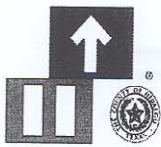


VII. PROGRAMMATIC

H. 3. Corrective Action Plan



Hidalgo County Head Start Program

Policy Council Agenda

DATE: May 19, 2010

SUBJECT: Discussion/Approval of Corrective Action for the Child and Adult Care Food Program

RATIONALE/NEED: The Texas Department of Agriculture conducts a review every three (3) years of the Child and Adult Care Food Program. This year the review was conducted the week of April 12-16, 2010 resulting in some non-compliances for the Head Start Program. A corrective action plan has been prepared and will be submitted to the Texas Department of Agriculture.

RECOMMENDATION: Administration recommends approval.

COST: N/A

RELATED INFORMATION INCLUDES: Review Findings and Corrective Action Plan

INITIATED BY: SanJuanita Rangel, Child Nutrition Director *SJR*

REVIEWED BY: Edmundo Garcia, Assistant Program Director *EG*

EXECUTIVE DIRECTOR'S APPROVAL: *Jesus Lopez*



**Hidalgo County Head Start Program
Child Nutrition Department**

P. O. Box 0117 - ¼ Mile West of 10th St. on State Hwy 107
Edinburg, Texas 78540-0117
Phone: 956-380-4158 Fax: 956-380-4179

Texas Department of Agriculture



Child Nutrition is Our Business

May 11, 2010

Texas Department of Agriculture
ATTN: Sonya Fernandez, Program Review Specialist
Food and Nutrition Division
1503 W. Polk
Pharr, Texas 78577

TX: 1008-0006

RE: Written Corrective Action Plan

The Hidalgo County Head Start Program is hereby submitting the corrective action plan as per your letter dated April 16, 2010.

It was a pleasure to work with you and your team as we stride towards improving services to the children and families of Head Start. The Head Start Program would like to extend its gratitude and sincerest thanks for your guidance and leadership during the process.

Please contact me at (956) 380-4129 if you have any questions or concerns.

Sincerely,

SanJuanita Rangel, RD/LD
Child Nutrition Director

Cc: Teresa Flores, Executive Program Director
Edmundo Garcia, Assistant Program Director

Attachment: A-Corrective Action Plan

CORRECTIVE ACTION PLAN

Attachment A

Review Element	Findings
203.1	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEMS 3211 AND 4122.1</p> <p>NON-COMPLIANCE: Attendance records do not support the contractor's reported attendance count. The reported attendance count was 55561. The reviewer validated an attendance count of 55551. The difference occurred because of math errors when consolidating the counts from individual classrooms combined for each other.</p> <p>CORRECTIVE ACTION: The Child Nutrition Department will work with Head Starts' Management Information Systems (MIS) Department to implement more thorough monitoring procedures to be performed by the Nutrition Bookkeeper and the Nutrition Coordinators that will improve the accuracy in the reporting system before <u>attendance</u> and <u>meal counts</u> are consolidated and reported. This process will minimize possible errors during the consolidation of numbers for each center.</p>
203.1	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEMS 3211 AND 4122.1</p> <p>NON-COMPLIANCE: The number of meals reported on Form H1532, Claim for Reimbursement, does not agree with the reviewer's validated meal counts. The claim for breakfast – 54973, Lunch – 54804, PM Snack – 50409. The reviewer validated Breakfast- 54965, Lunch – 54794, PM Snack – 50400. The difference occurred because of math errors when consolidating the counts from individual classrooms combined for each center.</p> <p>CORRECTIVE ACTION: The Child Nutrition Department will work with Head Starts' Management Information Systems (MIS) Department to implement more thorough monitoring procedures to be performed by the Nutrition Bookkeeper and the Nutrition Coordinators that will improve the accuracy in the reporting system before <u>attendance</u> and <u>meal counts</u> are consolidated and reported. This process will minimize possible errors during the consolidation of numbers for each center.</p>
203.10	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEM 4343</p> <p>NON-COMPLIANCE: The Block claim edit check is not being implemented correctly. The following was noted: The contractor is not identifying data for reimbursement submitted by a facility for which the number submitted for one or more meal types (breakfast, lunch or snack) are identical for 15 consecutive days within a claiming period.</p> <p>CORRECTIVE ACTION: The Child Nutrition Bookkeeper will perform block claim edit checks using our computerized system, prior to submission for reimbursement, to properly identify and correct as necessary, data submitted for reimbursement for one or more meal types that appear to be identical for any consecutive period of 15 days or more within a claiming period.</p>

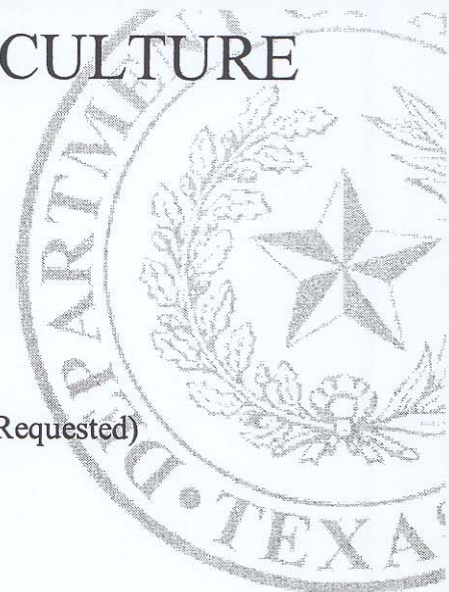
CORRECTIVE ACTION PLAN

Attachment A

401.5	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEMS 2223, 4350 THROUGH 4352.2</p> <p>NON-COMPLIANCE: The contractor recorded CACFP expenses that were not allowable. The following was noted: An amount of \$3,910.67 for facilities and space (utilities, trash service, water and electricity) and amount of \$388.00 for operational travel expenses were recorded on the contractor's Form H4502 Claim for Reimbursement Worksheet but the expenses are not approved cost in the budget.</p> <p>CORRECTIVE ACTION: The Child Nutrition Department will reflect the expenses for utilities in a separate line item rather than including them as supplies and equipment. These expenses will be listed in facilities and Space indicated by CACFP budget requirements.</p>

TEXAS DEPARTMENT OF AGRICULTURE

TODD STAPLES
COMMISSIONER



April 16, 2010

Certified Mail Number: 7009 2820 0001 1993 6542 (Return Receipt Requested)
And Regular Mail

TX: 108-0006

Ms. Teresa Flores
Hidalgo County Head Start Program
P. O. Box 0117
Edinburg, Texas 78540-0117

RE: Child and Adult Care Food Program – Child Care Centers (CACFP-CCC) –
Notification of Review Findings

Dear Ms. Flores:

The Texas Department of Agriculture (TDA) conducted an administrative and site review of your CACFP - CCC contract on April 12 – 16, 2010, in accordance with 7 CFR Part 226 and Title 4, Part 1, Chapter 25. The review included an examination of records for the test month of February 2010 and six site reviews. TDA appreciates the courtesy and assistance extended during the review process.

The TDA reviewers who conducted the reviews included:

Sonya Fernandez, Belia Montelongo, Jose Rodriguez and Angie Cortez

The Administrative and Site Review included an examination and observation of a sample of records from each of the following areas:

ADMINISTRATIVE REVIEW	
Enrollment	Pricing Programs
Eligibility	Training
Attendance and Meal Count	Monitoring
Validation	Procurement
Meal Production Records	Administrative Responsibilities
Program Expenses	Civil Rights



P.O. Box 12847 Austin, Texas 78711 (512) 463-7476 Fax: (888) 223-8861
For the Hearing Impaired: (800) 735-2988
www.TexasAgriculture.gov



Non-Profit Food Service Determination and Program Income	
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SITE REVIEW	
Site Eligibility	Sanitation and Storage
Meal Service	Civil Rights

FSMC VENDOR REVIEW	
Meals (Vended Sites Only)	Administrative (Vended Sites Only)
Sanitation (Vended Prep Sites Only)	

REPORT OF ADMINISTRATIVE REVIEW FINDINGS

Review Element	Findings
203.1	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEMS 3211 AND 4122.1</p> <p>NON-COMPLIANCE: Attendance records do not support the contractor's reported attendance count. The reported attendance count was 55561. The reviewer validated an attendance count of 55551. The difference occurred because of math errors when consolidating the counts from individual classrooms combined for each center.</p> <p>CORRECTIVE ACTION:</p> <ol style="list-style-type: none"> a) Implement a system to ensure that the reported attendance count is accurate. b) Provide a description of the system you developed and date implemented. <p>ADVERSE ACTION: This non-compliance requires an amended claim for the month of February 2010. The attendance count on the amended claim must be 55551; the reviewer's validated attendance count.</p>

<p>203.1</p>	<p>PROGRAM REQUIREMENTS: HANDBOOK ITEMS 3211 AND 4122.1</p> <p>NON-COMPLIANCE: The number of meals reported on Form H1532, Claim for Reimbursement, does not agree with the reviewer's validated meal counts. The claim shows Breakfast – 54973, Lunch – 54804, PM Snack - 50409. The reviewer validated Breakfast – 54965, Lunch – 54794, PM Snack - 50400. The difference occurred because of math errors when consolidating the counts from individual classrooms combined for each center.</p> <p>CORRECTIVE ACTION:</p> <ul style="list-style-type: none">a) Implement a system to capture and report accurate meal counts on Form H1532, Claim for Reimbursement.b) Provide a description of the system you developed and date implemented to capture and report accurate meal counts. <p>ADVERSE ACTION: This non-compliance requires an amended claim for the month of February 2010. The meal counts on the amended claim must be Breakfast – 54965, Lunch – 54794, PM Snack – 50400; the reviewer's validated meal counts.</p>
<p>203.10</p>	<p>PROGRAM REQUIREMENT: HANDBOOK ITEM 4343</p> <p>NON-COMPLIANCE: The block claim edit check is not being implemented correctly. The following was noted: The contractor is not identifying data for reimbursement submitted by a facility for which the number submitted for one or more meal types (breakfast, lunch or snack) are identical for 15 consecutive days within a claiming period.</p> <p>CORRECTIVE ACTION:</p> <ul style="list-style-type: none">a) Implement a system to ensure that the block claim edit checks are conducted correctly.b) Provide a description of the system you developed and date implemented. <p>ADVERSE ACTION: This non-compliance does not affect the reimbursement but may result in adverse action if not corrected.</p>

401.5	<p>PROGRAM REQUIREMENT: HANDBOOK ITEMS 2223, 4350 THROUGH 4352.2</p> <p>NON-COMPLIANCE: The contractor recorded CACFP expenses that were not allowable. The following was noted:</p> <p>An amount of \$3,910.67 for facilities and space (utilities, trash service, water and electricity) and amount of \$388.00 for operational travel expenses were recorded on the contractor's FormH4502 Claim for Reimbursement Worksheet but the expenses are not approved costs in the budget.</p> <p>CORRECTIVE ACTION:</p> <ol style="list-style-type: none"> a) Implement procedures that ensure recorded CACFP expenses are in agreement with the approved budget. b) Provide a description of the procedures developed to ensure you are only claiming approved and allowable expenses and the date the procedures will be implemented. c) Submit a request to amend the budget if necessary. d) Submit a statement explaining what source of income will be used to pay for expenses claimed and not approved. <p>ADVERSE ACTION: This non-compliance does not affect the reimbursement but may result in adverse action if not corrected.</p>
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REPORT OF SITE REVIEW FINDINGS

Review Element	Findings
	<p>No findings in site reviews conducted. Sites reviewed included: Weslaco II Head Start, Mercedes Head Start, La Herencia Head Start, Sullivan Head Start, Donna II Head Start and Monte Alto Head Start.</p>

TECHNICAL ASSISTANCE

Technical assistance was provided during the Administrative and Site Review in areas where non-compliances were noted and in areas where program improvements were recommended.

Attendance and Meal Counts – The contractor was encouraged to develop a system where meal counts are consolidated and reported by center, rather than by center classroom. This would enable the contractor to minimize the consolidation of numbers and only have one set of numbers for each of its centers to report.

Expenses – The contractor was encouraged to include the expenses listed for utilities in a separate line item, rather than including them as supplies and equipment. These expenses should be listed in Facilities and Space.

REQUIRED ACTION:

TDA requires you to implement corrective action in the areas of review findings noted above.

WRITTEN CORRECTIVE ACTION PLAN INSTRUCTIONS:

Provide a written description of the actions you have taken to correct each of the program non-compliances noted in this letter and the dates of implementation. Corrective action plans must be developed to fully and permanently correct all program non-compliances noted during the Administrative Review.

If additional technical assistance is needed to complete your corrective action plan, contact this office at (956) 702-5517. Your request for technical assistance **will not** extend the due date for your corrective action plan. TDA recommends that you submit your corrective action plan early in the 30-day time period so that you will have the opportunity to provide additional information, if necessary.

FOLLOW UP REVIEWS:

TDA may conduct a follow up review to ensure corrective action is implemented.

AMENDED CLAIM INSTRUCTIONS:

An amended claim for February 2010 will not be required at this time. TDA may disregard (not require repayment) up to \$600.00 for disallowed meals or audit finding

within a program year. Because the meals disallowed during this review detailed in each of the findings totaled \$47.09. TDA is disregarding this amount and not requiring amended claims or repayment of the CACFP funds at this time. However, if during this program year additional reviews and/or single audit findings indicate more disallowances or repayment of CACFP funds, and the total of all the amounts (including the disregarded amount) equals or exceeds \$600.00, you will be required to submit an amended claim for \$47.09 and the other monies owed.

DUE DATE INSTRUCTIONS:

The corrective action plan is due no later than 30 days from the date of receipt from this letter. Please submit corrective action plan to:

Sonya Fernandez, Program Review Specialist
Texas Department of Agriculture
Food and Nutrition Division
1503 W. Polk
Pharr, Texas 78577

FAILURE TO SUBMIT A TIMELY AND ACCEPTABLE CORRECTIVE ACTION PLAN WILL RESULT IN ADVERSE ACTION UP TO AND INCLUDING TERMINATION OF YOUR CONTRACT AND DENIAL OF FUTURE APPLICATIONS.

APPEAL RIGHTS

You have the right to appeal TDA adverse actions that affect your claims for reimbursement or participation in the program. Your appeal must be received by TDA within 15 days of receipt of notification of this adverse action. The appeal must:

- be in writing,
- state the basis for the appeal of the adverse action;
- include a legible copy of this letter.

If you wish to have an in-person hearing, you must request a hearing at the time you file your written appeal. If you do not include a written hearing request in your appeal, you waive the right to a hearing and the appeal will be decided upon review of the documents in the record, unless the Administrative Review Official (ARO) determines that the failure to make a timely request was due to circumstances beyond the control of the appellant.

TDA has the discretion to refer a request for a hearing to the State Office of Administrative Hearings (SOAH) for resolution. Should you wish to have your hearing held by the State Office of Administrative Hearings (SOAH), you must make that request at the time of your written appeal. Otherwise, the ARO at TDA will hold your hearing.

Your appeal must be mailed or faxed to:

**FOOD AND NUTRITION APPEALS
TEXAS DEPARTMENT OF AGRICULTURE
LEGAL DIVISION
ATTN: JOHN WILEY, DOCKET CLERK
PO BOX 12847
AUSTIN TEXAS 78711
FAX (800) 909-8520**

You may hand-deliver or submit your appeal via overnight/special delivery service to the following street address:

**TEXAS DEPARTMENT OF AGRICULTURE
LEGAL DIVISION
1700 NORTH CONGRESS, 11TH FLOOR
AUSTIN TEXAS 78701**

The rules regarding the appeal procedures for CACFP are found in Title 4 of the Texas Administrative Code Section 1.1000 - 1.1004.

Sincerely,

Sonya Fernandez
Program Review Specialist
Food and Nutrition Division

Enclosure

cc: Edna Fuentes, Community Operations Manager