



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Lucia Davis-Raiford, Executive Director
Community Action and Human Services Department

FROM: Neil R. Singh, CPA
Acting Commission Auditor

A handwritten signature in blue ink, appearing to read "Neil R. Singh", is written over the name and title in the "FROM:" field.

DATE: September 20, 2016

SUBJECT: **Closure** of the Review of Community Action Agency Operations

The Review of Community Action Agency Operations (*now part of Community Action and Human Services Department (CAHSD)*) final report was issued on January 21, 2011. On May 8, 2015, the Office of the Commission Auditor (OCA) issued a Follow-up report. The Follow-up report summarized the OCA's assessment of the implementation status of recommendations contained in the original audit report as follows: Three of the five findings in the original report had been fully resolved, one was partially resolved, and one had not been resolved.

In the Follow-up report, OCA requested the management of CAHSD to report, within 90 days, subsequent actions taken by management to implement the recommendations on audit findings that were still pending. We have received and reviewed the requested management report (*attached*) of subsequent actions. We are satisfied that the actions taken/proposed by the management would resolve the pending issues. We would like to reiterate management's responsibility in ensuring that internal controls are continuously maintained and monitored in order to ensure that they continue to operate effectively. This audit is now closed.

We thank the staff of CAHSD for their cooperation and input throughout the follow-up audit. Please contact me should you have any questions.

c: Honorable Chairman Jean Monestime, and Members,
Miami-Dade Board of County Commissioners
Mayor Carlos Gimenez, County Mayor
Russell Benford, Deputy Mayor, Office of the Mayor
Abigail Price-Williams, County Attorney
Mary T. Cagle, Inspector General
Cathy Jackson, Director, Audit and Management Services
Marie Woodson, Assistant Director, CAHSD
Louis Foster, Acting Assistant Director, Fiscal Management Division, CAHSD

Date: June 17, 2016

To: Neil Singh, C.P.A., Acting Director
Office of the Commission Auditor

From: Lucia Davis-Raiford, Director
Community Action and Human Services Department

Subject: Review of Community Action Agency Operations - Follow Up - Project No. 08-187123

Office of the
Commission Auditor
JUN 21 2016

Lucia Davis-Raiford

The following represents the Community Action and Human Services Department's (CAHSD) response to the implementation status of the audit recommendations contained in the Office of the Commission Auditor's (OCA) final audit report conducted on the Community Services Block Grant (CSBG) and Low Income Home Energy Assistance Program (LIHEAP) for the period September 2012 through August 2014.

Finding 1: Additional federal funds may be available to reimburse indirect costs of programs funded by federal awards.

OCA Recommendation: Submit indirect cost rate proposals and /or negotiate predetermined rates in accordance with OMB Circular A-87 to ensure compliance with requirements to claim reimbursement for the indirect cost of programs funded under federal awards. Submission of indirect cost rate proposals and/or negotiation of predetermined rates can improve awareness of program costs and optimize reimbursement under federal awards.

CAHSD Response: With respect to the federally funded Community Services Block Grant, the grant provides for the reimbursement of up to 15% of administrative expenses. For the fiscal year ended September 30, 2015, CAHSD invoiced for approximately 12.3% in administrative expenses. In discussions with state CSBG grant managers, the inclusion of an indirect cost rate would have to be incorporated into the 15% administrative cost rate.

The federally funded LIHEAP program provides for the reimbursement of up to 8.5% annually of administrative expenses. For the fiscal year ended September 30, 2015, CAHSD invoiced for the full amount of 8.5% in administrative expenses.

The federally funded Head Start program provides for the reimbursement of up to 15% annually of administrative expenses. Of this amount, delegate Head Start agencies are appropriated 10% for administrative costs and CAHSD retains the remaining 5%. For the fiscal year ended July 31, 2015, CAHSD invoiced for approximately 10.4% in administrative expenses combined.

The Department will begin to include a de minimus indirect cost rate of up to the 10% permitted under the Uniform Guidance as provided for under 2 CFR Part 200. The inclusion of the indirect cost rate may be implemented through a budget amendment or included in the next grant budget submission, depending upon the period of the grant cycle.

Finding 4: The Quality Improvement Reviews of CAA operations were not conducted as frequently as required by CAA operational procedures.

OCA Recommendation: The Quality Improvement program should be strengthened for better effectiveness. Consideration should include whether the Quality Improvement Unit (QIU) operational procedures, priorities and/or staffing require revision to best enhance CAA's goals and objectives.

CAHSD Response: The Department concurs with the OCA recommendation and during FY 14-15 created a Special Projects Administrator I position dedicated to conducting quality assurance reviews of all of CAHSD's programs. These reviews will ensure that the programs are operating in compliance with grantor agency program requirements, determine optimal staffing complements for each program, and develop cost allocation strategies designed to reduce the department's dependency on general fund resources. In conjunction with the department's program managers, this position will also assist in the research and acquisition of additional outside funding in support of existing programs or to initiate new programs to address the unmet social services needs of the community.