



# DALLAS COUNTY COUNTY AUDITOR

## Memorandum

To: Zachary S. Thompson  
Director

From: Darryl D. Thomas *Darryl D. Thomas*  
County Auditor

Subject: HHS Welfare - Review for Fiscal Year 2012-2013

Date: Issued February 20, 2016  
Released May 25, 2016

### **Scope**

A review was performed in accordance with statutory guidelines on the financial records, reports, and internal controls of the HHS Welfare for fiscal year 2012-2013 with an internal control procedures walkthrough completed in 2014.

### **Review Procedures**

Standard review procedures were followed to test the internal controls for cash, revenue, and other County assets. A random sampling of the total activity was selected for certain steps based on risk, dollar value of transactions, volume of transactions, and noted internal control weaknesses.

A partial list of the review tests include:

- Performing unannounced cash counts
- Reviewing and evaluating departmental response to Internal Control Questionnaire (ICQ)
- Reviewing a sample of welfare assistance payments (rental, room/board, mortgage, food, bus tickets, and utilities) and client's file for compliance to Welfare Guidelines, statutes, and Commissioner court orders and to ensure accuracy/completeness of the posting of payments.
- Reviewing of petty cash funds related to bus tickets
- Reviewing time and attendance records for compliance with county policies

### **FINDINGS**

#### **Rental & Room & Board payments**

A sample review of payments from FY 2012 to FY2013 revealed six (6) client files without the Client Account Records (CAR) in the file.

#### **Mortgage payments**

A sample review of 33 mortgage payments from FY2012 to FY2013 revealed four (4) mortgage payments were issued to a client who received workers compensation; and five (5) payments without the Client Account Records (CAR) in the client file or a CAR with incomplete payment information.

#### **Food payments**

A sample review of 40 food vouchers from FY2012 to FY2013 revealed client files related to sixteen payments contained insufficient information to verify eligibility; thirteen payments were issued for the incorrect amount (based on the number of eligible individuals reportedly living in the household on the assistance authorization form); client files for twenty-four payments contained no Client Account Record

(CAR), incomplete CAR, or incorrect CAR; client files related to nineteen payments include incomplete Assistance Authorization (AA) forms; and carbon copy of two food vouchers were either altered or unreadable.

#### **Bus Tickets**

A sample review of 13 clients files of clients that received bus tickets from FY2012 to FY2013 revealed seven client files include incomplete Authorization Assistance (AA) forms and five client files include missing Client Account Record (CAR), an incorrect CAR, or an incomplete CAR.

#### **Utility payments**

A sample review of 31 utility payments from FY2012 to FY2013 revealed three instances where the service address on the utility statement did not match the application address and client files related to nine payments were missing supporting documentation.

### **RECOMMENDATIONS**

#### **Rental Room & Board payments**

Client's files should consist of all supporting documentation required per policy; CAR report should include all transactions.

#### **Mortgage payments**

Client's files should consist of all supporting documentation required per policy; CAR report should include all transactions. Caseworkers should verify eligibility before approving assistance.

#### **Food vouchers**

Client's files should consist of all supporting documentation required per policy; CAR report should include all transactions. Verification procedures should be reviewed and updated. Supervisory review should occur.

#### **Bus Tickets**

Client's files should consist of all supporting documentation required per policy; CAR report should include all transactions.

#### **Utility payments**

Client's files should consist of all supporting documentation required per policy; CAR report should include all transactions.

### **CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS**

Findings template numbered 14.WEL.01.02 thru 14.WEL.01.06 are attached. Departmental responses are incorporated within the templates.

### **SUMMARY**

The report is intended for the information and use of the department. While internal controls and compliance factors reviewed, all matters of a material weakness may not have been identified. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Highest areas of risk which need to be addressed include retention of complete/accurate supporting documentation in the client's folder and retaining updated receipts of payments/assistance to clients.

Emphasis on outlined procedures should provide for improved departmental processes. Consideration of all issues and weaknesses should be incorporated by the Welfare Department as a self-assessment tool. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures.



**Finding Number:** 14-WEL-01-02  
**Date:** August 1, 2014  
**Audit:** Welfare FY 2012-2013  
**Auditor(s) Assigned:** CG

<p><b>Finding:</b></p>	<p><b>Rental and Room &amp; Board Payments</b>                  A sample review of payments and supporting documentation of 30 clients for rental and room/board from FY2012 to FY2013 revealed:</p> <ul style="list-style-type: none"> <li>Six (20%) out of 30 client's files did not contain Client Account Record (CAR) listing all RFP and payments.</li> </ul> <p><b>Status:</b> Missing CAR was generated and provided once identified by auditor.</p>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Work paper #4.A-C, &amp; G                  Work paper #4.D-F, &amp; H                  Dallas County Health &amp; Human Services Welfare Division Policy Manual (Revised March 2013)</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Financial assistance is provided for rental payments and room/board placement based on certain qualifying criteria. The types of assistance and rate of financial assistance are approved by Dallas County Commissioner Court. The eligibility requirements for either assistance are noted in the HHS Welfare policy manual.</p> <p>Salvation Army is the only facility used for room and board placement.</p> <p>For rental payment, if the landlord/owner refuses to wait for a Dallas County payment to be processed, the HHS Welfare agency uses North Dallas Shared Ministries (NDSM) to issue an emergency check to the landlord/owner. Dallas County reimburses the funds back to NDSM.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls include:</p> <ul style="list-style-type: none"> <li>Accounting controls should be in consistent with section 2.32, 2.38, and 2.39 of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>Eligibility requirements and supporting documentation maintained in client's file should be in accordance with Chapter III of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>Posting errors should be corrected on a timely basis.</li> <li>Supervisory personnel should periodically review CAR logs to ensure that explanation for the change is documented and reasonable.</li> </ul>
<p><b>Cause: (Describe the cause of the condition if possible)</b></p>	<p>Lack of management oversight and/or training.</p>
<p><b>Effect: (Describe or quantify any adverse effects)</b></p>	<p>Misapplication of funds.</p>
<p><b>Recommendation: (Describe corrective action)</b></p>	<p>Recommendations include:</p> <ul style="list-style-type: none"> <li>Properly posting payments disbursed to clients. CAR listing should include all transactions.</li> <li>Periodically reviewing CAR listing for accuracy and completeness by management.</li> </ul>



	<ul style="list-style-type: none"> <li>Including all supporting documentation required per policy in client's file.</li> </ul>		
<b>Responsible Department or Organization:</b>	HHS-Welfare		
<b>Management's Response:</b>	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree	<b>Respondent:</b>	Ganesh Shivaramaiyer
		<b>Date:</b>	03/31/2016
<b>Comments:</b>	<p><i>The Client Account Record (CAR) is maintained and updated by Financial Administration section and provided to the Welfare supervisors upon request in order to enable them to verify assistance information. In all cases cited the pertinent CAR's were generated and provided. It should be noted that while it is beneficial to maintain a copy of the CAR in the case file it is not a requirement.</i></p> <p><i>Additional HHS's responses from HHS Welfare are on file noting additional responses related to Internal Review Process and Staff training.</i></p> <p><b>Auditor Comment:</b> Auditor staff confirmed that W-9s are in the current file.</p>		
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



**Finding Number:** 14-WEL-01-03  
**Date:** August 1, 2014  
**Audit:** Welfare FY 2012-2013  
**Auditor(s) Assigned:** CG

<p><b>Finding:</b></p>	<p><b>Mortgage Payments</b>                  A sample review of 33 mortgage payments issued to clients from FY2012 to FY2013 revealed:</p> <ul style="list-style-type: none"> <li>For 5 (15%) out of 33 mortgage payments, the Client Account Record (CAR) listing all RFP and payments to the client was missing from client file or was incomplete.  <b>Status:</b> CARs were provided once identified by auditor. However, a CAR related to one client had to be requested more than once before CAR with the correct information was provided.</li> <li>For 4 (12.1%) out of 33 mortgage payments, the client received mortgage payments while receiving workers compensation.</li> </ul>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Work paper(s) 5.B.                  Dallas County Health &amp; Human Services Welfare Division Policy manual (Revised March 2013)</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Financial assistance is provided for mortgages based on certain qualifying criteria. The types of assistance and rate of financial assistance are approved by Dallas County Commissioner Court. The eligibility requirements are noted in the HHS Welfare policy manual.</p> <p>Once individual is determined eligible for mortgage assistance, the caseworker contacts mortgage company. If normal processing of payment using Request for Payment will result in foreclosure of home, HHS-Welfare will consider processing payment through North Dallas Shared Ministries (NDSM); Dallas County reimburses the funds back to NDSM. Payment is made directly to landlord or Mortgage holder; mortgage is paid for the days the premises have been occupied by the eligible individual or family. Legal agreements affirming that payments are signed by the landlord or mortgage holder, caseworker, and client are reviewed monthly.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls include:</p> <ul style="list-style-type: none"> <li>Accounting controls should be in consistent with section 2.32 and 3.60 of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>Eligibility requirements and supporting documentation maintained in client's file should be in accordance with Chapter III of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>Posting errors should be corrected on a timely basis.</li> <li>Supervisory personnel should periodically review CAR logs to ensure that explanation for the change is documented and reasonable.</li> <li>All supporting documentation should be complete and accurate.</li> </ul>
<p><b>Cause: (Describe the cause of the condition if possible)</b></p>	<p>Clerical errors                  Lack of management oversight and/or training.</p>
<p><b>Effect: (Describe or quantify any adverse effects)</b></p>	<p>Misapplication of funds.                  Assistance is potentially supplied to ineligible clients.</p>
<p><b>Recommendation: (Describe corrective action)</b></p>	<p>Recommendations include:</p> <ul style="list-style-type: none"> <li>Properly posting payments disbursed to clients. CAR listing should include all transactions.</li> <li>Periodically reviewing CAR listing for accuracy and completeness by management.</li> <li>Including all supporting documentation required per policy in client's file.</li> </ul>
<p><b>Responsible Department or Organization:</b></p>	<p>HHS-Welfare</p>



<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Ganesh Shivaramaiyer	<b>Date:</b>	03/31/2016
<b>Comments:</b>	<p><i>The four (4) mortgage payments cited were related to one (1) client. The mortgage assistance made to client was for the period where the client was not receiving workers compensation. Client received Worker's compensation for the periods: (1) August 22, 2011 through September 26, 2012 and (2) September 9, 2013 through December 1, 2013. However, the mortgage assistance was made for May through August of 2013. Documentation to effect is available in the case for review.</i></p> <p><i>Additional HHS's responses from HHS Welfare are on file noting response related to Internal Review Process and Staff training.</i></p> <p><b>Auditor's comment:</b> No hard copies of client's worker compensation benefits existed in client's file. HHS was able to obtain additional information to verify eligibility by contacting Worker's Compensation office; it is noted in the file's case notes.</p>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment		<input type="checkbox"/> Deleted From Consideration	



**Finding Number:** 14-WEL-01-04  
**Date:** June 4, 2014  
**Audit:** Welfare Audit FY 2012-2013  
**Auditor(s) Assigned:** CG

<b>Finding:</b>	<p><b>Food Payments</b></p> <p>A sample review of 40 food vouchers issued to clients from FY2012 to FY2013 revealed:</p> <ul style="list-style-type: none"> <li>• For sixteen (40%) out of 40 food vouchers (related to 6 clients), the clients' file did not contain sufficient information to verify that the eligibility requirements for food assistance were met.             <ul style="list-style-type: none"> <li>○ Per client's file, the caseworker did not verify if the two clients were receiving food stamp prior to issuing to food vouchers.</li> <li>○ Two clients were issued a total of 10 food vouchers for \$970; both clients are receiving food stamps per clients' file. If individual is receiving food stamps, they are ineligible for Welfare food assistance.</li> <li>○ Two clients received food vouchers totaling \$225, but the client's file does not include state identification card.</li> <li>○ One client's file did not contain a photocopy of social security card.</li> </ul> </li> <li>• Thirteen (32.5%) out of 40 food vouchers (related to 4 clients) were issued for the incorrect amount (based on the number of eligible individuals reportedly living in the household on the assistance authorization form).             <ul style="list-style-type: none"> <li>○ Eight food vouchers totaling \$858 were issued for the wrong amount.</li> <li>○ Five food vouchers totaling \$210 were issued to a client for January to April, but the caseworker notes in client's file that the child lived with the client during summer months.</li> </ul> </li> <li>• For twenty-four (67.5%) out of 40 food vouchers (related to 10 clients), the Client Account Record (CAR) listing all RFP and payments to client was missing, incomplete, or incorrect.             <ul style="list-style-type: none"> <li>○ For nineteen food voucher, the client's file included no CAR or no updated CAR with all RFP/payments.  <b>Status:</b> CARs were provided once identified by auditor.</li> <li>○ For one food voucher, the provided CAR was revised in illegible hand written ink.</li> <li>○ For one food voucher, a keying error existed on the CAR.</li> <li>○ For three food vouchers, the receipt of food voucher was posted to wrong month on the CAR.</li> </ul> </li> <li>• For nineteen (47.5%) out of 40 food vouchers (related to 6 clients), the Assistance Authorization (AA) form in the client's file was incomplete or incorrect.             <ul style="list-style-type: none"> <li>○ For sixteen food vouchers, the client's AA form has the incorrect number of family members on the form. It does not correspond to the other notes in the client file.</li> <li>○ For one food voucher, the client's AA form did not note the correct Eligible Date Expired. .</li> <li>○ For four food voucher, the client's AA form includes no date or incorrect date for Date Certified or Eligible Date Expired.</li> </ul> </li> <li>• Carbon copy for two (6.6%) food voucher was either altered or unreadable.</li> </ul> <p><b>Departmental responses to the Internal Control Questionnaire (ICQ) and</b></p>
-----------------	---



	<p><b>inquiry of HHS – Welfare staff revealed:</b></p> <ul style="list-style-type: none"> <li>• User access does not prevent cashier from voiding computer receipts.</li> <li>• To prepare deposits, the control totals from receipt totals and/or register totals is used rather than from the actual checks and cash on hand.</li> </ul>
<p><b>Work paper Reference:</b> (or other method by which finding was identified)</p>	<p>Work paper(s) 1.C.1, 6.A.1-7, 6.A.1-7 CAR, and 6.A.8-1 Responses to Internal Control Questionnaire (HHS-Welfare) Dallas County Health &amp; Human Services Welfare Division Policy manual (Revised March 2013)</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Financial assistance is provided for food based on certain qualifying criteria. The types of assistance and rate of financial assistance are approved by Dallas County Commissioner Court. The eligibility requirements are noted on the HHS Welfare policy manual.</p> <p>To receive food assistance, individuals cannot be receiving food stamps from Texas health and Human Services Commission. Verification must be provided that food stamp case was denied or is pending, for assistance</p> <p>Food voucher can only be redeemed at Minyards Food Store and for food only. No alcohol, tobacco products, or nonfood items. Food assistance is issued in the form of a voucher every two weeks at the following rates (depending on family size).</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls include:</p> <ul style="list-style-type: none"> <li>• Accounting controls should be in consistent with section 2.31 of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>• Eligibility requirements and supporting documentation maintained in client's file should be in accordance with Chapter III of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>• All supporting documentation should be complete, accurate, and located in the client's file.</li> <li>• Supervisory review should occur to ensure issued amount is correct.</li> </ul>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Clerical errors Lack of management oversight and/or training.</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Assistance is potentially supplied to ineligible clients.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Recommendations include:</p> <ul style="list-style-type: none"> <li>• Verification procedures should be reviewed and updated. Training should occur continually</li> <li>• Client's file should contain all required forms and accurately reflect decision made related to issuance of food vouchers.</li> <li>• Supervisory review should occur.</li> <li>• All corrections should include a complete and valid explanation in the status change field.</li> <li>• Care should be taken to properly issue the appropriate food vouchers to clients and post information to CAR.</li> <li>• Policy and procedures manual should be reviewed and updated as needed.</li> </ul>
<p><b>Responsible Department or</b></p>	<p>HHS-Welfare</p>





<b>Organization:</b>					
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Ganesh Shivaramaiyer	<b>Date:</b> 03/31/2016
<b>Comments:</b>	<p>Sixteen (16) food vouchers cited are related to (7) clients. Of the seven (7) clients three (3) related to copies of identification cards and/or social security cards not in case file. It should be noted that while it is beneficial to have copies of these documents in file it is not requirement. There are other forms of documents that were used for client verification in these cases.</p> <p>Thirteen (13) food vouchers cited for issue of incorrect amounts are related to four (4) clients. Among these, the majority of food vouchers were issued for correct amounts. However, the household composition was incorrectly written on assistance authorization.</p> <p>Twenty-four (24) payments were cited due to missing, incomplete, or incorrect Client Account Record (CAR) sheet. The CAR is maintained and updated by Financial Administration section and provided to the Welfare unit upon request in order to enable them to verify assistance information. In all cases cited the pertinent CAR's were generated and provided. It is beneficial to maintain a copy of the CAR in the case file but not a requirement.</p> <p>Nineteen (19) payments are related to six (6) clients who were cited for incorrect information or incomplete Assistance Authorization (AA) forms. Although the food assistance was issued twice a week as required, the Case Workers did not always document dates on the AA forms during this specific period. However, we have since implemented procedures to document dates for the two week certification period on AA forms. Four (4) out of the six (6) cases cited for household composition not matching AA forms and application were found to be completed correctly. (a) In one case the household composition did not change until two (2) weeks after the food voucher was issued. (b) In one case the household composition on the AA form matched case notes and application in file. (c) In two (2) cases there were no household changes but instead the workers erroneously wrote the incorrect information on AA form. (Note: The correct food voucher amount was issued for the actual household size).</p> <p>Additional HHS's responses from HHS Welfare are on file noting response related to Internal Review Process and Staff training.</p>				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment		<input type="checkbox"/> Deleted From Consideration



**Finding Number:** 14-WEL-01-05  
**Date:** June 4, 2014  
**Audit:** Welfare Audit FY 2012-2013  
**Auditor(s) Assigned:** CG

<p><b>Finding:</b></p>	<p><b>Bus tickets</b>                  A sample review of 13 client files of individuals who received Dallas Area Rapid Transit (DART) bus tickets from FY2012 to FY2013 revealed:</p> <ul style="list-style-type: none"> <li>• For seven (53.8%) of 13 client files, the Authorization Assistance (AA) forms were not completed with the required Date Certified date and/or Eligible Date Expired date.:</li> <li>• For one (7.7%) of 13 client files, the Client Account Record (CAR) was incorrect. The month should be April instead of May.</li> <li>• For three (23.1%) of 13 client files, an updated Client Account Record (CAR) was not located in the client file.  <b>Status:</b> Updated CAR was provided upon auditor's request.</li> <li>• For one (7.7%) of 13 client files, the Client Account Record (CAR) was missing.  <b>Status:</b> Missing CAR was provided upon auditor's request.</li> </ul>
<p><b>Workpaper Reference:</b></p>	<p>Work paper(s) 8.A and 8.C                  Dallas County Health &amp; Human Services Welfare Division Policy Manual (Revised March 2013)</p>
<p><b>Condition:</b>                  (Describe the current condition)</p>	<p>HHS-Welfare provides transportation assistance in the form of bus tickets. They are offered to eligible individuals for keeping medical, social service, and employment appointments.</p> <p>Upon request for transportation assistance, a Welfare Assistance Authorization (AA) form is completed and reviewed by HHS-Welfare section. Once approved, the caseworker issues bus ticket(s) to client and client signs receipt indicating the bus tickets were received. Caseworker submits receipts to supervisors. Also, bus tickets are issued to homeless individuals. Homeless individuals are not required to come into the HHS-Welfare office; caseworker visits clients at shelters. A stack of bus vouchers are issued to the case worker who issues to client based on their eligibility.</p> <p>HHS-Welfare performs an inventory reconciliation of the bus tickets and prepares a request for payment (RFP) to replenish the bus ticket inventory. RFP is forwarded to Accounts Payable section; once RFP is processed, a check is generated and picked up by HHS-Welfare. Bus tickets are purchased from DART using funds in designated petty cash account and maintained by the supervisor. The transportation account (petty cash account) is reconciled to ensure the balance reconciles to control total amount that should remain in the account.</p>
<p><b>Criteria:</b>                  (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls include:</p> <ul style="list-style-type: none"> <li>• Accounting controls should be in consistent with section 2.37 of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>• Eligibility requirements and supporting documentation maintained in client's file should be in accordance with Chapter III of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> <li>• All supporting documentation relating to eligibility should be in completed, accurate, and located in the client's file.</li> <li>• Supervisory review should occur, including periodically reviewing CAR reports</li> </ul>
<p><b>Cause:</b></p>	<p>Clerical errors</p>



(Describe the cause of the condition if possible)	Lack of management oversight and/or training.		
<b>Effect:</b> (Describe or quantify any adverse effects)	Assistance is potentially provided to ineligible clients.		
<b>Recommendation:</b> (Describe corrective action)	Recommendation includes: <ul style="list-style-type: none"> <li>• All required forms to process eligibility should be accurate and complete.</li> <li>• Management should periodically review CAR listing for accuracy, and completeness.</li> <li>• Periodic review of processes and reconciliation by supervisory personnel.</li> </ul>		
<b>Responsible Department or Organization:</b>	HHS-Welfare		
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Ganesh Shivaramaiyer <b>Date:</b> 03/31/2016
<b>Comments:</b>	<p><i>Seven (7) out of thirteen (13) client case files revealed incomplete Assistance Authorization (AA) forms. Although bus assistance was issued every two weeks as required, the Case Worker did not always documents dates on the AA forms during the audit period. However, DCHHS, Welfare has since implemented procedures to document the two (2) week certification period on AA forms. The CAR is maintained and updated by Financial Administration section and provided to the Welfare unit upon request in order to enable them to verify assistance. In all cases cited the pertinent CAR's were generated and provided. It is beneficial to maintain a copy of the CAR in the case file but not a requirement.</i></p> <p><i>Additional HHS's responses from HHS Welfare are on file noting response related to Internal Review Process and Staff training.</i></p>		
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



**Finding Number:** 14-WEL-01-06  
**Date:** June 4, 2014  
**Audit:** Welfare Audit FY 2012-2013  
**Auditor(s) Assigned:** CG

<p><b>Finding:</b></p>	<p><b>Utility Payments</b>                  A sample review of 31 utility payments issued to clients from fiscal years 2012 and 2013 revealed:</p> <ul style="list-style-type: none"> <li>• For three (9.7%) of 31 utility payments, the service address on the utility statement is different from the application address. Per policy, both must match.</li> <li>• For one of 31 utility payments, the utility statement in the client files did not include an address.</li> <li>• For eight (26.7%) of 31 utility payments, supporting documentation is missing from the client's file.                         <ul style="list-style-type: none"> <li>○ Two utility payments with the utility statement not located in the client's file.</li> <li>○ Six utility payments with the Client Account Record (CAR) not in the client's file.</li> <li>• <b>Status:</b> Missing CAR was provided to the auditor.</li> <li>○ One utility payment with the identification card not located in the client's file.</li> </ul> </li> </ul>
<p><b>Work paper Reference:</b></p>	<p>Work paper(s) 9.A-D Utilities and 9.A-D Utilities CAR                  Dallas County Health &amp; Human Services Welfare Division Policy Manual (Revised March 2013)</p>
<p><b>Condition:</b>                  (Describe the current condition)</p>	<p>Financial assistance is provided for utility payments based on certain qualifying criteria. The types of assistance and rate of financial assistance are approved by Dallas County Commissioner Court. The eligibility requirements for either assistance are noted in the HHS Welfare policy manual.</p> <p>Utilities are paid so the individual/family can retain utilities service while receiving assistance. Since billing from utilities is after the service was used, the first payment may be for the period just prior to application.</p>
<p><b>Criteria:</b>                  (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls include:</p> <ul style="list-style-type: none"> <li>• Accounting controls should be in consistent County policy § 2.33. Utilities are paid so the individual/ family can retain utilities service while receiving assistance. Since billing from utilities is after the service was used, the first payment may be for the period just prior to application.</li> <li>• Eligibility requirements and supporting documentation maintained in client's file should be in accordance with Chapter III of Dallas County Health &amp; Human Service Welfare Division Policy manual.</li> </ul> <p>Other internal controls include:</p> <ul style="list-style-type: none"> <li>• All supporting documentation relating to eligibility should be in completed, accurate, and located in the client's file.</li> <li>• Supervisory review should occur to ensure issued amount is correct.</li> </ul>
<p><b>Cause:</b>                  (Describe the cause of the condition if possible)</p>	<p>Clerical errors                  Lack of management oversight and/or training.</p>
<p><b>Effect:</b></p>	<p>Misapplication of funds.</p>



(Describe or quantify any adverse effects)	Assistance is potentially supplied to ineligible clients.		
<b>Recommendation:</b> (Describe corrective action)	Recommendations include: <ul style="list-style-type: none"> <li>• Client's file should contain all required forms and supporting documentation for issuance of utility payments.</li> <li>• Supervisory review should occur.</li> <li>• Policy and procedures manual should be reviewed and updated as needed.</li> </ul>		
<b>Responsible Department or Organization:</b>	HHS-Welfare		
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Ganesh Shivaramaiyer <b>Date:</b> 03/31/2016
<b>Comments:</b>	<p><i>The three (3) instances where the service address on the utility statement did not match the application address where related to 2 cases. (a) In one case client relocated to a new residence while receiving services with his agency. It is not required for client to submit a new application when he or she moves, but instead a new lease is requested. The new address is verified with lease in case file does correspond with the address on the utility statement in question. (b) The utility billing statements for the previous eight (8) months matched the address on application. However, the utility vendor changed the address from correct to incorrect one on the statement for January 2012. Since the account number did not change Case Worker verified that client had not moved during the time of assistance, additionally verified other utility billing statements for the correct address and authorized the assistance.</i></p> <p><i>Two (2) of the nine (9) payments were cited for the missing either a utility bill or identification, but these documents were found in the case file and are available for review.</i></p> <p><i>Six (6) of the nine (9) payments were cited for missing Client Account Record (CAR) sheets in the case file. The CAR maintained and updated by Financial Administration section and provided to the Welfare unit upon request in order to enable them to verify assistance information. In all cases cited the pertinent CAR's were generated and provided. It is beneficial to maintain a copy of the CAR in the case file but not a requirement.</i></p> <p><i>Additional HHS's responses from HHS Welfare are on file noting response related to Internal Review Process and Staff training.</i></p> <p><b>Auditor's Comments:</b> Written Procedures should be updated to include instances where address on utility statement does not have to match application address.</p>		
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration