

Budget Office Fiscal Monitoring Plan SFY 08-09

PURPOSE

The Division of Social Services is responsible for administering a \$1.3 billion budget for Public Assistance and Social Service Programs through out the State of North Carolina. The Budget Office supports the financial and operational activities as well as administrative management functions and contract related activities.

The purpose of this monitoring plan is to assure compliance with federal requirements by subrecipients.

OVERVIEW

Fiscal monitoring will be completed by the Local Business Liaison's (LBL).

Budget Office Staff Performing Subrecipient Monitoring and Related Support Activities are identified below:

Supervisor	
Staff Person	Area of Responsibility
James Clark	Fiscal
Local Business Liaisons	
Phil Lassiter	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Karen Calhoun	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Dana Sisk	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Hugh Cole	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Judy Hopkins	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Maggie Holley	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Sandra Wilson	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring
Pat Adcock	-Self Assessment of Internal Controls Survey for county grant subrecipients. -Recoupment of Questioned costs -Fiscal Monitoring

Program Areas and Services to be monitored

Area	Federal/State Compliance Number	Subrecipients to be monitored	Funding Source and Amount* SFY 06-07 Actuals	Review Tool
Food and Nutrition Services	CS-10.551-CL	Attachment B	Food and Nutrition Services Administration \$124,066,573.00* * DHHS Program Management Database	Attachment A,
Child Support Enforcement	93.563	Attachment B	Title IV-D \$114,245,451.00* * DHHS Program Management Database	Attachment A,
Work First	93.558	Attachment B	TANF Block Grant \$186,341,577.00* *DHHS Program Management Database	Attachment A,

Below is a brief description of the Program Areas and Services to be monitored by the Budget Office. .

Food and Nutrition Services

The Food and Nutrition Services Program provides cash like benefits for eligible low income individuals and families to use to purchase nutritious food. Benefits are based on family size and income; benefits are made available monthly via an Electronic Benefits Transfer (EBT) card. Food and Nutrition Services benefits are accessed through the 100 local county departments of social services. After applicants are determined eligible to receive benefits by their respective county departments of social services, they are issued an EBT (Electronic Benefits Transfer) card to purchase food.

Child Support Enforcement

The Child Support Enforcement program aids in the establishment and collection of child support to ensure that both parents support their children. The program processes include 1) location of the non-custodial parent for establishment and enforcement of existing child support orders, 2) paternity establishment for children born outside of marriage, 3) establishment and modification of new and existing orders of support, 4) enforcement of support obligations, and 5) collection and distribution of support.

The goal of the program is to consistently collect as much child support as possible and to help families become self-sufficient. Non-State Operated Child Support Offices will be subject to this monitoring.

Work First

North Carolina's Work First Program is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and other services to help them become employed and self-sufficient. Families can receive support up to five years. Work First emphasizes three strategies: Diversion, Work, and Job Retention. Work First Family Assistance is also provided for eligible children whose caretaker is not eligible for benefits themselves.

Work First (continued)

Work First Family Assistance provides monthly financial assistance to assist in meeting the basic needs of families with children such as food, shelter, etc.

Work First services are provided to families to improve their employability skill, to assist families to become employed, retain employment, and become self-sufficient. The services provided to families include but are not limited to education/training, employment services, childcare, transportation services and retention services to the employed. These services provided to clients enable the state to meet employment goals for able-bodied adults entering employment and able-bodied adults remaining off Work First for employment. Generally, these services are provided by a Work First employment worker or by other community agencies.

Areas to be monitored/Food and Nutrition/Child Support Enforcement/Work First

1571: Part I (Administrative Costs):

- 1571 payroll entries verified to general ledger Direct Worker Certifications reviewed
- Day Sheets reviewed: DSS 2203 for FNS DSS 4263 for TANF NA for CSE
- Percent of time report reviewed for minutes to Program Code R/TANF
- Staff coded properly to: 64-14-B, 65-14-B, or 65-16-B for FNS
 79-09-C or 79-10-C for IV-D 54-10-A or 54-12-A for TANF

1571:Part II (Statement of Administrative Costs and Purchased Services):

- County General Ledger matches payment Reviewed 1571, Part II to insure cost reported correctly

FNS Employment & Training Vouchers: Voucher request for payments reviewed and all expenditures posted to Part II by correct code: 458 or 472

IV-D:

- Reviewed all expenditures posted to Part II by correct code: 123, 423, 432, 449, or 450.

Work First:

- Reviewed all expenditures posted to Part II by correct code: 204, 205, 206, 207, 227, 228, 229, 238, 246, 273, 280, 281, 276 or 288.

1571: Part IV (Purchased Services and Fees):

- IV-D (Fees): Verified fees are posted to county general ledger and receipts issued
 Verified fees are posted on 1571, Part IV using code 435 or 436 with fund ID 3

Work First: Part IV codes reviewed with Fund ID Code T, unless program service code is 351

Monitoring Activities Process

Each County Department of Social Services will be monitored once every three years, based on the attached schedule. The monitoring schedule will be reviewed and updated annually. County Departments of Social Services will be notified via e-mail prior to each fiscal monitoring visit with a list of information needed. The monitoring year will be based on the State Fiscal year and start in FY 2008-2009. One month's data will be selected for review.

Attachment A will be used to document monitoring findings. After the monitoring is completed, a letter along with Attachment A will be sent to the County Director of Social Services with the monitoring results. If the County disagrees with the monitoring results, they may submit a written appeal to James Clark within sixty (60) days from the date of the letter notifying the county of the monitoring results. If they agree follow-up will be conducted to insure items are corrected. If they appeal, once their appeal has been reviewed, James Clark and the LBL will follow up with the county staff and work to resolve the county's concerns to insure the monitoring requirements are being maintained,

The monitoring will consist of Administrative reimbursement for Food and Nutrition Services, Child Support Enforcement and Work First (TANF funding for this monitoring are the Federal dollars in the Work First Block Grant). This review will monitor how the county reported the applicable cost for reimbursement only and will not monitor the individual client's eligibility.

The LBL will determine the staff sample for each county. The sample size will consist of 5% of staff for the specific program area reported on the DSS-1571, Part I. If the 5% sample is less than five staff, a 100% review of staff will be completed. Salaries and Benefits reported on DSS-1571, Part I will be compared to the County payroll ledger or other documents.

The monitoring consists of two parts, direct staff costs and purchased/contract or non direct staff costs. Staff costs are reported on Part I-A, B, or C of the DSS-1571. Purchased/contract or non direct Staff cost are reported on DSS-1571 Part II or IV. All cost reported on the DSS-1571 Part II or Part IV will require 100% review. Based on the monitoring month, a county may not have expenditures in the funding sources being monitored. An alternate month may be selected for review. This will be documented on Attachment A.

Documentation of Monitoring Activities

Monitoring activities will be documented in the DHHS Program Monitoring System. The LBL will complete the DSS Budget Office Fiscal Monitoring Spreadsheet (Attachment A). This spreadsheet will be shared with appropriate Division staff and will be filed electronically on a shared file.

Any ensuing technical assistance required as a result of subrecipient monitoring activities shall be referred to the appropriate program representative for follow-up.

Copies of monitoring source documents including a copy of the DSS Budget Office Fiscal Monitoring Spreadsheet will remain in the county DSS files along with any other copies of pertinent information used during the monitoring of the program activities

Sanctions for Non-Compliance

This section describes the recourse NCDSS has when monitoring activities confirm, that the subrecipient is out-of-compliance with state and federal regulations based on the requirements of the type of financial assistance received as outlined in the program or grant agreement. If NCDSS suspects or determines that a subrecipient has failed to adhere to required guidelines, the following actions should be completed and documented as necessary: 1) Section/program staff should first make every effort to work with the sub recipient agency to identify and document problems, 2) plan steps to resolve them, and 3) monitor the results of corrective actions taken. If necessary, NCDSS will request assistance from the DHHS Controllers Office or from other appropriate external entities.

Monitoring Report and Corrective Action

A written report is required on all On-Site Reviews. The report is due sixty (60) calendar days from the date of the review. The report must, at a minimum, include a summary of the monitoring findings; a list of findings for all documents reviewed; and corrective actions if necessary.

If a program in the local agency is found to be out of compliance, a corrective action plan must be developed that is geared toward program compliance. Reviewers are encouraged, where possible and practical, to develop any needed corrective action plan with county staff.

When a non-allowable cost finding is made, corrections must be made effective the month of monitoring. A correction must be made on the next DSS-1571 report. The error should be corrected from the review month forward. The county will maintain the necessary documentation to support the payback of the finding. In addition, the LBL will be notified when corrections have been made.

Each Section will determine which programmatic staff will follow-up with counties to ensure that corrective actions have been taken and evaluate whether the corrective actions have been successful.

If a Program Compliance Representative/Monitor suspects internal fraud, it will be reported to the Local Department of Social Services Director and the DSS Division Director. The Division will prepare an SBI Report and consult with the Internal Auditor and the Division of Budget and Analysis. In the event that the Internal Auditor agrees that the Division's suspicions are well founded, the DHHS Office of the Internal Auditor will coordinate an audit/investigation as deemed appropriate with the Office of the State Auditor, internal staff, Federal authority, local law enforcement authorities, and/or the SBI.

Updating DHHS' Monitoring Website

Each LBL will enter the results/findings report for all onsite monitoring into the monitoring website no later than 30 calendar days after the appeal period has expired or settled after the completed monitoring