



# Department of Job and Family Services SNAP Administrative Cost Reporting Audit

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**Audit Period: October 2015 through September 2016**

## Results Summary:

Objective	Conclusion*
Processing of SNAP Administrative Costs	Well-Controlled with Improvement Needed

\* Please refer to Appendix A for classification of audit objective conclusions.



## **Executive Summary**

### **Background**

The goal of the Supplemental Nutrition Assistance Program (SNAP) is to increase nutritional intake of low-income persons by supplementing their income with food benefits. In Ohio, SNAP is administered by the Ohio Department of Job & Family Services (JFS) through a state supervised, county administered structure.

At the beginning of each fiscal year, JFS establishes budgets and allocations for the federal and state funds for the various public assistance programs administered at each County Job and Family Services (CDJFS). After the budgets and allocations have been established, the funding is available for the counties to request. JFS draws funding from the federal grant once they receive a request from CDJFS. After the funds are drawn from the federal grant, JFS disburses the funds to the CDJFS. The draws and expenditures are then reported quarterly on the federal SF-425 report. In accordance with Ohio Revised Code (ORC) 5101.162, the Department may use available federal funds to reimburse county expenditures for county administration of SNAP.

During the audit, OIA identified opportunities for JFS to strengthen internal controls and improve business operations. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank JFS staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

### **Scope and Objectives**

OIA staff was engaged to perform an assurance audit related to the controls over the agency's processing of SNAP administrative costs. This work was completed August through December 2017. The scope of this audit included the key processes related to the processing of the SNAP program's administrative costs for the audit period of Federal Fiscal Year (FFY) 2016 (October 1, 2015 through September 30, 2016), the most recently closed grant year.

The objective of the review was to evaluate the design and effectiveness of controls over the processing of SNAP administrative costs, relative to the following: Cash Draws, Claims, and Reconciliations.

### **Detailed Observations and Recommendations**

The Observations and Recommendations include only those risks which were deemed high or moderate. However, there were no high or moderate observations noted for this engagement. Low risk observations were discussed with individual agency management and are not part of this report, but were considered as part of the audit objective conclusions.



Appendix A – Classification of Conclusions and Observations

**Classification of Audit Objective Conclusions**

Conclusion	Description of Factors
<b>Well-Controlled</b>	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
<b>Well-Controlled with Improvement Needed</b>	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
<b>Improvement Needed</b>	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
<b>Major Improvement Needed</b>	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

**Classification of Audit Observations**

Rating	Description of Factors	Reporting Level
<b>Low</b>	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
<b>Moderate</b>	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
<b>High</b>	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee