

# DEPARTMENT OF CHILDREN AND FAMILY SERVICES

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Management Letter**  
**Issued May 8, 2023**

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

**LEGISLATIVE AUDITOR**  
MICHAEL J. "MIKE" WAGUESPACK, CPA

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
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 and online at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 9191 or Report ID No. 80220076 for additional information.

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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Department of Children and Family Services

May 2023

Audit Control # 80220076

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## Introduction

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As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2022, we performed procedures at the Department of Children and Family Services (DCFS) to provide assurances on financial information that is significant to the state's Annual Comprehensive Financial Report; evaluate the effectiveness of DCFS's internal controls over financial reporting and compliance; and determine whether DCFS complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct the findings reported in the prior year.

## Results of Our Procedures

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### Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the DCFS management letter dated June 20, 2022. The prior-year findings related to Noncompliance and Control Weakness Related to the Temporary Assistance for Needy Families Work Verification Plan and Control Weakness over Social Services Block Grant Activities Allowed or Unallowed and Reporting Requirements have not been fully resolved and are addressed again in this letter.

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### Current-year Findings

#### **Noncompliance and Control Weakness Related to the Temporary Assistance for Needy Families Work Verification Plan**

DCFS did not ensure that all work activity supporting documentation for cash assistance recipients was accurate and maintained for hours worked under the Temporary Assistance for Needy Families (TANF) program.

In a sample of 60 out of 12,851 work activity records in the job-tracking system for approximately 1,000 clients per month, 13 (22%) work-eligible participant's hours

either did not agree to supporting documentation or supporting documentation of work activities was not maintained, and one of the 13 was not engaged in work activities, as required by federal regulations.

Per federal regulations, a state must support each individual's hours of participation through documentation in accordance with its Work Verification Plan. In addition, a parent or caretaker receiving assistance must engage in work activities when the state has determined that the individual is ready to engage in work.

DCFS employees 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 individuals were engaged in work activities.

This is the eleventh consecutive year we have reported to DCFS management exceptions with internal controls and compliance related to this TANF requirement. Noncompliance could result in penalties assessed on the state by the federal grantor.

DCFS management should ensure DCFS employees comply with existing policies and procedures regarding the state's work verification plan. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 1).

### **Control Weakness over Social Services Block Grant Activities Allowed or Unallowed**

DCFS transferred \$16 million of TANF grant funds to the Social Services Block Grant (SSBG). However, DCFS did not have a formalized process in place to ensure TANF transfers to SSBG were only used for programs or services for children or their families whose income is less than 200 percent of the poverty level.

DCFS and the Louisiana Legislative Auditor have contacted the Department of Health and Human Services' – Administration for Children and Families for additional clarification on this matter but neither have received a response as of the date of our audit report.

DCFS utilized \$12 million of the \$16 million TANF transfer funds on salaries to caseworkers through its Public Assistance Cost Allocation Plan (PACAP), but the PACAP does not specify how income thresholds are met. In addition, DCFS uses monthly reports that show the percent of families it serves who are Medicaid eligible to support that a large portion of its expenditures meet the income threshold.

Failure to implement proper controls over managing SSBG expenditures could result in noncompliance with federal regulations and increases the likelihood of disallowed costs that may have to be returned to the federal grantor. This is the second consecutive year we have reported weaknesses over TANF transfers to SSBG.

DCFS should develop written policies and procedures identifying the methodology used to support income requirements applicable to the TANF transfers to SSBG.

Management concurred with the finding and provided a corrective action plan (see Appendix A, page 2)

### **Weakness in Controls over Payroll**

DCFS did not timely certify and approve time and attendance records. DCFS utilizes the electronic time sheets in the Cross-Application Time Sheets (CATS) system.

A review of 45 time records for the period between July 1, 2021, and June 30, 2022, identified the following exceptions:

- Two (4.4%) of 45 time sheets tested were not certified by the employees.
- Six (13.3%) of 45 time sheets tested were not approved by the employees' supervisor.

DCFS policy (Civil Service Rule 15.2) requires certification of payroll and attendance records by both an employee and his/her appointing authority or designee of hours actually worked and leave taken during a payroll period. DCFS employees did not adhere to controls over payroll to certify and approve hours actually worked. As a result, there is an increased risk that errors and/or fraud could occur and not be detected in a timely manner.

Management should ensure employees comply with existing policies and procedures, including properly certifying and approving time sheets in a timely manner. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 3).

### **Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act**

DCFS did not report subawards in compliance with the Federal Funding Accountability and Transparency Act (FFATA) in the FFATA Subaward Reporting System (FSRS) during fiscal year 2022 for the following federal programs:

- For the Foster Care Title IV-E (Foster Care) program DCFS disbursed approximately \$8.8 million in subawards to eight different subrecipients, four of which were state entities, during fiscal year 2022. These subawards account for approximately 18% of the programs' fiscal year expenditures.
- For the TANF program, DCFS disbursed approximately \$76.6 million in subawards to 41 different subrecipients, of which eight were state entities, during fiscal year 2022. These subawards account for approximately 48% of the programs' fiscal year expenditures.

Federal regulations require the non-federal entity to report to FSRs each obligating action equal to or exceeding \$30,000 in federal funds for a subaward to a non-federal entity. This is one of multiple reporting requirements for Foster Care and TANF. Management represented there were no procedures in place to ensure compliance with FFATA requirements. Not reporting obligating actions to the FSRs prevents the public from having access to accurate information on how DCFS is obligating federal funds.

DCFS should strengthen internal controls to ensure that appropriate personnel are aware of the federal programs that are subject to FFATA reporting and assign appropriate personnel to complete the FFATA reporting in accordance with federal requirements. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 4).

### **Weakness in Controls over Accounting for Federal Program Expenditures**

DCFS did not accurately input federal award expenditure information in its financial management system, LaGov, to permit the preparation of the Schedule of Expenditures of Federal Awards (SEFA) without excessive manual processes to identify and correct coding errors.

Per federal regulation, each state must expend and account for the federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

In fiscal year 2022, DCFS converted from the ISIS financial management system to LaGov for recording expenditures. DCFS management indicated that coding expenditures in LaGov is more complex than in ISIS. Due to a lack of knowledge of the LaGov system and weak processing controls, DCFS personnel entered incorrect federal expenditure information needed to properly identify federal program expenditures.

Due to federal program coding issues in LaGov, the DCFS Fiscal department performed a monthly, line-by-line, manual review of reported expenditures in order to identify coding errors such as incorrect grant year, fund number, cost center, etc. and made needed corrections. The fiscal year 2022 DCFS SEFA includes \$3.6 billion in federal expenditures, of which \$471.2 million (13%) is recorded in LaGov and \$3.1 billion is paid directly to Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer Food Benefits recipients. Failure to properly record expenditures in LaGov increases the likelihood that errors and omissions may occur and remain undetected.

Management should identify the cause of the coding errors, develop procedures, and provide training to employees to ensure expenditures are accurately recorded in LaGov. These procedures should ensure the system provides for the accurate preparation of reports, including the SEFA, without excessive manual processes to reduce the risk of error or fraud. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 5).

### **Improper Employee Activity in Federal Programs**

DCFS, Fraud and Recovery Unit identified improper activity by one employee who received benefits under the Supplemental Nutrition Assistance Program (SNAP) and by two employees who violated department policy as well as state law related to payroll.

Three employees were cited for program or department policy violations as follows:

- One former employee did not accurately report household members and accessed their own records in the DCFS system resulting in improperly receiving \$3,968 in SNAP benefits. The employee was cited for intentional program violation and resigned in December 2022.
- One former employee received wages from DCFS and another employer for the same hours worked during the period August 2016 through September 2020, resulting in a loss of \$5,116 impacting various federal programs. The employee was terminated in July 2022.
- One employee received wages from DCFS and another employer for the same hours worked during the period August 2021 through September 2022, resulting in a loss of \$11,349 impacting various federal programs. DCFS is pursuing disciplinary action against the employee.

Amounts not recouped by DCFS as of June 30, 2022, totaled \$20,433 and represent questioned costs. Management should continue to investigate improper employee activities and emphasize the criminal consequences of such activities. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 6).

### **Control Weakness Relating to Foster Care Subrecipient Monitoring**

DCFS did not adequately review subrecipient Foster Care invoices submitted by the Office of Juvenile Justice (OJJ) for reimbursement of administrative expenditures to ensure billings were accurately calculated. Failure to properly review invoices resulted in an over reimbursement and could result in disallowed cost by the federal grantor.

During our procedures performed at OJJ, which was in addition to our testing conducted through sampling at DCFS, it came to our attention that on the administrative invoice for quarter ending December 2021, there were errors due to

OJJ using incorrect expenditure data resulting in billing errors that were not detected by DCFS.

These conditions occurred because of a weakness in controls in monitoring Foster Care administrative invoices. Federal regulations require that DCFS monitor the activities of subrecipients to ensure compliance with federal requirements. Based on the methodology used, there was \$128,236 in overpayments considered questioned costs.

DCFS should strengthen controls over review to ensure administrative invoices submitted by OJJ are calculated accurately. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 7).

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### **Annual Comprehensive Financial Report – State of Louisiana**

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2022, we considered internal control over financial reporting and examined evidence supporting DCFS's Supplemental Nutrition Assistance Program benefit expenditures and the Escrow Fund – Title IV-D schedule of activities, as reported in the note disclosure and schedule in its annual fiscal report.

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested are materially correct.

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### **Federal Compliance - Single Audit of the State of Louisiana**

As a part of the Single Audit for the year ended June 30, 2022, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on DCFS's major federal programs, as follows:

- Temporary Assistance for Needy Families (AL 93.558)
- Foster Care - Title IV-E (AL 93.658)

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 (SEFA) and on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.



Based on the results of these Single Audit procedures, we reported the findings listed in the Current-year Findings section. The findings related to Noncompliance and Control Weaknesses Related to the Temporary Assistance for Needy Families Work Verification Plan, Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act, Improper Employee Activity in Federal Programs, and Control Weakness Relating to Foster Care Subrecipient Monitoring will also be included in the Single Audit for the year ended June 30, 2022. In addition, DCFS's information submitted for the preparation of the state's SEFA and the state's Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

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### **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's management for any significant variances.

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### **Other Reports**

On October 26, 2022, a report was issued by Louisiana Legislative Auditor's (LLA's) Performance Audit Services (PAS) titled *State Central Registry: Comparison of Selected Processes to Other States* (Control #40210030). The Louisiana Children's Code requires DCFS to maintain a State Central Registry that tracks perpetrators of certain valid findings of child abuse and/or neglect based on DCFS Child Protective Services investigations. This informational report contains a comparison of DCFS's selected processes for the State Central Registry to those of 17 other states.

On December 1, 2022, a report was issued by LLA's PAS titled *Child Welfare Job Satisfaction Survey* (Control #40220023). This informational report provides the results of the legislative request to survey the job satisfaction of Child Welfare employees in DCFS.

On March 1, 2023, a report was issued by LLA's PAS titled *Administration of the Supplemental Nutrition Assistance Program (SNAP)* (Control #40220029). This review provides the results of the House Resolution 248 of the 2022 Regular Legislative Session to provide information on DCFS's administration of the SNAP and to identify potential areas for efficiency improvements.

On March 27, 2023, a report was issued by LLA's PAS titled *Supplemental Nutrition Assistance Program: COVID-19 Impact* (Control #40230012). This informational brief in response to House Resolution 248 of the 2022 Regular Legislative Session describes changes to DCFS's SNAP, including how COVID-19 impacted participation, benefit amounts, and program administration.

On April 5, 2023, a report was issued by LLA's PAS titled *Supplemental Nutrition Assistance Program - Employment and Training (E&T)* (Control #40220017). This

report provides the results of the House Resolution 248 of the 2022 Regular Legislative Session request to conduct an audit of the SNAP, inclusive of the E&T program. The purpose of the report was to analyze participation, costs, and the DCFS's administration of the program.

The reports in this section are available on the LLA's 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. The findings related to DCFS's compliance with applicable laws and regulations should be addressed immediately by management.

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

JO:AD:RR:EFS:ch

DCFS2022

# **APPENDIX A: MANAGEMENT'S RESPONSES**

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John Bel Edwards, Governor  
Terri Ricks, Secretary

February 27, 2023

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has received the finding titled "Noncompliance and Control Weakness relating to the Temporary Assistance for Needy Families (TANF) Work Verification Plan."

The finding states the Department of Children and Family Services (DCFS) did not ensure that all work activity supporting documentation for cash assistance recipients was accurate and maintained for hours worked under the Temporary Assistance for Needy Families (TANF) program. DCFS concurs with the finding and will ensure proper documentation through training and case reviews.

In alignment with the Department's continued improvements, we have restructured the Department to bring TANF and Workforce Development under the same umbrella to provide training and additional oversight of the STEP program. The TANF consultants will review the Strategies to Empower People (STEP) cases monthly to ensure work activities are properly documented in the Louisiana Integrated Technology for Eligibility (LITE) system and to improve the outcomes of TANF participants. This process is ongoing and began this month.

The Temporary Assistance for Needy Families (TANF) grants increased in January 2022. As a result, the number of participants in the STEP program doubled. The STEP coaches were working forty (40) cases per month, and this jumped to one hundred (100) cases after the grant increase. The Louisiana Department of Children & Family Services has been working expeditiously to bring additional staff on board and meet the demands of this vulnerable population. Training has been revamped with a laser focus on documentation, policy, systems, and the Goal4 It! Case Management model. The Goal4 It! model invokes core self-regulation skills such as planning, prioritization, and metacognition which creates opportunities for the STEP participant to practice this approach with their personal and employment-related goals. Statewide training will be completed on March 3, 2023.

In addition, we are entering new contractual agreements with organizations throughout Louisiana. The STEP participants will have access to a variety of employers, training providers, and work activities. More recently, we have contracted with South Louisiana Community College and the Prosperity Center at United Way of Southeast Louisiana.

Technological systems improvements are underway in the TANF/STEP programs to allow for more effective reporting and data analysis. DCFS continues to work with vendors to align the Louisiana Integrated Technology for Eligibility (LITE) system with the Goal4It! Model. We look forward to the new enhancements which will give the STEP coaches the opportunity to fully document all case actions including good cause determinations. Integration of the TuaPath system with LITE is also underway. TuaPath is a case management tool accessible to both participants and coaches. It provides greater accountability for participants to set their own goals, enter participation hours, and upload documentation. The enhancement of the LITE system and the implementation of Tuapath will assist DCFS in reporting work activities. The LITE and TuaPath integration is slated for completion at the end of July 2023.

If you have any additional questions, please reach out to Deputy Assistant Secretary Lorrie Briggs, who oversees TANF and the associated work program STEP. You can reach her at (337) 344-9676 or [Lorrie.Briggs.DCFS@la.gov](mailto:Lorrie.Briggs.DCFS@la.gov).

Sincerely,

Secretary

cc: Ashley Sias, Assistant Secretary, Division of Family Support  
Monica Brown, Deputy Assistant Secretary, Economic Stability  
Lorrie Briggs, Deputy Assistant Secretary, Workforce Development





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**John Bel Edwards**, Governor  
**Terri Ricks**, Secretary

April 12, 2023

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has reviewed the finding "Control Weakness over Social Services Block Grant Activities Allowed or Unallowed Requirements."

The finding noted the Department of Children and Family Services (DCFS) did not have a formalized process in place to ensure Temporary Assistance for Needy Families (TANF) grant funds transferred to the Social Services Block Grant (SSBG) were only used for programs or services for children or their families whose income is less than 200 percent of the federal poverty level. DCFS continuously strives to improve processes and controls and concurs with the finding.

DCFS will develop written procedures to document the department's process for ensuring expenditures related to TANF funds transferred to SSBG are used only for services related to children and families who meet TANF income requirements. The estimated completion date is September 30, 2023.

The contact person for the Title IVE Foster Care program is Sharla Lewis-Thomas, Child Welfare Manager 2, and she can be reached at (318) 487-5437 or [Sharla.Thomas.DCFS@LA.GOV](mailto:Sharla.Thomas.DCFS@LA.GOV).

Sincerely,

A handwritten signature in blue ink that reads "Terri Ricks".

Terri Ricks  
Secretary

cc: Amanda Brunson, Assistant Secretary





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John Bel Edwards, Governor  
Marketa Garner Walters, Secretary

October 31, 2022

Mr. Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has received the finding titled "Weakness in Controls over Payroll." The finding noted DCFS did not timely certify and approve time and attendance records. Although DCFS has procedures in place for both the employee and appointing authority or designee to certify payroll and attendance records by utilizing the electronic time sheets in the Cross-Application Time Sheets (CATS) system, we concur with the finding that some were not completed timely. DCFS continuously strives to improve processes and controls and has taken corrective action.

On August 16, 2022, we provided time administrators with instructions and reminders on how to review the eCertification Report (ZP241) in LaGov HCM each pay period to identify time statements that have not been certified and approved and to provide appropriate follow up with staff. On October 17, 2022, Human Resources notified all DCFS employees regarding the eCertification process including a reminder of the importance of all employees being vigilant and compliant in completing the process to ensure time reporting is accurate and complete. Human Resources will provide periodic review of the ZP241 report to alert management of noncompliance.

The contact person for Payroll is Marion Creft-Jackson, Human Resources Supervisor, and she can be reached at (225) 342-3146 or [Marion.Creft-Jackson.DCFS@la.gov](mailto:Marion.Creft-Jackson.DCFS@la.gov).

Sincerely,

Marketa Garner Walters  
Secretary

cc: Terri Ricks, Deputy Secretary  
Toby Comeaux, Statewide Program Manager





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John Bel Edwards, Governor  
Terri Porche Ricks, Acting Secretary

December 20, 2022

Mr. Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has received the finding titled "Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act."

The finding noted that DCFS did not report subawards in compliance with the Federal Funding Accountability and Transparency Act (FFATA) in the FFATA Subaward Reporting System (FSRS) during fiscal year 2022 for the Foster Care Title IV-E and the Temporary Assistance for Needy Families programs. We concur with the finding.

DCFS is presently developing policies and procedures to ensure accurate and timely reporting of data required by the FFATA in FSRS and is working to collect the required information from subrecipients to begin reporting. We will implement and train staff on policies and procedures regarding FFATA reporting requirements and begin reporting required data in FSRS on an ongoing basis in accordance with FFATA required timeframes by March 31, 2023.

The contact person for Foster Care Title IV-E reporting is Tina Joseph, Program Manager, who may be reached at 225-342-4152 or [tina.josheph.dcfcs@la.gov](mailto:tina.josheph.dcfcs@la.gov). The contact persons for TANF reporting are Julie Starns, Program Manager, who may be reached at 225-342-0495 or [julie.starns.dcfcs@la.gov](mailto:julie.starns.dcfcs@la.gov), and Robert Williams, Program Manager, who may be reached at 225-342-4791 or [robert.williams.dcfcs@la.gov](mailto:robert.williams.dcfcs@la.gov).

Sincerely,

A handwritten signature in black ink that reads "Terri Porche Ricks".

Terri Porche Ricks  
Acting Secretary







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John Bel Edwards, Governor  
Terri Porche Ricks, Acting Secretary

December 20, 2022

Mr. Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has received the finding titled "Weakness in Controls over Accounting for Federal Program Expenditures."

The finding noted that DCFS did not accurately input federal award expenditure information in its financial management system, LaGov, to permit the preparation of the Schedule of Expenditures of Federal Awards (SEFA) without excessive manual processes to identify and correct coding errors. We concur with the finding.

DCFS continuously strives to ensure all expenditures are accurately entered in the financial management system. Implementing LaGov was a major conversion of the agency's expenditure coding structure, which also included reprogramming subsystems to allow expenditures to properly interface and post in LaGov. A large volume of accounting codes had to be created to track various expenditures, specifically grant expenditures, to assist in federal reporting and to properly track expenditures by means of financing. The number of coding elements and length of the codes required for each transaction increased significantly and contributed to errors. Also, during implementation, the entire new coding structure was distributed across all DCFS offices, and not limited based on specific users or programs, which resulted in additional coding errors.

The number and variety of DCFS grants, cost sharing methods, volume of financial transactions and cost allocation structure added to the complexity of converting to LaGov. Also, certain end of month and other transactions (i.e. indirect costs, funding adjustments, etc.) that cannot be calculated until the month closes in LaGov require manual entries in the following month to properly generate the monthly Statement of Expenditures.

To ensure federal expenditures are recorded properly in LaGov, DCFS is developing policies and procedures to maintain coding in LaGov based on the type of grant, grant period, grant budget, and allowable expenditures and to account for automated processes that post to LaGov such as payroll, fuel, and lease payments. In addition, coding will be provided to users based on their programmatic needs to minimize errors. We will develop, implement, and train staff on policies and procedures for properly reporting federal expenditures in LaGov by March 31, 2023.

The contact person for SEFA Reporting is Martina Stribling, Fiscal Services Director, and she may be reached at 225-219-0536 or [Martina.Stribling.DCFS@la.gov](mailto:Martina.Stribling.DCFS@la.gov).

Sincerely,

A handwritten signature in black ink that reads "Terri Ricks".

Terri Porche Ricks  
Acting Secretary





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John Bel Edwards, Governor  
Terri Porche Ricks, Secretary

April 11, 2023

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Waguespack:

The Department of Children and Family Services has reviewed the finding "Improper Employee Activity in Federal Program". The Department concurs with the finding and continues to prioritize prevention and detection of improper activity associated with programs it administers. Each employee of the Department of Children and Family Services (DCFS), as a new hire and annually, must sign and date form DCFS CS 4 *Acknowledgement of Agreement to Comply with DCFS Policy Regarding Prohibited Activities and Employees Working on Cases of Relatives, Friends, Acquaintances, and/or Oneself*.

The Department's Fraud and Recovery Unit initiates a review of each employee receiving benefits under the programs administered. An automated monthly report identifies all DCFS employees receiving assistance in the Supplemental Nutrition Assistance Program (SNAP) and all new cases are reviewed for eligibility by parish office staff. Any cases identified by parish office staff as suspect are submitted to the Fraud and Recovery Unit for investigation. Through their reviews, the Fraud and Recovery Unit identified improper activity by a DCFS employee. The employee was subsequently terminated and is required to repay the ineligible SNAP benefits. Additionally, the employee is barred from future employment with DCFS.

DCFS reported this finding to the United States Department of Agriculture, Food and Nutrition Service, on the FNS 366B, as required. The Fraud and Recovery Unit has collected \$78.00 of the debt and will continue to pursue recovery of the remaining \$3,890.00 balance. Should the household cease to repay the balance the case will be referred to the Treasury Offset Program once the due process prerequisites are met.

The Fraud and Recovery Unit also investigated two employees for payroll fraud. Both employees were determined to have received wages from DCFS and a secondary employer for the same hours worked. One of the employees was terminated from DCFS and the other employee resigned prior to the receipt of a termination letter. DCFS has recovered \$11,349 from one former employee and is seeking recovery of the amount owed by the other former employee.

DCFS will continue to investigate improper employee activities and emphasize the consequences of illegal acts. If you have any questions, please contact Rhonda Brown, Fraud and Recovery Unit Director, at [Rhonda.Brown.DCFS@LA.GOV](mailto:Rhonda.Brown.DCFS@LA.GOV).

Sincerely,

A handwritten signature in black ink that reads "Terri Ricks".

Terri Ricks  
Secretary





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John Bel Edwards, Governor  
Terri Ricks, Secretary

April 11, 2023

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Waguespack:

The Department of Children and Family Services (DCFS) has reviewed the finding "Control Weakness Relating to Foster Care Subrecipient Monitoring." The finding states DCFS did not adequately review subrecipient Foster Care Invoices submitted by the Office of Juvenile Justice (OJJ) for reimbursement of administrative expenditures to ensure billings were accurately calculated. DCFS concurs with the finding.

DCFS will establish a secondary level of review to ensure accuracy of OJJ administrative invoices prior to reimbursement. The Child Welfare Consultant will review OJJ's IVE Administrative Expenditure Invoice for accuracy. Upon verification of an accurate OJJ invoice, the Federal Programs Manager will conduct a secondary level review to confirm accurate calculation of administrative expenditures.

If discrepancies are noted, the Consultant will contact OJJ for clarification and request corrections, if necessary. OJJ will be required to submit a corrected invoice. Upon receipt of the corrected invoice, the Consultant will conduct a review of the invoice to ensure accuracy. The Consultant will submit the invoice to the Federal Programs Manager for a secondary level review. This secondary level reviewer will ensure no additional issues exist and will confirm the accuracy of the calculations for administrative expenditures.

Secondary level reviews of OJJ administrative expenditure invoices will begin immediately and DCFS is working with OJJ to recover the overpayment through deduction from the next FY22 Quarterly invoice submitted by OJJ.

If you have any additional questions, please reach out Sharla Thomas, Child Welfare Manager 2, at [Sharla.Thomas.DCFS@la.gov](mailto:Sharla.Thomas.DCFS@la.gov).

Sincerely,

A handwritten signature in black ink that reads "Terri Ricks".

Terri Ricks  
Secretary

cc: Amanda Brunson, Assistant Secretary





## APPENDIX B: SCOPE AND METHODOLOGY

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We performed certain procedures at the Department of Children and Family Services (DCFS) for the period from July 1, 2021, through June 30, 2022, to provide assurances on financial information significant to the State of Louisiana's Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2022.

- We evaluated DCFS's operations and system of internal controls 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 certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the Temporary Assistance for Needy Families (AL 93.558) and Foster Care - Title IV-E (AL 93.658) for the year ended June 30, 2022, as a part of the 2022 Single Audit.
- We performed procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2022, as a part of the 2022 Single Audit.
- 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's management for significant variances.

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 Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.