

# GAO Highlights

Highlights of [GAO-25-107291](#), a report to congressional requesters

## Why GAO Did This Study

HHS annually provides about \$16.5 billion in TANF grant funds to states to provide cash, supportive services, and non-cash assistance to low-income individuals and families with children. GAO was asked to review TANF spending and related control practices.

This report examines the nature and extent of TANF single audit findings, as of April 30, 2024, and the extent to which HHS has conducted oversight of TANF single audit findings, among other objectives. This report is part of a series of recent reports on TANF that GAO issued ([GAO-25-107235](#), [GAO-25-107290](#), and [GAO-25-107226](#)).

GAO reviewed states' timeliness in submitting 2023 single audit reports and identified the number of TANF-related findings and any commonalities in the most recent reports. GAO interviewed HHS officials and reviewed HHS policies and procedures for following up on TANF single audit findings; issuing management decisions; and imposing penalties on, or alternatively obtaining corrective compliance plans from, states that are not in compliance with TANF program requirements.

## What GAO Recommends

GAO is making three recommendations to HHS to (1) ensure that ACF updates its single audit resolution procedures, (2) ensure that ACF implements a strategy to issue management decisions timely, and (3) develop procedures to timely impose penalties, or alternatively obtain corrective compliance plans. HHS disagreed with the first recommendation; GAO clarified the procedures to be updated. HHS agreed with the second and partially agreed with the third recommendation.

View [GAO-25-107291](#). For more information, contact James R. Dalkin at [dalkinj@gao.gov](mailto:dalkinj@gao.gov).

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# TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

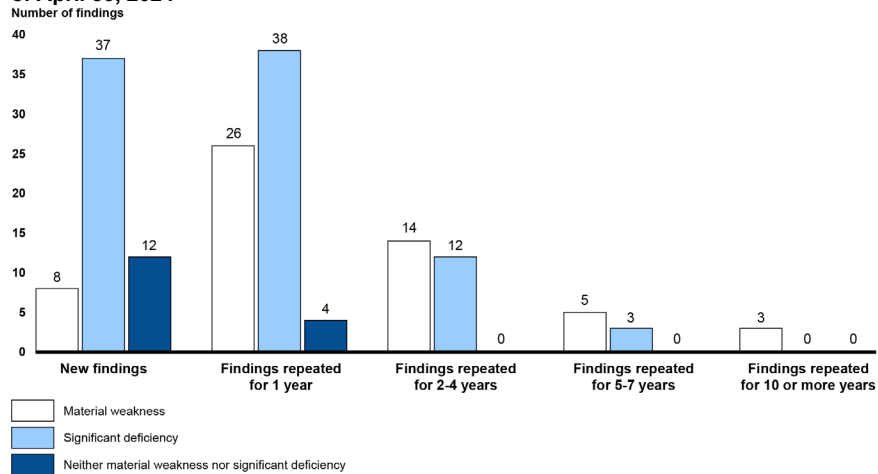
## HHS Needs to Strengthen Oversight of Single Audit Findings

### What GAO Found

The Single Audit Act requires states and other entities that spend \$1 million or more in federal awards each year to undergo a single audit. Single audits can help the Department of Health and Human Services (HHS) identify deficiencies in states' internal controls over financial reporting and over compliance requirements for federal award programs. Auditors report these deficiencies in single audit reports as audit findings.

GAO identified 37 states with, collectively, 162 Temporary Assistance for Needy Families (TANF) audit findings in their single audit reports. Fifty-six of these findings were categorized as a material weakness, the most severe category of audit findings. For example, auditors found that one state did not report required information for awards granted to subrecipients. Thirty-seven of the 162 audit findings repeated for 2 or more years, and three remained unresolved for over a decade (see figure). Such findings—especially those categorized as material weaknesses—are considered particularly serious, as they can indicate critical risks and issues in a federal program. Additionally, some of these findings involved deficiencies that could lead to improper payments.

**Number and Duration of Temporary Assistance for Needy Families Single Audit Findings, as of April 30, 2024**



Source: GAO analysis of Federal Audit Clearinghouse data. | GAO-25-107291

HHS's Administration for Children and Families (ACF), which administers the TANF block grant funds, has not updated its procedures for determining its effectiveness in helping states resolve TANF single audit findings. Additionally, ACF's procedures do not ensure that it issues timely management decisions to states. Management decisions are the agency's written evaluations of whether audit findings are sustained and the expected corrective actions to resolve the findings. Further, HHS does not have sufficient procedures to timely impose penalties on, or alternatively obtain corrective compliance plans from, states in violation of TANF program requirements. Developing effective procedures would better position HHS to help states improve internal controls over TANF federal awards and improve program outcomes.