

Leslie Wilks Garcia, M.Jur., CPA, CFE
First Assistant County Auditor
Accounting Division

Errika Perkins, CPA, CIA, CFE
Chief Assistant County Auditor
Audit Division



1001 Preston, Suite 800
Houston, Texas 77002-1817
(832) 927-4600

Fax (713) 755-8932
Help Line (832) 927-4558

MICHAEL POST, CPA, CIA
HARRIS COUNTY AUDITOR

March 20, 2024

Dear Barbie Robinson:

The Harris County Auditor's Office – Internal Audit Division has completed an audit of the Public Health Services' (PHS) Women, Infants and Children (WIC) program. The results of our audit are included in the attached report.

We appreciate the time and attention provided by your team. Please expect an email request to complete our Post Engagement Survey. We look forward to your feedback. If you have any questions, please contact me or Errika Perkins, Chief Assistant County Auditor, 713-274-5673.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post".

Michael Post
County Auditor

Report Copies:

District Judges
County Judge Lina Hidalgo
Commissioners:
Lesley Briones
Rodney Ellis
Adrian Garcia
Tom Ramsey

Christian Menefee
Diana Ramirez
Lucinda Silva
Danita Collins
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Richard Williams
Radie Said
Laura Lugo



INTERNAL AUDIT REPORT
WOMEN, INFANTS AND CHILDREN PROGRAM AUDIT
MARCH 20, 2024

Executive Summary

OVERALL CONCLUSION

Internal controls related to the WIC program within PHS are generally effective. However, an opportunity was identified to strengthen controls related to access within the WIC Mosaic/TXIN system. An additional opportunity was identified to establish a process to obtain state approvals for non-professional contract services exceeding \$5,000 to comply with the Texas WIC Health and Human Services Commission Policy and Procedures Manual (WIC Manual). The issues were discussed with PHS, and management action plans were developed to address the issues by June 30, 2024.

SCOPE AND OBJECTIVE

The scope of the audit covered the period of August 1, 2022, to July 31, 2023. The objective was to evaluate the WIC program's compliance with the following federal grant requirements:

- Activities Allowed and Allowable Costs.
- Eligibility.
- Period of Performance.

SUMMARY OF AUDIT ISSUES

- Five WIC Mosaic/TXIN system security roles for the participant eligibility certification process had segregation of duties concerns and one security role had excessive access.
- Four non-professional contract services exceeding \$5,000 did not have the required state approvals on file.

The audit issues, management's action plans to address the issues, and background information regarding this audit are discussed in more detail on the following pages. Each audit issue is ranked based on the likelihood and impact of the risk to the department.

AUDIT ISSUE[S]

ISSUE #1: Segregation of Duties and Excessive Access within the WIC Mosaic/TXIN System [HIGH]

What is the Issue: Review of the WIC Mosaic/TXIN system security roles for the participant eligibility certification process identified the following five roles with segregation of duties concerns and one role with excessive access:

- The Clinic Supervisor, Certifying Authority-Nutritionist-RC-LC, Clerical Supervisor, Clinic Staff, and Peer Counselor roles have the ability to create, edit, and certify approval of applicants.
- The Local Agency Director role has excessive access to edit participant data.

Note that the review was based on the Mosaic/TXIN security roles report obtained from the state as of September 2020. We were not able to obtain a more recent report; however, to our knowledge, the roles have not changed since the date of the report.

Why it Happened: The USDA waiver in response to COVID-19 that allowed Texas WIC programs to have one employee to determine eligibility for all certification criteria and issuance of food instruments expired on August 9, 2023. Subsequently, the WIC team elected to forgo segregation of duties and excessive access configuration in the WIC Mosaic/TXIN system due to limited personnel and a high volume of cases in the eligibility process.

Why it Matters: The ability to create, edit, and certify approval of applicants creates a lack of oversight and increases the risk of fraud. Furthermore, the Local Agency Director role's ability to edit participant data poses a management override risk. Without mitigating controls, both access issues could have an adverse impact on the program's objectives, including a loss of grant funds for the WIC program.

What is Expected: According to the Harris County Auditor's Office Internal Controls Manual, management should organize their departments to promote proper segregation of duties. In addition, the County's Universal Services Information Security Access Control Policy Section C.1.1, states that individuals must only be granted access to the systems, applications, and data required to perform their respective job functions.

In addition, 7 CFR 246.4(a)(27)(iii) says the State must have policies and procedures in place to prohibit local agencies from allowing one employee to determine eligibility for all certification criteria and issuance of food instruments.

What Action(s) are Suggested: The WIC team should segregate the duties of creating, editing, and certifying approval of applicants to comply with 7 CFR 246.4(a)(27)(iii). If such segregation is not practical due to limited personnel, the team must consider a mitigating control such as monitoring an exception-based report (i.e., identify cases where the same person entered and approved the data). The Local Agency Director role's access to edit participant data should be removed.

MANAGEMENT'S ACTION PLAN

Responsible Party: Barbie Robinson

Objective: To implement a comprehensive management action plan to address the segregation of duties and excessive access within the WIC Mosaic/TXIN system.



Cause: Texas WIC reported that many staff are teleworking; therefore, certifications and recertifications are being conducted over the phone by a single staff member. The services required to coordinate the separation of duties at this time would impart a significant administrative burden and result in a delay in or inability to provide WIC services. A waiver of the separation of duties requirement removes a requirement that, under current circumstances, could prevent or impede the provision of essential WIC program services to participants.

On March 30, 2020, pursuant to the authority granted in section 2204(a)(1) of the Families First Coronavirus Response Act (P.L. 116-127), USDA's Food and Nutrition Service (FNS) approved the Texas WIC request to waive the requirement that prohibits a single employee from determining eligibility for all certification criteria and issuing food instruments, cash-value vouchers or supplemental food for the same participant through August 8, 2023.

Condition: Lack of proper segregation of duties and excessive access increases the risk of fraud and management override, posing potential adverse impacts on the program's objectives.

The below management action plan provides a clear and comprehensive approach to addressing the segregation of duties and excessive access within the WIC Mosaic/TXIN system when Texas WIC issues waivers of separation of duties. By implementing measures to segregate duties, establishing mitigating controls, and removing excessive access, PHS can mitigate the risks associated with fraud and management override, thereby improving the overall efficiency and effectiveness of the system.

Management Action Plan:

1. Segregation of Duties:

1.1. Review and analyze existing roles and responsibilities within the WIC Mosaic/TXIN system to identify opportunities for segregation of duties.

1.2. Steps:

- 1.2.1. Conduct a thorough assessment of current roles and permissions within the system.
- 1.2.2. Identify areas where segregation of duties is lacking or where excessive access exists.
- 1.2.3. Develop a plan to redistribute responsibilities to ensure proper segregation of duties.
- 1.2.4. Implement changes to role assignments and permissions based on the segregation of duties plan.
- 1.2.5. Develop and implement procedures for monitoring compliance with the segregated duties to prevent unauthorized actions.
- 1.2.6. Conduct regular annual audits to ensure adherence to the newly defined roles and responsibilities using an exception-based report system to identify cases where the same person entered and approved data, signaling potential risks.

2. Excessive Access Removal:

2.1. Conduct a comprehensive review of access levels for all WIC Mosaic/TXIN system user roles.

2.2. Steps:

- 2.2.1. Identify roles with excessive access, such as editing participant data within the system.
- 2.2.2. Coordinate with system administrators to adjust access levels for roles identified as having excessive access.
- 2.2.3. Ensure that access rights align with the least privilege principle, granting individuals only the access required to perform their respective job functions.
- 2.2.4. Monitor access levels and adjust as needed to maintain appropriate permissions on a quarterly basis.



3. Mitigating Controls:

3.1. In emergencies where the state provides conditional approval of the segregation of duties, mitigating controls such as monitoring exception-based reports will be implemented.

3.2. Steps:

- 3.2.1. Monitor the exception-based report monthly to identify cases where the same person entered and approved data, signaling potential risks. Investigate exceptions to ensure timely resolution of any anomalies.
- 3.2.2. Document and report findings from exception monitoring to management for review and action.

Due Date: June 30, 2024



ISSUE #2: Missing State Approvals for Non-Professional Contract Services **[MODERATE]**

What is the Issue: Four non-professional contract services exceeding \$5,000 did not have the state approvals on file as required by the Texas WIC Health and Human Services Commission Policy and Procedures Manual (WIC Manual).

Why it Happened: PHS was not aware of the state approval requirement in the WIC Manual.

Why it Matters: Lack of adherence to the WIC Manual can potentially result in the loss of grant funds for the WIC program.

What is Expected: According to WIC Manual No. AC:15.0, non-professional contract services greater than \$5,000 require state agency approval.

What Action(s) are Suggested: PHS should establish a process to obtain state approvals for non-professional contract services exceeding \$5,000 before submitting payment requests to the County.

MANAGEMENT'S ACTION PLAN

Responsible Party: Barbie Robinson

Objective: To implement a comprehensive management action plan to address the issue of missing state approvals for non-professional contract services exceeding \$5,000.

Cause: Lack of awareness of the state approval requirement outlined in the WIC Manual led to non-compliance with the policy.

Condition: Missing state approvals for non-professional contract services can potentially result in the loss of grant funds for the WIC program.

The below management action plan provides a clear and comprehensive approach to addressing the issue of missing state approvals for non-professional contract services. By establishing a process to obtain state approvals, PHS can ensure compliance with the Texas WIC Health and Human Services Commission Policy and Procedures Manual (WIC Manual), thus mitigating the risk of losing grant funds.

Management Action Plan:

1. Process Establishment for Non-Professional Contract Services

1.1 Develop a standardized process for obtaining state approvals for non-professional contract services exceeding \$5,000.

1.2 Steps:

- 1.2.1 Conduct a thorough review of the Texas WIC Health and Human Services Commission Policy and Procedures Manual (WIC Manual) to identify the specific requirements for state approvals of non-professional contract services exceeding \$5,000.
- 1.2.2 Communicate the state approval requirement to all relevant personnel involved in procurement and contract management within PHS.
- 1.2.3 Clearly define the steps involved in the approval process, including submission requirements, timelines, and responsible parties.



- 1.2.4 Assign a designated individual responsible for coordinating the state approval process and ensuring compliance with the WIC Manual.
- 1.2.5 Track and monitor the status of state approvals for all active contract services as part of the PHS approval process.
- 1.2.6 Initiate County procurement process for non-professional contract services once state approval is obtained.
- 1.2.7 Attach state approval documentation to payment requests.
- 1.2.8 Create a centralized repository for storing and managing documentation related to state approvals for contract services.
- 1.2.9 Maintain organized records of all state approvals obtained for non-professional contract services for auditing and reporting purposes.

Note: Harris County WIC has received retroactive and ongoing approval from the State Agency for the four out-of-compliance contracts. Janitorial services - Cleaning Source \$99,640.08; Phonoscope - \$8,601.60; OnSolve - One Call Now - \$25,003.64; and a future contract M&R Janitorial - \$86,100.

Due Date: June 30, 2024



