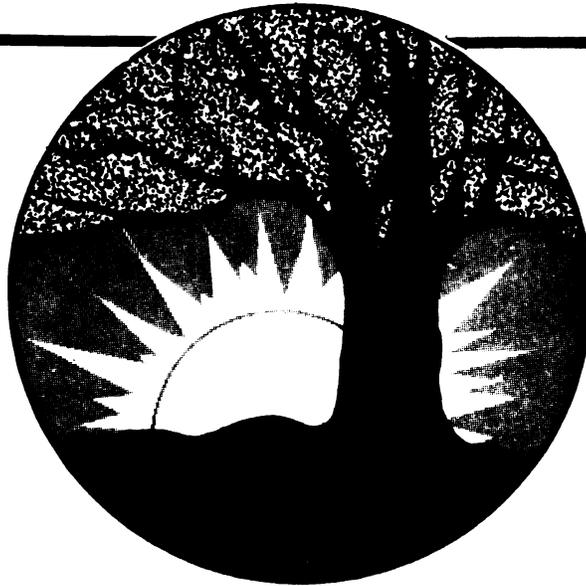


# PERFORMANCE AUDIT

Tennessee Community Services Agency  
October 2013



Justin P. Wilson  
Comptroller of the Treasury



State of Tennessee  
Comptroller of the Treasury  
Department of Audit  
Division of State Audit

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October 4, 2013

The Honorable Ron Ramsey  
Speaker of the Senate  
The Honorable Beth Harwell  
Speaker of the House of Representatives  
The Honorable Mike Bell, Chair  
Senate Committee on Government Operations  
The Honorable Judd Matheny, Chair  
House Committee on Government Operations  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243  
and  
Mr. Thomas D. McWherter  
Executive Director  
Tennessee Community Services Agency  
1604 West Reelfoot Avenue, Suite A  
Union City, Tennessee 38281

Ladies and Gentlemen:

We have conducted a performance audit of selected programs and activities of the Tennessee Community Services Agency for the period July 1, 2010, through August 2, 2013. This audit was conducted pursuant to the requirements of Section 4-29-111, *Tennessee Code Annotated*, the Tennessee Governmental Entity Review Law.

Our audit disclosed certain findings which are detailed in the Objectives, Methodologies, and Conclusions section of this report. Management of the Tennessee Community Services Agency has responded to the audit findings; we have included the responses following each finding. We will follow up the audit to examine the application of the procedures instituted because of the audit findings.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether the Tennessee Community Services Agency should be continued, restructured, or terminated.

Sincerely,

Deborah V. Loveless, CPA  
Director

DVL/awb  
13/058

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Performance Audit  
**Tennessee Community Services Agency**  
October 2013

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## AUDIT SCOPE AND METHODOLOGY

We have audited the Tennessee Community Services Agency for the period July 1, 2010, through August 2, 2013. Our audit scope included a review of prior audit findings, internal controls, and compliance with laws, regulations, and provisions of contracts or grant agreements in the areas of the Employment Solutions Program, the TennCare Advocacy and Outreach Call Center Program, Independent Support Coordination, the Home Study Program, the Senior Community Service Employment Program, the Family Services Counseling Program, the Community Services Program (Adult Probation Services), the At-Home Support Services Program, the Emergency Housing Partnership, and Title VI. Management of the Tennessee Community Services Agency is responsible for establishing and maintaining effective internal control and for complying with applicable laws, regulations, and provisions of contracts and grant agreements.

For our sample design, we used nonstatistical audit sampling, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgment, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provides sufficient appropriate audit evidence to support the conclusions in our report. We present more detailed information about our methodologies in the individual report sections.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## CONCLUSIONS

### FINDINGS

**The Tennessee Community Services Agency failed to implement proper controls to ensure that staff operated the Employment Solutions program according to federal and state regulations, resulting in both \$29,543 of fraudulent payments to program beneficiaries and questionable program integrity**

The Tennessee Community Services Agency (TNCSA) staff did not fully understand the federal and state requirements and did not adequately monitor Temporary Assistance for Needy Families (TANF) clients' compliance with federal work activity requirements. As a result, clients submitted falsified documents and continued receiving TANF benefits (page 7).

**The Tennessee Community Services Agency subcontracted with home study writers without prior written approval from the Department of Children's Services and failed to ensure the home study writer for the Knox County region performed at least three home visits while conducting home studies, resulting in violations of the contracts with the Department of Children's Services**

The Tennessee Community Services Agency (TNCSA) did not obtain written approval from the Department of Children's Services (DCS) to subcontract for home study services. In addition, TNCSA Knoxville home study writer did not make three visits to the home of potential foster parents as required by DCS policy (page 23).

**The Senior Community Service Employment Program Coordinator failed to operate the program according to federal and contractual guidelines**

The Senior Community Service Employment Program (SCSEP) Coordinator failed to perform reassessments and did not ensure client files agreed with the national SCSEP information system (page 28).

**The Tennessee Community Services Agency did not operate the Housing Crisis Hotline within the hours specified in the contract with the City of Memphis' Division of Housing and Community Development**

The Tennessee Community Services Agency only had staff available to answer calls to the Housing Crisis Hotline from 8 a.m. to 5 p.m. instead of 7 a.m. to 7 p.m. (page 37).

**The Tennessee Community Services Agency did not meet contractual performance targets for the EarnBenefits Supplemental Nutrition Assistance Program Outreach Initiative**

The Housing Crisis Hotline staff did not meet the performance measures outlined in the contract with Seedco. We noted that for all the months we reviewed, the staff failed to meet at least one performance target during the month (page 39).

## **OBSERVATIONS**

The following topics did not warrant a finding but are included in this report because of their effect on operations of the Tennessee Community Services Agency and on the citizens of Tennessee: client work participation rate and evaluation of program goals (page 15); inaccurate reports were submitted to the Bureau of TennCare (page 19); annual income verifications were not performed for the Senior Community Service Employment Program (page 30); performance targets were not met for the Family Counseling Program (page 32); reasons for hiring of individuals with criminal backgrounds were not documented (page 35); and information system security policies were not followed (page 42).

## **ISSUE FOR LEGISLATIVE CONSIDERATION**

The General Assembly may wish to consider amending current legislation governing the Tennessee Community Services Agency to place the authority for the agency under the Department of Finance and Administration to reflect current oversight authority (page 43).

**Performance Audit  
Tennessee Community Services Agency**

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# **Performance Audit Tennessee Community Services Agency**

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## **INTRODUCTION**

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### **PURPOSE AND AUTHORITY FOR THE AUDIT**

This performance audit of the Tennessee Community Services Agency (TNCSA) was conducted pursuant to the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. Under Section 4-29-235, the Tennessee Community Services Agency is scheduled to terminate June 30, 2014. The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the agency and to report to the Joint Government Operations Committee of the General Assembly. This audit is intended to aid the committee in determining whether the Tennessee Community Services Agency should be continued, restructured, or terminated.

### **HISTORY AND STATUTORY RESPONSIBILITIES**

The organization now known as the Tennessee Community Services Agency was originally created as 12 Community Health Agencies by Chapter 567 of the Public Acts of 1989, codified as Section 37-5-301 et seq., *Tennessee Code Annotated*. The organizations were created to fill a perceived need for assisting indigent citizens with various health care issues. The act authorized the Commissioner of Health and Environment to create four metropolitan Community Health Agencies (Knoxville/Knox County, Memphis/Shelby County, Nashville/Davidson County, and Chattanooga/Hamilton County) and eight rural Community Health Agencies, using the boundary lines of the rural public health regions.

In 1990, passage of Chapter 1027 of the Public Acts of 1990 amended Section 37-5-316, *Tennessee Code Annotated*, to allow the Community Health Agencies to participate in the Tennessee Consolidated Retirement System, with the requirement that they be treated as one political subdivision for retirement purposes. This requirement was removed by Chapter 164 of the Public Acts of 1995.

Chapter 1079 of the Public Acts of 1996 created the Department of Children's Services (DCS), changed the Community Health Agencies into Community Services Agencies, and gave them a broader scope. According to amended Section 37-5-302, *Tennessee Code Annotated*, the purpose of these agencies was "to provide a mechanism to facilitate the provision of services for children and other citizens in need of services in Tennessee through centralized agencies located throughout the state." The CSAs were placed under the authority of the newly formed DCS. The act authorized the Commissioner of DCS to create four metropolitan and eight rural CSAs. The act also authorized the creation of a board of directors for each CSA, required each board to

produce an annual report, and made the CSA program subject to an annual audit by the Comptroller of the Treasury.

Chapter 390 of the Public Acts of 2001 amended Section 37-5-317, *Tennessee Code Annotated*, and transferred some CSA contract employees from the CSAs to the Department of Children's Services with the purpose of "separating and standardizing department and community functions." These employees were also eligible for state health insurance and retirement benefits without "further examination or competition" and were not required to be placed under a probationary period.

Chapter 354 of the Public Acts of 2005 provided instructions for transitioning CSA employees to the Department of Children's Services or to the Department of Health by June 30, 2006, because of the CSAs' loss of contracts with DCS. However, unlike the 2001 act, the 2005 act provided for a six-month probationary period for employees who had not previously completed one. The act allowed employees to retain any accrued deferred compensation and also to remain at their level of pay.

In 2006, the Community Services Agencies in Hamilton County, Davidson County, and Knox County were closed. In 2007, the remaining CSAs were consolidated by merging the following CSAs: Northeast and East Tennessee, Upper Cumberland and Southeast, Mid-Cumberland and Northwest, and South Central and Southwest. This left a total of five CSAs.

In 2007, passage of Public Acts 222, 223, and 478 effectively closed these remaining five CSAs and as directed in the Public Acts, in October 2008, the remaining five CSAs were consolidated into one statewide CSA with a central office in Union City, Tennessee. Currently the TNCSA is still authorized under Section 37-5-301 et seq., *Tennessee Code Annotated*.

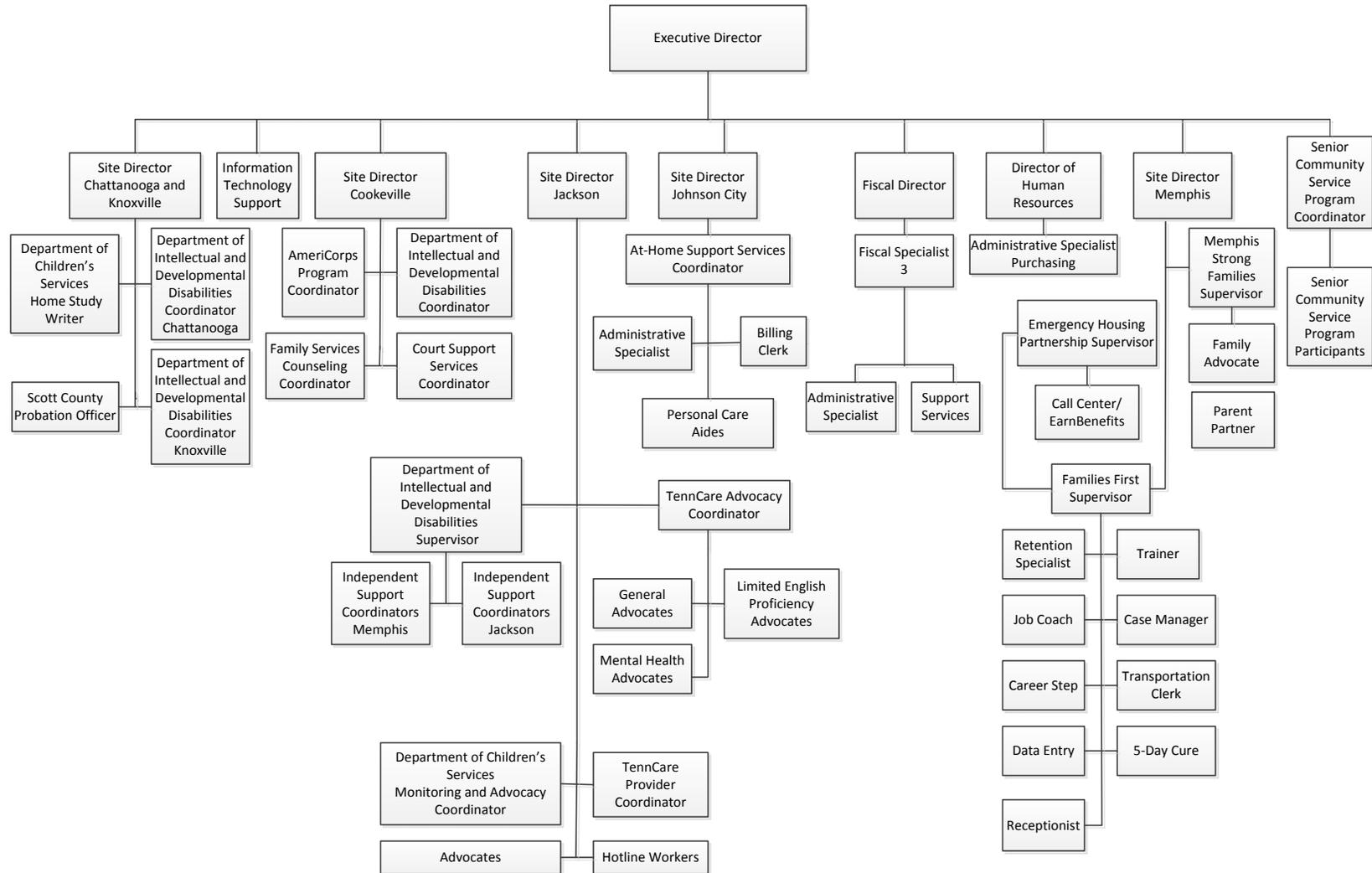
The Executive Director is responsible for general oversight, management, and direction of the statewide entity. TNCSA Site Directors are responsible for the regional offices in Memphis, Jackson, Johnson City, Chattanooga, Knoxville, and Cookeville.

The current vision of the Tennessee Community Services Agency is to improve the quality of life for the citizens of Tennessee. To accomplish this vision, TNCSA's mission is to respond to the needs of individuals, families, and communities by coordinating and providing services across Tennessee. The TNCSA is governed by a board of directors appointed by the Governor. The board members are appointed to represent each grand region of the state. In addition, the Commissioner of Finance and Administration has authority to appoint one designee to serve on the agency's board of directors.

The TNCSA does not receive direct appropriations from the state but is an authorized state vendor. Although the state does not provide appropriations to the agency, the Department of Finance and Administration has monitoring oversight for the agency. The agency's operations are funded through various contracts with the federal, state, and local governments and private organizations.

An organization chart of the TNCSA is on the following page.

Tennessee Community Services Agency  
 Organizational Chart  
 June 20, 2013



Source: Tennessee Community Services Agency.

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## **AUDIT SCOPE AND METHODOLOGY**

---

We have audited the Tennessee Community Services Agency (TNCSA) for the period July 1, 2010, through August 2, 2013. Our audit scope included a review of prior audit findings, internal controls, and compliance with laws, regulations, and provisions of contracts or grant agreements in the areas of the Employment Solutions Program, the TennCare Advocacy and Outreach Call Center Program, Independent Support Coordination, the Home Study Program, the Senior Community Service Employment Program, the Family Services Counseling Program, the Community Services Program (Adult Probation Services), the At-Home Support Services Program, the Emergency Housing Partnership, and Title VI. Management of the TNCSA is responsible for establishing and maintaining effective internal control and for complying with applicable laws, regulations, and provisions of contracts and grant agreements.

For our sample design, we used nonstatistical audit sampling, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgment, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provides sufficient appropriate audit evidence to support the conclusions in our report. We present more detailed information about our methodologies in the individual report sections.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## **PRIOR AUDIT FINDINGS**

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The prior performance audit of the Tennessee Community Services Agency (TNCSA), which was released in July 2010, and covered the period July 1, 2006, through October 31, 2009, contained nine findings. Section 8-4-109, *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. TNCSA filed its report with the Department of Audit on March 3, 2011. A follow-up of all prior audit findings was conducted as part of the current audit.

## **RESOLVED AUDIT FINDINGS**

The current audit disclosed that the Tennessee Community Services Agency has substantially corrected the previous performance audit findings concerning

- the agency's excesses of expenditures over revenues and the risk of the agency not meeting its financial obligations;
- the agency's failure to report a loss of funds to the Office of the Comptroller of the Treasury;
- timely reporting of Title VI plans;
- regular governing board and executive board meetings;
- maintenance of conflict-of-interest statements;
- controls to protect inventory from fraud, waste, and abuse; and
- performance of background checks according to written policies and procedures.

## **PARTIALLY RESOLVED AUDIT FINDINGS**

The current audit disclosed that the agency has partially corrected the two previous audit findings related to information system controls. These partially resolved findings are discussed in Observation 6 (page 42) in this report.

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## **OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS**

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### **EMPLOYMENT SOLUTIONS PROGRAM**

#### **Background**

The Temporary Assistance for Needy Families (TANF) program, known as the Families First program in Tennessee, is a federal grant program funded through the United States Department of Health and Human Services. The TANF program, designed to help needy families achieve self-sufficiency, includes providing cash benefits to eligible families. To receive cash benefits, recipients must participate in a work activity if they are able as determined by the Tennessee Department of Human Services (DHS). Examples of work activity participation include

- unsubsidized employment;
- subsidized private and public sector employment;

- community service;
- vocational educational training;
- adult education;
- placement to obtain work experience;
- on-the-job training; and
- job search and job readiness assistance.

The TANF benefits are available to eligible clients for a maximum of 60 months during their lifetime. DHS is responsible for administering the TANF program at the state level.

DHS contracted with a private corporation, Structured Employment Economic Development Corporation (Seedco) to obtain case management and employment services for clients residing in Shelby County. To fulfill its contractual responsibilities, Seedco contracted with the Tennessee Community Services Agency (TNCSA) and three other entities to serve primarily in an administrative role and did not provide direct services to TANF clients. The contract between Seedco and TNCSA that covered the period July 1, 2010, through June 30, 2013, involved a total contract maximum of \$6,268,757. Seedco and TNCSA refer to the program as the Employment Solutions program.

### **Service Definitions and Program Description**

Case management activities include assessing the client's readiness to become employed, completing an Individual Career Plan, and providing assistance with resume writing, interviewing techniques, and internet job searching. Employment services include job placement with local businesses and nonprofit organizations.

Once classified as a work activity client, the clients must participate in 30 hours of work activity each week. As required by the contract the TNCSA staff were responsible for monitoring TANF clients to ensure they were engaged in the work activity hours and to ensure clients provided all required work activity documentation as required by federal and state regulations. In order to maintain the required documentation electronically and in the clients' files, TNCSA staff used DHS's Automated Client Certification and Eligibility Network of Tennessee (ACCENT) information system; and Salesforce, Seedco's information system, to record client case notes and to monitor the clients' compliance with the work activity requirements. If a client did not comply with the work activity requirements, it was the TNCSA staff's responsibility to inform the client's local DHS representative so DHS could terminate the client's TANF/Families First benefits, as necessary.

When the TNCSA staff report a client as noncompliant, DHS may allow the client at its discretion under DHS's regulations, to complete a five-day cure program. The cure program allows participants to attend classes for five days in order to reinstate their benefits without having to reapply for TANF. The TNCSA staff were responsible for monitoring the clients who were assigned to the five-day cure program.

Also, as required under current federal TANF regulations, DHS must maintain a monthly client work participation rate of 55% by complying with work activity requirements. The work participation rate measures the number of TANF clients who are in compliance with the work activity requirements. DHS in turn required Seedco to meet a monthly client work participation rate of 55% and Seedco required the TNCSA to maintain a client work participation rate of 65%.

The objectives of our review of the Employment Solutions program were to determine whether the TNCSA staff ensured clients were engaged in the required work activities and if staff maintained adequate documentation for the clients in the program.

To gain an understanding of the program, we interviewed key TNCSA personnel and reviewed contracts, DHS's *Families First Handbook*, the *State of Tennessee Work Verification Plan*, and federal TANF regulations. To determine if the clients' files contained documentation of work activities, we selected a nonstatistical random sample of 60 active clients from a population of 1,304 clients of the Employment Solutions program as of April 3, 2013, for testwork. For each client selected for testwork, we haphazardly selected two weeks to review supporting documentation of the client's work activity. Some clients were not TNCSA clients for one of the two weeks selected; therefore, we tested only a total of 105 weeks for the 60 clients selected. We gained access to Seedco's Salesforce system and to DHS's ACCENT to review the clients' case notes and documentation. We reviewed *Income Statement* forms, *Verification of Employment/Earnings* forms, pay stubs, receipts, job search forms, and the Seedco client timesheets.

During our review of client files, we questioned the validity of some of the client-submitted documents; therefore, we interviewed clients, employers, community service sponsors, and TNCSA case managers to satisfy ourselves that the TNCSA staff maintained all required documentation and ensured that clients met the requirements of the program.

Based on our review of contracts, interviews, and testwork performed, we determined TNCSA staff failed to adequately monitor clients to ensure they were engaged in work activity requirements and TNCSA staff did not maintain adequate documentation of the clients' compliance with the work activity requirements. Furthermore, we found that TANF clients fraudulently created work activity documentation and provided it to the TNCSA case managers in order to continue receiving TANF benefits without meeting the program's work activity requirements (see finding 1).

**Finding 1 – The Tennessee Community Services Agency failed to implement proper controls to ensure that staff operated the Employment Solutions program according to federal and state regulations, resulting in both \$29,543 of fraudulent payments to program beneficiaries and questionable program integrity**

Management of the Tennessee Community Services Agency (TNCSA) failed to design proper controls within its Employment Solutions program to ensure that its Temporary Assistance for Needy Families (TANF) program clients met work activity requirements and that those clients submitted appropriate documentation of their work activity. Management's lack of

a clear understanding of federal and state requirements and a general lack of guidance from Seedco exacerbated internal control weaknesses within the program.

As a result, based on testwork performed, we noted the TNCSA Memphis Regional Site Director failed to ensure clients were actually engaged in work activities and failed to ensure client files contained documentation to support the clients' compliance with the work activities. In fact, we found that clients had falsified work activity documentation and basically lied about their work status to continue to receive TANF benefits when in fact they were ineligible. We found 9 clients from our sample of 60 who had received benefits based on fraudulent/falsified documentation. Specifically, we noted that

- client files contained falsified Income Statements, employer receipts, and community service timesheets;
- clients engaged in fewer work activity hours than were required to maintain benefits;
- TNCSA staff failed to document client absences from work activity hours;
- TNCSA staff case notes in Salesforce and the Automated Client Certification and Eligibility Network of Tennessee (ACCENT) did not agree with work activity documentation in the clients' paper files; and
- TNCSA staff created work activity documentation after our requests for documentation because apparently the original documents were not readily available or because the documents did not exist.

We provide further details below.

### **Client Files Contained Falsified Documents**

The TNCSA Memphis Regional Site Director failed to ensure case managers maintained accurate and reliable documents in the clients' files. According to the contract between Structured Employment Economic Development Corporation (Seedco) and TNCSA, Exhibit A, Section 2.01.4.6, the TNCSA “. . . shall ensure that Clients are engaged a minimum of thirty (30) hours per week. . . .”

Based on testwork performed, we noted 9 of 60 clients (15%) submitted falsified employer receipts, *Income Statement* forms, *Verification of Employment/Earnings* forms, and Community Services timesheet forms as documentation of their compliance with the work activity requirements. Through discussions with the client-identified employers and community service sponsors listed on the clients' forms, we determined that the clients did not work or participate in the work activity as claimed by clients on the forms. Our discussions with TNCSA case managers revealed that the case managers did not verify the clients' documents. Instead, the TNCSA case managers stated that they reviewed the clients' information on the Department of Human Services' ACCENT system to determine if the clients' employment information on the forms agreed with the information on ACCENT. If the information agreed, the case managers accepted the documents as accurate without verifying the work-related activities with

the identified employers or community service sponsors. The TNCSA case managers stated that it was their understanding from both Seedco and the Tennessee Department of Human Services (DHS) that the local DHS client representatives verified initial client employment information and entered it into ACCENT and that no further action was required by the TNCSA staff except to collect the weekly documentation and prepare case notes. Based on our discussion with a DHS contract manager, the local DHS representatives were responsible for verifying the clients' initial employment information; however, based on our interpretation of the contract and discussion with top DHS management, the TNCSA had a fiduciary duty and contractual responsibility to verify the clients' continued employment and work activity requirements. When we discovered that clients were falsifying work activity documentation, we interviewed the TNCSA case managers for the nine clients, and they claimed that they were not aware the documents were falsified.

As a result of this breakdown in internal control and failure to verify client-reported data, DHS paid \$22,619 in TANF/Families First benefits and TNCSA provided \$6,924 in support services by providing transportation cards or paying for uniforms for the clients based on the falsified documents. Fraudulent payments for these nine clients totaled \$29,543. We have provided our results to DHS for appropriate follow-up action.

### **Clients Not Engaged in Required Work Activity Hours**

As stated above, TNCSA staff were responsible for ensuring the TANF clients were engaged in 30 work activity hours per week. Based on testwork performed, we noted for 36 of 105 weeks reviewed (34%), representing 29 clients, the client reported participating in less than the required 30 work activity hours. We found that these 29 clients were short in reported work activity hours ranging from 2 to 30 hours.

The Employment Solutions Supervisor stated that there were reasons that the clients did not complete the required hours, such as the client working part-time at less than 30 hours per week. In cases such as this, the TNCSA could have advised the client to participate in other forms of work activity to meet the 30-hour work activity requirement. Discussions with the supervisor revealed some case managers gave clients up to a month to become compliant with the 30-hour requirement. Since the Site Director did not ensure TANF clients participated in the required work activity hours each week, clients continued to receive TANF/Families First benefits each month although they were not fulfilling the federal work activity requirements. When clients are noncompliant, case managers are required to report the noncompliance to DHS staff, so that DHS can take appropriate action.

### **Client Absences Were Not Documented**

The TNCSA Memphis Regional Site Director did not ensure case managers documented client absences from work activity hours on a weekly basis. According to the contract between Seedco and TNCSA, Exhibit A, section 2.01.17, the TNCSA

. . . shall keep the following documentation in each Client's file in a format approved by Seedco and DHS . . . (g)The reason for any absence and a

determination whether the absence is excused or unexcused, or if the absence is due to site holiday policy. . . .

Based on testwork performed, we noted for 13 of 105 weeks tested (12%), representing 13 clients, the clients' files did not contain any work activity documentation, and the case managers did not document the reasons for the clients' absences from the work activities. We also noted that neither ACCENT nor Salesforce contained any documentation of the reasons why the 13 clients were missing work activity hours. When we discussed the lack of documentation with the Employment Solutions Supervisor, she stated that she did not know why case managers failed to document client absences.

In addition to our sample testwork, we also found these 13 clients had been absent during other weeks and the TNCSA case managers did not document the reason for the additional absences. During the extended absences the case managers did not have contact with their clients ranging from one to 18 months. According to the DHS *Families First Handbook*, section 27.14, "Clients who have an unexcused absence from a work activity will be considered non-compliant." Since the Site Director failed to ensure case managers documented the reasons for the clients' absences, we could not determine if the clients' absences were excused or unexcused. Therefore, we could not determine and management could not provide evidence that the clients complied with the work activity requirement and remained eligible to receive benefits.

### **Client Files Did Not Agree to Salesforce and ACCENT**

The TNCSA Memphis Regional Site Director did not ensure case managers included information in the clients' paper files that agreed with client information recorded in the Salesforce and ACCENT systems. When a case manager meets with a client, the case manager obtains the client's work activity documentation and includes it in the client's paper file. Subsequently, the case manager enters case notes about the client's work activities in Salesforce and ACCENT. The contract between Seedco and TNCSA, Exhibit A, Section 2.01.16.5, states

All data entered into Seedco MIS [Management Information System] and DHS eligibility and case management system [ACCENT] must be substantiated by documentation included in the client files. . . .

Based on our review of the client files, Salesforce, and ACCENT, we noted that for 4 of 105 weeks (4%), representing four clients, the TNCSA case managers entered notes in Salesforce and ACCENT that were not substantiated in the clients' paper files.

Specifically we found the following.

- For one client we noted the Salesforce and ACCENT case notes stated the client completed the five-day cure program, which allows noncompliant clients to reinstate their benefits without having to reapply for TANF; however, based on our review of the five-day cure sign-in sheets, we noted the client did not complete the program and therefore was not compliant.

- For one client file we found that the Salesforce and ACCENT case notes stated that the client submitted pay stubs; however, the client's paper file did not contain copies of the pay stubs.

When we discussed the client files with the supervisor, she could not provide an exact reason why the case managers' case notes in Salesforce and ACCENT did not match the supporting documentation in the case files. The supervisor explained that client compliance with work activity hours was required to be entered by noon on Friday in order for the information to be transferred from Salesforce to ACCENT so that the clients who attended the five-day cure program could retain their benefits; therefore, it is possible the case manager could have typed in the case notes before the five-day cure requirements were complete.

Because the client files do not substantiate the client information recorded in the Salesforce and ACCENT case notes, we question the integrity of the information case managers entered into Salesforce and ACCENT.

### **Case Managers Created Documentation After Auditor Inquiry**

During our initial review of TNCSA client files, we noted that the clients' paper files did not contain all documentation of the clients' work activity hours and were specifically missing the documentation related to community service activities. The Employment Solutions supervisor explained that work activity hours for clients assigned to community service activities were documented on Seedco timesheets. The TNCSA case managers were responsible for obtaining the Seedco timesheets from the clients and Seedco was responsible for scanning the timesheets into Salesforce. Once Seedco scanned the timesheets, then TNCSA staff could access the scanned documents in Salesforce.

On April 3, 2013, we requested Seedco timesheets for three clients to verify the community service work activities the clients performed for the period February 25, 2013, through March 22, 2013. The Supervisor could not provide the Seedco timesheets at the time of our request. At a later date, the supervisor provided us with what appeared to be original Seedco timesheets dated April 4, 2013. Based on our discussions with a case manager and the supervisor, we determined that these documents were created for us based on the case notes in Salesforce because Seedco was behind on scanning documentation into Salesforce. We confirmed with Seedco that it was behind in scanning timesheets into its Salesforce system. In July 2013, in order to complete our testwork, we logged into Salesforce to review the scanned documents for the weeks we originally requested to compare them to the documents dated April 4, 2013, that the supervisor provided. We noted that either the documents which were created for us did not agree with the scanned documents in Salesforce or that Salesforce did not contain any scanned client documents for the weeks we requested. It appears the supervisor created the client documents without sufficient evidence to satisfy our request, which further jeopardizes the integrity of the Employment Solutions program.

Based on our discussions with TNCSA management, they believe the deficiencies we noted above resulted from miscommunication of program expectations between DHS and

Seedco, which Seedco passed on to the TNCSA. The TNCSA Site Director stated that the TNCSA staff followed all Seedco guidance and performed their duties based on their interpretation of the contract. Furthermore, based on discussion with Seedco management, Seedco stated that DHS had approved the procedures used by Seedco and TNCSA to operate the program.

## **Summary**

Based on our review of documentation and testwork performed; interviews with DHS staff, Seedco management, and TNCSA management; discussions with TNCSA case workers; interviews with TANF clients, purported client employers, and community service sponsors; and given the breakdown of critical controls which allowed clients to falsify work activity documentations without detection, we question the integrity of the entire Employment Solutions program and whether the program, as operated, achieved the federal and state goals to assist clients in achieving self-sufficiency and independence from government assistance. Because DHS, Seedco, and TNCSA failed to implement proper internal controls or effectively monitor clients to ensure clients actually engaged in the required work activity hours, neither the state nor its contractors have administered the federal TANF program in compliance with federal regulations, allowing ineligible clients to receive benefits.

We also noted that the internal control deficiencies noted in this finding were not addressed in the TNCSA 2012-2013 Fraud Risk Assessment as potential risks for this program.

## **Recommendation**

Subsequent to our audit fieldwork, the TNCSA was not awarded a new contract with Seedco for the Employment Solutions program. As a result, we have no specific recommendations to management for this particular contract. In general, we recommend management carefully consider future contract responsibilities and implement proper controls to ensure all contract terms are performed. TNCSA management should ensure they have a complete understanding of all federal, state, and local grant requirements governing any future contract scope and terms.

## **Management's Comment**

We concur in part. We agree with the Comptroller's finding that clients in the Employment Solutions program acted in a manner in which fraudulent payments resulted. At no time did TNCSA employees commit fraud. The TNCSA Employment Solutions Program was operated through a contract with Seedco, a subcontractor of the Tennessee Department of Human Services (DHS). Because the TNCSA contract was with Seedco, we followed all policies, guidelines and regulations supplied to us by them. TNCSA participated in weekly timesheet audits as well as performance audits by the Seedco Quality Assurance staff. We were also a part of extensive audits conducted by DHS central office staff. None of these audits

revealed any irregularities in the method in which TNCSA was recording time from Employment Solutions Clients. All “controls” designed by TNCSA were approved and regularly reviewed by the program contractor. TNCSA consistently operated within the program regulations established by Seedco, who received ongoing guidance from DHS both locally and at a state level. The program requirements did not include a process that involved TNCSA’s verification of documents submitted by clients other than to ensure that they met a test of “reasonableness.” If a document looked as if it might indicate fraudulent activity, the client was immediately reported to Seedco and DHS for appropriate action. TNCSA had over 300 clients in community service on any given week. TNCSA was required to obtain signed timesheets from clients to verify community service participation. Although there was no requirement to verify the signatures on the submitted timesheets by contacting site supervisors, case managers did contact sites at random to verify client attendance. Case managers also routinely contacted community service sites to verify attendance if something on the timesheet appeared to have been falsified by the client. Appropriate action was always taken if any client falsification was discovered.

TNCSA management does not concur with the statement “As stated above, TNCSA staff were responsible to ensure the TANF clients were engaged in 30 work activity hours per week.” Not all clients are required to participate in 30 hours per week. If a full-time employed client was reporting less than 30 hours, we were advised by Seedco and local DHS to maintain documentation of hours worked over a two-month period before noting the decrease of hours in ACCENT. Due to fluctuating shift work, a client could work 25 hours one week and 35 the next. That client would still be averaging 30 hours per week, and employment hours would not be changed by DHS although documentation would appear to be for hours less than 30 for a given week.

We also do not concur with the statement “Based on testwork performed, we noted for 13 of 105 weeks tested (12%), representing 13 clients, the clients’ files did not contain any work activity documentation, and the case managers did not document the reasons for the clients’ absences from the work activities.” The files in question would need to be reviewed fully in order to respond to this, and TNCSA management was not allowed adequate time, nor did we possess the staff resources necessary to complete a full file review. However, there are situations that would legitimately result in a file not having any work activity documentation. For example, a client may be referred to us by DHS, and a file for that client created. But the client never reports to our office for the appointment, and the case is not closed because the client is under a voluntary exemption. Or a referred client could be full-time, have an open case file, and, because she is employed full-time, not be required to report.

If the clients in question were employed full-time, absences were not required to be reported as there is no way to record attendance for employment in ACCENT. As previously stated, full-time employed clients were not required to report to the work activity sites. In fact, if case managers documented in ACCENT that a full-time employed client failed to report for an ICP or engagement appointment, DHS would document back that no sanction would be given due to client’s being employed full-time.

TNCSA management feels compelled to comment on the entire section of the report entitled “Case Managers Created Documentation After Auditor Inquiry.” It is critical to clarify that the term “timesheet” is a misnomer that often creates confusion. In this program, a

“timesheet” is not a document used by the clients to report time worked or spent in required activities. The “timesheet” is actually a “worksheet” or “data tracking form” which was created by Seedco to help ensure accuracy by the case managers in entering time into the ACCENT database. The “timesheet” does not require client signatures and requires the signature of the activity site supervisor only in the case of the community service activity. Rather, time reported by clients in their assigned activities (other than community service) is actually reported or verified via “back-up documents” such as job skills training sheets, school schedules, job search sheets or training class attendance sign-in sheets which are included in the client files.

To understand how the “timesheets” fit into the monthly data reporting process, it is important to recognize that, each month, up until the time that the final WPR had been calculated and reported to partner sites, blank timesheets were to be generated from a portal in Salesforce and completed by the case managers. On April 3, the date in question for this allegation, blank timesheets for the month of March were still being printed from Salesforce and completed by case managers in order to report client activities for entry into ACCENT. The timesheets in question were printed and filled in by the case managers on April 4 in response to the auditor’s request for the “missing” timesheets that had not yet been scanned into View-wise by Seedco. The timesheets were dated by the case managers to accurately reflect the date they were completed per normal protocol. This was explained to the auditor who was requesting the information at the time of the audit.

With the exception of the community service activity, Seedco timesheets were to be completed by the case manager to record the clients’ actual hours participated (or lack thereof in the case of unexcused absences) in their assigned activities. Again, TNCSA had until the final WPR had been calculated for a given month to make changes to timesheets and the time in ACCENT. Regarding the timesheets in question, March was still an “active” month, and case managers had until April 12 to complete March timesheets. The sheets in question had either been completed but not yet uploaded into View-wise by Seedco or had not yet been completed, because the case manager still had time to submit for the month of March. Again, due to the auditor’s request for the “missing” timesheets, the sheets that were not yet scanned into View-wise were completed by the case manager to match the time in ACCENT and any back-up documentation (which was normal protocol). Some of the cases in question had unexcused time, so no back-up documentation existed. Because March was still an “active” month, it was completely appropriate for case managers to complete the timesheets as requested on the date requested. Had Seedco not been behind on scanning, more of the sheets would have been available in View-wise at the time of auditor’s request.

In summary, TNCSA management believes as if it did everything that was required of the agency as contracted with Seedco. The employment verification forms collected from clients did not require further investigation into their validity, nor were clients required to present any additional documentation to qualify the validity of their documents. To have required additional documentation from this group of clients to the validity of their documentation could have been a violation of their Title VI rights. It is unfortunate that a select group of clients chose to present falsified documents with the intent of committing fraud. But to make it clear, it was the clients of the program, not staff of TNCSA, that committed fraud.

## **Auditor's Rebuttal**

As noted throughout this finding, and as evidenced by the fact that 9 of 60 clients intentionally falsified documentation and successfully obtained federal benefits, none of the three parties involved performed their management responsibilities to prevent and detect fraud.

Furthermore, the TNCSA management did not provide any evidence to support the validity of the claims made in management's comment, either during our fieldwork or upon receipt of the draft findings.

Finally, TNCSA management's comment includes explanations which are not related to the conclusions noted in our finding.

### **Observation 1 – Discussion of client work participation rate and evaluation of program goals**

#### **Background**

The federal government stipulated in the *State of Tennessee Work Verification Plan* that the state should maintain a 55% work participation rate (WPR). The WPR measures the number of Temporary Assistance for Needy Families (TANF) program clients that are actively complying with the work activity requirement. The Department of Human Services (DHS) extended the 55% WPR requirement to Seedco. Seedco also passed the WPR requirement to the Tennessee Community Services Agency (TNCSA) through its contract but required TNCSA to maintain a 65% WPR. Seedco monitored the TNCSA WPR; however, we were unclear as to which entity is responsible to evaluate program goals to assist TANF clients to become self-sufficient and not dependent on government assistance.

#### **Clients' Perspective**

During our review of the Employment Solutions program, we interviewed 42 clients asking if they knew what the goal of the Employment Solutions program was and how they felt about the services the TNCSA provided. Not all clients were aware of the goals of the program. Clients stated that they thought they reported to the TNCSA only to turn in their work activity documentation in order to keep receiving their TANF benefits. The clients also stated that the case managers seemed primarily interested in obtaining their work activity documentation. The clients who were actually employed explained that the TNCSA did not help them find employment. One client who was assigned to perform community service at TNCSA as support staff stated that she spent very little time actually working and just sat around until the TNCSA staff gave her tasks to complete. She also stated that she felt like it was a waste of her time. The client further stated that the community service assignment was not helping her and she would have preferred to have been out looking for a job; however, by committing to the community service activity, the client continued to be eligible for TANF benefits.

Clients also stated that the TNCSA did not focus on the clients' skills but instead focused on collecting documentation. For example, we interviewed two clients who had bachelor's degrees, but the TNCSA case managers did not assign them work activities related to their field of study. One client stated that she felt like the case manager did not read her individual career plan because her work activities did not mirror her interests. The other client stated that she was assigned KeyTrain packets as part of her work activities. KeyTrain is a WorkKeys program designed to help clients with career skills based on their level of readiness for employment. Based on our review of KeyTrain packets the TNCSA used, the packets included copies of worksheets to help clients enhance their reading, math, and workplace skills. We also noted in our review of the KeyTrain packets assigned to this client, the packets appear more appropriate for clients with grade-school-level skills rather than college-level skills. For example, one packet focused on measuring lengths and weights. Another client stated that she told her case manager that she wanted a job in the food industry, but she was assigned community service working in a shelter.

## **TNCSA Case Manager Perspective**

### **Caseloads**

Also during our review of the Employment Solutions program, we interviewed seven case managers. According to Seedco's contract, case managers should maintain average caseloads of fewer than 200 clients. Based on caseload information obtained from TNCSA management, as of April 18, 2013, the case managers' caseloads ranged from 18 to 433 clients. Case managers stated that they spend approximately 20 minutes with each client a week. The TNCSA contract requires case managers to provide case management services which include assessing the client's readiness to become employed, completing an Individual Career Plan, and providing assistance with resume writing, interviewing techniques, and internet job searching. We question whether the average 20-minute client weekly interaction is sufficient for the case managers to achieve the program goals to assist clients to become self-sufficient and establish independence from government benefits. In fact, the TNCSA has one case manager who manages 433 cases. This case manager was primarily responsible for clients who were already employed and only submitted their weekly work activity documentation. This case manager also provided clients with transportation cards to assist with transportation costs. Therefore, this case manager did not perform other program goals such as mentoring the client, eliminating barriers, or assisting the client in job growth.

### **Case Manager Interviews**

Discussions with one case manager revealed that the case managers had to compete with each other to achieve the highest client work participation rate. The case manager also stated that it seemed management's primary focus was to collect the clients' work activity documentation primarily to achieve the highest client work participation rate. The contract between TNCSA and Seedco stipulated that the TNCSA could be assessed a \$10,000 penalty if the work participation rate fell below 60%. In fact, Seedco assessed the TNCSA penalties for the months of December 2012 and January 2013 when its work participation rates were 58.8%

and 57.4%, respectively. The contract did not require the TNCSA to report specifically on outcomes of the program goals.

Our interviews with the TNCSA case managers also revealed that Seedco staff provided training about the work activity program and the case managers received hands-on training to learn how to monitor clients. Case managers also stated that Seedco provided joint training for TNCSA staff and other Seedco subcontractors who performed the same case management work for TANF clients. The deficiencies we noted in Finding 1 may be the result of merely collecting paperwork and not goal-oriented interactions with the clients.

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## **TENNCARE ADVOCACY AND OUTREACH CALL CENTER PROGRAM**

The Tennessee Community Services Agency (TNCSA) has three contracts with the Department of Finance and Administration's Bureau of TennCare to operate a statewide call center to inform callers about TennCare services. The TNCSA operates the TennCare Advocacy and Outreach Call Center program in Jackson, Tennessee, which serves three main functions — to provide Statewide Outreach Services to TennCare Applicants and Enrollees; to operate the Incoming Toll-Free Call Center for TennCare Providers and Enrollees; and to facilitate Monitoring and Advocacy Services for TennCare Enrollees in Department of Children's Services (DCS) custody. These functions are described in further detail below. The call center system is capable of tracking all incoming calls for each function.

**TennCare Advocacy and Outreach Call Center** - This call center is designed to assist enrollees as well as persons or agencies that call on behalf of TennCare applicants and enrollees, who have questions about the letters they receive from the Bureau of TennCare. Those seeking information can call or email the call center to obtain the information or clarification they need. The center also assists the Bureau with the eligibility redetermination process for targeted TennCare groups. TennCare uses the call center staff to contact TennCare enrollees who are no longer eligible based solely on eligibility for social security benefits to determine if they can qualify for TennCare through a different eligibility classification. The TennCare Advocacy and Outreach Call Center contract maximum for the period September 1, 2010, through June 30, 2013, totaled \$2,125,455.

**TennCare Provider Call Center** - The provider call center receives calls from (1) medical providers attempting to verify a TennCare recipient's coverage for the purpose of admission and billing; (2) medical providers trying to determine the status of a claim; (3) TennCare recipients who may have received a bill and are trying to determine their medical coverage; (4) medical providers who have complaints against managed care companies; and (5) medical providers who want to determine their credential status to accept TennCare patients. The call center staff assist the callers by providing them with the information but do not make any TennCare decisions. The TennCare Provider Call Center contract for the period May 15, 2011, through June 30, 2013 totaled \$1,937,916.

**TennCare Department of Children's Services Monitoring and Advocacy** - The monitoring and advocacy program was designed to ensure children in DCS custody receive TennCare-provided services. The program staff monitor the TennCare services through their review of permanency plans and Notice of Actions that the Bureau of TennCare sends. If the children do not receive services or if services are not timely, the program staff may file an appeal to TennCare on behalf of the children. The program staff also operate a hotline call center for anyone involved in the child's case to call to get more information. The TennCare Department of Children's Services Monitoring and Advocacy contract for the period February 15, 2012, through June 30, 2013, totaled \$780,000.

The objectives of our review of the TennCare Advocacy and Outreach Programs were to

- determine if the TNCSA complied with the three programs' contract requirements, and
- determine if the TNCSA accurately reported the call center statistics to the Bureau of TennCare.

To gain an understanding of the programs and the contract requirements, we interviewed the Site Director and the TennCare Advocacy Program Manager of the call center. We also obtained and reviewed contracts between the TNCSA and the Bureau of TennCare for each program in effect for the period July 1, 2010, through June 30, 2013. Based on our review of the contracts, each of the three program contracts required TNCSA call center staff to

- provide services to the limited-English-proficiency population and the hearing impaired; and
- have an ongoing quality control process to measure the Advocacy and Outreach staffs' performance for productivity, quality, call-handling techniques; accuracy in call resolution; and accuracy in data entry.

Also, the TennCare advocacy and TennCare provider call center contracts required TNCSA call center staff to

- have an automated call distribution system and a manual electronic call data collection system that was capable of collecting the number of incoming calls, abandoned calls, calls answered within 60 seconds, and the average number of staff available to answer the calls.

To determine if TNCSA provided services to the limited-English-proficiency population and the hearing impaired, had an ongoing quality control process, and had an automated call distribution system and a manual electronic call data collection system, we performed walkthroughs of the call center and interviewed key personnel.

The Bureau of TennCare, through its contracts for the TennCare Advocacy and Outreach Call Center and the TennCare Provider Call Center, requires TNCSA to have a weekly call

abandonment rate less than or equal to 5% of all calls. The contracts also require TNCSA to provide monthly Call Center Statistics Reports to the Bureau, which include information about the call center such as the number of calls received, answered, or abandoned. To determine if the reports were mathematically accurate and if TNCSA reported that it met the call abandonment rate, we reviewed the TennCare Advocacy and Outreach Call Center Statistics Reports for the months March 2012 through February 2013.

Based on our interviews with key personnel, walkthroughs performed, and review of the monthly Call Center Statistics Reports, we determined that

- the call center was capable of providing services to the limited-English-proficiency population and the hearing impaired;
- the call center had the data systems capable of collecting the number of incoming calls, number of calls abandoned, number of calls answered within 60 seconds and the average number of staff available to answer the calls;
- the call center had an ongoing quality control process to measure Advocacy and Outreach staff performance for productivity, quality, call handling techniques, accuracy in call resolution, and accuracy in data entry;
- TNCSA reported that it met the TennCare Advocacy and Outreach Call Center weekly abandonment rate; and
- the TNCSA TennCare Advocacy and Outreach Call Center Statistics Reports were not always accurate (see observation 2).

**Observation 2 – The TennCare Advocacy and Outreach Program Call Center Statistics reports submitted to the Bureau of TennCare were not mathematically accurate**

In order to comply with its contract requirements, the Tennessee Community Services Agency (TNCSA) uses the call center system’s tracking information to prepare Call Center Statistics Reports for each hotline and submits those reports to the Bureau of TennCare. The reports are designed to provide information to the Bureau of TennCare about the number of calls answered, and the number of calls abandoned on a daily, weekly, and monthly basis. Based on our review of the TennCare Advocacy and Outreach Program Call Center Statistics Reports submitted to the Bureau of TennCare for the months March 2012 through February 2013, we noted that the TNCSA Jackson Site Director did not ensure the reports were accurate.

TNCSA calculates the abandoned call percentage to determine its compliance with section A.2.b of the TennCare Advocacy and Outreach Program contract, which requires a “Weekly Average Abandonment Rate less than or equal to 5%.” Based on our review of the reports and our recalculation of the abandoned call percentage, we noted that the TNCSA Jackson Site Director reported higher call abandonment percentages than our calculations for each of the months we reviewed. Based on our recalculation of the call abandonment percentages, the difference in the reported percentages and the actual percentages ranged from 0.02% to 2.28%.

We also noted that the monthly call totals were not mathematically accurate for each month of the period we reviewed. Specifically, we found that the TNCSA Jackson Site Director did not include the call totals for all days of the month.

We discussed the errors with the TNCSA Jackson Site Director, and he stated that the errors occurred because of a formula error within the spreadsheet used to prepare the reports. The Site Director stated that he was responsible for preparing the reports and that no one reviewed the reports prior to submitting them to the Bureau of TennCare.

## **Conclusion**

Although the percentages and monthly totals were incorrect, the TNCSA still met the required weekly call abandonment rate requirement. Because the TNCSA was unaware of the formula error until we brought it to their attention, management did not effectively mitigate the risks of inaccurate reporting by implementing proper review of report preparation and review prior to report submission. As a result, report users may make decisions based on inaccurate information. As of September 2013 the TNCSA staff provided us with evidence that they had corrected the formula error for the report.

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## **INDEPENDENT SUPPORT COORDINATION**

The Tennessee Community Services Agency (TNCSA) entered into contracts with the Department of Intellectual and Developmental Disabilities (DIDD) to provide independent support coordination (ISC) services to individuals with intellectual disabilities throughout the state. TNCSA is paid based on the number of recipients served. During fiscal year 2013 the TNCSA received \$831,346 from DIDD. ISC services are case management services that assist the service recipient in selecting, obtaining, and using both paid services and family assistance to enhance the service recipient's independence, integration into the community, and productivity.

As a provider of ISC case management services, TNCSA is responsible for the

- development and continued update of the recipient's individual support plan;
- coordination of services as specified in the recipient's individual support plan;
- continued monitoring and oversight of the services provided to the recipient based on the recipient's individual support plan;
- oversight regarding problems encountered with individual support plan implementation; and
- ongoing contact with the recipient including monthly face-to-face visits.

The objectives of our review of the ISC program were to determine whether

- TNCSA's ISC staff adequately monitored providers to ensure that services were performed in accordance with individual support plans;
- TNCSA's ISCs prepared individual support plans in accordance with guidance from DIDD;
- ISC staff were qualified to provide support coordination services;
- TNCSA management performed background checks before hiring ISC staff; and
- TNCSA fiscal staff had procedures in place to prevent overbilling DIDD for support coordination services provided to DIDD's clients.

To gain an understanding of the program and applicable requirements, we interviewed key personnel, reviewed the contracts between TNCSA and DIDD, and reviewed the *Tennessee Department of Intellectual and Developmental Disabilities Provider Manual* (DIDD provider manual). We obtained lists of all individuals receiving ISC services through TNCSA's Chattanooga, Knoxville, and Cookeville offices as of April 1, 2013, and through the Jackson office as of March 27, 2013, and selected a nonstatistical random sample of 40 ISC recipients from a population of 356 recipients. We reviewed the

- individual support plans,
- monthly reviews from the service providers,
- documentation of ISC services, and
- client face-to-face visits the TNCSA staff performed for these recipients

to determine if the individual support plans were prepared by ISC staff according to the DIDD manual. For all 20 of TNCSA's employees performing duties related to the ISC program as of March 1, 2013, we reviewed documentation demonstrating their educational and/or work experience, training history, and their ability to perform support coordination services independently, if applicable, to determine if ISC staff were qualified to provide support coordination services. We also reviewed the 20 employees' personnel files to determine whether the files included documentation demonstrating that TNCSA management performed background checks before allowing the employees to work with DIDD's clients. We interviewed key personnel and reviewed billing documentation to determine if the TNCSA fiscal staff had procedures to prevent overbillings to DIDD.

Based on our procedures performed, we determined that TNCSA

- adequately monitored providers to ensure that client services were performed in accordance with individual support plans;
- ISC staff prepared the individual support plans according to DIDD's guidance;
- ISC staff were qualified to perform the case management services;

- management performed background checks on ISC staff; and
- fiscal staff had procedures in place to prevent overbilling.

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## HOME STUDY PROGRAM

In June 2008, the Department of Children’s Services (DCS) entered into three contracts with the former Mid-West Community Services Agency. When the single Tennessee Community Services Agency (TNCSA) was formed, DCS continued its three contracts with TNCSA to perform home studies of families seeking to become prospective resource parents for children who were in the state’s care. Each contract covered a different region of the state—Northwest, Southwest, and Knox County—and was in effect from June 2008 through June 2013. See table below for contract amounts.

<b>Region</b>	<b>Contract Period</b>	<b>Contract Amount</b>
Northwest	June 20, 2008 to June 19, 2013	\$99,900
Knox County	June 15, 2008 to June 14, 2013	\$154,483
Southwest	June 20, 2008 to June 19, 2013	\$149,051

The Knoxville TNCSA office was responsible for the Knox County region, and the Jackson TNCSA office was responsible for the Northwest and Southwest regions. TNCSA performed three types of home studies under the terms of the contracts:

- Prospective Resource Parent Home Study – a study involving individuals who apply to become foster parents to children.
- Kinship Home Study – a study that involves the family of a specific child or children applying to become the foster family.
- Interstate Compact on the Placement of Children – a study that involves a child being placed in temporary or permanent care across state lines.

TNCSA subcontracted with two individuals to perform the home studies. One subcontractor was responsible for the home studies referred to the Knoxville office and the other was responsible for home studies referred to the Jackson office. TNCSA home study writers collected information during home studies on prospective families in order to make a recommendation to DCS concerning whether the home should be approved or denied as a resource home (foster home). Prospective families were subject to the following

- background checks,
- vehicle information checks,
- reference checks,
- training courses,

- home safety inspections,
- home visits, and
- interviews of each family member.

The objectives of our review of TNCSA's Home Study program were to determine whether home studies were appropriately conducted based on the contract requirements and appropriately reported to the Department of Children's Services. We also determined whether the TNCSA appropriately sought and received written approval to contract with outside parties to perform home studies.

We interviewed key personnel, reviewed the contracts, and reviewed DCS Policy 16.4 related to resource home approval to understand how a home study should be conducted. We selected a nonstatistical random sample of 48 home studies from a list of 84 home studies the TNCSA home study writers performed between July 1, 2010, and June 14, 2013. During our testwork, it was noted that documentation for eight files was archived and was not readily available at the time of our review. Therefore, these items were excluded from our testwork, and a total of 40 home studies were tested to determine whether the studies were appropriately conducted and reported to DCS.

Based on our review of the contracts, we determined that TNCSA subcontracted with the two home study writers without the written permission of DCS (see finding 2). Based on our interviews, we also learned that DCS referred 82 home studies to the Knoxville TNCSA office and 2 home studies to the Jackson TNCSA office during the period July 1, 2010, through June 14, 2013. Based on testwork performed, we determined that the TNCSA home study writers appropriately reported the home studies to DCS; however, the home study writers did not always appropriately conduct the studies based on the contract requirements (see finding 2). When the TNCSA home study contracts expired in June 2013, DCS awarded the contract to another agency.

**Finding 2 – The Tennessee Community Services Agency subcontracted with home study writers without prior written approval from the Department of Children's Services, and failed to ensure the home study writer for the Knox County region performed at least three home visits while conducting home studies, resulting in violations of the contracts with the Department of Children's Services**

The Tennessee Community Services Agency (TNCSA) entered into contracts with the Department of Children's Services (DCS) to perform home studies of prospective resource families (foster families) and report its recommendations to the department. As part of the home study process, the TNCSA home study writers inspected homes, interviewed prospective resource parents, and conducted background checks to assist DCS in determining if the applicants should be approved as foster families. Based on our review, we noted that TNCSA subcontracted with two home study writers without DCS's permission. We also noted that one home study writer did not appropriately conduct home studies.

According to section D.5 of the TNCSA/DCS home study contracts

The Contractor [TNCSA] shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State.

Based on discussions with the DCS Director of Contracts Management and the TNCSA Fiscal Director, we noted TNCSA did not obtain prior written permission from DCS, as required in its contract with DCS, before entering into subcontracts with two home study writers. One subcontractor, who was a former DCS home study writer, was responsible for the home studies in the Knox County region, and the other was responsible for home studies in the Northwest and Southwest regions.

DCS Policy 16.4, Section E, Part 3, related to resource home approval states,

The resource home study writer will conduct at least four (4) planned interviews with the prospective resource parents (three (3) if lone applicant), including one (1) home consultation and individual interviews with each person residing in the home.

DCS Policy 16.4, section E, part 4, states,

Interviews with those adults (i.e., spouses, co-habitants, etc.) residing in the same home may be conducted during one visit. In other words, it is entirely possible that the four (4) required interviews could take place in three (3) visits if each adult inhabitant were interviewed separately in one visit.

Based on our interpretation of the policy, the home study writer should have conducted at least three visits with the prospective resource parents to complete the required interviews.

The TNCSA Knox County Region Home Study contract with DCS states that “. . . the studies are to be conducted by the Contractor [TNCSA] in accordance to TN DCS Policy 16.4.”

We reviewed a nonstatistical random sample of 40 home studies from a population of 84 home studies TNCSA performed during the period July 1, 2010, through June 14, 2013, to determine whether home study writers followed the DCS policy to conduct the home studies. As a normal part of the process, TNCSA staff turn over all collected documentation to DCS after a home study is complete and retain a copy of the home study narrative. To fulfill our audit objectives, we requested home study documentation from local DCS offices, including documentation of the dates the TNCSA home study writer visited the home. We reviewed the home study narratives, Profile of Parenting Study (POPS) tools, and Home Safety Inspection Checklists to determine the dates of the home visits. Based on our review and testwork, we noted that for 35 of 40 home studies reviewed (88%), the Knox County region home study writer failed to conduct at least three home visits as required by DCS policy.

We found that the Knox County region home study writer conducted only two visits for each of the 35 home studies. When we interviewed the home study writer, she stated that she tried to visit each home at least twice. We asked the writer why she performed two rather than three visits as required by DCS's policy, and she stated that she was told she could complete her work in two visits if each adult in the home was interviewed separately during one of the visits; however, she could not remember who told her she could conduct only two home visits, nor could she provide any documentation from DCS supporting her statement.

The home study writer violated DCS policy and the contract between DCS and TNCSA by not completing at least three home visits during the home study process. We did note that the home study writer was able to complete the required number of interviews in the two visits.

### **Recommendation**

Subsequent to our audit fieldwork, TNCSA was unsuccessful in its bid to secure a new contract with the Department of Children's Services, and as result, we have no specific recommendations to management for this particular contract. In general, we recommend that management properly follow all contract terms unless the contractor provides exceptions to those terms in writing.

### **Management's Comment**

We concur. The Tennessee Community Services Agency (TNCSA) did not receive written approval from the Department of Children's Services (DCS) to subcontract with home study writers. However, TNCSA management contends that verbal discussions with DCS did occur concerning each of the home study writers prior to the CSA entering into subcontracts with them. DCS was aware of TNCSA's intent to have these individuals as the said home study writers.

Our interpretation of DCS policy allowing our home study writer in the Knox County Region to perform her interviews and functions in less than the stated number of visits came from DCS staff. This has become the common practice and protocol for the region. TNCSA was following the practice of the region.

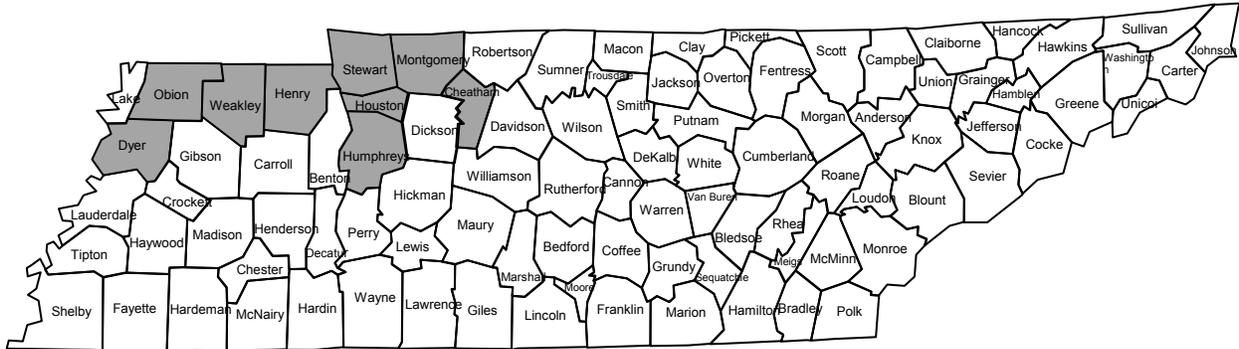
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### **SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM**

The Tennessee Community Services Agency (TNCSA) administers the Senior Community Service Employment Program (SCSEP) through a grant from the Tennessee Department of Labor and Workforce Development. The SCSEP program is a federal program created under the Older Americans Act Amendments of 2000 and funded through the United States Department of Labor. The program is designed to assist unemployed individuals age 55 and over whose family income is less than or equal to 125% of the federal poverty level. The

program subsidizes employment for the target population and assists them in overcoming barriers in order to obtain unsubsidized employment. The grant agreements for the period July 1, 2010, through June 30, 2013, totaled \$1,041,100.

Under the grant contract, TNCSA operates the program in the following counties.



Senior Community Service Employment Program Counties

For fiscal year 2013, the Tennessee Department of Labor and Workforce Development allotted the TNCSA SCSEP program 31 participant positions.

County	Number of Positions
Cheatham	5
Dyer	3
Henry	4
Houston	2
Humphreys	3
Montgomery	4
Stewart	3
Obion	2
Weakley	5
<b>Total Allocated</b>	<b>31</b>

The TNCSA designated a part-time employee as the SCSEP Coordinator, who meets with program applicants to determine eligibility, interests, skills, and abilities. This process includes

- verifying income;
- performing an assessment of skills, talents, aptitudes, and physical capabilities;
- determining need for support services and training; and

- determining community service potential, job preferences, and potential for transition to unsubsidized employment.

The SCSEP Coordinator uses the assessments to prepare the applicants' Individual Employment Plans. A participant can remain on the program for 48 months but must be reassessed every six months so that the Individual Employment Plans can be updated, if necessary. The SCSEP Coordinator places the participants on appropriate job assignments in government agencies or nonprofit organizations and pays the participants' wages. The SCSEP Coordinator is also responsible for ensuring participants' information is entered into the United States Department of Labor's SCSEP Performance and Results Quarterly Report (SPARQ) information system. The United States Department of Labor and the Tennessee Department of Labor and Workforce Development use data in SPARQ to evaluate the SCSEP program.

The objectives of our review of the TNCSA's SCSEP program were to determine

- if funds paid to participants for job training were appropriately supported;
- if TNCSA operated SCSEP in accordance with the federal regulations and contract terms; and
- if the SCSEP participants' information on file with TNCSA agreed with SPARQ.

To gain an understanding of the program, we interviewed key personnel, reviewed the contract between TNCSA and the Tennessee Department of Labor and Workforce Development, and reviewed the SCSEP federal regulations. We selected a nonstatistical random sample of 40 payroll expense items totaling \$10,968, which represented 30 participants from a population of 2,305 payroll expense items totaling \$639,999 for participants who were on the program during the period July 1, 2010, through March 31, 2013. We compared the participants' timesheets to the expenses to determine if TNCSA maintained appropriate support for the payroll expenses paid to participants for job training. We reviewed the Individual Employment Plans, assessment forms, income documentation, and placement information in the participants' files to determine if TNCSA followed federal regulations and Tennessee Department of Labor and Workforce Development contract terms. To determine if the files and SPARQ agreed, we compared the information in the files with the participants' information in SPARQ.

Based on our discussions, reviews, and testwork performed, we determined that

- TNCSA maintained appropriate support for the funds paid to participants for job training;
- the SCSEP program was not operated according to federal regulations and contract terms (see finding 3 and observation 3); and
- SCSEP participant files did not agree with SPARQ (see finding 3).

**Finding 3 – The Senior Community Service Employment Program Coordinator failed to operate the program according to federal and contractual guidelines**

The Tennessee Community Services Agency (TNCSA) operated the Senior Community Service Employment Program (SCSEP) on behalf of the Tennessee Department of Labor and Workforce Development. Although TNCSA management was responsible to ensure that program staff complied with federal regulations and related contracts' terms, we noted that TNCSA management and staff

- did not always perform participant assessments or prepare Individual Employment Plans;
- did not ensure participants' files agreed with information in SPARQ, the federal SCSEP information system used to evaluate the program; and
- did not ensure the SCSEP Coordinator spent four hours at the career centers as required.

**Assessments Not Always Performed and Individual Employment Plans Not Always Prepared**

The SCSEP Coordinator failed to perform participant assessments and prepare Individual Employment Plans. The contract between TNCSA and the Tennessee Department of Labor and Workforce Development, section A.2.c.(ii), states that

...the participant shall be assessed no less than two times during a twelve month period to determine: skills, talents, physical capabilities, aptitudes, need for support services, occupational, training needs, community service potential, job preferences, and potential for transition to unsubsidized employment.

During our review of participant files, we noted that for 6 of 30 participant files tested (20%), the SCSEP Coordinator did not perform assessments at least twice per year as required. These six participants remained on the program from 12 to 45 months without having a reassessment performed.

We also noted that for 2 of 30 participants' files tested (7%), the SCSEP Coordinator did not prepare Individual Employment Plans. The *Federal Register*, August 14, 2008, Volume 73, Number 158, Page 47805, section 641.535 (a)(3)(i), states the information gathered during the initial assessment will be used to develop an Individual Employment Plan.

**SPARQ Not Always Updated**

The SCSEP Coordinator also failed to ensure the participants' files and SPARQ agreed. According to the *Code of Federal Regulations*, Title 20, Section 641.879,

... each SCSEP recipient must submit updated data on participants ... host agencies and employers in an electronic format specified by the Department. ...

According to the *Federal Register*, Volume 75, Number 169, September 1, 2010,

. . . SPARQ is the vehicle by which all grantees must report information on participants, host agencies, and employers, including demographic and performance information.

Specifically, we noted

- for 7 of 30 participants' files tested (23%), the SCSEP Coordinator did not update SPARQ with participants' annual income verification amounts when participants' reassessments were performed;
- for one of 30 participants' files tested (3%), the participant's paper file contained an Individual Employment Plan that was not included in SPARQ; and
- for one of 30 participants' files tested (3%), SPARQ was not updated with the participant's exit date—SPARQ indicated the participant was recertified although the participant's file did not contain a recertification form.

#### **SCSEP Coordinator Did Not Spend Required Hours at Career Centers**

Our discussions with key personnel and review of career center logs disclosed that the SCSEP Coordinator did not meet the requirement to spend four hours per week at career centers. According to section A.2.d of the contract between TNCSA and the Tennessee Department of Labor and Workforce Development, the TNCSA

will spend at least four hours each week in the participation at his/her designated local career center providing services. . . .

Based on our review, we found that the TNCSA did not maintain a log of hours spent at the career center prior to March 2013. Therefore, we could not determine if the TNCSA met the four-hour requirement prior to March 2013. During our review of the log that the agency maintained from March 2013 through June 2013, we noted that the SCSEP Coordinator did not always meet the required weekly hours and did not log any hours for April 2013 or for one week in June 2013. We also noted that for one week in May 2013, the SCSEP Coordinator only spent one and a half hours at a career center.

When we discussed this with the Director of Human Resources, who was also the SCSEP Coordinator's supervisor, she stated that the former SCSEP Coordinator failed to perform her job duties. The former SCSEP Coordinator resigned in January 2013. Apparently, because the Director of Human Resources stated that she was unable to allocate more time to supervise the program because of her duties as the Director of Human Resources, in May 2013, the TNCSA's Executive Director assumed the supervisory responsibilities of SCSEP. The SCSEP Coordinator hired in February 2013 stated that although she began updating the participants' files and SPARQ, the process was time-consuming and she was limited by her part-time hours.

When the SCSEP Coordinator does not perform the required procedures, there is an increased risk that ineligible participants will be accepted and will remain in the program. Additionally, when the participants' files and SPARQ do not agree, there is an increased risk that the U.S. Department of Labor and the state will not have the most recent information to perform program evaluations.

We also found that TNCSA management had not identified the risks noted in this finding in management's annual risk assessment.

### **Recommendation**

The Executive Director should ensure that the SCSEP Coordinator operates the program according to federal and contractual requirements, including performing the required assessments and preparing the required participant plans. The Executive Director should also ensure the information provided to the U.S. Department of Labor through its information system is current and accurate. In addition, the Executive Director should evaluate all risks to the Senior Community Service Employment Program and add mitigating controls to management's annual risk assessment.

### **Management's Comment**

We concur. The Tennessee Community Service Agency's (TNCSA) operation of the Senior Community Service Employment Program (SCSEP) developed several issues in management and implementation that came to light during the 2012–2013 fiscal year. As these issues were discovered by management, changes to the program were made, including but not limited to a change in the program coordinator. Great strides have been made in bringing client files up to date and in compliance with regulations. As of August 22, 2013, all but one certification were current in this program. Additionally, SCSEP had been the only program operated by TNCSA that did not fall into the agency's programmatic supervision model. Leaving SCSEP under the direct supervision of the Executive Director was a short-term solution to a problem. SCSEP has been placed in the agency's programmatic supervision model as part of the plan to ensure the program operates according to federal and contractual guidelines in the future.

### **Observation 3 – Tennessee Community Services Agency staff failed to perform annual income verification**

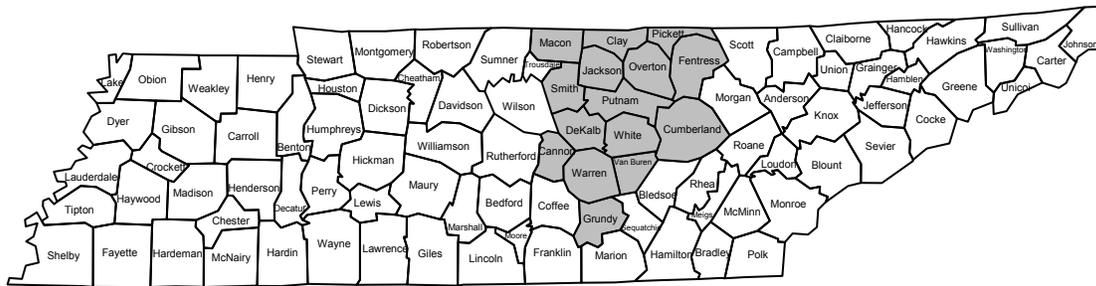
The contract between the Tennessee Community Services Agency (TNCSA) and the Tennessee Department of Labor and Workforce Development, section A.2.c.x., states that the TNCSA will "verify participant income at least every 12 months." The Senior Community Service Employment Program (SCSEP) Coordinator documents the income verification on the annual recertification form. During our review of participants' files, we noted that for one of 30 participants' files reviewed (3%), the SCSEP Coordinator did not perform annual income

verification and allowed the participant to remain in the program at least 18 months without a reverification of income. As noted in the finding, TNCSA management blamed the former SCSEP Coordinator for failing to perform her job duties.

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## FAMILY SERVICES COUNSELING PROGRAM

The Family Services Counseling Program seeks to help individuals receiving services through the Department of Human Services’ (DHS) Temporary Assistance for Needy Families (TANF) program, also known as Families First, overcome employment barriers by providing assessment, counseling, and referral services. The Family Services Counseling (FSC) Program serves eligible Families First recipients in Cannon, Clay, Cumberland, DeKalb, Fentress, Grundy, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren, and White counties. The fiscal year 2013 contract maximum totaled \$105,700.



Family Services Counseling Program Counties Served

Once DHS refers an individual to the Tennessee Community Services Agency (TNCSA), TNCSA staff perform an assessment to determine whether the individual is in need of counseling and intervention services related to mental health issues, learning disabilities, substance abuse, family violence or other relationship problems, and/or behavioral problems with their children. Upon completion of the assessment, the Family Services Counselors can provide counseling and/or refer the individual to other services that will address the individual’s specific needs.

To ensure that the TNCSA staff operated the program effectively, DHS contracts for fiscal years 2012 and 2013 required the TNCSA to attain at least a 65% monthly successful completion (closure) rate. Examples of circumstances that could lead to successful closures include clients obtaining employment or clients receiving approval for Social Security Income (SSI). TNCSA prepares and submits the FSC monthly report to DHS which provides information on case closures including how many cases were successfully closed.

The objectives of our review of the FSC Program were to determine whether

- information submitted to DHS in Family Services Counseling monthly reports was accurate; and

- TNCSA met the contractual requirement to attain the monthly successful completion rate of at least 65%.

To gain an understanding of the FSC Program, we interviewed key personnel and reviewed the agency's website. We tested a nonstatistical random sample of 7 Family Services Counseling monthly reports from a population of 34 reports available for the period August 1, 2010, through May 31, 2013, to determine if the reports submitted to DHS accurately represented TNCSA's Access database information related to clients served. We analyzed the FSC monthly reports for the period July 1, 2011, through June 30, 2013, to determine whether TNCSA met the FSC Program's monthly successful completion rate of 65%.

Based on the procedures performed, we determined that

- data submitted to DHS in FSC monthly reports accurately represented TNCSA's Access database information related to clients served; and
- TNCSA did not always meet the FSC Program's required monthly successful completion rate of at least 65% (see observation 4).

**Observation 4 - The Tennessee Community Services Agency did not meet the Family Services Counseling performance target related to successful completion rates**

Tennessee Community Services Agency (TNCSA) operates the Family Services Counseling (FSC) program through the Cookeville TNCSA office. The Department of Human Services (DHS) contracts for fiscal years 2012 and 2013 required the TNCSA to attain at least a 65% monthly successful completion (closure) rate. Based on our testwork, we determined that TNCSA did not attain at least a 65% successful completion rate for 17 of 24 months reviewed (71%). TNCSA's successful completion rates for the 17 failed months ranged from 0% to 60%. DHS also reported in its program review report dated July 12, 2013, that TNCSA did not meet the performance target. TNCSA submitted a corrective action plan to DHS on July 25, 2013, identifying several strategies for increasing monthly successful completion rates for the FSC Program, including reminding clients of appointments more frequently and updating the program's database to improve data collection and analysis.

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**COMMUNITY SERVICES PROGRAM (ADULT PROBATION SERVICES)**

The Tennessee Community Services Agency (TNCSA) provides adult probation services through a contract with Scott County Government. The program provides case management and supervision to adult misdemeanor offenders. Currently, TNCSA has stationed one employee in Scott County who is responsible for meeting with the probationers, taking and receipting probation payments, maintaining case files, and reporting to the courts about the probationers. This program is funded entirely through the probation fees collected. The fiscal year 2013 contract stipulates that Scott County receives 25% of the probation fees collected, but not more

than \$30,000 per year, and the TNCSA receives the rest. TNCSA collected \$110,284 during fiscal year 2013. The objective of our review of the adult probation services was to determine whether procedures used in the collection of probation fees were adequate.

To gain an understanding of the adult probation services, we interviewed key personnel, reviewed the contracts for fiscal years 2011 through 2013 between Scott County and TNCSA, and completed walk-through procedures with the Scott County probation officer. We selected a nonstatistical haphazard sample of 20 probation fee receipts totaling \$700 from the 33 receipt books from July 1, 2010, through April 1, 2013, and traced those receipts to the probationers' files; we then haphazardly selected an additional 20 recorded payments in the offenders' files totaling \$495 and traced them to the receipt books. Because we cannot know the total population of recorded payments located in all of the offenders' files, we cannot generalize our sample results to the population. We reviewed the monthly bank account statements from the TNCSA's main office and traced the receipts to the deposited checks to determine if the procedures used in the collection of probation fees were adequate.

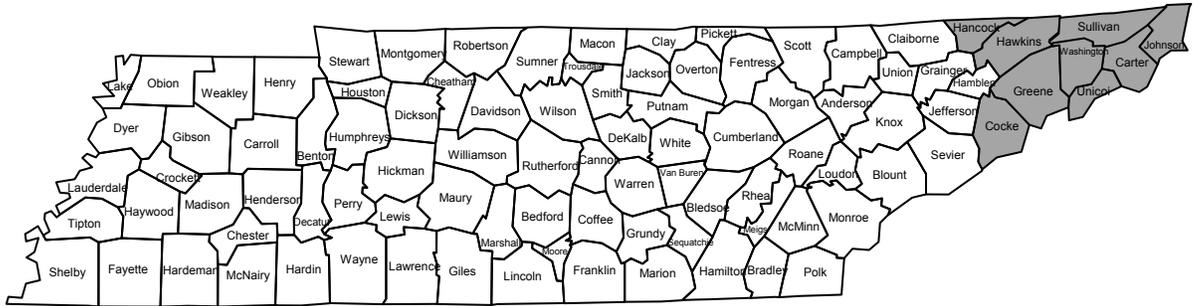
Based on our interview with key personnel, review of contracts, and testwork performed on the probation fee receipts, we determined that the procedures used to collect probation fees were adequate.

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## **AT-HOME SUPPORT SERVICES PROGRAM**

The Tennessee Community Services Agency (TNCSA) operates the At-Home Support Services Program through its Johnson City regional office. TNCSA receives funding from Volunteer State Health Plan, a subsidiary of BlueCross BlueShield of Tennessee; UnitedHealthcare Plan of the River Valley (UnitedHealthcare); and the First Tennessee Development District Area Agency on Aging and Disability (First Tennessee Development District) to provide long-term care services to elderly and disabled Tennesseans. The contracts with Volunteer State Health Plan and UnitedHealthcare are for the provision of services to TennCare members through the TennCare CHOICES in Long-Term Care Program (CHOICES). The contract with First Tennessee Development District is for the provision of services to Tennessee residents through the OPTIONS for Community Living Program (OPTIONS), a state-funded program. For fiscal year 2013, the recorded revenue for the At-Home Support Services program totaled \$639,179.

TNCSA hires personal care aides to provide authorized services—such as personal care, homemaker, and in-home respite services—to covered members and eligible recipients. These services may involve preparing meals, cleaning clients' homes, and assisting clients with grocery shopping. TNCSA is not authorized to provide medical services to clients under any of its long-term care contracts. TNCSA offers long-term care services in Carter, Cocke, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties.



### At-Home Support Services Counties Served

The objectives of our review of the At-Home Support Services Program were to determine

- whether TNCSA staff performed criminal background checks for At-Home Support Services personal care aides in accordance with contracts;
- whether TNCSA documented why it hired individuals with misdemeanor criminal history to work for At-Home Support Services;
- whether TNCSA had established procedures for addressing client complaints and, if so, whether TNCSA staff adhered to those procedures; and
- whether TNCSA maintained client files and documentation of the services performed in the files in accordance with contractual provisions.

To gain an understanding of the program and related requirements, we interviewed key personnel and reviewed the contracts for the At-Home Support Services Program. We tested the personnel files of all 43 At-Home Support Services personal care aides as of March 13, 2013, to determine whether TNCSA staff performed criminal background checks for the aides in accordance with the contracts. We interviewed the Director of Human Resources and the Executive Director to determine why individuals whose criminal records included misdemeanor offenses were hired for the program. We reviewed the 43 personal care aides’ personnel files to determine whether TNCSA documented, in accordance with the First Tennessee Development District contract, the justification or explanation for hiring individuals whose criminal background check revealed negative information.

We discussed the procedures TNCSA used to handle client complaints with appropriate staff and reviewed critical incident reports. We performed testwork on a nonstatistical random sample of 40 clients from a population of 106 active clients as of March 27, 2013, and reviewed the clients’ quality assurance surveys to determine whether TNCSA followed its internal procedure to determine client satisfaction. We also tested this sample to determine if the TNCSA maintained client files and documentation of the services performed in accordance with contractual provisions.

Based on the procedures performed, we determined that

- TNCSA staff performed background checks on personal care aides in accordance with the contracts;
- TNCSA hired individuals with misdemeanors but did not document the justification or explanation for hiring these individuals, as required by TNCSA's contract with First Tennessee Development District (see observation 5);
- TNCSA had established and followed procedures to address client complaints; and
- TNCSA staff maintained client files and documentation of the services performed in the client files in accordance with the contracts.

**Observation 5 – Staff did not document their justification or explanation for hiring individuals when background checks identified negative information, as required by contractual provisions**

The contract between the Tennessee Community Services Agency (TNCSA) and the First Tennessee Development District Area Agency on Aging and Disability (First Tennessee Development District) requires TNCSA to conduct background checks for potential employees whose activities include direct contact with or direct responsibility for persons receiving long-term care services. According to the First Tennessee Development District contract under the General Requirements for the In-Home Services Program, Section 7(d),

Each provider agency must document in its personnel files for each employee or volunteer...(5) Justification/explanation of the decision to employ an individual if the background check identified negative information.

Because TNCSA does not distinguish which employees were paid with First Tennessee Development District funds, for our testwork purposes, we applied this requirement to all background checks. We noted that background checks for nine employees hired by TNCSA disclosed that the employees had been charged with misdemeanor criminal offenses. These employees were hired in positions that would include direct contact with persons receiving long-term care. Based on our review of the employees' personnel files, we noted that, for all nine employees (100%), the Director of Human Resources did not ensure that the employees' files included documentation providing an explanation or justification for hiring the employees in spite of the misdemeanor charges. After we brought this matter to his attention, the Executive Director provided explanations concerning why the employees were hired. He believed the misdemeanor charges did not prevent the employees from performing their job duties. The explanations were added to the employee files after our discussions with the Executive Director. Maintaining records documenting the reasons for hiring individuals with negative background information provides evidence that TNCSA staff evaluated the potential risks associated with hiring the individuals who have direct interaction with the elderly and disabled clients. Failure to ensure that staff document these explanations increases the risk that staff responsible for hiring employees will fail to carefully scrutinize potential employees, thereby exposing clients to potential harm.

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## EMERGENCY HOUSING PARTNERSHIP

The Emergency Housing Partnership is a partnership between the City of Memphis, the Tennessee Community Services Agency (TNCSA), and various other community partners. The partnership was created when the City of Memphis received American Recovery and Investment Act of 2009 funding from the Homelessness Prevention and Rapid Re-Housing Program, which was a program created to combat homelessness.

During our audit period, TNCSA used funding from its contracts with the Community Alliance for the Homeless (CAFTH), the Structured Employment Economic Development Corporation (Seedco), and the City of Memphis Division of Housing and Community Development (City of Memphis) to operate the Housing Crisis Hotline. For fiscal year 2013, the recorded revenue for the Emergency Housing Partnership program totaled \$108,722. The Housing Crisis Hotline staff aid homeless and imminently homeless Shelby County residents by referring them to agencies that offer housing assistance.

TNCSA employs three part-time staff who screen the hotline calls and refer callers to other agencies that can best fulfill the individuals' needs. In addition to receiving referrals, callers may also be screened by TNCSA EarnBenefits counselors to determine if they qualify for any government or other benefits they are not already receiving. TNCSA provides the EarnBenefits service through a contract with Seedco, a state vendor under contract with the Department of Human Services to provide Supplemental Nutrition Assistance Program (SNAP) outreach activities. Seedco provides up to \$30,000 each year to TNCSA for the provision of SNAP outreach services.

The TNCSA EarnBenefits counselors use *EarnBenefits Online*, an online software platform managed by Seedco, to assist the counselors with screening individuals and families for government and other services for which they may qualify.

The objectives of our review of the Emergency Housing Partnership program were to determine

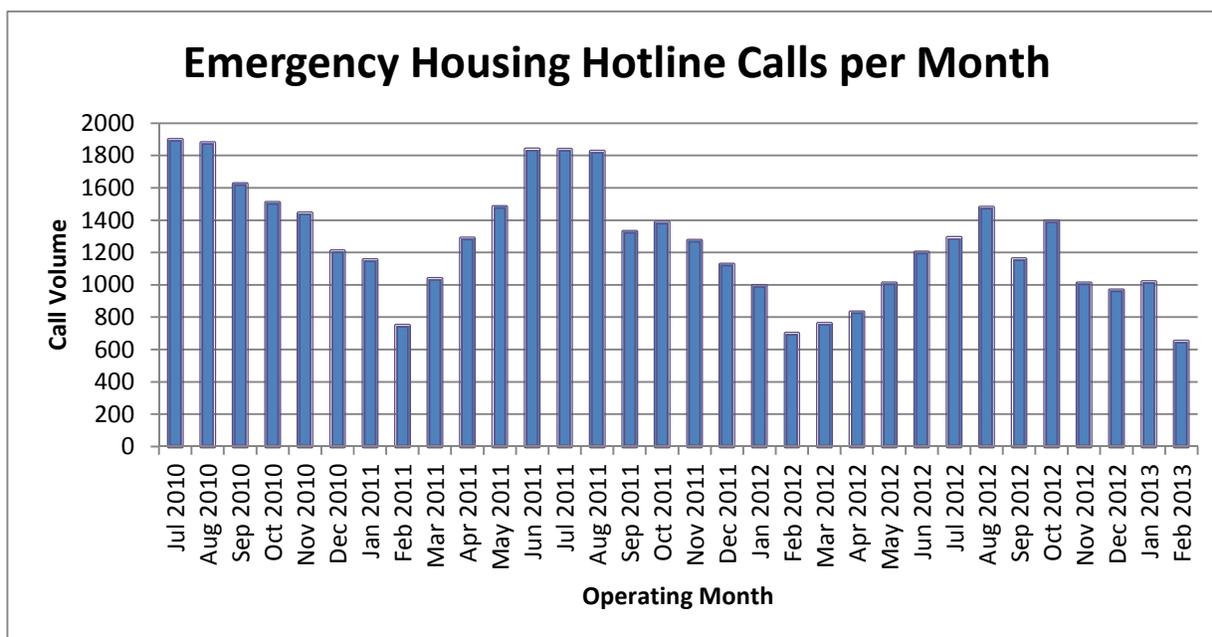
- whether TNCSA operated the Emergency Housing Partnership Housing Crisis Hotline within the hours specified in its contracts;
- the volume of calls the agency answered;
- the average percentage of referrals TNCSA made to other agencies that could potentially provide needed services; and
- whether the agency met the SNAP outreach performance targets.

We interviewed key personnel and reviewed the contracts to gain an understanding of TNCSA's involvement in the partnership and related contractual obligations. We compared the TNCSA Housing Crisis Hotline operating hours to the operating hours specified in the contracts to determine if the agency was operating the hotline in accordance with the contracts. We reviewed the Housing Crisis Hotline call log totals for the period July 2010 through February 2013 to determine the volume of calls answered by the hotline. We analyzed electronically

captured call logs and staff-maintained call logs for July 2012, August 2012, October 2012 (the three months with the highest call volume at the time of our review during fiscal year 2013), and February 2013 (the most recent month available) to determine the average percentage of referrals TNCSA made for those months. To determine whether TNCSA met SNAP performance targets outlined in its contract with Seedco, we analyzed the Monthly Outreach tracking logs and the EarnBenefits Performance Snapshot Reports for the period October 2010 through April 2013.

Based on the procedures performed, we determined that

- TNCSA did not operate the Housing Crisis Hotline in accordance with the contract between the City of Memphis and TNCSA (see finding 4);
- during July 2010 through February 2013, the Housing Crisis Hotline staff answered an average of 1,260 calls per month, or an average of 60 calls per day (see chart below);
- based on our review and analysis of the call logs for July 2012, August 2012, October 2012, and February 2013, we noted that TNCSA referred 42% of callers to other agencies; and
- TNCSA did not meet the SNAP outreach services performance targets outlined in the contract between TNCSA and Seedco (see finding 5).



**Finding 4 - The Tennessee Community Services Agency did not operate the Housing Crisis Hotline within the hours specified in the contract with the City of Memphis’ Division of Housing and Community Development**

Management of the Tennessee Community Services Agency (TNCSA) did not operate the Housing Crisis Hotline as required by its contract with the City of Memphis and did not

resolve differences in the required hours of operation for the hotline between contracts with the Community Alliance for the Homeless and the City of Memphis.

The TNCSA contract with the Community Alliance for the Homeless in effect for the period June 1, 2012, through June 30, 2013, specified that TNCSA was responsible for operating the hotline "...from 8 a.m. to 5 p.m. Monday through Friday (excluding holidays)"; however, the contracts with the City of Memphis, in effect from October 1, 2010, through September 30, 2013, stated, "The Tennessee Community Service[s] Agency (TN CSA) shall operate a hotline for homeless and imminently homeless families and individuals from 7:00am to 7:00pm, Monday through Friday (excluding holidays)." The contract with the Structured Employment Economic Development Corporation (Seedco) did not specify that TNCSA had to operate a hotline although TNCSA used contract funds to staff the hotline.

We discussed the hotline's hours of operation and the different contract requirements with the hotline's supervisor and TNCSA's Fiscal Director. The supervisor stated that TNCSA operated the Housing Crisis Hotline from 7 a.m. until 7 p.m. until approximately July 2011, when it was forced to change the operating hours to 8 a.m. until 5 p.m. when funding from the American Recovery and Reinvestment Act ran out. Based on our interviews, we determined that neither the supervisor nor the Fiscal Director was aware that the City of Memphis contracts required the TNCSA to operate the hotline from 7 a.m. until 7 p.m. The City of Memphis contract provided that city homeless shelter staff would cover the hotline between the hours of 7 p.m. and 7 a.m. When the TNCSA changed its hours of operation, the hotline was not staffed between the hours of 5 p.m. to 7 p.m. and 7 a.m. to 8 a.m., so during three hours, callers would receive a recorded message informing them of regular hotline hours.

We analyzed the after-hours call logs for the months of July 2012, August 2012, October 2012, and February 2013 to determine how many calls the hotline received between 5 p.m. to 7 p.m. and 7 a.m. to 8 a.m. Based on our analysis, the hotline received an average of six calls per day during the times no one was operating the hotline. Based on discussion with the Fiscal Director, the City of Memphis contract for fiscal year 2014 states the hotline hours of operation are 8 a.m. until 5 p.m.

Failure to operate the Housing Crisis Hotline in accordance with contract provisions increases the risk that the homeless and imminently homeless individuals within Shelby County will be unable to obtain timely assistance.

### **Recommendation**

TNCSA management should review all contracts associated with operation of the Housing Crisis Hotline to familiarize themselves with the operating requirements. Management should negotiate contract amendments to ensure all contracting parties are in agreement on hotline hours of operation. Also, management should also consider altering staff schedules in order to operate the hotline in accordance with the contract between TNCSA and the City of Memphis' Division of Housing and Community Development.

## Management’s Comment

We concur. While the intent has always been to operate the Housing Crisis Hotline within the specified hours of all three contracts, we failed to amend the contract with the City of Memphis to reflect the change in operational practice. We have since amended the contracts so all have the same hours of operation. It is important to note that during the hours in question (7 a.m. to 8 a.m. and 5 p.m. to 7 p.m.) callers have the opportunity to leave a message with the answering service. Staff respond within the hour to the morning calls and within two hours to the evening calls (on-call begins at 7 p.m.).

### **Finding 5 – The Tennessee Community Services Agency did not meet contractual performance targets for the EarnBenefits Supplemental Nutrition Assistance Program Outreach Initiative**

Through its annual contract with the Structured Employment Economic Development Corporation (Seedco), Tennessee Community Services Agency (TNCSA) receives up to \$30,000 to perform outreach services related to the Supplemental Nutrition Assistance Program (SNAP). TNCSA staff use the EarnBenefits tool, an online software platform managed by Seedco, to assist in benefit screening and application assistance. The contracts for each fiscal year between TNCSA and Seedco established performance targets for TNCSA to meet in its provision of outreach services. See the chart below for the performance targets for the Seedco contracts that were in effect during the audit period.

<b>EarnBenefits SNAP Outreach Monthly Performance Targets</b>					
<i>Contract Period</i>	<i>Education Through Outreach (Individuals)</i>	<i>Screenings (Households)</i>	<i>Eligible (Households)</i>	<i>Referrals (Households)</i>	<i>Enrolled (Households)</i>
<b>2010-2011</b>	1,000	50	45	25	16
<b>2011-2012</b>	2,500	39	36	27	19
<b>2012-2013</b>	2,500	32	N/A*	27	19

\* The 2012-2013 contract did not include a performance target related to the number of eligible individuals.  
Source: TNCSA/Seedco SNAP Outreach contracts.

Based on our testwork, we found that TNCSA EarnBenefits counselors failed to meet one or more performance targets for 31 of 31 months tested (100%). See the charts below for specific details.

### Actual SNAP Monthly Performance 2010-2011

Performance Measure	October	November	December	January	February	March	April	May	June	July	August	September
<i>Education Through Outreach</i>	3,310	4,485	3,344	3,617	3,331	3,482	4,505	5,559	2,917	3,149	3,448	2,772
<i>% of Goal*</i>	331%	449%	334%	362%	333%	348%	451%	556%	292%	315%	345%	277%
<i>Screenings</i>	22	12	22	11	13	25	33	27	30	29	24	33
<i>% of Goal*</i>	44%	24%	44%	22%	26%	50%	66%	54%	60%	58%	48%	66%
<i>Eligible</i>	22	12	21	11	13	23	31	26	28	27	24	33
<i>% of Goal*</i>	49%	27%	47%	24%	29%	51%	69%	58%	62%	60%	53%	73%
<i>Referrals</i>	21	11	20	10	9	15	24	21	19	24	24	26
<i>% of Goal*</i>	84%	44%	80%	40%	36%	60%	96%	84%	76%	96%	96%	104%
<i>Enrolled</i>	16	15	11	0	24	2	16	26	14	18	7	31
<i>% of Goal*</i>	100%	94%	69%	0%	150%	13%	100%	163%	88%	113%	44%	194%

\* Highlighted cells indicate performance target not met.  
Source: TNCSA EarnBenefits Snapshot Report.

### Actual SNAP Monthly Performance 2011-2012

Performance Measure	October	November	December	January	February	March	April	May	June	July	August	September
<i>Education Through Outreach</i>	291	150	208	254	79	266	470	228	243	93	76	75
<i>% of Goal*</i>	12%	6%	8%	10%	3%	11%	19%	9%	10%	4%	3%	3%
<i>Screenings</i>	13	29	27	42	35	25	16	30	23	6	9	12
<i>% of Goal*</i>	33%	74%	69%	108%	90%	64%	41%	77%	59%	15%	23%	31%
<i>Eligible</i>	12	28	27	42	35	24	14	30	23	6	9	12
<i>% of Goal*</i>	33%	78%	75%	117%	97%	67%	39%	83%	64%	17%	25%	33%
<i>Referrals</i>	10	27	23	41	31	20	13	27	22	5	7	10
<i>% of Goal*</i>	37%	100%	85%	152%	115%	74%	48%	100%	81%	19%	26%	37%
<i>Enrolled</i>	21	3	31	33	25	32	16	16	4	11	4	1
<i>% of Goal*</i>	111%	16%	163%	174%	132%	168%	84%	84%	21%	58%	21%	5%

\* Highlighted cells indicate performance target not met.  
Source: TNCSA EarnBenefits Snapshot Report.

<b>Actual SNAP Monthly Performance 2012-2013</b>							
Performance Measure	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>
<i>Education Through Outreach</i>	181	945	1,711	1,359	1,840	1,962	2,219
<i>% of Goal*</i>	7%	38%	68%	54%	74%	78%	89%
<i>Screenings</i>	6	10	6	15	6	8	43
<i>% of Goal*</i>	19%	31%	19%	47%	19%	25%	134%
<i>Referrals</i>	5	7	5	11	5	7	36
<i>% of Goal*</i>	19%	26%	19%	41%	19%	26%	133%
<i>Enrolled</i>	2	1	4	5	6	6	2
<i>% of Goal*</i>	11%	5%	21%	26%	32%	32%	11%

\* Highlighted cells indicate performance target not met.

\*\* Source: TNCSA EarnBenefits Snapshot Report.

Based on our discussion with the Housing Crisis Hotline’s supervisor, who also supervises the EarnBenefits counselors, the performance targets became harder to meet when TNCSA was no longer allowed to perform outreach at the Hospitality Hub, a hospitality and resource center for the homeless in Memphis. The supervisor stated that she has been in constant contact with Seedco, seeking assistance and recommendations on how to better meet the performance targets. According to the Fiscal Director, Seedco has not withheld contract payments even though the EarnBenefits performance measures have not been met.

TNCSA’s failure to meet the performance targets set forth in the EarnBenefits SNAP Outreach Initiative contracts increases the risk that the TNCSA is not reaching out to many Shelby County residents who could possibly qualify and benefit from government and other aid, specifically SNAP benefits.

### **Recommendation**

Management should continue seeking assistance and recommendations from Seedco in order to reach out to more Shelby County residents. To connect with as many residents as possible, management should pursue other alternatives of outreach.

## Management's Comment

We concur. The Tennessee Community Services Agency provided EarnBenefits screenings for four years. During that time, we have not been asked by our contractor to provide a corrective action plan or been told that our contract was at risk due to our not meeting program targets. However, we will continue to work with our partners in Memphis to find ways to reach out to our clients in a coordinated effort to meet the needs of the citizens while obtaining stated goals for the program.

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## RESULTS OF OTHER AUDIT WORK

### **Observation 6 – The Tennessee Community Services Agency did not always maintain proper information systems security controls**

Based on our testwork, the Tennessee Community Services Agency's staff did not always maintain proper information systems security, resulting in an increased risk of fraudulent activity or loss of data. The wording of this observation does not identify specific vulnerabilities that could allow someone to exploit the agency's computer systems. Disclosing these vulnerabilities could present a potential security risk by providing readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided the agency's management detailed information regarding the specific vulnerabilities we identified.

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## ISSUE FOR LEGISLATIVE CONSIDERATION

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The *Rules of the Tennessee Community Services Agency* (TNCSA) are listed under the *Rules of the Department of Children's Services* under Chapter 0250-7-6. The Community Services Agency Act, as amended by Public Chapter 1011 of 2006, moved state oversight authority from the Department of Children's Services to the Department of Finance and Administration. Section 0520-07-06-.02(2) of the Rules of the TNCSA defines the "commissioner" as the Commissioner of the Department of Finance and Administration and the "department" as the Department of Finance and Administration. Since the Commissioner is authorized to promulgate rules and regulations for TNCSA, he should consider moving the rules and regulations under Finance and Administration so that they reflect current TNCSA oversight authority. Additionally, the General Assembly may wish to consider amending current legislation governing the TNCSA since Section 37-5-302, *Tennessee Code Annotated*, states that the purpose of the community services agencies was

to provide a mechanism to facilitate the provision of services for children and other citizens in need of services in Tennessee through centralized agencies located throughout the state.

As noted throughout this report, the TNCSA is not a primary mechanism to facilitate the provision of services for children or other citizens in need of services.

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## APPENDICES

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### Appendix 1

#### **Title VI and Other Information**

The Human Rights Commission is charged with the responsibility of verifying that any state department or agency that is a recipient of federal financial assistance complies with the requirements of Title VI of the Civil Rights Act of 1964 pursuant to the State of Tennessee Public Acts of 2009, Chapter 437. Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin under any program or activity receiving federal financial assistance. In response to a request from members of the Government Operations Committee, we compiled information concerning the Tennessee Community Services Agency's efforts to comply with Title VI requirements. The results of the information gathered are summarized below.

The Tennessee Community Services Agency's Title VI Coordinator submitted the agency's Title VI Implementation Plan to the Human Rights Commission on September 30, 2011. Statute requires submission by October 1 of each year. The *Tennessee Title VI Compliance Program* report for fiscal year 2012, issued by the Human Rights Commission on September 24, 2012, did not include any findings on the agency. The Tennessee Community Services Agency's 2012 Title VI Implementation Plan was submitted on October 8, 2012, eight days late. The agency did not receive any Title VI complaints for fiscal years 2012 or 2011.

Detailed below are the agency's staff gender and ethnicity demographics.

**Tennessee Community Services Agency  
Staff Gender and Ethnicity by Job Position  
As of June 30, 2012**

Title	Gender		Ethnicity				
	Male	Female	White	Black	Asian	Hispanic	Other
Administrative Specialist/ Transportation Clerk	0	1	0	1	0	0	0
Administrative Specialist/Customer Service Representative	0	2	0	2	0	0	0
Administrative Specialist/EarnBenefits Counselor	2	0	1	1	0	0	0
Administrative Assistant	0	4	4	0	0	0	0
Administrative Assistant/File Clerk	0	1	0	1	0	0	0
Administrative Specialist	3	18	18	3	0	0	0
Administrative Specialist 2	0	1	0	1	0	0	0
Administrative Specialist 4	1	0	1	0	0	0	0
Advocate	0	2	0	2	0	0	0
AmeriCorps Participant/Member/Volunteer	7	14	20	0	0	1	0
Assistant Case Manager	0	1	0	1	0	0	0
Call Center Lead	0	1	0	1	0	0	0
Call Center Operator	3	22	12	12	0	1	0
Case Manager	0	4	3	1	0	0	0
Case Manager Assistant	0	1	1	0	0	0	0
Case Manager III/Individual Support Coordinator	0	1	1	0	0	0	0
Community Services Assistant	0	13	12	1	0	0	0
Coordinator	1	0	0	1	0	0	0
Customer Service Assistant	0	3	3	0	0	0	0
Data Entry Specialist	0	1	0	1	0	0	0
Director	0	1	1	0	0	0	0
Director of Human Resources	0	1	1	0	0	0	0
Executive Director	1	0	1	0	0	0	0
Family Housing Advocate	0	2	1	1	0	0	0
Fiscal Director	0	1	1	0	0	0	0
Fiscal Specialist	0	1	1	0	0	0	0
General Advocate	0	11	4	7	0	0	0
Independent Support Coordinator	2	9	9	2	0	0	0
Limited English Proficiency Advocate	1	3	0	1	0	3	0

Title	Gender		Ethnicity				
	Male	Female	White	Black	Asian	Hispanic	Other
Mental Health Advocate	0	1	0	1	0	0	0
Participant	0	1	1	0	0	0	0
Personal Care Aide	0	62	58	2	0	1	1
Program Coordinator	2	2	2	1	1	0	0
Program Development Coordinator	0	1	1	0	0	0	0
Program Specialist/Family Advocate	0	1	1	0	0	0	0
Program Specialist/Parent Partner	0	1	0	1	0	0	0
Program Specialist	2	8	5	5	0	0	0
Program Specialist 3/Case Manager	0	1	1	0	0	0	0
Program Specialist 4	0	1	1	0	0	0	0
Program Specialist 5/Individual Support Coordinator	0	1	1	0	0	0	0
Program Specialist/5-Day Cure Case Manager	0	1	0	1	0	0	0
Program Specialist/Parent Partner	0	1	0	1	0	0	0
Program Supervisor	0	1	0	1	0	0	0
Receptionist	0	1	0	1	0	0	0
Senior Community Service Employee Program Participant	3	18	14	6	0	0	1
Site Director	2	3	5	0	0	0	0
Transportation Clerk	0	2	0	2	0	0	0
Transportation Clerk/Administrative Specialist	0	1	1	0	0	0	0
Total	37	220	185	63	1	6	2

Source: Director of Human Resources.

**Tennessee Community Services Agency  
Board of Directors Gender and Ethnicity  
As of September 6, 2013**

<b>Director</b>	<b>Region</b>	<b>Ethnicity</b>	<b>Gender</b>
Ann Ayers-Colvin	Grand East	White	Female
Sammy K. Copeland	Northwest	White	Male
Dwayne N. Craighead	Upper Cumberland	White	Male
Ralph J. Creel	Southeast	White	Male
Trudy M. Hughes	East	White	Female
Deborah S. Jenkins	Southwest	White	Female
George R. Lowe	Northeast	White	Male
Annette Pulley	Mid-Cumberland	White	Female
Gwendolyn D. Wright	Shelby County	Black	Female
Vacant	Grand Middle	–	–
Vacant	Grand West	–	–
Vacant	Southcentral	–	–
Buddy Lea	Governor's Designee	White	Male

Source: Tennessee Community Services Agency Fiscal Director.

## Appendix 2

Tennessee Community Services Agency  
Statement of Activities  
For the Year Ended June 30, 2013 (unaudited)

<u>Programs</u>	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Assets
Governmental Activities:				
Administration	\$ 695,822.50	\$ 319,295.25	\$ 493,030.36	\$ 116,503.11
Americorps Program	49,349.84	11,600.00	26,542.00	(11,207.84)
At-Home Support Services Program	707,402.19	639,178.62	-	(68,223.57)
Community Services Programs	55,087.43	70,302.27	-	15,214.84
DCS Monitor and Advocacy Program	292,896.64	-	293,473.44	576.80
Department of Children's Services Home Studies Program	37,984.36	-	37,240.00	(744.36)
DIDD Programs	908,448.55	-	831,345.90	(77,102.65)
Drug Court Programs	101,719.47	99,570.42	-	(2,149.05)
Families First Program	1,143,386.59	1,739,033.70	-	595,647.11
Family Services Counseling Program	93,535.85	-	91,833.78	(1,702.07)
Emergency Housing Partnership	108,755.35	108,721.93	-	(33.42)
Memphis Strong Families Initiative	97,013.04	95,094.63	-	(1,918.41)
Senior Community Services Employment Program	285,187.55	-	285,187.20	(0.35)
TennCare Advocacy Call Center Program	452,855.17	-	450,651.50	(2,203.67)
TennCare Provider Call Center Program	716,551.64	-	713,785.26	(2,766.38)
Transportation Programs	3,041.40	-	-	(3,041.40)
OPEB Expense - unallocated	7,835.78	-	-	(7,835.78)
Depreciation - unallocated	-	-	-	-
Total	\$ 5,756,873.36	\$ 3,082,796.82	\$ 3,223,089.44	\$ 549,012.90
General revenues:				
Payment from the State of Tennessee				\$ -
Unrestricted investment earnings				643.18
Total general revenues				643.18
Change in net assets				549,656.08
Net assets - July 1				1,117,236.19
Net assets - June 30				\$ 1,666,892.27

Source: Tennessee Community Services Agency Fiscal Director.

### Appendix 3

Tennessee Community Services Agency  
Statement of Activities for the Year Ended June 30, 2012

<u>Programs</u>	Program Revenues			Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Administration	\$ 668,260.53	\$ 428,511.48	\$ 349,009.04	\$ 109,259.99
AmeriCorps Program	85,200.51	-	89,162.50	3,961.99
At-Home Support Services Program	745,557.75	706,104.44	-	(39,453.31)
Community Prevention Initiative Program/Prev Network	70,876.24	-	72,366.49	1,490.25
Community Services Programs	54,937.26	70,541.91	-	15,604.65
DCS Monitor and Advocacy Program	127,784.04	-	124,971.83	(2,812.21)
Department of Children's Services Home Study Program	39,327.47	-	40,322.50	995.03
DIDD Programs	832,780.98	-	815,935.57	(16,845.41)
Drug Court Programs	206,775.42	204,278.44	-	(2,496.98)
Families First Program	1,434,201.08	1,651,019.69	-	216,818.61
Family Services Counseling Program	90,258.37	-	89,146.80	(1,111.57)
HPRP Programs	237,992.89	236,452.08	-	(1,540.81)
Senior Community Services Employment Program	274,009.31	-	274,009.78	0.47
TennCare Advocacy Call Center Program	497,906.01	-	442,586.59	(55,319.42)
TennCare Provider Call Center Program	573,357.84	-	570,875.97	(2,481.87)
Transportation Programs	639,323.88	655,942.56	-	16,618.68
OPEB Expense - unallocated	12,004.18	-	-	(12,004.18)
Depreciation - unallocated	-	-	-	-
Total	\$ 6,590,553.75	\$ 3,952,850.60	\$ 2,868,387.07	\$ 230,683.92

General revenues:

Payment from the State of Tennessee	\$ -
Unrestricted investment earnings	128.84
Total general revenues	128.84
Change in net assets	230,812.76
Net assets - July 1	886,423.43
Net assets - June 30	\$ 1,117,236.19

Source: Department of Finance and Administration.