

# Hidalgo County Head Start Program

## Policy Council Regular Agenda

**DATE:** May 25, 2016

**SUBJECT:** Discussion/Approval of Audit Findings and Corrective Action Plan 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 March 7-11, 2016 resulting in some areas of non-compliance for the Head Start Program. A corrective action plan has been prepared, submitted and accepted by the Texas Department of Agriculture.

**RECOMMENDATION:** Administration recommends approval.

**COST:** N/A

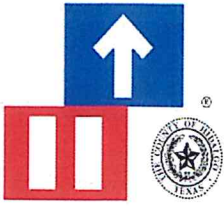
**RELATED INFORMATION INCLUDES:** Memo from Nutrition Services Director, Audit Review Findings and Corrective Action Plan

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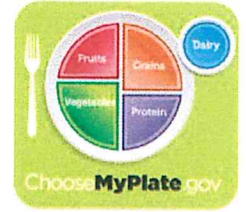
**INITIATED BY:** Gilbert Silva, Child Nutrition Director *J.S.*

**REVIEWED BY:** Edmundo Garcia, Assistant Director for Operations *[Signature]*

**EXECUTIVE DIRECTOR'S APPROVAL:** *[Signature]* for Teresa Flores



# Memorandum



TO: Mrs. Teresa Flores, Executive Program Director

FROM: Mr. Gilbert Silva, Child Nutrition Director

THROUGH: Mr. Edmundo Garcia, Assistant Program Director

DATE: May 17<sup>th</sup>, 2016

RE: **Administrative and Sponsored Center(s) Review Findings of Child and Adult Care Food Program-Child Care Centers (CACFP-CCC)/CE ID #02480**

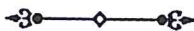
CC Mrs. Nora Munoz, Assistant Program Director  
Education Area Director

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The Texas Department of Agriculture (TDA) conducted an administrative and center Audit of our CACFP contract on March 8<sup>th</sup> -11<sup>th</sup>, 2016. Every three years, TDA Audits our Contract. The test month selected was December 2015. It consists of a thorough review of the various components, by the food program personnel, as it applies to our program here in Head Start. I have attached a letter with the listing of the areas they reviewed during the Audit. In short, it ranges from administrative, Kitchen and Center level auditing and review of all documentation, specifically, as they apply to Food Program regulations/guidelines. During the review, there were three minor findings with no areas that constituted any adverse actions. A listing of the findings has also been attached along with the corrective action plan. Of note, they were very pleased with our National Nutrition month festivities that were ongoing. We received excellent praise on the efforts that we are putting forth to educate the community and get everyone involved including Children, Parents, Teachers, and Program Administrative Staff.

Furthermore, Acceptance of the correction action plan has been approved by TDA on May 9<sup>th</sup>, 2016. No further action is required at this time.

- Attachments: A. Certified letter with listing of the areas of non-compliance.  
B. Corrective action plan submitted to TDA through our TX-UNPS Program website.  
C. Letter of acceptance of Corrective action plan and closure of review (CE ID #2480).



TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

March 31, 2016

**Certified Mail Number: 91 7199 9991 7030 2628 2633  
And First-Class Mail**

Hidalgo County Head Start Program  
Mr. Gilbert Silva  
P.O. Box 0117  
Edinburg, Texas 78540-0117

RE: Child and Adult Care Food Program – Child Care Center (CACFP – CCC) Notification of Review Findings (CE ID #02480)

Dear Mr. Silva:

The Texas Department of Agriculture (TDA) conducted an administrative and center review of Hidalgo County Head Start Program's CACFP – CCC operation on March 7, 2016, in accordance with 7 CFR 226.6, 4 TAC § 1, and TDA's CACFP Child Care Center Handbook. The review included an examination of records for the test month of December 2015 and 6 (Six) center reviews. In addition to reviewing CACFP records for the test month, TDA reviewed the financial records from October 1, 2014, through date of review.

Access to the findings observed during the review are available in TX-UNPS as of the date of the letter; see the enclosed *Instructions for Accessing and Completing the Corrective Action Document on TX-UNPS Website*.

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Submit the organization's Corrective Action Document (CAD) for each finding in TX-UNPS through the following link: <https://txunps1.texasagriculture.gov>. Supporting documents may be uploaded into TX-UNPS specific to the finding.

Hidalgo County Head Start Program must submit the CAD electronically by May 5, 2016. Please notify Anita Torres via email at [Anita.Torres@TexasAgriculture.gov](mailto:Anita.Torres@TexasAgriculture.gov) when all responses have been submitted.

Failure to submit a timely and approvable CAD will result in adverse action up to and including termination of Hidalgo County Head Start Program's Food and Nutrition Division Permanent Agreement and denial of future applications.

An adjusted claim for December 2015 will not be required at this time. TDA may disregard (not require repayment of) up to \$600.00 for disallowed meals or audit findings within a program year. Because the meals disallowed during this review, detailed in each of the findings, totaled \$2.52, TDA is disregarding this amount and not requiring adjusted 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, Hidalgo County Head Start Program will be required to submit an adjusted claim for \$2.52 and any other monies owed.

If technical assistance is needed to complete the CAD, contact your local Education Service Center, Region I at (956) 984-6120 to speak with Carmen Ocanas-Lerma. A request for technical assistance **will not** extend the due date for the organization's CAD.

Please contact Anita Torres (956) 206-0860 with any questions regarding the review process or the CAD.

Sincerely,



Anita Torres  
Program Review Specialist  
Food & Nutrition

AT/AT/at

Enclosures (2)      *Instructions for Accessing and Completing the Corrective Action  
Document on TX-UNPS  
Center Monitoring Worksheet*

cc: Educational Service Center, Region I

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TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER

May 16, 2016

**Email: [gilbert.silva@hchsp.org](mailto:gilbert.silva@hchsp.org)**

Hidalgo County Head Start Program  
Mr. Gilberto Silva  
P.O. Box 0117  
Edinburg, Texas 78540-0117

RE: Child and Adult Care Food Program - Child Care Center (CACFP - CCC)  
Acceptance of Corrective Action Document and Closure of Review (CE ID 02480)

Dear Mr. Silva:

The Texas Department of Agriculture (TDA) received Hidalgo County Head Start Program's Corrective Action Document (CAD) on April 22, 2016. After review of the CAD, it is determined that the plan, if implemented as written and approved by TDA, will correct the non-compliances cited in the review findings letter.

Your CAD was approved on May 9, 2016, which closes the review. Failure to implement the CAD in its entirety may result in adverse action up to and including termination of Hidalgo County Head Start Program's contract and denial of future applications.

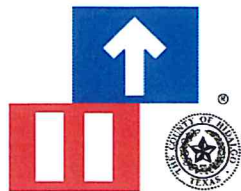
TDA appreciates the courtesy and assistance extended during the review process. If there are any questions regarding this letter or the review, please feel free to contact Anita Torres at (956) 206-0860.

Sincerely,

Sharon Welborn  
Director for Compliance  
Food & Nutrition

SW/AT/jc

cc: Educational Service Center, Region I



## *Hidalgo County Head Start Program*

P.O. Box 0117  
Edinburg, Texas 78540-0117  
Phone: 956/383-0706  
Fax: 956/380-2588

April 22, 2016

**Attachment B:**

**Contracting Entity: HIDALGO COUNTY HEAD START PROGRAM**

### **Corrective Action Plan**

**Finding Description: Finding ID: V-0300**

**Finding: 307**

The p.m. snack count reported on TX-UNPS (Claims) for the month of December 2015 does not agree with the p.m. snack counts recorded on the Daily Meal Count and Attendance Record - Alternate Form H1535. The following was noted:

Site #1031, Progreso Head Start Center

Reported: 563

TDA validated: 560

The difference was due to a data entry error made upon reconciling onto their data base. The CE should have entered 16 PM Snacks but inadvertently entered 19 PM Snacks.

Note: This non-compliance normally requires an adjusted claim for the month of December 2015. An adjusted claim for the month of December 2015 will not be required at this time because the result of the findings totaled \$2.52. TDA is disregarding this amount and not requiring repayment at this time.

### **Corrective Action Plan:**

- a) After an employee inadvertently entered 19 PM Snacks instead of 16 PM Snacks for Site #1031, Progreso Head Start Center, A human error self-oversite during the evaluation processes failed to identify the over claim difference of the three P.M. snacks totaling an over claim of \$2.54.
- b) After meals are entered, employee will first self-validate that the information entered is correct. Then, employee will have another employee double check their work. By doing so, any mistakes not identified by the first employee can be corrected before final validation is made.
- c) All Child Nutrition Department Staff will be held responsible for validation of meals claimed. Department Director, Coordinators, Bookkeeper, and Secretary will complete task on a monthly basis effective April 1<sup>st</sup>, 2016.

**Finding Description: Finding ID: V-0700**

**Finding: 708:**

A capital expenditure was charged in its entirety as a direct cost to the non-profit food service account without obtaining specific prior written approval. The following was noted:

CE purchased a 2015 Chevrolet Express 2500 for a cost of \$21,690 in February 2015. While this cost was included under Supplies and Equipment on the Budget Detail Worksheet - Centers for Program Year (PY) 2015, a written request for specific prior written approval was not submitted to TDA prior to incurring the cost and prior to inclusion of the cost in the budget.

Note: TDA will not deem this cost unallowable, at this time, since CE explained they did request guidance from TDA prior to making the purchase and guidance provided was to include the cost in the budget under Supplies and Equipment. Instruction to request specific prior written approval was not provided.

**Corrective Action Plan:**

- a) After getting guidance through region one on how to upload all forecasted capital expenditures for approval, a misunderstanding took place in the process of where to upload the information to. Prior to uploading the documentation via our Texas-UNPS website, a program wide approval had already been obtained through our internal governing body of Ms. Teresa Flores, Hidalgo County Head Start Program Director, Policy Council, and our Hidalgo County Commissioner's Court. Then, I proceeded to seek approval through TDA via our Texas-UNPS website by uploading all forms pertaining to the 2015 Chevrolet Express vehicle purchase as part of our application process under the supplies and equipment section. Upon the application approval, I was under the impression everything was in order to incur the direct cost for the vehicle. Little did I know that I actually needed to send a separate e-mail to TDA informing them of all the upcoming program year Capital expenditures?
- b) From now on, TDA will be informed via e-mail of all capital expenditures prior to the completion of the application process, and I will await the response of their prior written approval. Furthermore, I will also upload the information via our Texas-UNPS website for further validation. Lastly, no capital expenditures will be made until TDA approves of them in writing.
- c) The Child Nutrition Director and the Program Chief financial Officer will work hand in hand to ensure that we get prior written approval of all capital expenditures.

**Finding Description: Finding ID: V-0900**

**Finding 912:**

The CE did not ensure sites' claims are consistent with what was observed during a monitoring review. In reviewing CE's completed Forms H1606, Monitor Review, for the sampled sites, TDA identified a difference in the number of meals claimed from what the CE verified during the monitoring reviews. (number of children claimed vs. number of children present).

Reference Center Monitoring Worksheet for the "number of children present vs. number of children claimed" and the variances identified for each site.

**Corrective Action Plan:**

- a) A variance in monitoring the number of children present at the center vs. the number of children claimed resulted due to children not being identified to monitoring staff after arriving late to the center. Center staff may at times include children arriving late to the center on to the 1535 meal claim form after monitoring staff has already identified the actual class totals. Furthermore, the number of children present does not always represent the number of meals claimed due to parents at times arriving late and stating that their children have already eaten at home.
- b) To correct this discrepancy, monitoring staff will, first of all, identify all children present, who have received a meal, after meal time has ended. Second of all, if discrepancies still exist, written notes will be included to explain variances in the number of children present at the center vs. the number of children claimed.
- c) The Child Nutrition Department Director and the Child Nutrition Department Coordinators will be held responsible for ensuring that the monitoring of the centers will be done correctly. Effective 5-1-2016 implementation of corrective action plan will take place. This new system of monitoring will be ongoing.