

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Management Letter
Issued April 3, 2024

**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
BETH Q. DAVIS, CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Department of Children and Family Services



April 2024

Audit Control # 80230060

Introduction

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, 2023, 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.

We also determined whether management has taken actions to correct the findings reported in the prior year.

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 May 8, 2023. We determined that management has resolved the prior-year findings related to Weakness in Controls over Accounting for Federal Program Expenditures, Improper Employee Activity in Federal Programs and Control Weakness Relating to Foster Care Subrecipient Monitoring. The prior-year findings related to Noncompliance and Control Weakness Related to the Temporary Assistance for Needy Families Work Verification Plan, Control Weakness over Social Services Block Grant Activities Allowed or Unallowed, Weakness in Controls over Payroll, and Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act have not been resolved and are addressed again in this letter.

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 28,212 work activity records in the job-tracking system for approximately 2,300 clients per month, four (7%) work-eligible participant's hours either did not agree to supporting documentation or supporting documentation of work activities was not maintained 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 participants.

This is the twelfth 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 to 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 pages 1-2).

Noncompliance with and 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) during fiscal year 2023. As of June 30, 2023, 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% of the poverty level, as required by federal regulations.

As a result of not having formalized procedures, DCFS utilized the \$16 million of TANF funds transferred during fiscal year 2023 on salaries for DCFS caseworkers through its Public Assistance Cost Allocation Plan, which is not an allowed activity.

Failure to implement proper controls over managing SSBG expenditures resulted in noncompliance with federal regulations and \$16 million in questioned costs.

While subsequent to June 30, 2023, DCFS developed written policies and procedures, DCFS should ensure the income requirements applicable to the TANF transfers to SSBG are met and funds are used in accordance with federal requirements. Management concurred with the finding and provided a corrective action plan (see Appendix A page 3).

Weakness in Controls over Payroll

DCFS did not follow established payroll policies and procedures for the certification and approval of time statements, as well as for the approval of leave requests. This is the second consecutive year a weakness in controls over payroll has been reported.

In our review of 45 time statements department-wide for the period July 1, 2022, through June 30, 2023, we identified the following:

- Ten (22%) time statements were approved by supervisors between 1 and 252 days after the date required by policy.
- Three (7%) time statements were certified by employees between 20 and 70 days after the date required by policy.
- Two (4%) time statements were not certified by employees nor approved by the supervisors prior to payroll processing.

In addition, our review of payroll system reports identified 8,133 (5%) of 156,777 leave requests that were auto approved by the system. This occurs when leave has been requested, but the employee's supervisor did not take timely action to approve/reject the system leave request before the end of the pay period in which the leave was taken. All open leave requests in the system will be auto approved on the last day of the applicable pay period in order for the employee to receive payment.

We also performed procedures specifically on the Disability Insurance/SSI Cluster (AL 96.001), a major federal program for fiscal year 2023. In a statistical sample of 40 payroll transactions from a population of 46,568 Disability Insurance/SSI Cluster payroll transactions totaling \$19,646,061, three (8%) of the time statements tested were not approved by the employees' supervisors.

The DCFS payroll policy requires employees to certify their time statements by the Tuesday following the close of the pay period in the Cross-Application Time Statements (CATS) system and supervisors to approve time statements in the CATS system by the Wednesday following the close of the pay period. Supervisors are also responsible for approving or rejecting all leave requests before the end of the applicable pay period. Also, federal regulations require that charges to federal awards for salaries and wages must be supported by a system of internal control, which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

DCFS employees did not adhere to the established policies and procedures over payroll to certify and approve time statements in a timely manner or properly approve leave requests. As a result, there is an increased risk that errors and/or fraud could occur and not be detected in a timely manner and that unallowable costs could be reimbursed by the federal grantor.

Management should ensure employees comply with existing policies and procedures, including certifying and approving time statements and leave requests in a timely manner. Management concurred with the finding and provided a corrective action plan (see Appendix A page 4).

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 2023 for the following federal programs:

- For the Foster Care Title IV-E (Foster Care) program, DCFS disbursed approximately \$11.6 million in subawards exceeding \$30,000 to 10 different subrecipients, four of which were state entities, during fiscal year 2023. These subawards account for approximately 20% of the programs' fiscal year expenditures.
- For the TANF program, DCFS disbursed approximately \$84.3 million in subawards exceeding \$30,000 to 50 different subrecipients, of which 10 were state entities, during fiscal year 2023. These subawards account for approximately 42% 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. Management represented that procedures were being developed but not fully implemented by fiscal year end.

This is the second consecutive year we have reported to DCFS management exceptions with compliance related to FFATA reporting. 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 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 5).

Improper Employee Activity in Federal Programs

The DCFS Fraud and Recovery Unit identified possible improper activity by two employees who appear to have violated department policy as well as state law related to payroll.

Two employees suspected of department policy violations are as follows:

- One former employee received wages from DCFS and another employer for some of the same hours worked during the period June 2020 through April 2023, resulting in a loss of \$875 impacting various federal programs. The employee was terminated in September 2023.
- One former employee is suspected to have received wages from DCFS and another employer for some of the same hours worked during the period January 2023 through June 2023, resulting in a possible loss of \$15,474 impacting various federal programs. The employee resigned in September 2023 before DCFS informed the employee of the suspected violations.

Amounts not recouped by DCFS as of June 30, 2023, totaled \$16,349 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 Related to Cost Allocation Process

DCFS did not have adequate controls in place to ensure that expenditures were properly charged and allocated in accordance with the Cost Allocation Plan (CAP), which assigns costs to federal programs.

In a statistical sample of 60 transactions out of a population of 241,344 expenditure transactions totaling \$387,232,398 allocated to federal programs, two (3%) transactions had the following errors:

- For one transaction, the supporting documentation was for a prior fiscal year, which resulted in incorrect percentages being charged to various cost pools affecting nonmajor federal programs. This error resulted in overbilling the Social Services Block Grant (SSBG) by \$10,749 and underbilling Foster Care Title IV-E by \$35,357. The amount overbilled to SSBG represents questioned costs.
- For one transaction, the cost pool was not included in the CAP in error and the amendment to the CAP was not submitted timely.

These errors occurred because there was not an effective review process in place and because the department did not ensure the timely correction of errors to the CAP. Failure to adequately review cost allocation supporting documentation and to ensure

that changes are made to the cost allocation plan timely increases the risk that unallowable costs could be charged to federal programs. Management should strengthen internal controls over the review process and update the cost allocation plan for cost pool noted. Management concurred with the finding and provided a corrective action plan (see Appendix A page 7).

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, 2023, 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.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2023, 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:

- Supplemental Nutrition Assistance Program Cluster (Assistance Listing 10.551, 10.561)
- Child Support Enforcement (Assistance Listing 93.563)
- Disability Insurance/SSI Cluster (Assistance Listing 96.001)

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 certain 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 with and Control Weakness over Social Services Block Grant Activities Allowed or Unallowed,

Weakness in Controls over Payroll, Improper Employee Activity in Federal Programs, and Control Weakness Related to Cost Allocation Process will also be included in the Single Audit for the year ended June 30, 2023. 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.

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.

Other Reports

On September 6, 2023, a report was issued by Louisiana Legislative Auditor's (LLA's) Performance Audit Services (PAS) titled *Child Welfare Centralized Intake* (Control No. 40220022). This audit evaluated DCFS's Centralized Intake processes for receiving and processing reports of potential child abuse/neglect during fiscal years 2018 through 2022.

On February 28, 2024, a report was issued by LLA's PAS titled *Coordination of Public Assistance and Workforce Development Programs* (Control No. 40230019). This review evaluated the participation, costs, and outcomes for certain public assistance and workforce development programs and identified areas for improved coordination among those programs.

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

APPENDIX A: MANAGEMENT'S RESPONSES



Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.0286
(F) 225.342.8636
www.dcfslouisiana.gov

John Bel Edwards, Governor
Terri Ricks, Secretary

December 29, 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.

DCFS resumed responsibility for case management services to work-eligible cash assistance recipients in July 2020. In alignment with the Department's continued improvements, the Department restructured to bring TANF and Workforce Development under the same umbrella to provide training and additional oversight of the STEP program. This alignment has allowed the Department to focus on improving the outcomes of TANF participants and aligned all Employment and Training Programs in the Department. The Temporary Assistance for Needy Families (TANF) grants increased in January 2022. As a result, the number of participants in the STEP program doubled and continues to increase. The STEP coaches continue to work an average of one hundred (100) cases per month. 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. Despite the amount of staff turnover due largely to promotional opportunities and the standard timeframe of two to three years of professional development required to learn the nuances of the program, the STEP staff have made great strides in reducing the extent of the deficiencies.

Training has been revamped to 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.

In an effort to maintain our positive progress, the Department has implemented an internal continuous quality improvement process through reviewing cases, documentation, and verification. Staff review a portion of cases each month for documentation and verifications to validate that work activity or good cause is accurate and verified for STEP participants. This internal continuous quality improvement process is in addition to the established quality assurance case readings completed.

In addition, we are continuing to enter new contractual agreements with organizations throughout Louisiana allowing STEP participants access to a variety of employers, training providers, and work activities. We have also contracted with KRA Corporation as a vendor to increase participant engagement, upskilling, and employment. We continue to seek agreements with Community Based Organizations to help engage and support TANF/STEP participants in achieving their goals.

Technological systems improvements continue in the TANF/STEP programs allowing 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 and integration of TuaPath to focus on meaningful outcomes. Integration of the TuaPath system with LITE has been successful through November 2023 and ongoing enhancements continue. TuaPath is a case management tool accessible to both participants and coaches and provides a system of accountability for participants to set their own goals, enter participation hours, and upload verification. The enhancement of the LITE system and the implementation of TuaPath has assisted DCFS in reporting work activities, delivering services, and improving family



outcomes. We look forward to the continued enhancements which will give the STEP coaches the opportunity to fully document all case actions including good cause determinations. All of the aforementioned changes and efforts has evidently yielded a 93% reduction findings from review period SFY 2021 to review period SFY 2023. DCFS strives to have zero findings in future audits.

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.

Sincerely,

 3 | 2:13 PM CST

Jimmie B. Brown
Secretary

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





Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.0286
(F) 225.342.8636
www.dcfcs.la.gov

John Bel Edwards, Governor
Terri Ricks, Secretary

January 5, 2024

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”.

The finding noted that as of June 30, 2023, 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.

In addition to developing 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, DCFS will no longer utilize TANF transfer funds on salaries to caseworkers through its Public Assistance Cost Allocation Plan. The new procedures, which include monthly reports of TANF eligibility to support TANF transfers to SSBG, were implemented in October 2023, and system enhancements to Tracking Information Payment System (TIPS) is in progress. The expected date of completion is January 2024.

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.

Sincerely,



01/05/2024 | 3:18 PM CST

Terri Ricks
Secretary

cc: Amanda Brunson, Assistant Secretary





Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.0286
(F) 225.342.8636
www.dcfcs.la.gov

John Bel Edwards, Governor
Terri Porche Ricks, Secretary

October 16, 2023

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 employees and supervisors did not timely certify and approve time and attendance records and supervisors did not approve or reject leave requests before the end of the applicable pay period. Although DCFS has procedures in place for both the employee and appointing authority or designee to approve, reject, and 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.

As part of our continuous improvement plan, 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. DCFS Human Resources will continue to send periodic notices to 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.

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.

Sincerely,

 10/17/2023 | 4:01 PM CDT

TERRI PORCHE RICKS
Secretary

cc: Toby Comeaux, Statewide Program Manager 2
Eric Horent, Undersecretary
Tammy Starnes, Interim Deputy Undersecretary





Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.0286
(F) 225.342.8636
www.dcfs.la.gov

John Bel Edwards, Governor
Terri Porche Ricks, Secretary

December 29, 2023

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 2023 for the Foster Care Title IV-E and the Temporary Assistance for Needy Families programs. We concur with the finding.

DCFS has drafted policies and procedures, along with data collection forms, to ensure accurate and timely reporting FFATA data in FSRS. The FFATA policies and procedures are in the final approval phase and we are currently working toward collecting the required information from subawardees to submit in FSRS. Program and contract staff are being trained on policies and procedures over FFATA reporting requirements and we anticipate having required information entered in FSRS by March 31, 2024 and to continue on an ongoing basis.

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.dcfs@la.gov. The contact persons for TANF reporting are Julie Starns, Program Manager, who may be reached at 225-342-0495 or julie.starns.dcfs@la.gov, and Robert Williams, Program Manager, who may be reached at 225-342-4791 or robert.williams.dcfs@la.gov.

Sincerely,

2023 | 2:14 PM CST

TERRI PORCHE RICKS
Secretary

cc: Ashley Sias, Assistant Secretary, Division of Family Support
Amanda Brunson, Assistant Secretary, Child Welfare





Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.9538
(F) 225.342.8636
www.dcfcs.la.gov

Jeff Landry, Governor
David N. Matlock, Secretary

February 26, 2024

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 "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.

The Fraud and Recovery Unit (FRU) investigated two employees for suspected payroll fraud. The FRU determined that one employee received wages from DCFS and a secondary employer for the same hours worked. DCFS is pursuing recoupment of wages paid for the duplicative hours and will seek recoupment of funds in the amount \$875.00 from this employee. DCFS is conducting additional inquiries related to the other employee's suspected activities to determine the actual loss to the agency and will proceed accordingly. Both employees are no longer employed with the Department.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Matlock", is written over a light blue horizontal line.

02/26/2024 | 4:58 PM CST

David N. Matlock
Secretary

cc: Toby Comeaux, Chief of Staff
Rebecca Harris, Undersecretary





Executive Division
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.9538
(F) 225.342.8636
www.dcf.s.la.gov

Jeff Landry, Governor
David N. Matlock, Secretary

February 26, 2024

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 "Noncompliance and Control Weakness Related to Cost Allocation". The Department concurs with the finding and recommendation.

When processing the July 2022 cost allocation statistics, we inadvertently selected the wrong report date for one statistic, which resulted in incorrect percentages being charged to various cost pools. The Cost Allocation Unit has implemented a review process to ensure that supporting data is accurate prior to processing monthly statistics. The Program Consultant will run all reports used by the Cost Allocation Unit each month and submit the reports to the Program Manager for approval. The Program Manager will verify the accuracy of the report dates and supporting documentation, sign the reports, and return them to the Program Consultant for processing monthly stats.

The Cost Allocation Unit is updating the Cost Allocation Plan to include the missing cost pool and will submit future amendments promptly when major changes occur. Plan updates will continue to be submitted semi-annually.

If you have any questions, please contact Tonja Hayes, Cost Allocation Unit Program Manager. Ms. Hayes can be reached at (225) 342-4859 or Tonja.Hayes.DCFS@LA.GOV

Sincerely,

A handwritten signature in black ink, appearing to read "David N. Matlock".

02/26/2024 | 4:46 PM CST

David N. Matlock
Secretary

cc: Toby Comeaux, Chief of Staff
Rebecca Harris, Undersecretary



APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Children and Family Services (DCFS) for the period from July 1, 2022, through June 30, 2023, 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, 2023.

- 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 Supplemental Nutrition Assistance Program Cluster (Assistance Listing 10.551, 10.561), Child Support Enforcement (Assistance Listing 93.563) and Disability Insurance/SSI Cluster (Assistance Listing 96.001) for the year ended June 30, 2023, as a part of the 2023 Single Audit.
- We performed certain 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, 2023, as a part of the 2023 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.