Monitoring and Audits involves State agency efforts to review local agency/clinic activities on an ongoing and timely basis, and to track all audits involving WIC Program activity.

A. Monitoring-246.19(b): requires State agencies to establish a management evaluation system.

B. Audits-Subpart F to 2 CFR Part 200, as applicable: describe State agency audit responsibilities.
A. Monitoring

1. Local Agency/Clinic Monitoring Activity (to be updated each year)

a. Local agencies/clinics monitored:

3   Number of local agencies monitored last annual period
1   Number of Public Health Alliance sites monitored last annual period
17 Number of clinics monitored last annual period
21 total

4   Number of local agencies to be monitored this current annual period
10   Number of Public Health Alliance sites monitored this current annual period
6 Number of clinics to be monitored this current annual period
20 total

Specify last annual period, from: 01/01/2018 to 12/31/2018 (month/day/year – month/day/year; must be applied consistently)

Specify current annual period, from: 01/01/2019 to 12/31/2019 (month/day/year – month/day/year; must be applied consistently)

b. Number of local agencies/clinics required to submit Corrective Action Plans (CAPs) to redress deficiencies identified during monitoring last year: 21 (Number)

c. The State agency uses a tracking device, such as a chart or spreadsheet, which summarizes the reviews of all local agencies.

☒ Yes ☐ No

If the State agency uses a tracking device, it shows (check all that apply):

☒ Date of most recent review for each local agency/clinic
☒ Number of clinics reviewed in most recent review for each local agency/clinic
☐ Listing of findings for most recent review of each local agency/clinic
☒ Date of State agency notice of findings in most recent review for each local agency/clinic
☒ Date of local agency/clinic corrective action plan in most recent review for each local agency and/or clinics
☐ Outcome of corrective action plan

d. In preparing to conduct a local agency review, the State agency reviews data reports on:

☐ No-shows by category
☐ Administrative costs claimed
☐ Financial reports
☒ Priorities served
☒ Caseload
☐ Racial/ethnic
☒ Staff/participant Ratios
☒ Participant nutrition surveillance data for participants in that local agency/clinic
X. MONITORING AND AUDITS

☒ Other (specify): Show Rate, Program Misuse, Scheduling, Referral Information, Formula usage, Breastfeeding

ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation):
Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.

2. Local Agency/Clinic Monitoring Procedures

a. The State agency uses an established protocol when it monitors local agencies/clinics.

☐ Yes ☐ No

If yes, please provide the citation of where it can be found in the appendix or procedure manual:
9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.

This monitoring protocol includes:

☒ Advance notification of monitoring visit
☒ Determination of timeframes for conducting the review
☒ Designation of local agency/clinic staff to assist State agency staff during review
☒ Discussion of review findings on-site with local agency/clinic
☒ Specified time frame for providing written review report
☒ Specified time frame for local agency/clinic submission of corrective action plan, not to exceed 60 days from receipt of State agency’s report
☒ Instructions or guidance for preparation of corrective action plan (e.g., inclusion of implementation time frames)
☒ Evaluation of adequacy of corrective action
☒ Follow-up with local agency/clinic to ensure corrective action measures are implemented
☒ Written notification of closure of the review

☐ Other (specify):

b. Monitoring of local agencies/clinics is conducted by (check all that apply):

☒ State WIC staff
☒ District or regional staff
☐ Other health programs
☐ Other (specify):

c. Specialists in the following areas monitor the areas of their expertise:

☒ Certification and eligibility determination
☒ Caseload management
☒ Nutrition services
☒ Breastfeeding promotion and support
☒ Targeting and outreach policies
☐ Financial management of administrative funds
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- Food delivery system
- Vendor management
- Civil rights
- Information Systems security
- Other (specify):
X. MONITORING AND AUDITS

If the State agency uses reviewers to monitor areas in which they do not have expertise and/or prior knowledge, describe how the State agency trains or equips its reviewers to conduct the review:

d. The State agency uses a standard local agency/clinic review form.
   ☒ Yes  ☐ No

   If yes, please provide the citation of where it can be found in the appendix or procedure manual: 9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.

   If yes, the review form covers the following areas:
   ☒ An assessment of local agency/clinic management
   ☒ An assessment of patient flow
   ☒ Certification case file reviews, including procedures for determining adjunctive income eligibility
   ☒ Caseload management
   ☒ Training of local agency and clinic staff
   ☒ Nutrition education
   ☒ Breastfeeding promotion and support
   ☒ Targeting and outreach policies
   ☐ Financial management of administrative funds
   ☐ Validation of staff time spent on WIC
   ☐ Food instrument accountability
   ☐ Vendor training and monitoring, if these functions are delegated to a local agency/clinic
   ☒ Civil rights compliance
   ☒ Other (specify): Program Misuse, Environmental Review (required posters, ADA compliance etc)

e. The State agency has developed procedures for local agencies/clinics to use when they evaluate:
   ☒ Their own operations
   ☐ Subsidiary/satellite operations (e.g., county health department clinic)
   ☐ Subcontractors (e.g., community action program, hospital)
   ☐ Homeless facilities/institutions
   ☐ Other (specify):

   If you selected any of the options above, please provide the citation of where it can be found in the appendix or procedure manual and answer the following questions: 9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.

   Do these procedures include a monitoring tool?
   ☒ Yes  ☐ No

   Are all local agencies/clinics are required to follow these procedures?
   ☒ Yes  ☐ No (specify basis for exemptions):

   ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation): Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.
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3. Use of Local Agency/Clinic Review Data
   a. The State agency analyzes the results of local agency/clinic monitoring visits to determine whether deficient areas are common among its local agencies/clinics.
      ☒ Yes    □ No
   b. The State agency utilizes local agency/clinic review data to (check all that apply):
      ☒ Identify outstanding operational approaches that could be shared with other local agencies/clinics
      ☒ Track individual local agency/clinic performance
      ☐ Compare administrative costs/expenses among local agencies/clinics
      ☒ Compare staffing and organization among local agencies/clinics
      ☒ Other (specify): Review Policy/Procedures and overall program operations within the WIC program

      ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation): Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Management Evaluations of the Local Agency section of the State Plan Folder Monitoring and Audits.

B. Audits

Do not include management evaluations or other reviews conducted by FNS regional offices or by WIC State agencies. This section concerns the audits conducted under Subpart F to 2 CFR Part 200 and audits conducted by USDA’s OIG.

1. Audits (Federal, State, and Local)
   a. Number of audits conducted during FY- 2017 : 0
   b. Entities audited (includes both State and local agencies) Auditor(s) Period of Audit Status/disposition of audit at this time (management decision, final action, etc.)
      If additional audits were conducted, please provide separately.
   c. Entities not audited and reason (e.g., local office is not a subrecipient local agency, entity did not expend $500,000 or $750,000, as applicable, or more in Federal funds during the fiscal year, etc.)
      Entities not audited (includes Reason Entity Not Audited
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both State and local agencies)

ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation):

2. Audit Management Decision

a. Methods used by the State agency to ensure that corrective action is taken on audit findings include (check all that apply):
   - ☐ State agency has a copy of the corrective action plan on file.
   - ☐ State agency tracks audits to determine if the same problems are recurring from year to year.
   - ☐ Local agency must file periodic reports.
   - ☐ State agency contacts local agency by phone or in writing periodically.
   - ☐ State agency visits local agency.
   - ☐ Other (specify):

b. State agency actions taken to ensure that all claim amounts are recovered include (check all that apply):
   - ☐ Local agency files periodic reports.
   - ☐ State agency contacts local agency by phone or in writing.
   - ☐ State agency monitors receipt of a check in the amount of an audit claim.
   - ☐ State agency establishes and employs billing/offsetting of account procedures.
   - ☐ Other (specify): This does not happen to our Local Agencies. All services are provided and then reimbursed

c. State agency accounting procedures for claim amounts recovered:
   - ☐ Recovered claim amounts from prior fiscal years are returned to FNS.
   - ☐ Recovered claim amounts are reallocated if collected within the same fiscal year.
   - ☐ Claim amounts are verified with local agency.
   - ☐ Other (specify): Claims are not assessed as payment is made following services with proper documentation.

ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation): All Local Agencies/Alliance Sites are monitored every two years. Protocols and forms are developed by the State Office to monitor Local Agency/Clinic activity and compliance. The complete evaluation process consists of the following phases: data review, documentation review, office site review, individual observation review,
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Regional Manager review (CHS Office Site Assessment), summary report, individual observation report, exit review, Local Agency corrective action response & final approval by State Office staff. Commendations, recommendations and findings are outlined in writing on the summary & individual observation reports and sent to the Local Agency staff and Regional Manager. An exit conference is held after reports have been reviewed by Local Agency staff to discuss the summary report findings. Corrective Action Plans are required from the Local Agency staff, with a follow-up review conducted to assure requirements were made. Findings from the Management Evaluations are compiled and used to determine areas for the yearly self-assessment review and for training purposes.

In 2008, the Management Evaluation process was reorganized into 7 Local Agencies and 12 Alliance Sites. There are 55 clinic sites associated with the Local Agencies, for a total of 79 WIC offices. Local Agencies were based on regions managed by Regional Manager (supervisor); Alliance Sites were based on contract agencies. The Local Agencies and the Alliance Sites will be reviewed on a two year rotation. The additional 55 clinic sites will be reviewed on a five year rotation.

The State Office has developed protocols for Local Agencies to do a yearly self-assessment of their own operations. The self-assessment will be based on findings from the previous years’ Management Evaluations and will be completed in March of each year.

Participant surveys are conducted annually to determine the participant’s view of the Local Agency operations; vendor’s handling of food and customers and to determine the effectiveness of nutrition education and the participant’s interest in specific nutrition education topics and acceptable foods. Results from these surveys are used for local agency training, development and clarification of policies, sharing of operational methods with others, developing Nutrition Education & Marketing Plans, selecting acceptable foods and improving program operations.

3. Availability of Audit Reports

a. The State agency receives and maintains for at least three years copies of all organization-wide audits involving the WIC Program and maintains a listing of those audits.

☒ Yes ☐ No, copies are retained by:

b. Procedures used for maintaining files to reflect the trail from the receipt of the audit to final action include:

☐ Detailed breakdown of each audit finding is tracked separately.
☐ Individuals are assigned to monitor each audit.
☒ One individual is assigned to monitor all audits.
☐ Other (specify):

c. The State agency maintains a listing of all planned audits for the coming Fiscal Year.

☐ Yes ☒ No

(Indicate recent FYs which included WIC in A-133 audits):

d. The State agency ensures WIC participation in the single audit and other audits by (check all that apply):

☐ Developing a tracking system that monitors the status of each audit
☐ Establishing a contact person for each audit
☐ Including this audit requirement in the local agency contract
☒ Other (specify): State Finance office is responsible for all audits

ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation): STATE AUDIT
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The South Dakota Department of Health, WIC Program is audited by Legislative Audit. Entities reviewed include: accounting procedures, funding distribution, expenditures, reconciliation practices, federal reporting, program policies, time studies and compliance. Through the audit process, the Department ensures WIC compliance in A-133 Circular.

Findings are reported to the Department of Health’s Fiscal Office which is responsible for the Audit Report, works with the WIC Program to ensure corrective actions are taken on findings, and maintains the audit and documentation for three years after a successful completion of audit findings.

LOCAL AUDIT

Because the organization of Local Agencies in South Dakota comes under the jurisdiction of the State, monitoring of Local Agency costs are done the same as the State Audit for all expenditures with the exception of county clerical support. Legislative Audit is also responsible for a county audit which includes the WIC Program, utilizing the same guidelines as the State Audit. An audit report is sent to the County Commissioners and the Department of Health’s Fiscal Office who in turn works with the WIC Program to ensure appropriate corrective action.

The review guide, “Fiscal Fitness Review Guide”, will be shared with Legislative Audit for consideration in their review. Legislative Audit procedures are available upon request.

All contracts greater than $500,000 or if the sub-recipient could potentially receive more than $500,000 in federal funds must contain the following paragraph:

AUDIT REQUIREMENTS PROVISION:
(EXPENDING $500,000 OR MORE)

A nonprofit sub-recipient, (as well as profit hospitals) (Provider), expending $500,000 or more in one year in Federal awards, must have an annual audit made in accordance with Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions and the Auditor General’s guidelines.

All audits must be conducted by an auditor approved by the Auditor General to perform the audit. Approval may be obtained by forwarding a copy of the audit engagement letter to the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, SD 57501-5070. On continuing engagements, the Auditor General's approval should be obtained annually. The auditor must follow the Auditor General’s guidelines when conducting the audit. The draft audit report must be submitted to the Auditor General for approval prior to issuing the final report. The auditor must file the requested copies of the final audit report with the Auditor General. Audits shall be completed and filed with granting agencies by the end of the ninth month following the end of the fiscal year being audited or 30 days after receipt of the auditor’s report, whichever is earlier. If it appears that a required audit cannot be completed by the end of the ninth month following your fiscal year, you must request an extension from the federal agency for which the
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Failure to complete audit(s) as required will result in the disallowance of audit costs as direct or indirect charges to programs. Additionally, a percentage of awards may be withheld, overhead costs may be disallowed, and/or awards may be suspended, until the audit is completed satisfactorily.