Department of Workforce Services (DWS)
Single Audit Findings

February 5, 2015
Scope of Audit

• DWS portion of the statewide federal compliance audit for the fiscal year ended June 30, 2014
  • Low Income Heating Assistance Program
  • Workforce Investment Act
  • Child Care
  • Supplemental Nutrition Assistance Program
  • Temporary Assistance for Needy Families
  • Home Loan Program
  • Medicaid Third-party Liability & Eligibility
  • CHIP Eligibility Determination
Findings and Recommendations

2014 Audit Results
- 12 Findings & Recommendations
- Approximately $390,000 of questioned costs
- 1 Material Weakness related to Internal Controls
- No Material Noncompliance

2013 Audit Results
- 11 Findings & Recommendations
- Approximately $3,900 of questioned costs
- 3 Material Weaknesses related to Internal Controls
- 1 Instance of Material Noncompliance
Errors in Cases Tested
Cases Tested with Questioned Costs

- Workforce Investment Act (WIA)
- Low-Income Home Energy Assistance (LIHEAP)
- Child Care and Development Fund (CCDF)
- Temporary Assistance for Needy Families (TANF)
- Medicaid
- Children's Health Insurance Program (CHIP)
Projected Questioned Costs

- Workforce Investment Act (WIA)
- Low-Income Home Energy Assistance (LIHEAP)
- Child Care and Development Fund (CCDF)
- Medicaid - federal portion
- Medicaid - state portion
- CHIP - federal portion
- CHIP - state portion
“Material Misstatement”?  

A “material misstatement” is generally defined as being large enough or important enough to cause stakeholders to alter their decisions.
Worforce Investment Act (WIA)

Inadequate Policies & Procedures

- Original receipt, Form 370, or customer statement had equal weight as proof of purchase evidence
- Reduction of future allowances did not recoup federal money spent inappropriately
LIHEAP

• Period of Availability – When federal money must be committed or spent
• 90% committed or spent in 1st year with the remaining 10% committed by end of 2nd year
• Approximately $378,000 of questioned costs
Breakdown of CHIP Eligibility Errors Identified

- **Ineligible for CHIP (Eligible for Medicaid)**
  - 2010: 34.6%
  - 2011: 38.5%
  - 2012: 46.2%
  - 2013: 50.0%
  - 2014: 100.0%

- **Ineligible for CHIP**
  - 2010: 15.4%
  - 2011: 7.7%
  - 2012: 7.7%
  - 2013: 0.0%
  - 2014: 0.0%

- **Eligible for CHIP but Enrolled in Wrong CHIP Plan**
  - 2010: 11.5%
  - 2011: 0.0%
  - 2012: 25.0%
  - 2013: 50.0%
  - 2014: 0.0%

- **Documentation Issues That Could Impact Eligibility**
  - 2010: 38.5%
  - 2011: 0.0%
  - 2012: 16.7%
  - 2013: 0.0%
  - 2014: 0.0%
Medicaid Third-Party Liability Errors

Percentage of Cases Tested with Some Type of Error

- 2010: 2.9%
- 2011: 3.3%
- 2012: 1.7%
- 2013: 0.0%
- 2014: 1.7%
Additional Findings

- Cost Allocation Errors
- Reporting Errors
- Untimely Comparison of Wage Information
- Inadequate Controls over Allocation of Employee Leave
Summary

• Multiple, extremely large-dollar grants
  – Complex federal program requirements

• Decrease in number of errors identified
  – Multi-year trend for large programs

• Opportunities for continued improvement still exist
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