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REPORT  
NUMBER: 27026-0001-41

TO: Stanley McMichael  
Associate Chief Financial Officer  
for Financial Operations  
Office of the Chief Financial Officer

FROM: Gil H. Harden   
Assistant Inspector General for Audit

SUBJECT: FAV – FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

The Office of Inspector General (OIG) completed a final action verification (FAV) of all five recommendations in our September 29, 2016, report on the Food and Nutrition Service (FNS) Controls Over (SNAP) Benefits For Able-Bodied Adults Without Dependents (ABAWD) (Audit Report 27601-0002-31). A FAV determines whether the final action documentation the agency provided to the Office of the Chief Financial Officer (OCFO) supports the agency's management decision reached with OIG.<sup>1,2</sup> Our objective was to determine whether the documentation FNS provided OCFO was sufficient to close the recommendations made in Audit Report 27601-0002-31.

In a memorandum dated July 5, 2018, OCFO reported to FNS that it closed all of the recommendations and we concur with this decision.

## Background

Our report, FNS Controls Over SNAP Benefits For ABAWD,<sup>3</sup> made five recommendations to improve FNS' and States' implementation of ABAWD provisions. Our report noted that SNAP's provisions regarding ABAWD were difficult for States to implement. We reported that FNS could approve States to temporarily waive the ABAWD time limit in areas with high unemployment or insufficient jobs, but we determined that some States were requesting and receiving time limit waivers for the purpose of reducing the burden of tracking time limits.

<sup>1</sup> "Final action is the completion of all actions that management has concluded, in its management decision, are necessary with respect to the finding and recommendations included in an audit report." DR1720-001, 6 g (1), Audit Follow-up and Management Decision (Nov. 2, 2011).

<sup>2</sup> "Management decision is an agreement between agency management and OIG on the action(s) taken or to be taken to address a finding and recommendations cited in an audit report. The management decision must include the agreed-upon dollar amount affecting the recommendations and an estimated completion date unless all corrective action is completed by the time agreement is reached." USDA OCFO, DR1720-001, Audit Follow-up and Management Decision, 6i, (Nov. 2, 2011).

<sup>3</sup> Audit Report 27601-0002-31, *FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents*, Sept. 29, 2016

Therefore, in some States, an ABAWD may not be subject to the work requirements based on a State's decision to avoid the burden of tracking ABAWD time limits. We also reported that FNS inconsistently implemented the age limits set forth by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) because FNS interpreted instances of the word "over" in two different ways. Finally, we reported that FNS did not fully utilize its Management Evaluation Management System (MEMS), due to contradictory instructions concerning which information to enter into the system. However, we commended FNS for taking steps to address this issue by planning to implement another system, MEMS Next Generation.

OIG and FNS reached management decision on all the recommendations in a memorandum, dated October 3, 2016.<sup>4</sup> The memorandum detailed what FNS needed to implement in order to achieve final action on the recommendations.

In accordance with Departmental Regulation (DR) 1720-001,<sup>5</sup> OCFO has the responsibility to determine final action for recommendation(s) where OIG has agreed to management decision. As such, OCFO evaluates agency-provided documentation to support planned corrective actions and to determine if final action has occurred.

### **Scope and Methodology**

The scope of this FAV was limited to determining whether FNS' plan of action for all of the recommendations in the subject report was completed in accordance with the management decisions reached on October 3, 2016. To accomplish our objective, we reviewed documentation FNS submitted to OCFO. We did not perform internal control testing or make site visits to determine whether the underlying deficiencies that were initially identified had been corrected. Furthermore, we did not provide an opinion on the results of the implementation or effectiveness of each recommendation. This FAV was conducted in accordance with our internal guidance IG-7710, *Non-audit Work*<sup>6</sup> and *Final Action Verification Guidance and Procedures*.<sup>7</sup> As a result, this FAV was not conducted in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, or the *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General for Integrity and Efficiency. However, before we performed the non-audit service, we determined that it would not impair our independence to perform audits, inspections, attestation engagements, or any other future or ongoing reviews of the subject.

### **Results of Final Action Verification**

We determined that FNS provided sufficient documentation to OCFO to close the five recommendations we made in our September 29, 2016, audit report on FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents. Table 1 summarizes the action(s) FNS took with respect to each recommendation.

We informed FNS officials of the FAV results.

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<sup>4</sup> USDA OIG, *FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents*, Management Decision Memorandum, (Oct. 3, 2016).

<sup>5</sup> USDA OCFO, DR1720-001, 7 d (1-9), (Nov. 2, 2011).

<sup>6</sup> IG-7710, *Non-Audit Work*, (Sept. 20, 2018).

<sup>7</sup> USDA OIG, *Final Action Verification Guidance and Procedures*, May 2019.

**Table 1.**

<b>Rec. No.</b>	<b>Recommendation</b>	<b>Action(s) Taken</b>
1	Conduct a study and/or perform analysis to identify the problematic areas for States and develop best practices for implementing these complex provisions with respect to ABAWD requirements.	FNS completed its analysis of the ABAWD management evaluation (ME) data as recommended by OIG and provided OCFO a memorandum identifying two areas of concern with additional guidance and best practices in those areas.
2	Update or revise current guidance if the results of the study or analysis from Recommendation 1 identify policies that need clarifying.	FNS provided OCFO: (1) a policy memo on ABAWD notice requirements, best practices, and resources for States; (2) a fully-revised handbook for States on how to request ABAWD time limit waivers; and (3) a memo, titled “SNAP — Best Practices and Resources for Informing Households of ABAWD Rules,” that included ABAWD questions and answers as well as best practices to help State agencies effectively inform ABAWDs of their special requirements and to enrich training on the topic for eligibility workers.
3	Review SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly, and modify the regulations as appropriate.	FNS provided OCFO written documentation between FNS and the Office of the General Counsel (OGC) that confirmed FNS’ position and interpretation related to the statutory terms regarding SNAP age limits
4	Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.	FNS provided OCFO a comprehensive revision of the national ME and Financial Management Review guidance.
5	Provide training to implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.	FNS provided OCFO with supporting documentation related to its implementation of MEMS Next Generation training to ensure that the data are valid, accurate, complete, and timely.

cc: Agency Audit Liaison

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