

DEPARTMENT OF WORKFORCE SERVICES AUDIT FINDINGS



Office of the
Utah State Auditor

Audit Team

- Nathan Harrison – DWS Supervisor
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- Stacey Whipple – DOH Supervisor
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Mission Statement

We provide Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.



Purpose of a Financial Audit

- Exists to give citizens, policymakers and other stakeholders confidence that financial statements fairly represent the State's financial position and performance
- Designed to detect material misstatements
 - Cannot provide assurance of 100% accuracy



Single Audit (Federal Funds Compliance Audit)

All federal programs at *all* State departments, agencies, colleges and universities are subject to being tested in the statewide Single Audit.



Single Audit (Federal Funds Compliance Audit)

The federal programs to be tested are selected using a risk-based selection process.



Reading an Audit Report

- Findings listed in order of significance
- Repeat findings noted in table of contents
- Three categories:
 - Material
 - Significant
 - Other



Federal Programs Tested at DWS

- Unemployment Insurance (UI) Program
- Supplemental Nutrition Assistance Program (SNAP)
- Child Care and Development Fund (CCDF)
- Temporary Assistance for Needy Families (TANF)
- Workforce Investment Act (WIA)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Community Development Block Grant (CDBG)
- Weatherization Assistance for Low-Income Persons

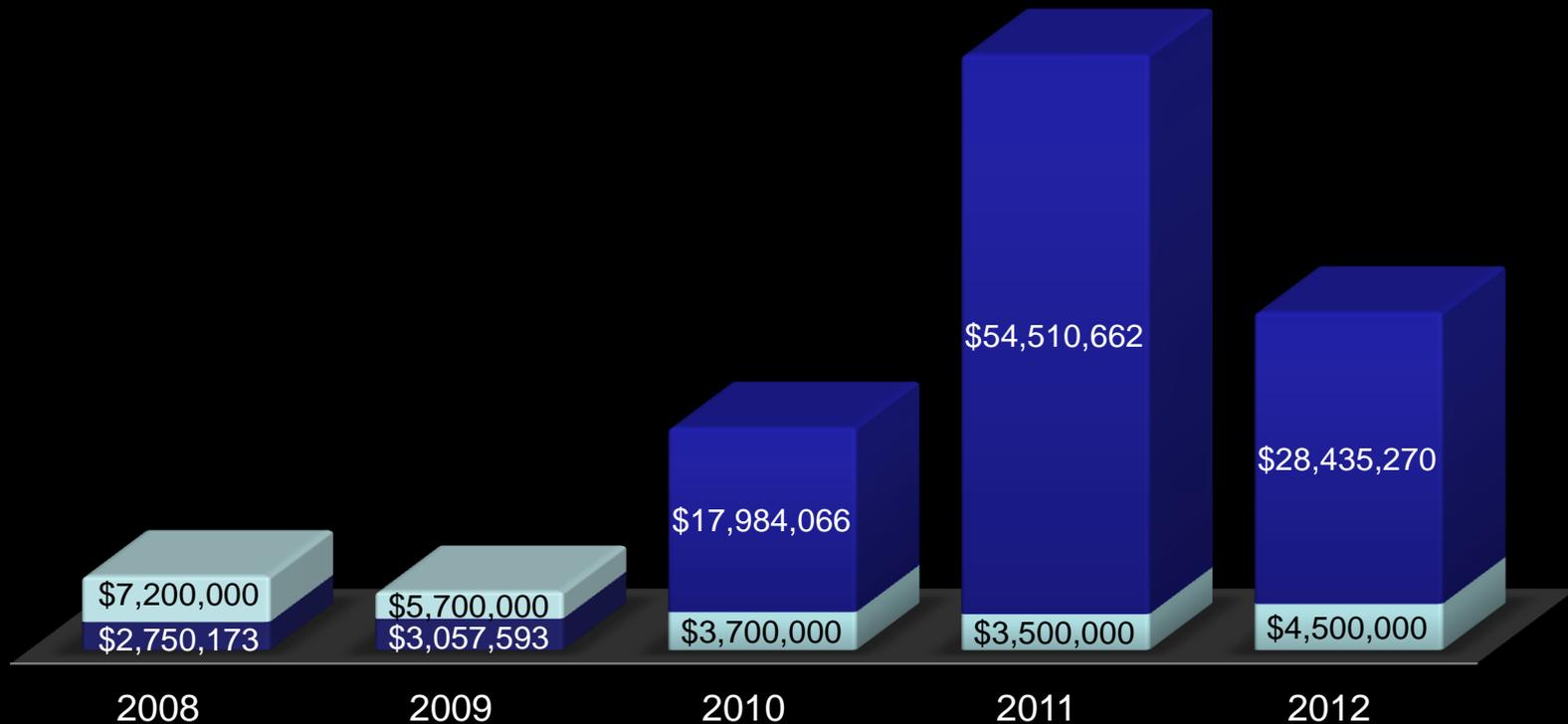


- Report contains 16 findings and recommendations
- DWS portion of the statewide federal compliance audit for the fiscal year ended June 30, 2012
- DWS portion of the audit of the State's financial statements as of and for the fiscal year ended June 30, 2012



Audit Adjustments Unemployment Compensation Fund

- Tolerable Misstatement for Unemployment Compensation Fund
- Aggregate Amount of Proposed Adjustments

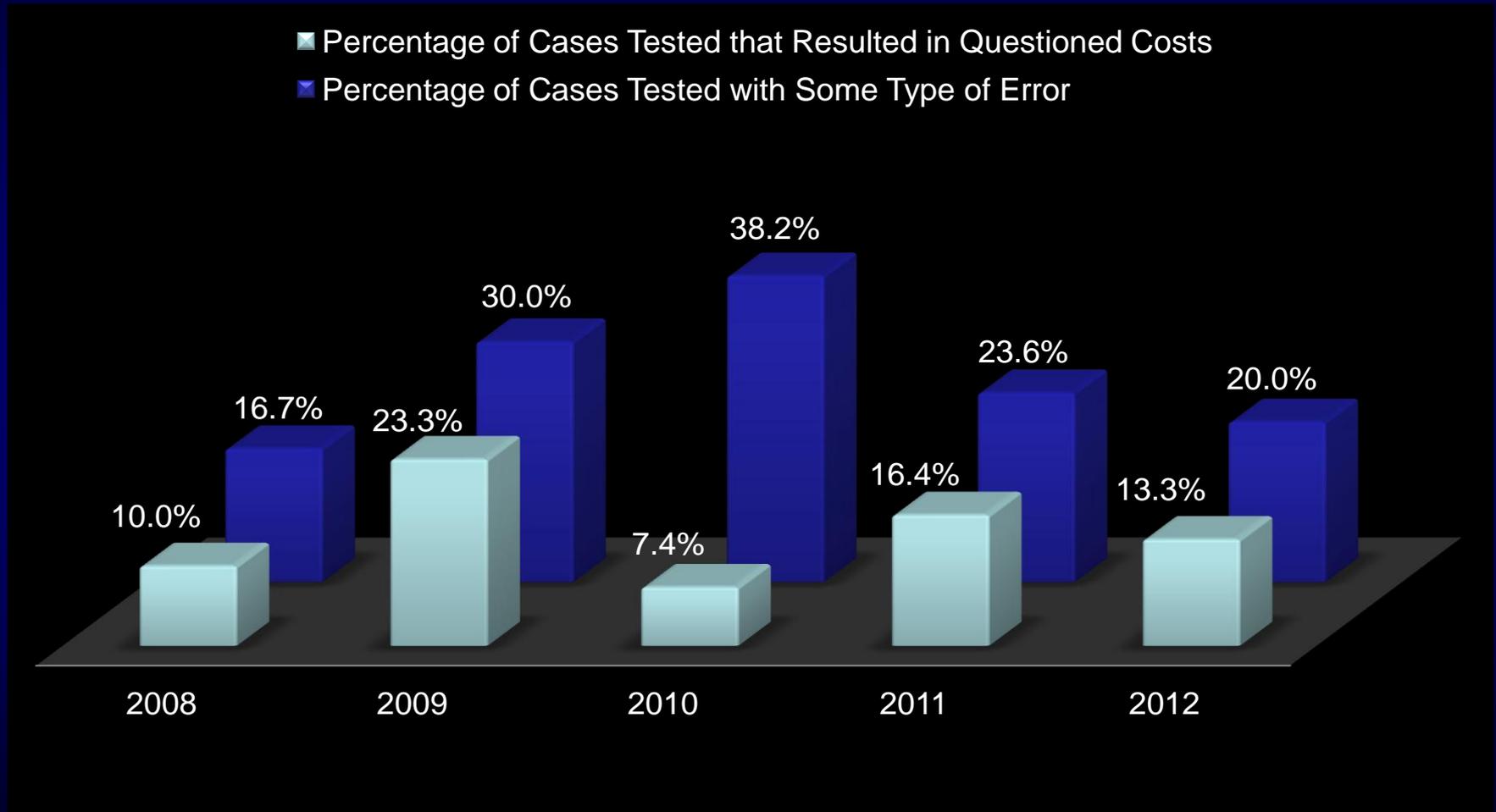


“Material Misstatement”?

A “material misstatement” is generally defined as being large enough or important enough to cause stakeholders to alter their decisions.

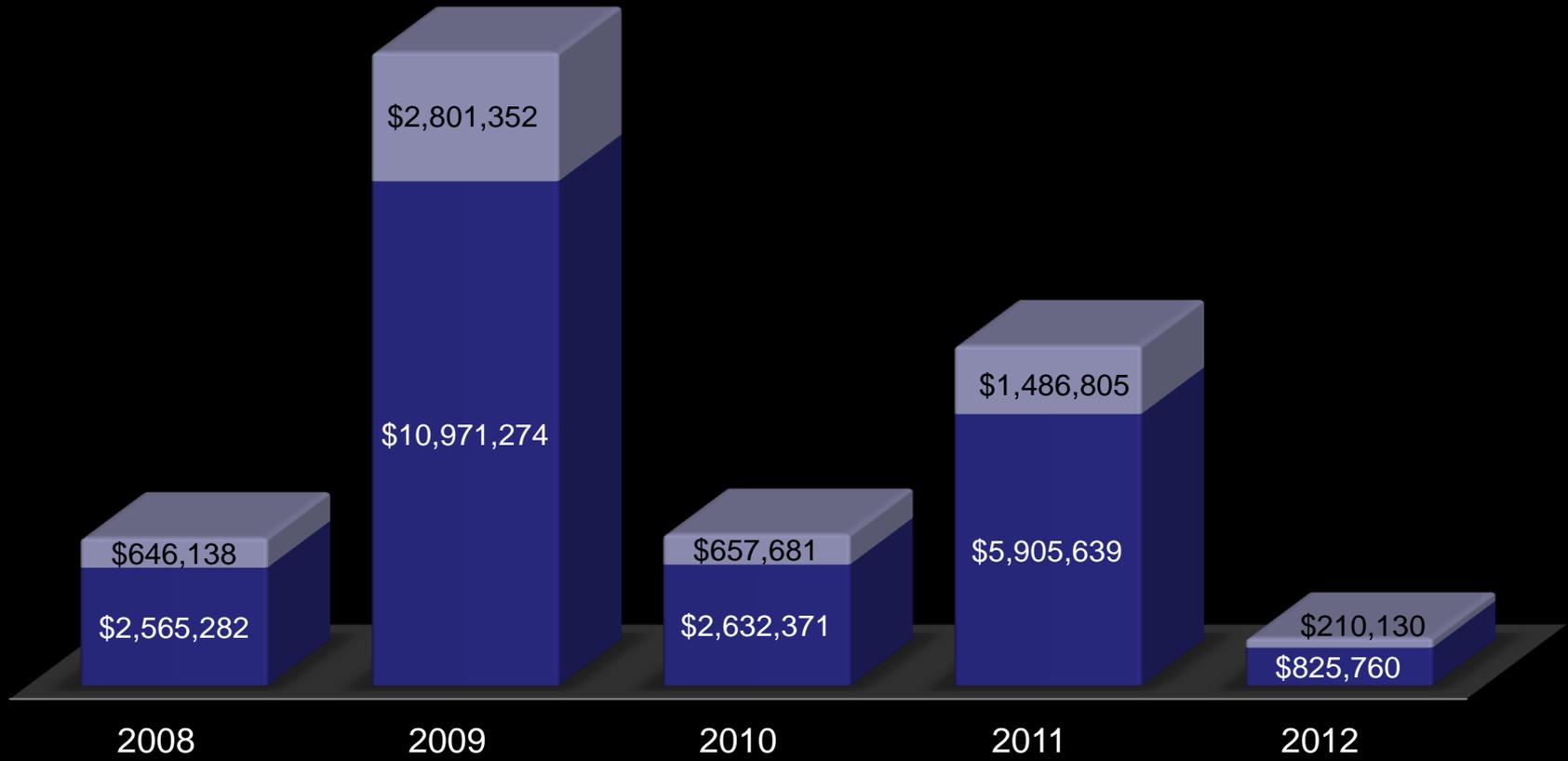


Children's Health Insurance Program Error Rates Identified in Audit



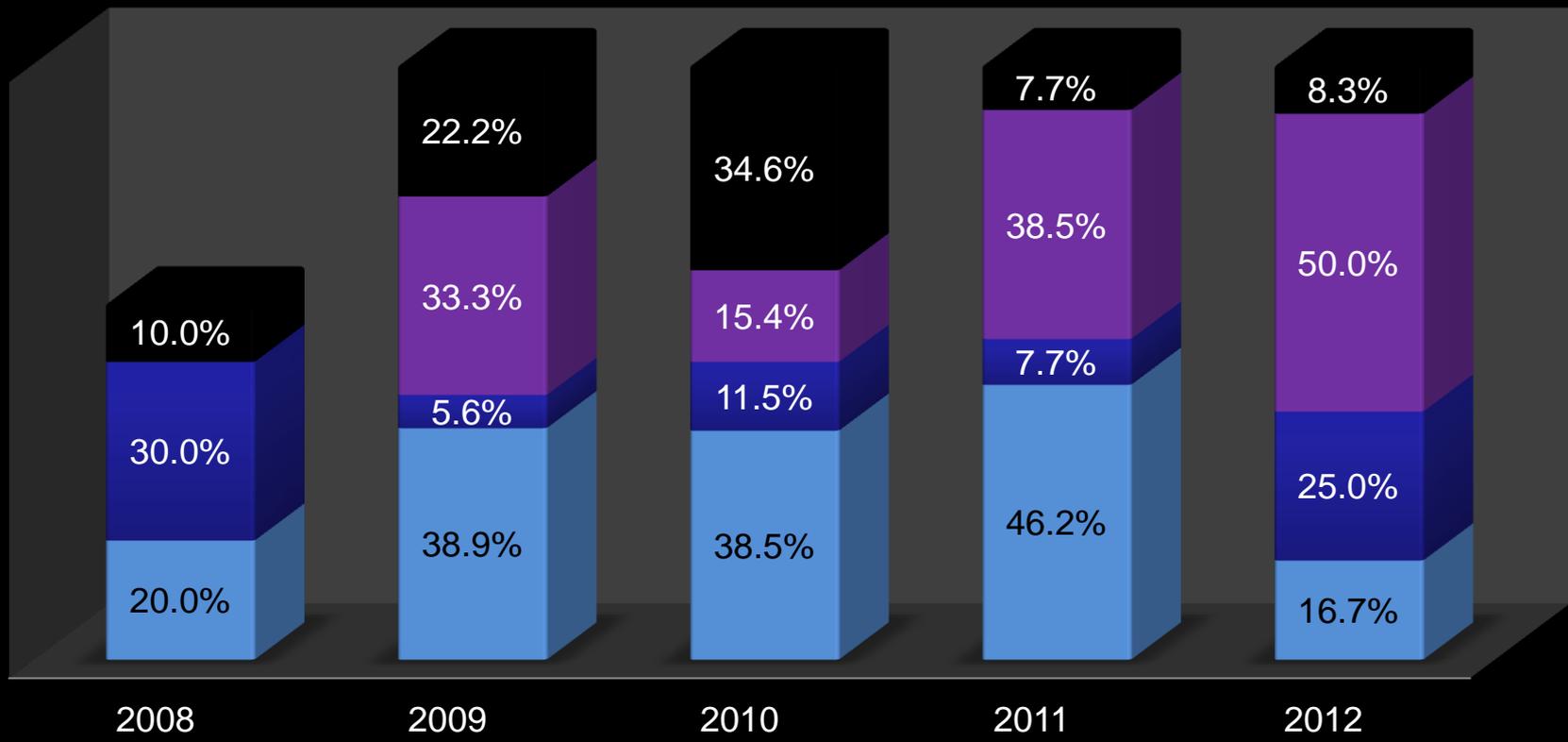
Children's Health Insurance Program Projected Questioned Costs

■ Federal Portion of Projected Questioned Costs ■ State Portion of Projected Questioned Costs



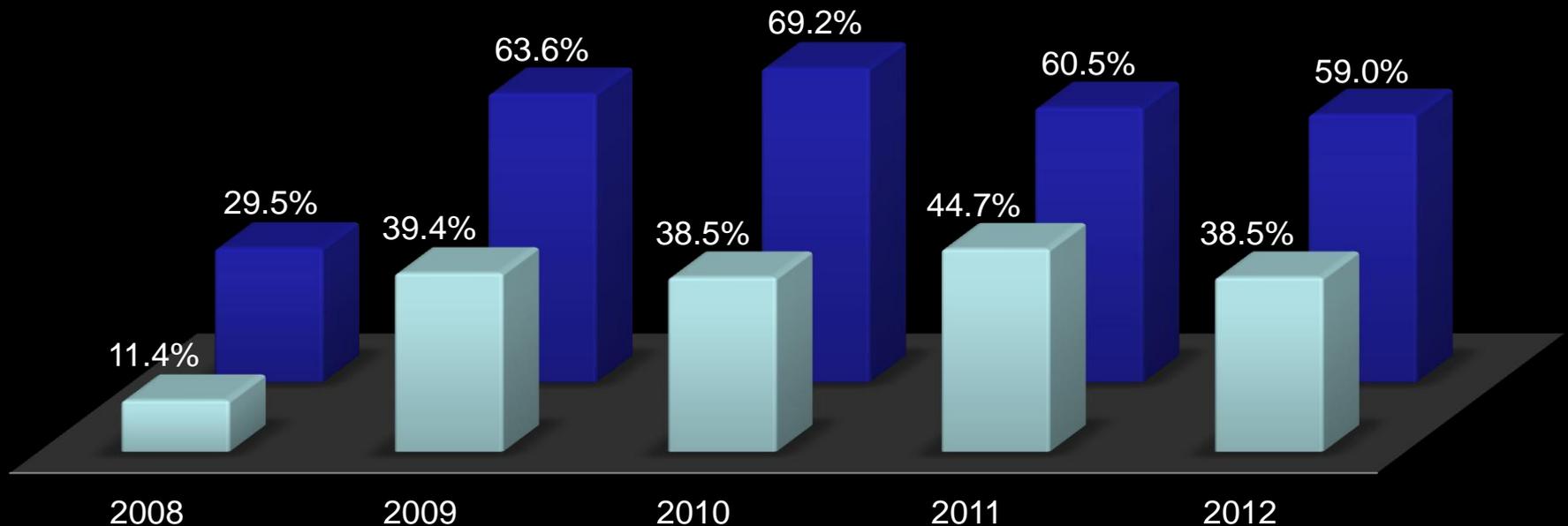
Children's Health Insurance Program Breakdown of Eligibility Errors

- Ineligible for CHIP (Eligible for Medicaid)
 ■ Ineligible for CHIP
- Eligible for CHIP but Enrolled in Wrong CHIP Plan
 ■ Documentation Issues That Could Impact Eligibility

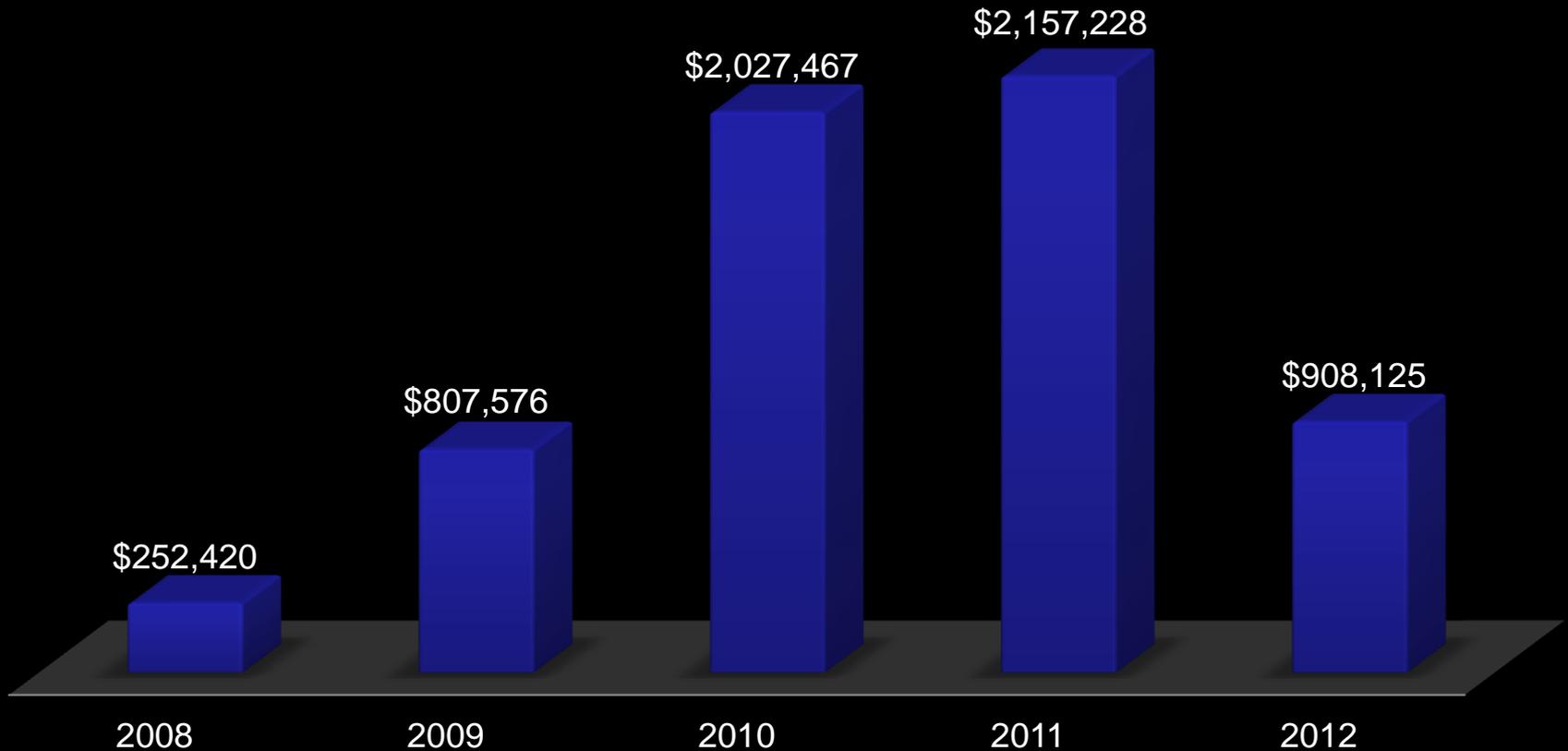


Workforce Investment Act (WIA) Error Rates Identified in Audit

- Percentage of Cases Tested that Resulted in Questioned Costs
- Percentage of Cases Tested with Some Type of Error

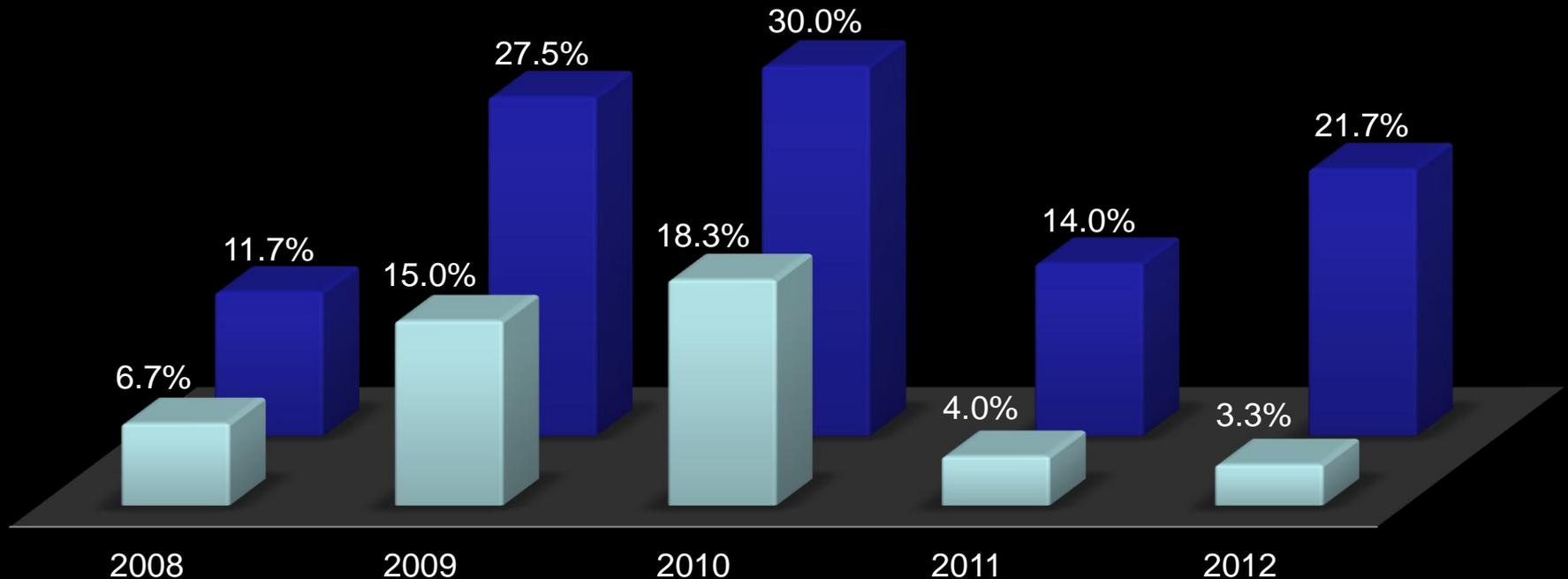


Workforce Investment Act (WIA) Projected Questioned Costs

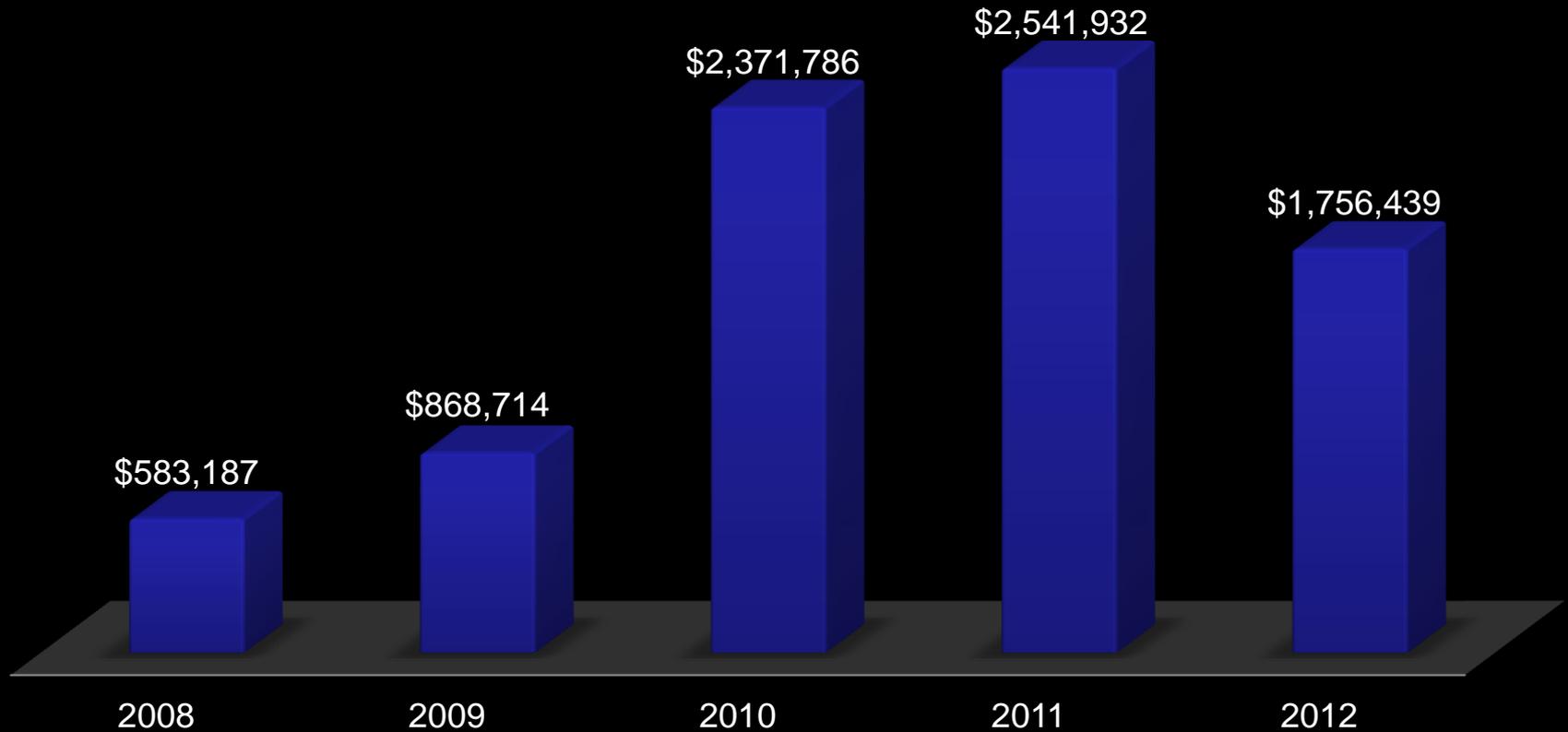


Child Care and Development Fund Error Rates Identified in Audit

- Percentage of Cases Tested that Resulted in Questioned Costs
- Percentage of Cases Tested with Some Type of Error



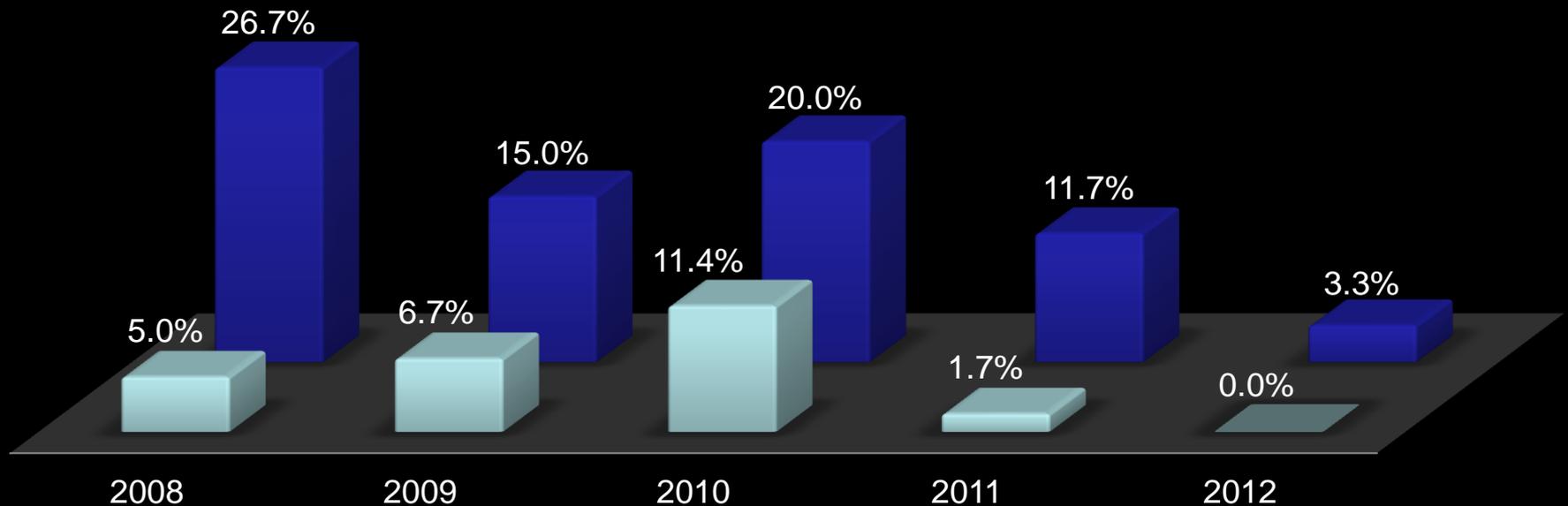
Child Care and Development Fund Projected Questioned Costs



Medicaid

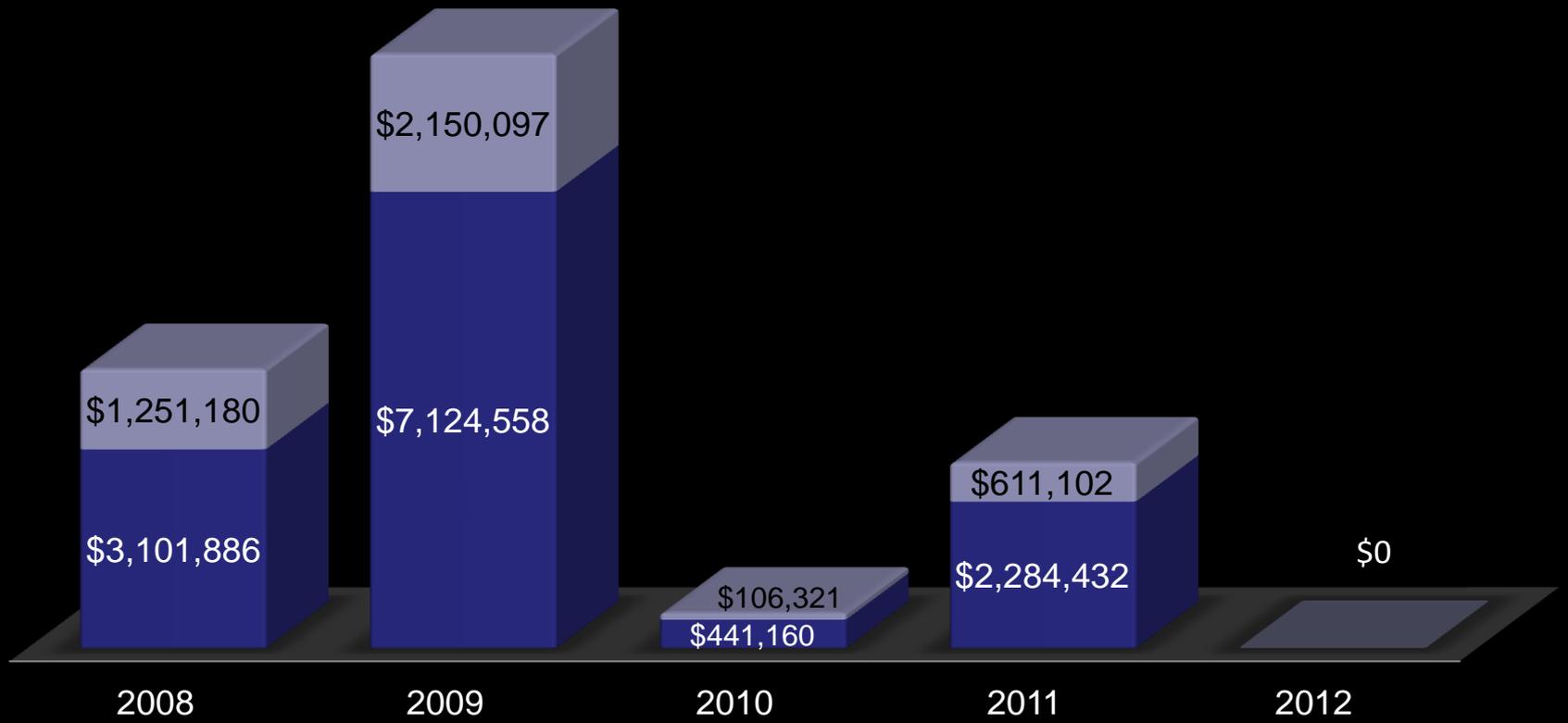
Error Rates Identified in Audit

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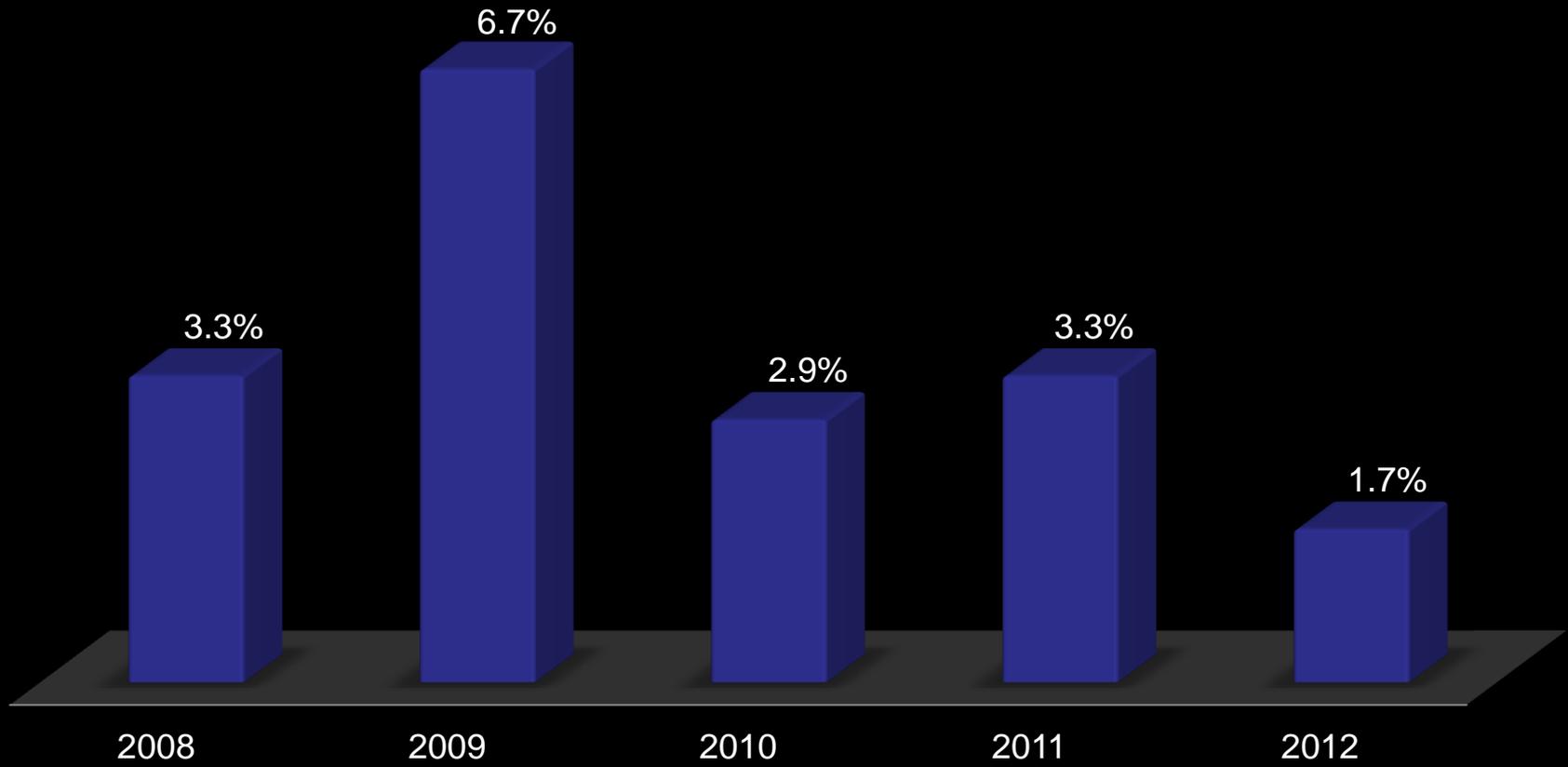
Medicaid Projected Questioned Costs

■ Federal Portion of Projected Questioned Costs ■ State Portion of Projected Questioned Costs



Medicaid Third-Party Liability Errors

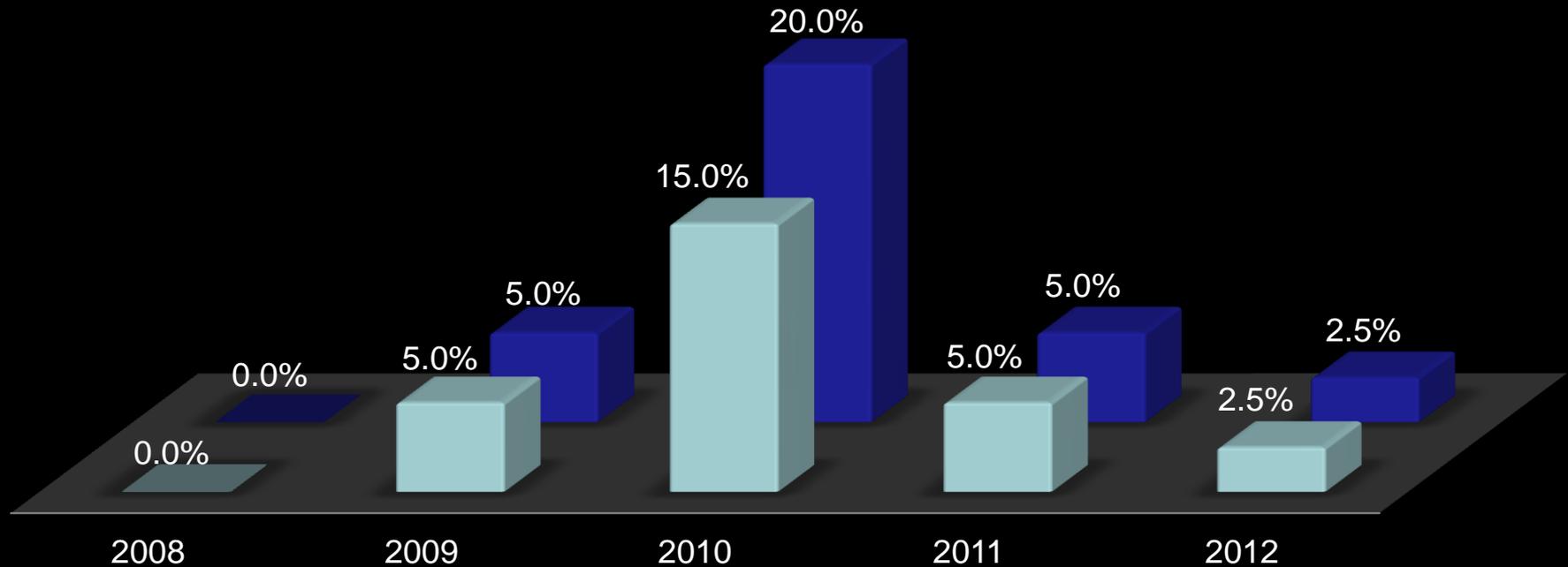
■ Percentage of Cases Tested with Some Type of Error



TANF

Error Rates Identified in Audit

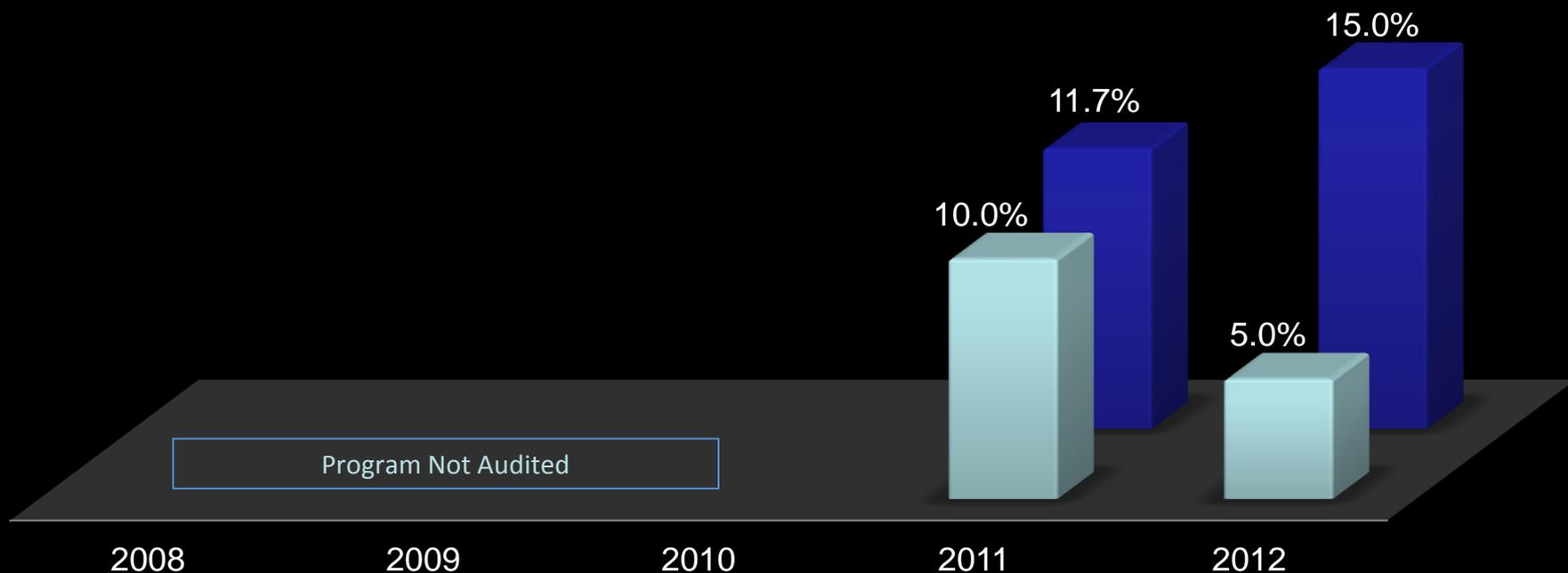
- Percentage of Cases Tested that Resulted in Questioned Costs
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LIHEAP

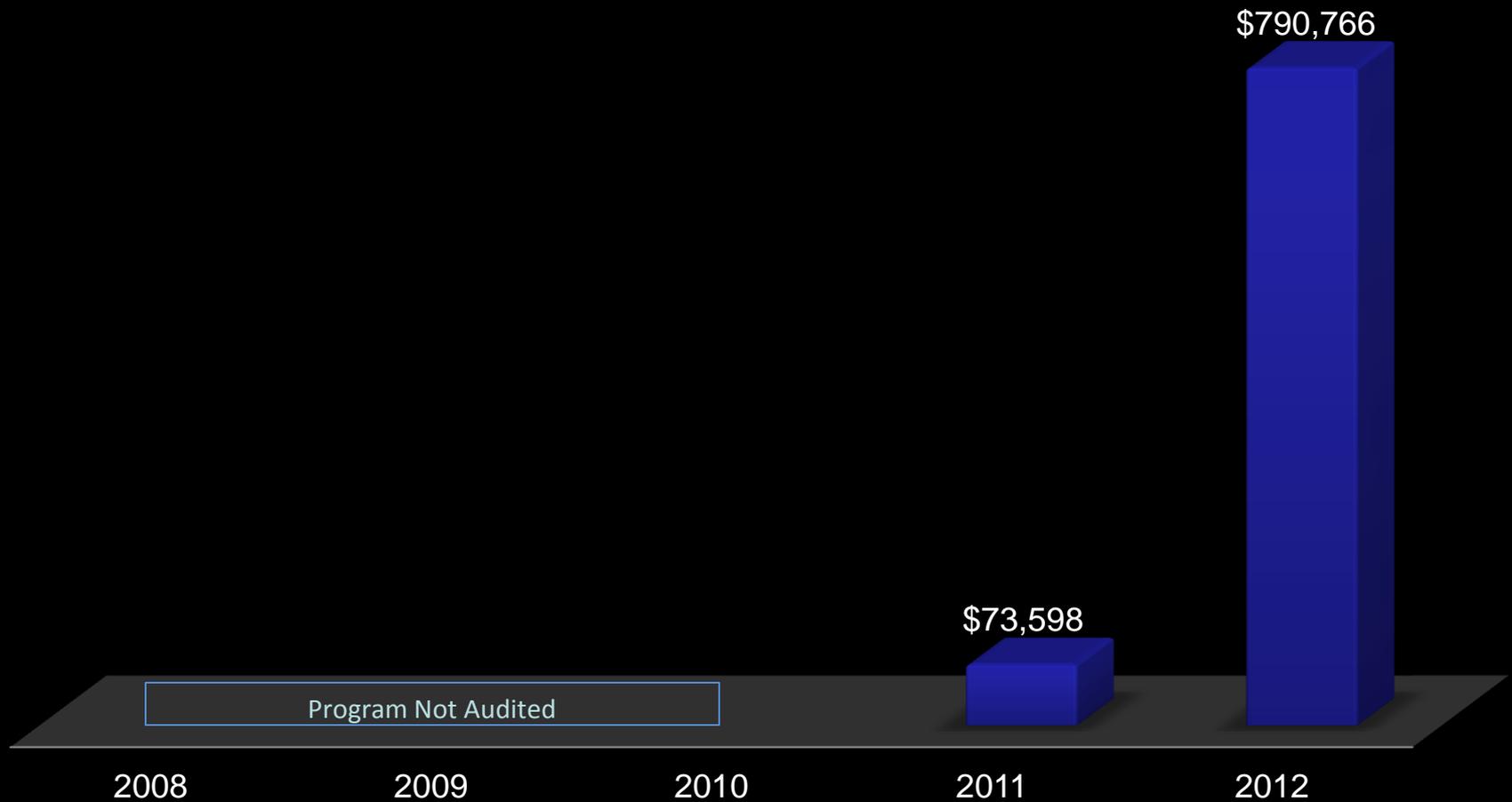
Error Rates Identified in Audit

- Percentage of Cases Tested that Resulted in Questioned Costs
- Percentage of Cases Tested with Some Type of Error



LIHEAP

Projected Questioned Costs



Additional Findings

- Noncompliance with Treasury-State Agreement
- Cost Allocation Errors
- TANF: ACF-204 Reporting Errors (TANF)
- LIHEAP: Failure to Provide Federal Award Information to Subrecipients



Additional Findings

- LIHEAP: Financial Reporting Error
- LIHEAP: Special Reporting Error
- CDBG: Performance Evaluation Reporting Errors
- Weatherization: Financial Reporting Errors

