

Report in Brief

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



Why OIG Did This Review

HHS, Administration for Children and Families (ACF), is subject to Federal and non-Federal audits of its internal activities as well as activities performed by its grantees and contractors. As a followup to these audits, ACF is responsible for resolving Federal and non-Federal audit report recommendations related to its activities, grantees, and contractors within 6 months after formal receipt of the audit reports. HHS, OIG, prepares and forwards to ACF monthly stewardship reports that show the status of these reported audit recommendations.

Our objectives were to determine whether ACF resolved audit recommendations in a timely manner during Federal fiscal years (FYs) 2015 and 2016 and to identify all unresolved audit recommendations that were due for resolution as of September 30, 2016.

How OIG Did This Review

We reviewed the "Outstanding Audits and Actions Taken by Cognizance" stewardship reports to identify all outstanding audit recommendations that ACF resolved during FYs 2015 and 2016 as well as all outstanding audit recommendations that remained unresolved and were due for resolution as of September 30, 2016. These stewardship reports identified 742 audit reports and 2,248 corresponding recommendations.

The Administration for Children and Families Did Not Always Resolve Audit Recommendations in Accordance With Federal Requirements

What OIG Found

ACF did not always resolve audit recommendations in a timely manner during FYs 2015 and 2016. Specifically, ACF resolved 1,570 of the 2,248 audit recommendations that were outstanding during FYs 2015 and 2016. However, it did not resolve 1,392 of the 1,570 recommendations (88.7 percent) within the required 6-month resolution period. In addition, as of September 30, 2016, ACF had not resolved 678 audit recommendations that were past due for resolution. The dollar amounts associated with these past due recommendations totaled \$36.5 million.

ACF had policies and procedures in place that specifically stated that audit recommendations are considered unresolved if they are not resolved within 6 months of the audit report's issue date. However, ACF did not always issue management decisions and submit the related OIG clearance documents (OCDs) to OIG within the required 6-month resolution period. According to ACF officials, ACF did not always issue OCDs within 6 months because it lacked sufficient staff to perform this work.

What OIG Recommends

We recommend that ACF (1) follow its policies and procedures to ensure that management decisions are issued within the required 6-month resolution period, (2) resolve the 678 outstanding audit recommendations that were past due as of September 30, 2016, (3) follow its recently implemented procedures by reconciling each month the OIG stewardship reports with ACF's internal audit tracking and monitoring system and following up on any differences noted, and (4) give higher priority to audit resolution so that the audit resolution process is conducted in accordance with Federal requirements.

ACF concurred with all of our recommendations and described actions that it had taken or planned to take. ACF said that it would continue to work toward complying with the required 6-month resolution period and resolving the backlog of outstanding audit recommendations and added that it would continue to work with OIG to reconcile the OIG stewardship reports to its internal audit tracking and monitoring system. In addition, ACF stated that it is working to realign workflow and responsibilities to prioritize and place greater emphasis on audit resolution.