

COUNTY OF SPOTSYLVANIA, VIRGINIA

COMPLIANCE REPORTS

For the Year Ended June 30, 2019

COUNTY OF SPOTSYLVANIA, VIRGINIA

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**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Spotsylvania, Virginia (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and three instances of noncompliance required to be reported under the *Specifications for Audits of Counties, Cities, and Towns* described in the accompanying schedule of findings and questioned costs as items 2019-003 through 2019-005.

County of Spotsylvania, Virginia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Cheryl Behmet CP". The signature is written in a cursive style.

Richmond, Virginia
January 27, 2020

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Spotsylvania, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, which we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 27, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheryl Behrnt CP

Richmond, Virginia
January 27, 2020

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

Federal Agency	Pass-thru Entity	Program Title	Federal CFDA Number	Cluster Name	Pass-through Entity Identifying Number	Federal Expenditures	Cluster Total	Program Total	Passed Through to Subrecipients
U.S. Department of Agriculture	Virginia Department of Agriculture Food and Nutrition Service	National School Lunch Program - Commodities	10.555	Child Nutrition Cluster	Not available	\$ 747,228			
	Virginia Department of Education	School Breakfast Program	10.553	Child Nutrition Cluster	17901-40253	1,444,687			
	Virginia Department of Education	National School Lunch Program	10.555	Child Nutrition Cluster	17901-40254	4,159,999			
		National School Lunch Program - Total	10.555	Child Nutrition Cluster - Total			6,351,914	4,907,227	
	Virginia Department of Social Services	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	SNAP Cluster	765-460010	1,088,928	1,088,928		
				Total U.S. Department of Agriculture		7,440,842			
U.S. Department of Defense	Direct Payments	Junior ROTC Program	12.000		not applicable	156,814			
				Total U.S. Department of Defense		156,814			
U.S. Department of Education	Direct Payments	Impact Aid	84.041		not applicable	119,765			
	Virginia Department of Education	Adult Education - Basic Grants to States	84.002		17901-42801 17901-61380 17901-61111	377,528			
	Virginia Department of Education	Title I Grants to Local Educational Agencies	84.010		17901-42901	2,886,064			
	Virginia Department of Education	Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		17901-42948	997			
	Virginia Department of Education	Special Education - Grants to States	84.027	Special Education Cluster	17901-43071 17901-60180 17901-61215 17901-62135	4,432,325			

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Federal Agency	Pass-thru Entity	Program Title	Federal CFDA Number	Cluster Name	Pass-through Entity Identifying Number	Federal Expenditures	Cluster Total	Program Total	Passed Through to Subrecipients
	Virginia Department of Education	Career and Technical Education - Basic Grants to States	84.048		17901-61095	\$ 356,553			
	Virginia Department of Education	Special Education - Preschool Grants	84.173	Special Education Cluster	17901-60957 17901-62521	88,613			
				Special Education Cluster - Total			4,520,938		
	Virginia Department of Education	English Language Acquisition State Grants	84.365		17901-60509 17901-60512 17901-60760	100,476			
	Virginia Department of Education	Supporting Effective Instruction State Grant	84.367		17901-61480	463,906			
	Virginia Department of Education	Title IV - Student Support & Academic Enrichment	84.424A		17901-60022	32,915			
				Total U.S. Department of Education		8,859,142			
U.S. Department of Health and Human Services	Direct Payments	Head Start	93.600		not applicable	909,640			
	Virginia Department of Health	Injury Prevention and Control Research and State and Community Based Programs for Sheriff's Office Child Safety Seat Program	93.136		704T732653	23,387			
	Virginia Department of Social Services	Promoting Safe and Stable Families	93.556		765-460010 765-469002	56,116			
	Virginia Department of Social Services	Temporary Assistance for Needy Families	93.558	TANF Cluster	765-460010 765-452001 765-452012	730,913	730,913		
	Virginia Department of Social Services	Refugee and Entrant Assistance - State Administered Programs	93.566		765-460010 765-491002	2,332			
	Virginia Department of Social Services	Low-Income Home Energy Assistance	93.568		765-460010	76,199			

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Federal Agency	Pass-thru Entity	Program Title	Federal CFDA Number	Cluster Name	Pass-through Entity Identifying Number	Federal Expenditures	Cluster Total	Program Total	Passed Through to Subrecipients
Virginia Department of Social Services	Virginia Department of Social Services	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Child Care Cluster	765-460010 765-452041 765-452015	\$ 94,421	94,421		
Virginia Department of Social Services	Virginia Department of Social Services	Chafee Education and Training Vouchers Program (ETV)	93.599		765-460010	(50)			
Virginia Department of Social Services	Virginia Department of Social Services	Adoption and Legal Guardianship Incentive Payments	93.603			107			
Virginia Department of Social Services	Virginia Department of Social Services	Stephanie Tubbs Jones Child Welfare Services Program	93.645		765-460010	386			
Virginia Department of Social Services	Virginia Department of Social Services	Foster Care - Title IV-E	93.658		765-460010 765-469001 765-469002	1,278,734			
Virginia Department of Social Services	Virginia Department of Social Services	Adoption Assistance	93.659		765-460010 765-469003	788,681			
Virginia Department of Social Services	Virginia Department of Social Services	Social Services Block Grant	93.667		765-460010 765-469003	710,684			
Virginia Department of Social Services	Virginia Department of Social Services	Chafee Foster Care Independence Program	93.674		765-460010 765-469002	11,894			
Virginia Department of Social Services	Virginia Department of Social Services	Children's Health Insurance Program	93.767		765-460010	25,314			
Virginia Department of Social Services	Virginia Department of Social Services	Medical Assistance Program	93.778	Medicaid Cluster	765-460010	1,218,026	1,218,026		
Total U.S. Department of Health and Human Services						5,926,784			

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Federal Agency	Pass-thru Entity	Program Title	Federal CFDA Number	Cluster Name	Pass-through Entity Identifying Number	Federal Expenditures	Cluster Total	Program Total	Passed Through to Subrecipients
U.S. Department of Homeland Security	Direct Payments	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		not applicable	\$ 680,857			
	Virginia Department of Emergency Management	Emergency Management Performance Grants	97.042		7791	40,579			
	Virginia Department of Emergency Management	State Homeland Security Program (SHSP)	97.073		EMW-2017-SS-00088 EMW-2018-SS-00093	119,852			
Total U.S. Department of Homeland Security						841,288			
U.S. Department of Justice	Direct Payments	Edward Byrne Memorial Justice Assistance Grant Program	16.738		not applicable	30,237			
	Direct Payments	Paul Coverdell Forensic Science Improvement Grant	16.742		not applicable	21,596			
	Direct Payments	Equitable Sharing Program	16.922		not applicable	2,604			
	Virginia Department of Criminal Justice Services	Crime Victim Assistance	16.575		19-W9259VW17	187,002			
	Virginia Department of Criminal Justice Services	Edward Byrne Memorial Justice Assistance Grant Program	16.738		18-A4488AD14 18-A4487AD12 18-B4054AD11 19-C4054AD15	55,796		86,033	
Total U.S. Department of Justice						297,235			

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Federal Agency	Pass-thru Entity	Program Title	Federal CFDA Number	Cluster Name	Pass-through Entity Identifying Number	Federal Expenditures	Cluster Total	Program Total	Passed Through to Subrecipients
U.S. Department of Transportation	Virginia Department of Transportation	Transportation Enhancement Activities	20.200		EN00-088-150 UPC 56436 110488	\$ 7,904			
	Virginia Department of Motor Vehicles	State and Community Highway Safety	20.600	Highway Safety Cluster	SC-2018-58027-8027 FSC-2019-59074-9074	44,608			
	Virginia Department of Motor Vehicles	Occupant Protection Incentive Grant for Sheriff's Office Child Safety Seat Program	20.602	Highway Safety Cluster	704T732653	17,309			
	Virginia Department of Motor Vehicles	Alcohol Open Container Requirements	20.607		154AL-2018-58028-8028 154AL-2019-59053-9053	63,745			
				Highway Safety Cluster - Total			61,917		
				Total U.S. Department of Transportation		133,566			
U.S. Department of Treasury	Direct Payments	Equitable Sharing	21.016		not applicable	4,795			
	Virginia Office of the Attorney General	VA Rules Summer Camp for the Sheriff's Office	21.000		not applicable	4,360			
				Total U.S. Department of Transportation		9,155			
				TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 23,664,826			

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

Note 1—General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Spotsylvania, Virginia (the "County"). The County's reporting entity is defined in Note 1 of the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the Schedule of Expenditures of Federal Awards.

Note 2—Basis of accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

The County participated in federal programs in which noncash benefits are provided through the Commonwealth of Virginia to eligible program participants. Food Distribution Programs (CFDA Number 10.555). The value of food commodities (\$747,228) was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists.

Note 3—Indirect costs

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

A. Summary of Auditor's Results

Financial Statement Section

1. The type of auditor's report issued: **Unmodified opinion**
2. Significant deficiencies in internal controls over financial reporting: **None reported**
3. Material weaknesses in internal controls over financial reporting: **No**
4. Noncompliance, which is material to the financial statements: **No**

Federal Awards Section

5. Significant deficiencies in internal control over major programs: **Yes, 2019-001 and 2019-002**
6. Material weaknesses in internal controls over major programs: **No**
7. The type of report issued on compliance for major programs: **Unmodified**
8. Audit findings which are required to be reported under the Uniform Guidance: **Yes**
9. The programs tested as major programs were:

<u>Name of Program</u>	<u>CFDA #</u>
SNAP Cluster	10.561
Child Nutrition Cluster	10.553, 10.555
Title I	84.010
Adoption Assistance	93.659
Medical Assistance Program - Medicaid Cluster	93.778

10. Dollar threshold to distinguish between Type A and Type B Programs: **\$750,000**
11. Spotsylvania County qualified as a low-risk auditee: **No**

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None reported.

C. Findings and Questioned Costs Relating to Federal Awards:

2019-001: Significant Deficiency and Non-material Noncompliance – Eligibility (Repeat Finding – 2018-002)

Program: Medical Assistance Program (CFDA Number 93.778 – U.S. Department of Health and Human Services – Virginia Department of Social Services; Federal Award Number: not available; Federal Award Year: 2019)

Criteria: Per Title 2 Subpart Section 200.303, “The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.”

Per Subchapter M1520.001 of the Virginia Medical Assistance Eligibility Manual, “An annual review of all of the enrollee's eligibility requirements is called a renewal. A renewal of the enrollee's eligibility must be completed at least once every 12 months. The renewal should be initiated in the 11th month to ensure timely completion of the renewal”.

Condition: During our testing of sixty (60) eligibility determinations, we noted the following exceptions:

- One (1) beneficiary case file did not contain evidence for proof of citizenship.
- One (1) eligible beneficiary's redetermination was completed, but not within twelve (12) months of the prior determination of eligibility.

Cause: An increase in the number of applicants during the year as a result of continued implementation of Affordable Care Act measures, as well as a lack of personnel to assist in processing and reviewing these applications, prevented the County from complying with the program's requirements for determination of participant's eligibility.

Effect: The County's noncompliance could result in costs disallowed by the grantor or a reduction in future funding for this program.

Questioned Cost: Undeterminable.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Recommendation: The County should implement a plan to enhance internal controls related to participant eligibility to ensure files contain adequate supporting documentation in accordance with the program requirements.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Luana Cheatham, Erin Turner, Leanne Richardson and Jamillah Jefferson. Benefits Division Director: Currently vacant.

Estimated Completion: Latest deployment date: 1/13/20, all activity will be on-going.

Corrected Action: The prior year's corrective action plan was not shared with Ms. Cheatham, the individual identified as the "responsible person". As a result, the Benefits leadership team was unaware of the planned corrective actions and subsequently did not successfully implement the corrective action plan submitted.

Once a worker completes all mandatory trainings and is performing required duties and completing associated tasks accurately and timely, a worker is moved from 100% monitoring to general supervision. The optimal process for evaluation of on-going performance includes random case monitoring for accuracy in determination and quality of documentation. Worker knowledge and ability to perform accurate, timely determination and maintain quality case documentation is supported by regular communication and training in policy updates and system changes.

Due the high number of Eligibility Workers with less than one year experience and therefore requiring elevated levels of supervision and case review, the ability of Supervisors to engage in random case monitoring of existing workers and deliver regular unit refresher training on policy or systems issues was very limited. Existing workers, due to high caseloads but still accountable to process cases timely, and experiencing ongoing challenges presented by state system access issues, were at risk for errors in eligibility determination actions and decisions. Errors in performance by existing workers were not noted timely due to priority given to training and supporting new workers.

Specific Corrective Action:

All Eligibility Supervisor positions are now filled, which will allow capacity for random case monitoring to be conducted monthly inclusive of all workers in the sample pool. Supervisors and Senior Worker level staff will conduct one random case readings per month, per eligibility worker. The findings from these case readings will be logged, tracked, and discussed monthly at Benefit Division Leadership meetings and used to develop targeted training. The findings will also be reviewed and discussed at employee staffing meetings.

Start date: February 2020

A Medicaid focus workgroup will meet regularly to review caseload management, processing deadlines, policy updates, peer trainings, "Q&A" sessions, and other needs as determined.

Start date: November 2019

Each month, Supervisors will provide policy and/or procedure refresher at the monthly Division meetings. Training topics will be decided based on evaluation of Division case reading findings, internal and external audit finding and employee requests.

Start date: October 2019

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

2019-002: Significant Deficiency and Non-material Noncompliance – Eligibility

Program: Adoption Assistance (CFDA Number 93.659 – U.S. Department of Health and Human Services – Virginia Department of Social Services; Federal Award Number: not available; Federal Award Year: 2019)

Criteria: Per the *Code of Virginia*, Section 63.2-1302, adoptive parents shall submit annually to the local board within thirty (30) days of the anniversary date of the approved agreement an affidavit which certifies that (i) the child on whose behalf they are receiving adoption assistance payments remains in their care, (ii) the child's condition requiring adoption assistance continues to exist, and (iii) whether or not changes to the adoption assistance agreement are requested.

Condition: During our testing of forty (40) eligibility determinations, we noted two (2) instances in which the adoptive parents submitted the annual affidavit to the County, but not within thirty (30) days of the anniversary date of the approved adoption agreement.

Cause: Parents did not submit the annual affidavit with the required time period.

Effect: The County's noncompliance could result in costs disallowed by the grantor or a reduction in future funding for this program.

Questioned Cost: None noted.

Recommendation: The County should implement a plan to enhance internal controls to ensure the timely submission of program required documentation.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Services Supervisor: LaCora Harris

Estimated Completion: Effective 1/13/20

Corrected Action: To ensure files contain adequate supporting documentation the Case Aide position, under supervision of the Services Supervisor, will be responsible for monthly monitoring of all Adoption Subsidy cases agreement dates. At a minimum the Case Aide will mail out a request for the annual Affidavit one month prior to the anniversary of an Adoption Subsidy agreement. The Case Aide will then update the case accordingly, prior to the anniversary date, to document if the Affidavit is received or if it is not returned.

D. Findings Relating to Compliance with the Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

2019-003: Non-material Noncompliance – Social Service System Access Annual Review

Criteria: Per Section 3-15 of the *Specifications for Audits of Counties, Cities, and Towns*, published by the Commonwealth of Virginia's Auditor of Public Accounts, counties are responsible for annually reviewing local users with access to each application to determine if they have a current access request form on file and if the access in the system matches each application on the form.

Condition: For six (6) of the seven (7) employees tested, we noted that the County did not perform a review of access within one (1) year from the last review.

Cause: A system access review was not performed within the prescribed requirements.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Effect: Noncompliance may result in action by the Commonwealth.

Questioned Cost: Non-financial finding.

Recommendation: The County should perform a system access review annually.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Rebecca Reeves

Estimated Completion: 01/13/20

Corrected Action: The County has a process in place to review system access annually. However, during FY19 the Administrative Manager position was vacant which allowed for the defined process to fail. The Administrative Manager position has since been filled and the process will be enforced moving forward and will ensure future vacancies will not affect the process.

2019-004: Non-material Noncompliance – Social Service Terminated Users

Criteria: Per Section 3-15 of the *Specifications for Audits of Counties, Cities, and Towns*, published by the Commonwealth of Virginia's Auditor of Public Accounts, counties are responsible for removing access privileges to all Virginia Department of Social Services' systems within three (3) working days of termination.

Condition: For a sample of three (3) terminated employees selected for testing, one (1) did not have system access removed within three (3) working days of termination.

Cause: System access was not removed within the prescribed timeline.

Effect: Noncompliance may result in action by the Commonwealth.

Questioned Cost: Non-financial finding.

Recommendation: The County should ensure system access is removed within three (3) working days of termination.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Rebecca Reeves

Estimated Completion: Effective Immediately

Corrected Action: System access was not terminated for this employee as the employee was expected to return to work; however, when the employee did not return the last day worked then became the employee's end date. By the time it was determined the employee would not return, three days to remove system access had already passed. Going forward the following process will be implemented, when a Supervisor becomes aware of an employee's termination, resignation or separation, they will immediately (same day) send an email to notify the Director, Division Director, Administrative Manager, and the Information System Support Specialist, providing the employee's name and anticipated last day of employment.

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

The Administrative Manager will prepare an exit Personnel Action Form (“PAF”) and forward document(s) to the Supervisor and Director for review, completion and signatures. The Supervisors will forward completed document to Division Director and Director. The Director will forward the PAF to the Human Resource Office.

The Information System Support Specialist will have system access updates completed to reflect new status within three days of separation and forward appropriate paperwork to the Supervisor/Director for review and/or signatures as needed.

2019-005: Non-material Noncompliance – Statement of Economic Interest

Criteria: Section 2.2-3115(A) of the *Code of Virginia* requires persons holding positions of trust appointed or employed by the governing body, if the governing body has passed an ordinance requiring them to file, to file a State and Local Statement of Economic Interest (“SOEI”) with the office of the Virginia Conflict of Interest and Ethics Advisory Council (the “Council”) annually by February 1st.

Condition: For two (2) of the twelve (12) County SOEI forms tested, we noted the forms were submitted timely, but were incomplete.

Cause: The County’s control in place to ensure all required SOEI forms are filed in accordance with the prescribed requirements did not function completely.

Effect: Noncompliance may result in action by the Commonwealth.

Questioned Cost: Non-financial finding.

Recommendation: Local government officials should complete the required filings in accordance with prescribed requirements.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Nadera Greene

Estimated Completion: February 28, 2020

Corrected Action: Both Board Members signed, completed, and submitted the Statement of Economic Interest Form timely. However, both Board Members unintentionally made clerical errors while completing the forms. Currently, the only review completed of the forms is to ensure they are collected, signed, and submitted by the deadline. To prevent clerical errors in the future, the County will expand the review to ensure all items are clerically correct. In addition, the County will draft a policy that outlines the responsibilities and processes that must be completed to ensure all Conflict of Interest Disclosures are correctly completed, signed, and submitted timely. The policy will contain at a minimum the individuals within the County that are required to complete a Conflict of Interest Disclosure, what forms they are required to complete, and the individuals responsible for distributing, collecting, reviewing, and submitting the forms.

E. Status of Prior Year Findings

2018-001 – Not repeated

2018-002 – Repeated as 2019-001