

Report in Brief

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Report No. A-01-18-02501

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

In Vermont, child support services are provided by the State Office of Child Support (State agency) under a cooperative agreement with the Vermont Supreme Court. The State agency claims the costs for the courts that are related to child support services. Based on a prior Office of Child Support Enforcement audit and current issues we found during our preliminary review, we selected court costs specific to the cooperative agreement for review.

Our objective was to determine whether the State agency claimed administrative court costs for the Title IV-D Child Support Enforcement Program (the CSE program) that were allowable and in accordance with Federal and State requirements.

How OIG Did This Review

We reviewed direct staff salaries and building-space costs, which represents a high percentage of the total eligible Title IV-D costs included in the establishment of the county rates. We performed analysis on the 2016 through 2017 motions, petitions, and requests (MPRs) invoiced by the court and reimbursed by the State agency during our audit period.

Vermont's Office of Child Support Needs Better Oversight Over Its Administrative Costs Claimed

What OIG Found

The State agency claimed IV-D administrative costs that were not allowable or supported during Federal fiscal years 2016 and 2017. Specifically, we found the State agency claimed (1) \$180,288 (\$118,990 Federal share) in unallowable costs for 1,000 duplicate MPRs out of 17,919, which had been paid previously; (2) \$48,891 (\$32,268 Federal share) in unallowable costs due to the incorrect IV-D county rate paid of \$186.84 instead of \$144.62 to one county for all 1,158 MPRs; and (3) \$1.37 million (\$907,051 Federal share) in unsupported costs due to the salary allocation of 156 employees included in individual county rates.

The State agency claimed these unallowable and unsupported costs because it did not (1) ensure the court MPR processing system had edits and controls in place to prevent or detect duplicate MPRs from being processed (2) have any policies and procedures in place for the review and approval of invoices and supporting documentation prior to the payment to the court administrator's office, and (3) have any policies and procedures in place for allocating salaries to the individual family courts which could have ensured allocations are supported and accurately reflect the relative benefits received. As a result, the State agency included \$229,179 (\$151,258 Federal share) in unallowable expenditures and \$1.37 million (\$907,051 Federal share) in unsupported costs on the OCSE-396 quarterly reports during our audit period.

What OIG Recommends and State Agency Comments

We recommend that the Vermont Office of Child Support (1) refund \$229,179 (\$151,258 Federal share) in unallowable expenditures, and (2) work with ACF to determine what portion of the \$1.37 million (\$907,051 Federal share) for unsupported salaries allocated represents Title IV-D eligible costs or refund the entire amount. We also make procedural recommendations to improve the State agency's CSE program operations.

In written comments on our draft report, the State agency concurred with our recommendations.