure it is cleared monthly.

As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director





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Bobby Jindal, Governor
Suzy Sonnier, Secretary

December 10, 2015

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397
Attn: Alanna Davis, Audit Manager

Re: Controls over Cost Allocation for Federal Programs

Dear Mr. Purpera:

The following is submitted in response to your request dated November 25, 2015 regarding the aforementioned audit finding. The Department of Children and Family Services (DCFS), through its Cost Allocation Unit, maintains a system of cost allocation processes and procedures that are compliant with 2CFR225-Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87) and the U.S. Department of Health and Human Services' (DHHS) implementation guide, ASMB C-10. The current DCFS Cost Allocation Plan has been reviewed and approved by DHHS's Cost Allocation Services (CAS) division in compliance with those standards.

The DCFS cost allocation system properly identifies the benefitting programmatic activity for reported expenditures. When the primary funding source is exhausted, these allowable expenditures may be financed by alternate available revenue sources. This financial reporting practice is allowable by the federal governing standards and is not required to be described in an agency's approved cost allocation plan. In the cases referenced, the changes in the data reporting mechanisms did not materially affect the accuracy of cost reporting.

With regard to the supporting documentation for the statistical data used in step 292; the Division of Administration/Office of Technology Services, which provides the reported data, has implemented a corrective action to ensure the supporting data will be maintained along with a copy of the monthly report.

As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Benjamin Foster, Audit Director
Etta Harris, Undersecretary
Bridget Depland-Grant, Program Manager
Tonja Hayes, Cost Allocation Manager





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November 23, 2015

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Via email: dpurpera@lla.la.gov

Re: Inadequate Control over Child Care Assistance Program Attendance

Dear Mr. Purpera:

The Department of Children and Family Services (DCFS) does not concede how this is a finding. As was committed to in the state plan for the administration of the Child Care Development Fund, DCFS does have system reports that flag errors to identify potential program violations. The process of "back-scanning" is a necessity for a number of child care providers, particularly those who offer transportation. This process as justified was included in Department policy.

The Child Care Assistance Program transitioned to the Louisiana Department of Education (LDE) on July 1, 2015. Recommendations regarding potential enhancements to this process should be referred to LDE for consideration. As always, I remain available for discussion as may be requested.

Sincerely,

Suzy Sonnier
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary - Programs
Sharon Tucker, Deputy Secretary - Operations
Etta Harris, Undersecretary
Ben Foster, Audit Director



APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Children and Family Services (DCFS) for the period from July 1, 2014, through June 30, 2015, to provide assurances on financial information significant to state of Louisiana and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards*. The procedures included inquiry, observation, review of policies and procedures, and review of relevant laws and regulations. Our procedures, summarized below, are a part of the audit of the state of Louisiana's Comprehensive Annual Financial Report (CAFR) and the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2015.

- We evaluated DCFS's operations and system of internal controls, including controls over federal programs, through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to DCFS.
- Based on the documentation of DCFS's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on Supplemental Nutrition Assistance Program (SNAP) expenditures to support the opinion on the state of Louisiana's CAFR.
- We performed procedures on the following federal programs for the year ended June 30, 2015, as a part of the 2015 Single Audit:
 - SNAP Cluster (CFDA 10.551, 10.561)
 - Temporary Assistance for Needy Families Cluster (CFDA 93.558)
 - Child Care Development Fund Cluster (CFDA 93.575, 93.596)
 - Child Support Enforcement (CFDA 93.563)
 - Foster Care – Title IV-E (CFDA 93.658)
 - Social Services Block Grant (CFDA 93.667)
 - Disability Insurance / SSI Cluster (CFDA 96.001, 96.006)
- We compared the most current and prior-year financial activity using DCFS's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from DCFS management for significant variances. We also analyzed SNAP expenditures for the past five fiscal years.

The purpose of this report is solely to describe the scope of our work at DCFS and not to provide an opinion on the effectiveness of DCFS's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review DCFS's Annual Fiscal Report and, accordingly, we do not express an opinion on that report. DCFS's accounts are an integral part of the state of Louisiana's CAFR, upon which the Louisiana Legislative Auditor expresses opinions.