



## WOMEN INFANTS & CHILDREN ELECTRONIC BENEFITS TRANSFER SETTLEMENT PROCESS

Report # C-1617DOH-004 • November 3, 2016

### PURPOSE OF THIS PROJECT

Management of the Department of Health's (Department) Bureau of Women, Infants & Children Program Services (WIC) requested a consulting project to provide feedback on their effectiveness in establishing adequate controls related to the WIC Electronic Benefits Transfer (EBT) Settlement Process (Process).

### WHAT WAS EVALUATED

Agreed upon objectives included mapping the Process, identifying potential areas of risk within the Process, and determining if efficient and effective controls were established to mitigate the identified risks.

It should be noted that data accuracy within the Process was not included as part of the mutually agreed upon objectives of this project and thus was not considered in the determination of control effectiveness and efficiency.

### SUMMARY OF RESULTS

**Overall, the Process does include adequate controls that are intended to mitigate identified risks.** (See Appendix, Page 3)

### POTENTIAL PROCESS IMPROVEMENT

To ensure sufficient funds are available to continue the program, the WIC Operational Manager reviews the Special Purpose Investment Account (SPIA) balance daily. The daily payment and deposit is manually inputted into the SPIA Amount tab (Tab) within the Settlement Verification Tracking System (MS Access) to calculate the current balance. The balance located in the Tab is compared to the SPIA spreadsheet maintained by the WIC Fiscal Unit. The balance is then written onto a note attached to a Florida Accounting Information Resource (FLAIR) Remittance for the WIC Operational Manager's review.

While this method does not affect the Process's effectiveness and efficiency, it does increase the potential for human error. Management should consider requiring the WIC Fiscal Unit to print a screenshot of the balance from the SPIA login located on the Department of Financial Services website and provide it to the WIC Operational Unit. By utilizing a screenshot, the WIC Operational Manager is provided the balance from the source rather than being provided a hand-written note which could increase the likelihood of errors.

## BACKGROUND

The WIC program was established to provide nutritious foods to supplement diets, nutrition education and counseling, breastfeeding support, and referrals to health and other social services to low-income and at nutritional risk women, infants, and children until the child's fifth birthday. Pregnant and breastfeeding women, women who have recently been pregnant, infants, and children under the age of five years are considered eligible if their household incomes are less than or equal to those listed in the WIC Income Guidelines or if they are currently receiving Medicaid, Temporary Cash Assistance, or Food Assistance. In addition to

meeting income eligibility, a nutritionist at a local WIC office must determine they have a condition such as underweight, overweight, low birth weight, low hemoglobin or hematocrit, prematurity or chronic disease.

The WIC program is under the jurisdiction of the United States Department of Agriculture, Food and Nutrition Service (FNS) and is funded through annual grants. Florida received \$366,303,769 for the WIC program during the fiscal year ended September 30, 2016, according to the FNS website.

Section 383.011, *Florida Statutes*, designates the Department as the state agency to receive federal funds and provide clinical leadership for the statewide WIC program.

Eligible participants undergo a nutrition assessment to identify their nutrition needs and interests. Depending on their needs the participants are prescribed a full regimen of supplemental foods (benefits) at no cost to the participant. In 2014, the Florida WIC program implemented a data system which utilizes an electronic card much like a credit card rather than the previously used paper checks. The participant's benefits are uploaded onto the card and can be redeemed at any Florida WIC participating vendor. Upon redemption of a benefit, the benefit is removed from the participant's card and a request for payment is made to the Department.

The Department's Process is in place to ensure the WIC program only pays for authentic redemptions properly submitted.

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## SUPPLEMENTAL INFORMATION

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Section 20.055, *Florida Statutes*, charges the Department's Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

Ashlea K. Mincy, CIGA, Senior Management Analyst II, conducted the consulting engagement under the supervision of Michael J. Bennett, CIA, Director of Auditing through September 30, 2016, and subsequently Mark H. Boehmer, CPA, Senior Management Analyst II.

Our methodology included reviewing applicable laws, rules, policies and procedures; interviewing WIC management and staff regarding their processes and procedures related to the Process; observing staff process transactions; and mapping the Process to identify areas of potential risk and controls.

This consulting engagement was conducted in conformance with International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, as provided by Section 20.055(5)(a), *Florida Statutes*.

We want to thank management and staff in the Department's Bureau of WIC for the information and documentation they provided, and for their cooperation throughout the project.

Copies of all final reports are available on our website at [www.floridahealth.gov](http://www.floridahealth.gov) (search: internal audit).

If you have questions or comments, please contact us by the following means:

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## APPENDIX – WIC EBT SETTLEMENT PROCESS FLOWCHART

