

X. MONITORING AND AUDITS

(Please indicate) State Agency: **South Dakota**

for FY **23**

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.

During a disaster or public health emergency, the State agency may request to implement existing WIC regulatory and programmatic flexibilities to support the continuation of Program benefits and services. State agencies should consider the overarching authority, i.e., Stafford Act or provision(s) authorized by Congress, before developing a policy and procedure. The State agency must provide a detailed description of how it plans to operationalize the flexibility through their procedure manual where applicable. Please note the State Plan Guidance is not intended to capture a description of waivers authorized by Congress with separate reporting requirements, i.e., the Families First Coronavirus Response Act (PL 116-127).

More recently, Executive Order (EO) 13988, “*Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation.*” was issued to all Federal Agencies. The EO set out policies that all persons are entitled to dignity, respect, and equal treatment under the law, no matter their gender identity or sexual orientation. The EO does not usurp section 17 of 42 U.S.C, as amended or applicable regulations. However, where appropriate, State agencies may update their policies and procedures to align with the contents of the EO

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.

X. MONITORING AND AUDITS

A. Monitoring

1. **Local Agency/Clinic Monitoring Activity (to be updated each year). Skip this section if the State agency has no local agency(ies)**

a. **Local agencies/clinics monitored: (If State agency has one local agency, specify the date it was last monitored.**

4 Number of local agencies

4 Number of local agencies monitored last annual period

24 Number of clinics monitored last annual period

4 Number of local agencies to be monitored this current annual period

17 Number of clinics to be monitored this current annual period

Specify last annual period, from: 01/01/21 to 12/31/21 (month/day/year – month/day/year; must be applied consistently)

Specify current annual period, from: 01/01/22 to 09/30/22 (month/day/year – month/day/year; must be applied consistently)

b. **Number of local agencies/clinics required to submit Corrective Action Plans (CAPs) to address deficiencies identified during monitoring last year: 24 (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

Whether the review was conducted virtually or onsite

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/ethnicity

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 Program Compliance Review; www.sdwic.org/knowledge

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: Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Program Compliance Review; www.sdwic.org/knowledge

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 service
- Breastfeeding promotion and support
- Targeting and outreach policies
- Financial management of administrative funds
- Food delivery system

X. MONITORING AND AUDITS

- 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: Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Program Compliance Review; www.sdwic.org/knowledge

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, referral list) EBT Cards inventory review

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: Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Program Compliance Review; www.sdwic.org/knowledge

Do these procedures include a monitoring tool?

Yes No

Are all local agencies/clinics 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 Program Compliance Review; www.sdwic.org/knowledge

X. MONITORING AND AUDITS

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/clinic
- 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

ADDITIONAL DETAIL: Monitoring & Audits Appendix and/or Procedure Manual (citation): Refer to WIC Manual Chapter 9 Program Compliance/ 9.04 Program Compliance Review; www.sdwic.org/knowledge

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, per [7 CFR 246.20 \(a, b\)](#).

1. Audits (Federal, State, and Local)

- a. Number of audits conducted during FY- :

- | 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.

X. MONITORING AND AUDITS

- c. **Entities not audited and reason (e.g., local office is not a subrecipient local agency, non-federal entity did not expend \$750,000 or more in Federal funds during the fiscal year, etc.)**

Entities not audited (includes both State and local agencies)

Reason Entity Not Audited

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):

- 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):

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

X. MONITORING AND AUDITS

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 the single audit report):

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 Legislative Audit Organization and DOH

Fiscal Office Subrecipient audits

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

STATE AUDIT

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 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

X. MONITORING AND AUDITS

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 majority of federal expenditures relates.

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.