



OFFICE OF THE  
UTAH STATE AUDITOR



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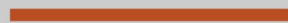
# Department of Workforce Services

## Final Management Letter

For the year ended June 30, 2024



Report No. 24-33



### Office of the Utah State Auditor

Audit Leadership:

Tina Cannon, State Auditor

Jason Allen, CPA, CFE, Audit Director

Caleb Tindall, CPA, Audit Supervisor

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**OFFICE OF THE  
UTAH STATE AUDITOR**

# Management Letter No. 24-33

February 27, 2025

Casey Cameron, Executive Director  
Department of Workforce Services  
140 East 300 South  
Salt Lake City, UT 84111-0000

Dear Director Cameron:

This management letter is issued as a result of our audit of the State of Utah's basic financial statements as of and for the year ended June 30, 2024. It is also issued as a result of the Department of Workforce Services' (DWS) portion of the statewide federal compliance audit (Single Audit) for the year ended June 30, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with DWS management concerns identified during the course of our audit.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

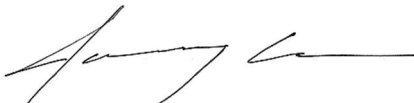
Based on the audit procedures performed, we identified a deficiency in internal control which, while not considered material, we consider to be significant enough to merit the further attention of management and those charged with governance (Finding 1). We also identified Finding 1 as an instance of noncompliance which we are required to report under *Uniform Guidance*.

DWS's written response to and Corrective Action Plan for this finding will be included in the final reports identified in the second paragraph above.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of DWS's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

We appreciate the courtesy and assistance DWS personnel extended to us during the course of our audit, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,



Jason Allen, CPA, CFE  
Audit Director  
801-808-0716  
jasonallen@utah.gov

cc: James Whelchel, Director Internal Audit  
Nathan Harrison, Executive Finance Director  
Mario Kljajo, Refugee Services Division Director

## Findings & Recommendations

### Finding 1. Unallowable Refugee and Entrant Assistance Benefit Payments

(Finding Type: Significant Deficiency, Reportable Noncompliance)

Federal Agency: Department of Workforce Services

Assistance Listing Number and Title: 93.566 Refugee and Entrant Assistance

Federal Award Number:

Questioned Costs: \$3,583

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Number: N/A

In our review of 40 cash medical assistance (CMA) benefit payments for the Refugee and Entrant Assistance Program, we noted the following errors:

	Over / (Under) Payment Amount including Directly Associated Payments	Count of Errors
Case Information Not Properly Verified Before Benefit Issuance	\$488	2
Potential Overpayment Identified but Overpayment Process Not Initiated	2,215	1
Improper Inclusion of Exempt Income in Benefit Issuance Calculation	(34)	1
CMA Funding Used for TANF Case Benefit Issuance, Unable to Verify Issuance Was Reversed and Reissued from Correct Funding Source	914	1
Total Errors	\$3,583	5

These errors occurred due to a lack of effective internal control over the case management and its iterative eligibility determinations, and Eligibility Workers incorrectly evaluating and entering updated case information into the eREP System. 2 CFR 200.303 requires that “the non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” If new information is discovered for a case but not properly evaluated, it could lead to further overpayments and underpayments and the misuse of federal funds.

#### Recommendation:

We recommend that DWS strengthen their internal control environment and continue to provide training and support to their Eligibility Workers to ensure that case information is properly evaluated and correctly entered into the eREP System.

**DWS's Response:**

DWS agrees with the finding.

**Corrective Action Plan:**

All cases cited in error have been reviewed, and all corrective actions have been completed.

One-on-one meetings with individual staff who took approval actions on these cases will be scheduled to discuss what led to the incorrect decision and review the policy and procedure for learning.

In addition, all eligibility workers who manage refugee programs will receive training on common error elements. All one-on-one meetings and team training will be completed by April 30, 2025.

**Anticipated correction date:** April 30, 2025

**Responsible person:** Muris Prses, Division Director, Eligibility Services Division, 801-889-9712