



STATE OF MISSISSIPPI  
Phil Bryant, Governor  
DEPARTMENT OF HUMAN SERVICES  
Richard A. Berry  
Executive Director

October 2, 2013

**CERTIFIED MAIL**

Mr. Thomas M. Box, Program Coordinator  
Madison County Board of Supervisors  
Post Office Box 608  
Canton, Mississippi 39046

**REFERENCE: FFY 2013      TANF      Subgrant # 641WL31**

Dear Mr. Box:

The Mississippi Department of Human Services (MDHS) is required to monitor the activities of its subgrantees by following the Single Audit Act Amendments of 1996, the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the OMB Circular A-133 Compliance Supplement. MDHS must monitor each project, program, subgrant, function, or activity supported by a Federal award to assure compliance with applicable Federal regulations and that performance goals are achieved.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with MDHS Subgrantee/Contract Manual Revised March 2005 and its addendums 1-5, the Office of Monitoring and/or the Office of Investigative Audit, when deemed necessary, may conduct additional procedures and tests of transactions for past, present or future reporting time periods to ensure compliance with legal requirements.

On July 23-26, 2013, Yvette Jones and Arianna Elliott from the Mississippi Department of Human Services, Division of Program Integrity - Office of Monitoring performed a monitoring review of fiscal and program operations of the subgrant referenced above. The findings that resulted from this monitoring review are contained in the attached Initial Report of Findings and Recommendations. Please note that the report identifies questioned costs totaling \$187.52.

**MDHS, OFFICE OF MONITORING  
 INITIAL REPORT OF FINDINGS AND RECOMMENDATIONS  
 FROM MONITORING CONDUCTED JULY 23-26 OF  
 THE FFY 2013 TANF SUBGRANT # 641WL31 FUNDED BY  
 THE DIVISION OF YOUTH SERVICES  
 AT MADISON COUNTY BOARD OF SUPERVISORS**

**FISCAL AND ADMINISTRATIVE:**

**Finding 1:**

The cumulative cost indicated on the most recent cost reporting worksheet for the period ended May 31, 2013 were not based upon actual costs verified in the accounting records; therefore, the cost reporting worksheets were not completed correctly. Fringe benefits and commodities were not reported correctly.

**Questioned Costs:** \$0.00

**Reference:**

The MDHS Subgrantee/Contract Manual, Financial Management, Section 5, page 21, item 4 states, "Cumulative cost to date will be filled in by the subgrantee. This will be the sum of the cumulative cost reported through the last report and the current period cost. The cumulative cost reported through the last report (preprinted on the current month's report) should be the same as the cumulative cost to date on the previous month's report. The cost reported must be based upon cost recorded in the accounting records and accruals supported by documentation to verify that the costs are accurate and reasonable."

**Corrective Action Required:**

To clear this finding, implement procedures to ensure costs report on the cost reporting worksheet is based upon actual costs verified in the general ledger, remove the costs from the next reporting worksheet and submit a copy of procedures implemented and the adjusted general ledger with the response to this report.

**Finding 2:**

The subgrantee did not have procedures for determining that the cost is allowable and that it may be allocated to an activity. The subgrantee overcharged medical insurance.

Date	Employee Name	Budgeted Amount	Amount Charged	Amount Disallowed
04/30/2013	Joshua Williams	\$548.42	\$595.30	\$46.88
04/30/2013	Angelica Wilson	\$548.42	\$595.30	\$46.88
05/31/2013	Joshua Williams	\$548.42	\$595.30	\$46.88
05/31/2013	Angelica Wilson	\$548.42	\$595.30	\$46.88

**MDHS, OFFICE OF MONITORING  
INITIAL REPORT OF FINDINGS AND RECOMMENDATIONS  
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<b>TOTAL</b>	<b>\$187.52</b>
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**Questioned Costs: \$187.52**

**Reference:**

The MDHS Subgrantee/Contract Manual, Section 5, page 1 states, "The applicable federal regulations require that subgrantees, and any lower-tier subrecipients, have in place, prior to the receipt of funds, a financial management system that will provide:

- Procedures for determining that the cost is allowable and that it may be allocated to an activity,"

**Corrective Action Required:**

To clear this finding, (1) if the subgrant has not been closed, remove the costs from the next reporting worksheet and submit a copy of the adjusted general ledger along with a copy of the reporting worksheet from which the costs were removed, or (2) refund the questioned costs by check or money order payable to Treasurer, State of MS and submit with the response to this report.

**PROGRAMMATIC:**

**Finding 3:**

The subgrantee did not provide adequate documentation to support the subgrantee's required Merit system tracking for AOP students.

**Questioned Costs: \$0**

**Reference:**

The MDHS Subgrantee/Contract Scope of Services, Page 5, Section 10 states, "Each adolescent shall participate in the program according to a daily Merit System. The Merit System utilizes points that allow the clients to earn their way through the phases of the program and to obtain small rewards for positive behaviors, regular attendance, and consistent participation."

**Corrective Action Required:**

To clear this finding, implement procedures that ensure the merit systems are in place and include a copy of this procedure with a response to this report.

A response that includes corrective actions taken to clear the findings should be forwarded to the Division of Program Integrity - Office of Monitoring, Post Office Box 352, Jackson, Mississippi 39205-0352 within fifteen (15) working days, no later than Wednesday, October 23, 2013. Should you need additional information, please contact the Monitoring Supervisor, Mara Reeves, at 601-359-4946 or you may reach me at 601-359-4931.

Sincerely,



J. Win Girod, Director  
Office of Monitoring

JWG:MR:ac

Attachment

pc: James Maccarone, Director  
Division of Youth Services

MISSISSIPPI DEPARTMENT OF HUMAN SERVICES  
INITIAL MONITORING REPORT

**Subgrantee:** Madison County Board of Supervisors  
Post Office Box 608  
Canton, Mississippi 39046

**Subgrant Number(s):** 641WL31

**Funding Year/Source:** FFY 2013/TANF

**MDHS Division/Office:** Division of Youth Services

**Effective Date(s):** February 1, 2013 - September 30, 2013

**Date(s) Monitored:** July 23-26, 2013

**Monitor(s):** Yvette Jones  
Arianna Elliott

**Subgrantee Personnel Attending Entrance Conference:**

Myrtis Sims - Assistant Comptroller

**Subgrantee Personnel Attending Exit Conference:**

Myrtis Sims - Assistant Comptroller  
Thomas M. Box - Program Coordinator

**Reviewed By:** \_\_\_\_\_

*Hana Lewis*  
Monitoring Supervisor

**Date:** \_\_\_\_\_

*10/1/13*

**Approved By:** \_\_\_\_\_

*J. Win Girod*  
J. Win Girod, Director

**Date:** \_\_\_\_\_

*10.1.2013*

**Madison County**  
**Additional Response to Monitoring Report**  
**(This document does not include information provided in the original response)**  
**Reference: FFY 2011 TANF Subgrant: #64WL11A**

Finding 1 – The cumulative cost indicated on the most recent cost reporting worksheet for the period ended May 31, 2013 were not based upon actual costs verified in the accounting records; therefore, the cost report worksheets were not completed correctly. Fringe benefits and commodities were not reported correctly.

**RESPONSE:**

It is acknowledged that some costs incurred by Madison County associated with this program are not included in the cost reimbursement request each month. Madison County bears the cost of these items on a monthly basis.

When payroll is calculated, our accounting system associates all fringe benefit costs with the fund and department where the primary payroll will be paid from. Therefore, the fringe benefits for which the county does not request reimbursement are reflected in the accounting records for this program.

We have in place sufficient controls for accountability of subgrant funds. The transactions in question do not render the ledger false or misleading.

Finding 2 – The subgrantee did not have procedures for determining that the cost is allowable and that it may be allocated to an activity. The subgrantee overcharged medical insurance.

**RESPONSE:**

An error was made in the determination of medical insurance in preparation of the budget for this program. Madison County must bear this cost. A check is attached.

Finding 3—The subgrantee did not provide adequate documentation to support the subgrantee's Merit System tracking for AOP students.

**RESPONSE:**

Madison County has revised the Merit System to conform to the MDHS Contract/ Scope of Services and a copy of this procedure has been attached to this response.

## Merit System for AOP Youths

1. Will enroll in and attend school with **no** unexcused absences, cuts or disciplinary infractions.
2. Will attend AOP with **no** unexcused absences. All absences will be reported to the Youth Court Counselor, who in turn will report to the Youth Court Judge.
3. **Must** submit to random drug testing.
4. Is prohibited from consuming or possessing any alcoholic beverages, tobacco products or drugs not prescribed by a licensed physician.
5. Will obey all laws and exhibit good behavior.
6. Will obey **all** household rules.
7. Is prohibited from carrying or possessing any weapons or items that could be used or construed as a weapon.
8. Will meet with assigned Youth Court Counselor at the times and places required.
9. Will observe a curfew set by parent(s). This curfew may be restricted or relaxed as the child's conduct, grades and other circumstances merit. The parent must strictly enforce the curfew.
10. Will have no contact with designated persons.
11. Will gain permission before leaving home and advise where he/she will be, with whom, and when he/she will be home. He/she will not deviate from these plans.
12. He/she is prohibited from staying away from home overnight.
13. The parent will advise the Youth Services Counselor or AOP Counselor of any violations of this order.

Adherence to these guidelines will assist in making progress through the three (3) phases of the Program.

\_\_\_\_\_  
Youth's Name

\_\_\_\_\_  
Youth's Signature

\_\_\_\_\_  
Date