



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor
DEVPUTTA SANGVAI • Secretary
SUSAN GAIL PERRY • Deputy Secretary for Opportunity and Well-Being

March 9, 2026

Food & Nutrition Services (FNS), Medicaid, NC Health Choice, CCDF (Child Care and Development Fund), Child Support (IV-D), TANF, Work First Maintenance of Effort, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG), additional programs as deemed necessary.

**Follow-up and Corrections Completed
Resolution Letter**

DSS County: **Ashe**
Monitoring: **August 28, 2025**
Review Period: **March 2025 and April 2025**

On-Site
 Virtual

I Purpose

This is a follow-up letter noting corrections made for the findings cited in the fiscal monitoring, as outlined in the October 10, 2025, report.

II Monitoring Review

The Division of Social Services conducted a formal monitoring of randomly selected Food & Nutrition Services (FNS), Medicaid, NC Health Choice, CCDF (Child Care and Development Fund), Child Support (IV-D), TANF, Work First Maintenance of Effort, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG), State In-Home, TANF to SSBG and CPS/APS Cares Covid-19 expenses. The DSS County Fiscal Monitoring Worksheet is attached for additional information. The monitoring included a sample of **March 2025** and **April 2025** reported expenditures and revenues. This monitoring does not guarantee all errors have been found. Reporting is the responsibility of the county. Noted below are the results:

Part I – Salary and Fringe Benefits

<u>Finding</u>	None
<u>Source</u>	None
<u>Required Action</u>	None
<u>County Response</u>	None Required

Management Note Part I

The Director is being reported on Part I with all effort as Non-E&E Agency-Wide Supervision and Support, Code 96-00-B. Because the Director is in the direct supervisory organizational structure of workers completing work in the E&E system that is directly related to E&E processes, the effort may be reported to Code 98-00-B.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES • BUSINESS OPERATIONS

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Part II - General Administrative Costs

Finding 2025-01

A review of April found the agency did not account for two credit entries of \$37.39 and \$30.35 on the General Ledger listed under office supplies.

Source

Agency General Ledger
Invoices

[DSS Fiscal Manual](#)

Required Action

The agency must make correcting entries subtracting \$67.74 from 804.

County Response

The Fiscal Compliance Monitor notes that this correction was made on the September 2025, 1571, submitted in October 2025. The FCM has verified the corrections on agency-provided documentation and subsequent DSS-1571 reports. No further action is required; this finding is resolved.

Finding 2025-02

A review of April found that a non-ADP expenditure of \$38.01 was reported to 803 Non-E&E ADP Equipment General Admin instead of 804 Non-E&E General Admin Support.

Source

Agency General Ledger
Invoices
Correspondence with Agency

[DSS Fiscal Manual](#)

Required Action

The agency must make correcting entries subtracting \$38.01 from 803 and adding the same to 804.

County Response

The Fiscal Compliance Monitor notes that this correction was made on the September 2025, 1571, submitted in October 2025. The FCM has verified the corrections on agency-provided documentation and subsequent DSS-1571 reports. No further action is required; this finding is resolved.

Finding 2025-03

A review of both months monitored found errors in the reporting of travel expenditures. Specifically, in March all travel expenditures for the Social Services Institute were reported to 804 Non-E&E General Admin Support. The agency usually reports travel by the area that the staff member works in, thus the total expenditure of \$3,224.52 should have been calculated based on the staff member's area of work. In addition, the SSI travel expenses have been deemed E&E eligible, thus \$358.28 should be reported to 310 General Admin Support (E&E Eligible), \$1,1074.84 to 349 General Services Support and \$1,791.40 to 359 General Income Maintenance Support (E&E Eligible). Specifically, in April \$358.27 was reported to 804 for one staff member's SSI travel expenditures; however, this should have been reported to 359 and \$116.06 for NC QuickPass was reported to 804 and should be 349.

Source

Agency General Ledger
Invoices
Correspondence with Agency

[DSS Fiscal Manual](#)

Required Action

The agency must make correcting entries subtracting \$3,698.85 from 804 and adding \$358.28 to 310, \$1,190.90 to 349, and \$2,149.67 to 359. In addition, the agency must review the previous eight quarters for this same type of error and make corrections for all errors found.

County Response

The Fiscal Compliance Monitor notes that this correction was made on the September 2025, 1571, submitted in October 2025. The FCM has verified the corrections on agency-provided documentation and subsequent DSS-1571 reports including prior period corrections. No further action is required; this finding is resolved.

Finding 2025-04

A review of both months monitored found errors in the reporting of approved ADP expenditures. Specifically, in March \$42.58 was reported to 804 Non-E&E General Admin Support and should have been reported to

803 Non-E&E ADP General Admin Support and in April \$362.38 for the same expenditure as March was also reported to 804 instead of 803. Also, in April \$200.18 for approved ADP equipment listed under office supplies was reported to 804 and should be 803.

Source

Agency General Ledger
Invoices
Correspondence with Agency

[DSS Fiscal Manual](#)

Required Action

The agency must make correcting entries subtracting \$605.14 from 804 and adding the same to 803. In addition, the agency must review the previous eight quarters for this same type of error and make corrections for all errors found.

County Response

The Fiscal Compliance Monitor notes that this correction was made on the September 2025, 1571, submitted in October 2025. The FCM has verified the corrections on agency-provided documentation and subsequent DSS-1571 reports including prior period corrections. No further action is required; this finding is resolved.

Management Note Part II

It was discovered in both months monitored that office supplies are being claimed to Part II Code 804. The rule of thumb is that if the supplies are used by everyone, it is E&E allowable and may be claimed to 310. When you order specific things for specific units that are for Non-E&E personnel, that charge is not E&E allowable.

Part IV – Purchased Services

<u>Finding</u>	None
<u>Source</u>	None
<u>Required Action</u>	None
<u>County Response</u>	None Required

III CONCLUSIONS

The Fiscal Compliance Monitor has verified the corrections on agency-provided documentation and subsequent DSS-1571 report(s) and has documentation to support the corrections. No further actions are needed.

Submitted By: Regina F. Williamson, Fiscal Compliance Monitor

cc: Caleb Hawkins, Interim Lead Fiscal Monitor & Local Business Liaison
April McMasters, Local Business Liaison