



TO: NCCSD
FROM: Michele Cristello, Committee Chair
DATE: July 15, 2021
RE: Audit Committee Annual Report

Committee Members

Name	State or Territory
Adam Norman	Indiana
Konitra Jack	Louisiana
Michele Cristello, Chair	Massachusetts
Barbara Delaney	Montana
Karen Hebert	New Hampshire
Robert Duck	Tennessee

Committee Activity

The vision of the Audit Committee is that all IV-D Directors are supported in their management of the DRAs, there is open communication with OCSE and DRAs are conducted in a consistent, transparent manner in accordance with clearly understood and widely accepted criteria. The Committee will provide support to Directors through information gathering, monitoring of ongoing audit activity across states and disseminating relevant and timely information.

The Committee's objectives were to solicit information from Directors regarding the DRA process and identify common issues and themes and then provide that information back to Directors for their own use. In addition, the Committee will work with OCSE to develop training and guidance for Directors that clarifies a consistent and well-understood process. After some initial discussions with OCSE about their ongoing initiatives to support Directors in the DRA process, OCSE and the Committee agreed to collaborate to develop training, guidance, and improvements to the process. Last year, the Committee provided a bulleted list of audit related items that the directors see as pertinent to the audit process. This list included a number of different aspects of the

process that were concerning to Directors and areas where improvement was necessary. OCSE reviewed the list and provided the Committee with a response that was a detailed document that addressed each item and described their process. The Committee met with OCSE in December 2020 and discussed the list of pertinent items and OCSE's response and the Committee identified areas where further clarification was needed. OCSE recognizes that strengthening communication is critical particularly bringing new directors in the audit process and answering their questions. OCSE indicated that they were excited to work with the Committee to address questions and provide comprehensive answers that speak to the need of the directors. OCSE is taking this very seriously and want a transparent and open process that is as flexible as possible and supports states with open, two-way communication. The Committee conducted an in-depth review of OCSE's document and met again with OCSE in February 2021 to provide feedback and request further clarification. The Committee and OCSE discussed the areas of Communication/Collaboration, Evidence, Technical Assistance/Knowledge Transfer, Transparency and Consistency and where directors needed more insight into the process. OCSE provided further clarification in May 2021.

In addition, the Committee sent a survey to Directors that included a number of in-depth questions about the DRA process, states' statuses, and Director needs. Thirty-one states responded to the survey. The survey provided a lot of great information and actionable next steps for the Committee. A summary of the survey results was provided to the Directors and to OCSE. The survey results provided valuable information for the Committee's next steps. The Committee agreed to focus on the top three items from the survey as guidance for Directors.

- Start to finish process map of the DRA process: create a map/flowchart of the process that reflects how the Directors want to see the process.
- Knowledge and understanding of what auditors use for guidance in their determinations, including a description of how an error is determined in practice, what auditors use for information and evidence and what they exclude
- OCSE providing and explaining the authority and evidence that supports each error finding.

Next Steps

The Committee is working on a guidance document for Directors. The Mentoring Committee is making recommendations to OCSE for revisions to their 2018 Resource Guide and the intent is to augment it with guidance developed by the Audit Committee. The Committee is also considering holding workshops – perhaps before DRA season and in the middle or nearing the end of DRA session – for Directors to provide training-like information to prepare for the current DRA and provide a question/answer session/team discussion to support the process. Another workshop during the DRA

season could also be beneficial for Directors to ask questions, discuss findings, process, and strategies.

The Committee has also asked for time on the agenda at the NCCSD Annual Business Meeting. Input from Directors is requested to see whether DRAs have improved for states since our Annual Meeting in 2019. We are also requesting input on new issues that have arisen and how the process has been as states have tried to resolve them.

The Audit Committee wants to make sure that we get to a fair, transparent, and consistent process across all states, and we need to gauge where we think we are. We are seeking specific examples that we can then discuss with OCSE.

Attachments

Survey Results

OCSE's Original Response to Committee's List of Pertinent Items

Draft (work-in-progress) Guidance document