



Report Highlights

Department of Children and Family Services

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Why We Conducted This Audit

We conducted certain procedures at the Department of Children and Family Services (department) to evaluate its accountability over public funds and compliance with federal program requirements for the fiscal year ended June 30, 2013.

What We Found

We evaluated controls and compliance relating to federal programs, including financial statement note disclosures. Our procedures disclosed the following findings:

- The department’s Fraud and Recovery Unit (FRU) identified fraudulent billings of \$71,660 submitted by the owner of a daycare receiving funding from the federal Child Care Assistance Program.
- The department’s FRU identified improper activity by three of its former employees who received \$3,102 in benefits from the Supplemental Nutrition Assistance Program (SNAP) and Disaster SNAP.
- The department did not have all required documentation for clients receiving benefits under the federal Temporary Assistance to Needy Families (TANF) program, resulting in known questioned costs of \$8,036. Missing documentation was noted in six of 43 client files.
- The department did not properly bill its indirect costs to three federal programs, resulting in errors totaling \$45,303.
- The department did not have all required “work verification” documentation for clients receiving benefits under the federal TANF program, subjecting the department to possible federal penalties.
- The department overpaid the state Office of Juvenile Justice by a net \$7,528, using federal Foster Care program funds.

As shown at right, payments from the department’s largest federal program, SNAP, have increased from \$1.3 billion in fiscal year 2009 to over \$1.6 billion in fiscal year 2013. The increase is largely attributed to more people participating in the program formerly referred to as “food stamps.”

