The Administration for Children and Families Did Not Always Resolve American Indian and Alaska Native Head Start Grantees’ Single Audit Findings in Accordance With Federal Requirements

What OIG Found
ACF had a process in place to ensure that Head Start grantees took corrective action on A-133 audit findings. However, for AIAN Head Start grantees that submitted audit reports to the FAC, ACF did not always resolve recurring audit findings in accordance with Federal requirements and ACF policies and procedures. Specifically, ACF did not issue Audit Determination Letters (letters) for 11 of the 14 audit reports we reviewed within 6 months after receiving the reports. In addition, although ACF provided the grantees with letters stating that the corrective action satisfied the recommendation for which ACF has resolution responsibility, ACF did not always establish specific dates for grantees to correct all deficiencies noted in the audit reports. Finally, ACF did not always follow up with grantees to ensure that they actually took corrective actions to resolve audit findings. The prompt resolution of audit findings helps ensure that Federal funds are effectively and efficiently used to carry out the activities for which they were authorized.

What OIG Recommends
We recommend that ACF (1) ensure that management decisions are issued to AIAN Head Start grantees within the 6-month timeframe, (2) include in the letters sent to AIAN Head Start grantees specific dates for correcting deficiencies, (3) monitor AIAN Head Start grantees to ensure that grantees actually implement corrective actions, and (4) review its staffing levels to ensure that the audit resolution process is conducted in accordance with Federal requirements.

In written comments on our draft report, ACF concurred with our first and fourth recommendations. ACF did not concur with our second recommendation and stated that it follows Uniform Guidance rather than its External Resolution Manual, as it had not been updated to reflect ACF’s current practice. In addition, ACF did not concur with our third recommendation and stated it will ensure that the requirements for audit follow-up are met in accordance with the Uniform Guidance. According to ACF, assessing a grantee’s implementation of corrective action can be accomplished through using subsequent years’ Single Audits, which ACF believes satisfies the objective of recommendation three. After reviewing ACF’s comments, we maintain that our recommendations are valid and encourage ACF to take appropriate and timely corrective action.

The final report can be found at https://oig.hhs.gov/oas/reports/region6/61707003.asp.