

## Report in Brief

Date: December 2017

Report No. A-06-16-00013

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



### Why OIG Did This Review

Effective oversight and management of grant programs is crucial to the HHS mission and to the health and well-being of the public. Audits of Head Start and other HHS grantees have found internal control deficiencies, problems with financial stability, inadequate organizational structures, inadequate procurement and property management policies, and inadequate personnel policies and procedures. The HHS Administration for Children and Families (ACF) asked us to conduct this review, on the basis of complaints received regarding the misuse of funds.

Our objective was to determine whether Pine Bluff Jefferson County Economic Opportunities Commission (Pine Bluff) claimed allowable Head Start grant costs and managed its Head Start program in accordance with Federal requirements.

### How OIG Did This Review

We reviewed \$966,205 of the Head Start costs that Pine Bluff claimed during the audit period, June 1, 2013, through May 31, 2015.

We also reviewed written policies and procedures for various areas.

## Pine Bluff Jefferson County Economic Opportunities Commission Did Not Always Operate Its Head Start Program in Accordance With Federal Requirements

### What OIG Found

Pine Bluff did not always claim Head Start grant costs that were allowable and allocable in accordance with Federal regulations. Specifically, Pine Bluff claimed \$392,094 of unsupported non-Federal share; \$214,372 in costs that did not meet procurement-related requirements; and \$123,158 in costs that either did not benefit the Head Start program or may not have benefited the Head Start program. In addition, Pine Bluff did not always manage the Head Start program in accordance with Federal requirements.

### What OIG Recommends and Pine Bluff's Comments

We made recommendations to Pine Bluff that it work with ACF's Office of Head Start (OHS) to determine and refund the amount of grant funds for which Pine Bluff would not have been eligible because of the \$392,094 of unsupported non-Federal share; refund \$214,372 for procurement-related costs that did not meet requirements; and refund costs that did not benefit the Head Start program and work with OHS to determine what portion of costs allocated to the Head Start program should be allocated to its other programs.

The body of the report also contains policy and procedural recommendations for Pine Bluff to account for and manage Federal funds and to operate its Head Start program in accordance with Federal regulations.

In written comments on our draft report, Pine Bluff concurred with some but not all of our findings. For the findings and recommendations it agreed with, Pine Bluff provided information on corrective actions it has taken or plans to take to address them. After reviewing Pine Bluff's comments, we maintain that all our findings are valid.

In general comments, Pine Bluff expressed concern that the recommended refund amounts will deplete its funds. Under its new management, Pine Bluff is willing to work with OHS to correct the findings, take more preventative measures, and establish a Technical Assistance Plan to demonstrate improvements that have been made to the operation of the Head Start grant.