

# COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION - INTERNAL AUDITS UNIT

**INTERNAL AUDIT REPORT**  
**FORM FNS-209 REPORT**  
**DEPARTMENT OF HUMAN ASSISTANCE**



**Audit Committee Submittal Date: 09/28/2018**

## SUMMARY

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### Background

The County of Sacramento Department of Human Assistance (DHA) submits FNS-209, Status of Claims Against Household (a.k.a. Form FNS-209) to California Department of Social Services (CDSS). The Audits Unit performed agreed-upon procedures to validate the accuracy of Form FNS-209 by agreeing it to the supporting documentation.

### Audit Objective

To validate the accuracy of DHA's Form FNS-209 submitted to CDSS for the quarter ended March 31, 2018.

### Summary

We did not note any issues related to DHA's Form FNS-209.



## County of Sacramento

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August 1, 2018

Ann Edwards, Director  
Department of Human Assistance  
1825 Bell Street, Suite 200  
Sacramento, CA 95825

Dear Ms. Edwards:

We have performed the procedures enumerated below, which were requested and agreed to by you, solely to assist the Department of Human Assistance (DHA) to validate the accuracy of its FNS-209, Status of Claims Against Households (a.k.a. Form FNS-209), that was submitted to the California Department of Social Services (CDSS) for the quarter ended March 31, 2018. DHA's management is responsible for ensuring the accuracy of Form FNS-209 and compliance with all applicable Federal laws, State statutes, and County ordinances. The sufficiency of the procedures is solely the responsibility of DHA's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to Form FNS-209 referred above and is not intended to pertain to any other forms, projects, or programs of DHA.

The procedures we performed and our findings are as follows:

- Form FNS-209 – We obtained Form FNS-209 prepared by DHA for the quarter ended March 31, 2018 and agreed it to the supporting documentation. We also confirmed Form FNS-209 was submitted to CDSS by the due date.

Finding: We did not note any exceptions as a result of our procedures.

- We determined the current status of the prior finding and recommendation on DHA's Form FNS-209 agreed-upon procedures report for the quarter ended June 30, 2016, dated June 28, 2017.

Finding: It appears that our recommendation has been implemented. See Attachment I, *Current Status of Prior Finding and Recommendation*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit or examination, or review, the objectives of which would be the expression of an opinion or conclusion, respectively, on DHA's Form FNS-209, compliance, or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. Had we

Ann Edwards, Director

August 1, 2018

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performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the results of our procedures referred to above, and does not extend to DHA's operations as a whole.

This report is intended solely for the information and use of Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, DHA's management, CDSS, Federal agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA  
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu  
Audit Manager

Attachment

Attachment I, *Current Status of Prior Finding and Recommendation*

County of Sacramento  
Department of Human Assistance  
FNS-209, Status of Claims Against Households Agreed-Upon Procedures  
Current Status of Prior Finding and Recommendation

For the Quarter Ended March 31, 2018

**From the prior agreed-upon procedures engagement reported on June 28, 2017 for the quarter ended June 30, 2016.**

**1. Overstated Amounts Reported on Line 14**

Prior Comment

The Department of Human Assistance (DHA) submits FNS-209, Status of Claims Against Households (a.k.a. Form FNS-209) to the California Department of Social Services (CDSS) on a quarterly basis. For each quarter, DHA receives collection reports from the Department of Revenue Recovery (DRR) that are included in Form FNS-209's line 14.

During our review, we noted the amounts reported on line 14 were \$74,376.07, \$1,285,681.49, and \$688,933.11 for Intentional Program Violations (IP), Inadvertent Household Errors (IH), and State Agency Administrative Errors (AE), respectively, for the quarter ended June 30, 2016. However, the amounts that should have been reported on line 14 were \$38,487.42, \$727,608.82, and \$375,586.75 for IP, IH, and AE, respectively. Per our inquiry with DHA's management, it appears that DHA added Treasury Offset Program (TOP) amounts to DRR's collection reports that already include those amounts.

Therefore, we consider the differences in the amounts of \$35,888.65 (\$74,376.07 - \$38,487.42), \$558,082.67 (\$1,285,691.49 - \$727,608.82), and \$313,346.36 (\$688,933.11 - \$375,586.75) on Form FNS-209 line 14 for the quarter ended June 30, 2016 to be overstated. See Schedule I, *Schedule of Form FNS-209 Reporting Differences*.

It appears that the overstated amounts were corrected on Form FNS-209 for the quarter ended March 31, 2017.

Prior Recommendation

We recommend DHA ensure it accurately reports line 14 amounts for Form FNS-209.

DHA's Prior Management Response

We agree with the recommendation. On June 28, 2016, CDSS issued instructions via County Fiscal Letter (CFL) 15/16-63 which required Counties to change the current processes with the June 2016 Quarter report and begin to report TOP at time of notification and not when cash is received.

At that time we were not aware that the collection balances reported to DHA by DRR were also included in the TOP cycle amounts on line 14 and this caused the overstatement.

County of Sacramento  
Department of Human Assistance  
FNS-209, Status of Claims Against Households Agreed-Upon Procedures  
Current Status of Prior Finding and Recommendation

For the Quarter Ended March 31, 2018

DHA had discovered the overstatement prior to the review and made necessary adjustments on the FNS-209 Report for the quarter ended on March 31, 2017. Reconciliation is already in place to ensure that the DRR TOP collections are excluded from the quarterly reports.

Recommendation for accuracy of balances on line 14 is noted.

Current Status

It appears that our recommendation has been implemented.