



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

May 7, 2018

Ronnie Brooks, Board Chairman
Southwest Human Resource Agency
P.O. Box 264
Henderson, Tennessee 38340-7625

Dear Mr. Brooks:

The Department of Human Services (DHS) - Audit Services Division staff conducted an unannounced on-site review of the Child and Adult Care Food Program (CACFP) at Southwest Human Resource Agency Application Agreement 00-070 on April 03, 2018. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

Background

CACFP Sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and supplement meals. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. In addition, we observed select meal services at the sample feeding sites.

Two types of programs were evaluated during the test month of December 2017- Head Start centers and At-Risk sites. Our sample included three Head Start centers and five At-Risk sites.

Our review of the two programs operated by the Sponsor for the review period disclosed the following:

Head Start Centers

The Sponsor had 16 Head Start centers in operation during the test month of December 2017. Chester County Head Start 0361, Stanton Head Start 0371 and Adamsville Head Start 0377 were selected as the sample sites.

Our review of the Sponsor's records for the test month of December 2017 disclosed the following:

1. The Sponsor did not correctly complete monitoring of facilities as required

Condition

The monitoring documentation for the sample sites revealed the following deficiencies:

Stanton Head Start 0371

Monitoring was conducted on February 28, 2017, September 20, 2017, and December 08, 2017. More than six months' time elapsed between the February 28, 2017, and September 20, 2017 monitoring visits.

Chester County Head Start 0361

Monitoring was conducted on September 29, 2017, December 06, 2017 and March 15, 2018. The monitoring form date September 29, 2017, was not completed in its entirety. The five-day meal count reconciliation was not completed for this visit and several questions were left unanswered.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.16(d) (4) (iii) states, "Frequency and type of required facility reviews. Sponsoring organizations must review each facility three times each year, except as described in paragraph (d) (4) (iv)... In addition: (A) At least two of the three reviews must be unannounced; (B) At least one unannounced review must include observation of a meal service; (C) At least one review must be made during each new facility's first four weeks of Program operations; and (D) Not more than six months may elapse between reviews."

Title 7 of the Code of Federal Regulations, Section 226.16 (d)(4)(ii) states, "Reconciliation of meal counts. Reviews must examine the meal counts recorded by the facility for five consecutive days during the current and/or prior claiming period..."

Recommendation

The Sponsor should ensure that the required monitoring of feeding sites the monitoring guides are complete, accurate and in their entirety. The Sponsor should also ensure monitoring is completed as specified by the USDA.

At-Risk

There were 19 at-risk sites operating during the test month of December 2017. Imagination Station 0362, Allenton Heights Boys and Girls Club 0381, Brownsville Boys and Girls Club 0383, Creative Kids Learning Center 0495 and Bethel Springs Elementary 0499 were the five sites selected as sample sites.

Our review of the Sponsor's At-Risk records for the test month of December 2017 disclosed the following:

2. The Sponsor reported incorrect attendance days

Condition

The claim for reimbursement for the test month reported 7,392 attendance days. However, our review of the Sponsor's documentation verified 7,415 attendance days. The difference is based on the following:

Creative Kids Learning Center 0495

The Sponsor reported 523 attendance days for the site. However, our review of the Sponsor's documentation verified 546 attendance days.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states "...In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim..."

Recommendation

The Sponsor should ensure the attendance is recorded and reported correctly. Appropriate supporting documentation should be maintained and available.

Note: Our review of meal services at the sample sites during the month of December 2017 revealed no deficiencies.

Technical Assistance

Technical assistance was provided to the Sponsor concerning facility monitoring review requirements.

Corrective Action

The Sponsor must complete the following actions within 30 days from the date of this report:

- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

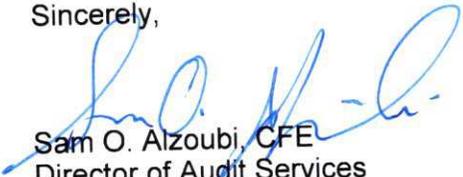
AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313--3769

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or sean.baker@tn.gov.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

Cc: Mike Smith, Executive Director, Southwest Human Resource Agency
Glenda Jewell, Assistant Director for Child Health Services, Southwest Human Resource Agency
Patti Pickler, At-Risk Program Director, Southwest Human Resource Agency
Allette Vayda, Director of Operations, Child, and Adult Care Food Program
Debra Pasta, Program Manager, Child and Adult Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

Exhibit A

Verification of CACFP Sponsor of Head Start Meals Program

Sponsor: Southwest Human Resource Agency
Review Month/Year: December 2017
Total Meal Reimbursement Received: \$30,667.86

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	13	13
Total Attendance for all sites	6,217	6,217
Number of Breakfast meals served	5,994	5,994
Number of Lunch meals served	5,694	5,694
Number of supplement meals served	526	526
Total Amount of Eligible Food Costs	XXXXXXXX	\$28,823.64
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$30,450.43

Exhibit B

Verification of CACFP Head Start Meals Program Individual Site

Sample Site: Chester County Head Start 0361

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	13	13
Total Attendance	880	880
Number of breakfast meals served	798	798
Number of lunch meals served	830	830
Number of supplement meals served	201	201

Exhibit C

Verification of CACFP Head Start Meals Program Individual Site

Sample Site: Adamsville Head Start 0377

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	13	13
Total Attendance	186	186
Number of breakfast meals served	183	183
Number of lunch meals served	174	174

Exhibit D

Verification of CACFP Head Start Meals Program Individual Site

Sample Site: Stanton Head Start 0371

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	13	13
Total Attendance	160	160
Number of breakfast meals served	158	158
Number of lunch meals served	159	159

Exhibit E

Verification of Sponsor of At-Risk Meals Program

Sponsor: Southwest Human Resource Agency
Review Month/Year: December 2017
Total Meal Reimbursement Received: \$25,969.72

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	19	19
Total Attendance for all sites	7,392	7,415
Number of lunch meals served	458	458
Number of supper meals served	5,954	5,954
Number of supplement meals served	4,282	4,282
Total Amount of Eligible Food Costs	XXXXXXXX	\$25,251.09
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$27,134.48

Exhibit F

Verification of At-Risk Meals Individual Site

Sample Site: Creative Kids Learning Center 0495

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	19	19
Total Attendance	523	546
Number of supper meals served	153	153
Number of supplement meals served	227	227

Exhibit G

Verification of At-Risk Meals Individual Site

Sample Site: Imagination Station 0362

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	19	19
Total Attendance	999	999
Number of lunch meals served	340	340
Number of supper meals served	295	295
Number of supplement meals served	870	870

Exhibit H

Verification of At-Risk Meals Individual Site

Sample Site: Allenton Heights Boys and Girls Club 0381

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	14	14
Total Attendance	253	253
Number of supper meals served	253	253
Number of supplement meals served	238	238

Exhibit I

Verification of At-Risk Meals Individual Site

Sample Site: Brownsville Boys and Girls Club 0383

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	13	13
Total Attendance	828	828
Number of supper meals served	825	825
Number of supplement meals served	751	751

Exhibit J

Verification of At-Risk Meals Individual Site

Sample Site: Bethel Springs Elementary 0499

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	4	4
Total Attendance	188	188
Number of supper meals served	188	188



Corrective Action Plan for Monitoring Findings

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink. **Please return ALL pages of the completed Corrective Action Plan form.**

Section A. Institution Information

Name of Sponsor/Agency/Site: Southwest Human Resource Agency	Agreement No. 00070	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
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Mailing Address: PO Box 264 Henderson, Tennessee 38340-7625

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Ronnie Brooks, Board Chairman	Date of Birth: / /
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 5/7/2018	Corrective Action Plan: 5/7/2018
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Section D. Findings

Findings:

1. The Sponsor did not correctly complete monitoring of facilities as required
2. The Sponsor reported incorrect attendance days

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The Sponsor did not correctly complete monitoring of facilities as required

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: The Sponsor reported incorrect attendance days

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

(xi)

The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institution's participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the Federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:
 - (i) *Overpayment demand*. During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However, TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.
 - (ii) *Recovery of advances*. During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.
 - (iii) *Program payments*. The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.
9. The institution or sponsoring agency must refuse the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.
10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.
11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.
12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.
13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealClerk@tdhs.tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.