



# **Tribal TANF Audit Supplement Guide**



## For each common audit finding, the Guide is organized as follows:

- **Common Finding:** The auditor's finding is stated.
- **Federal Regulation:** The federal regulation with which the grantee has not complied is stated.
- **Recommendation:** A stated recommendation which will bring the grantee into compliance.
- **Basis for the Recommendation:** The basis for the recommendation is given.
- **Action Steps:** The action steps to implement the recommendation.
- **Additional Information:** The additional information provides supplemental information to assist grantees in implementing the action steps.



# Administrative Expenditures

**Common Finding:** Grantee did not have adequate financial policies and procedures to allow the program to determine the amount of administrative expenditures.

**Recommendation:** The program establish a procedure for the monitoring of the administrative expenditures of the program.



# Administrative Expenditures

## Action Steps:

- Identify program staff responsible for monitoring program expenditures.
- Establish a monthly log that details total program expenditures and total administrative expenditures.
- Calculate cumulative administrative expenses as a percentage of cumulative total expenses on a monthly basis.
- Develop a corrective action plan if administrative expenses exceed the allowable limit.
- Develop a program procedure for monitoring administrative expenses.



# Compliance with Reporting Requirements

**Common Finding:** Grantee is not adhering to the federal requirements for data collection and/or financial reporting applicable to Tribal TANF programs.

**Recommendation:** The program establish procedures for the timely preparation and submission of quarterly and annual reports.



# Compliance with Reporting Requirements

## Action Steps:

1. Identify the program staff responsible for coordinating reporting activities with the Tribal government's fiscal office.
2. Establish a master calendar of the dates reports are due.
3. The program staff person responsible notify the TANF Director of the date each report is submitted.



# Contract Management

**Common Finding:** Grantee is not monitoring and evaluating contractor's performance to ensure adherence to all provisions of the contract or agreement.

**Recommendation:** The program establish contract management procedures.



# Contract Management

## Action Steps:

1. Develop an internal program procedure that supports the Tribal government's procedure for contract management.
2. Identify program staff responsible for monitoring and evaluating program contracts.
3. Develop a program form for documenting reviews of contractor activities and expenditures prior to authorization of payments to contractor.
4. Develop a program form for use in evaluating contractor performance on a scheduled basis.
5. Establish contractor files for maintaining records of periodic reviews of contractor activities and performance.



# Participant Expenditures

**Common Finding:** Grantee did not have a case management system in place to monitor eligibility of participants at the time of payments to participants.

**Recommendation:** The program establish procedures for the following two purposes:

1. To ensure that eligibility of all participants is reviewed at the periodic interval established in the approved Tribal Family Assistance Plan.
2. To ensure the eligibility of participants prior to authorization of payments to participants.



# Participant Expenditures

## Action Steps:

1. Identify program staff responsible for performing internal audits of participant files on a periodic basis to ensure that determinations of both initial eligibility and continuing eligibility are performed as planned.
2. Maintain a master control list of eligible participants for use by the program staff designated to approve participant payments prior to submission to the Tribal fiscal office.
3. Develop a procedure that specifies the program staff and timeframes for performing internal audits of participant eligibility.



## Participant Records

**Common Finding:** Grantee is not maintaining complete, accurate, and current information on participant eligibility and participant activities in all participant files.

**Recommendation:** Program maintain participant files that include source documentation which verifies compliance with federal regulations and adherence to approved Tribal Family Assistance Plan.



# Participant Records

## Action Steps:

1. Develop an internal program procedure for management of participant records which incorporates the following:
  - Master Control Log listing all required forms and information required for the record
  - Eligibility and payment documentation
  - Re-determination of eligibility on scheduled periodic basis (recommended no less frequently than annually)
  - Participant activities
2. Identify the program staff responsible for establishing the participant file, ensuring all required information is included in the file, and signing off on the Master Control Log, certifying that all required information is in the participant file.
3. Identify the program staff responsible for performing an internal review of all participant files on a periodic basis and signing off on the Master Control Log, certifying that all required information is in the participant file.



# Procurement

**Common Finding:** Grantee is not adhering to the federal requirements for procurement of goods and services.

**Recommendation:** Program develop and implement policies and procedures which requires the program to document its procurement process.



# Procurement

## Action Steps:

1. Review the Tribal government's procurement policies and procedures.
2. Develop a program procurement policy that supports the Tribal government's procurement policy.
3. Develop a program procurement procedure that includes but is not limited to the following:
  - a. Program staff authorized to initiate purchases.
  - b. Coordination activities with Tribal purchasing and program staff responsible for performing procurement activities.
  - c. Records that must be maintained in each procurement file, including but not limited to method of procurement, type of contract to be awarded, justification of contractor selection, and basis for the contract price.
  - d. The program staff person responsible for maintaining the program procurement records.
  - e. Schedule for review of each procurement file.
4. Review Tribal Family Assistance Plan and budget, identify goods and services to be purchased for the program year, and schedule procurement activities as per program procurement procedure.
5. Review procurement files for completeness as per the schedule established in the program procurement procedures.



# Property and Equipment Management

**Common Finding:** Grantee is not adhering to the federal requirements for the management of property and equipment.

**Recommendation:** Program maintain property and equipment records and conduct a physical reconciliation of property and equipment acquired under each individual program.



# Property and Equipment Management

## Action Steps:

1. Develop an internal program procedure that supports the Tribal government's procedure for management of property and equipment.
2. Identify all property and equipment with an acquisition cost of \$5,000 or more (or Tribal threshold if less than \$5,000).
3. Develop an individual record for all property and each piece of equipment that includes the following information:
  - a. Description of the Property/Equipment
  - b. Serial Number or Other Identification Number
  - c. Holder of Title to the Property/Equipment
  - d. Acquisition Date
  - e. Acquisition Cost
  - f. Percent of Federal Participation in the Cost of the Property/Equipment
  - g. Source of Property/Equipment
  - h. Location of Property/Equipment
  - i. Use of Property/Equipment
  - j. Condition of Property/Equipment
4. Tag all property and equipment.
5. Conduct a physical inventory of all property and equipment at a specific time each year.
6. Document the physical inventory and have an authorized individual sign the physical inventory.
7. Make appropriate adjustments to the inventory as needed.



# Source Documentation

**Common Finding:** Grantee does not have documentation that supports and authorizes the expenditure of grant funds.

**Recommendation:** Program develop and implement an internal process for review of supporting documentation and authorization of expenditures prior to submission to accounting for payment.



# Source Documentation

## Action Steps:

1. Develop an internal program procedure that supports the Tribal government's procedure for authorization of expenditures.
2. Identify one program staff member to perform a secondary review of time and attendance records to ensure:
  - a. Attendance records are received from all program staff.
  - b. Attendance records are signed and dated by employee.
  - c. Attendance records are signed and dated by supervisor.
3. Identify one program staff member to receive all goods, maintain a log of all goods received, and issue reports of all goods received.
4. Program Director review all invoices for services and maintain a log of all invoices for services submitted to the Tribal fiscal office for payment.
5. Program Director monitor all program expenditures through a monthly review of the program general ledger.



**Intake Packet Review**

Tuesday, January 11, 2005

Applicant Name: \_\_\_\_\_ Eligibility Date: \_\_\_\_\_  
 Component & Activity: \_\_\_\_\_ Area Office: \_\_\_\_\_

# Intake Packet Review

REQUIRED INTAKE DOCUMENTATION	Missing	In File	N/A	Verification Source(s)
<i>Primary Intake Date: 45-days out:</i>				
<b>SSP Application:</b>				
<i>Rules, Rights &amp; Responsibilities:</i>				
<i>Standard ROI:</i>				
<i>Resident Verification:</i>				
<i>Collateral Statement:</i>				
<i>Applicant Statement:</i>				
<i>SED Packet:</i>				
<i>Birth Certificate(s):</i>				
<i>Indian Heritage:</i>				
<i>Birth date &amp; age:</i>				
<i>Social Security Card(s):</i>				
<i>Income Verification:</i>				
<i>Public Assistance:</i>				
<i>UI Compensation/ROI:</i>				
<i>Selective Service Registration:</i>				
<i>State Employment Work History:</i>				
<i>Federal or Other Assistance:</i>				
<i>Medical Release/Handicapped Status:</i>				
<i>Court/CW/SCF Child Placement:</i>				
<i>Foster Child Payments:</i>				
<i>Proof of Enrollment of school age children:</i>				
<i>Education Status(GED, HS Diploma):</i>				
<i>LON: Missing Documentation (TSA):</i>				
<b>PRIOR TO PROGRAM ENROLLMENT</b>				
<b>Appointment w/TSS:</b>				
<i>TSS Signed ROI(s):</i>				
<i>Home Visit completed (Cash Grant only):</i>				<i>Date &amp; Time:</i>
<i>LON: Eligibility (TSS):</i>				
<i>Case Plan:</i>				
<i>CRT Contract w/class schedule:</i>				
<i>WEX Contract w/job description:</i>				
<i>Work-site Master Agreement on file:</i>				
<i>OUT Contract w/job description:</i>				
<i>W-4 and/or W-5:</i>				
<i>I-9:</i>				

- Key:**
- CRT Class Room Training
  - LON Letter of Notification
  - ROI Release of Information
  - SED Child Support Packet
  - SSP Self Sufficiency Program
  - TSA Tribal Service Assistant
  - TSS Tribal Service Specialist

The example was provided by the Confederated Tribes of Siletz Indians



# Sample Property Record

Description of Property:	
Serial Number:	Title Holder:
Acquisition Date:	Acquisition Cost:
Percent of Federal Participation:	Source:
Location:	Use:
Condition:	Other:

# Self Assessment Tool

## Administrative Costs

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 1. Is there a written procedure in place for management of administrative costs?<br>If not, what can your program do to establish the procedure?<br>_____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have accounting principles been applied on a consistent basis?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are administrative costs checked monthly for compliance with limitations?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____      | <input type="checkbox"/> | <input type="checkbox"/> |

## Federal Reporting

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 4. Are specific individuals responsible for preparing the program and financial report?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____                               | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are specific individuals responsible for reviewing the reports and ensuring they are submitted in a timely manner?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> |

## Contract Management

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 6. Does the program have a written procedure for management of contracts?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does the procedure conform to the Tribal government's procedure?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____       | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are all contractors and vendors evaluated on a periodic basis?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____         | <input type="checkbox"/> | <input type="checkbox"/> |

# Self Assessment Tool (cont.)

## Participant Expenditures

9. Is a periodic internal audit done on all participant files?  
If not, what can your program do to strengthen your system?  
\_\_\_\_\_  
\_\_\_\_\_
10. Is there a written procedure that specifies staff responsible and timeframes for the internal audit of participant files?  
If not, what can your program do to strengthen your system?  
\_\_\_\_\_  
\_\_\_\_\_
11. Is there a staff person assigned to verify participant eligibility prior to authorization of an expenditure?  
If not, what can your program do to strengthen your system?  
\_\_\_\_\_  
\_\_\_\_\_

## Procurement

12. Does the program have procurement procedures governing all program staff?  
If not, what can your program do to strengthen your procedure?  
\_\_\_\_\_  
\_\_\_\_\_
13. Is the policy consistent with the Tribal Government's procedure?  
If not, what changes can be made to strengthen the procedure?  
\_\_\_\_\_  
\_\_\_\_\_
14. Does the procedure include records management for each procurement?  
If not, what would include for records management?  
\_\_\_\_\_  
\_\_\_\_\_

## Property and Equipment

15. Are records maintained in accordance with government regulations?  
If not, what can your program do to strengthen your system?  
\_\_\_\_\_  
\_\_\_\_\_
16. Was a physical inventory taken of all property and equipment?  
If not, what can your program do to strengthen your system?  
\_\_\_\_\_  
\_\_\_\_\_

# Self Assessment Tool (cont.)

## Source Documentation and Internal Control

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 17. Are records maintained in accordance with government regulations?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Are purchases and expenses classified properly?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Are all expenditures supported by source documentation?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Do the financial statements accurately reflect the purchases<br>and expenses?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Is there a review of expenditures to ensure that the costs are<br>allowable and allocated to the proper funding source?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Is there a control to ensure that all goods and services have been<br>received prior to payment?<br>If not, what can your program do to strengthen your system?<br>_____<br>_____                        | <input type="checkbox"/> | <input type="checkbox"/> |