

COUNTY OF SPOTSYLVANIA, VIRGINIA

COMPLIANCE REPORTS

For the Year Ended June 30, 2018

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 discretely presented component unit, 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, 2018, 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 7, 2019. That report recognizes that the County implemented a new accounting standard effective July 1, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

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* or the *Specifications for Audits of Counties, Cities, and Towns*.

County of Spotsylvania, Virginia's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Behrnt CP". The signature is written in a cursive style.

Richmond, Virginia
January 7, 2019

**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, 2018. 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.

Basis for Qualified Opinion on Medical Assistance Program (Medicaid Cluster)

As described in the accompanying schedule of findings and questioned costs as item 2018-002, the County did not comply with the eligibility requirements of the Medical Assistance Program (Medicaid Cluster - CFDA 93.778). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Medical Assistance Program (Medicaid Cluster)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Medical Assistance Program (Medicaid Cluster - CFDA 93.778) for the year ended June 30, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

Other Matters

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

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 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 were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-002, that we consider to be a material weakness.

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

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 7, 2019, 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 CPA

Richmond, Virginia
February 27, 2019

COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

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	\$ 714,656			
	Virginia Department of Education	School Breakfast Program	10.553	Child Nutrition Cluster	17901-40253	1,401,725			
	Virginia Department of Education	National School Lunch Program	10.555	Child Nutrition Cluster	17901-40254	4,167,827			
		National School Lunch Program - Total	10.555	Child Nutrition Cluster - Total			6,284,208	4,882,483	
	Virginia Department of Social Services	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	SNAP Cluster	765-460010	1,035,904	1,035,904		
				Total U.S. Department of Agriculture		7,320,112			
U.S. Department of Defense	Direct Payments	Junior ROTC Program	12.000		not applicable	153,885			
				Total U.S. Department of Defense		153,885			
U.S. Department of Education	Direct Payments	Impact Aid	84.041		not applicable	132,252			
	Virginia Department of Education	Adult Education - Basic Grants to States	84.002		17901-42801 17901-61380	370,802			
	Virginia Department of Education	Title I Grants to Local Educational Agencies	84.010		17901-42901	2,830,210			

See accompanying notes to the schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2018

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	Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		17901-42948	40,414			
	Virginia Department of Education	Special Education - Grants to States	84.027	Special Education Cluster	17901-43071 17901-60180 17901-61215 17901-62135	4,531,102			
	Virginia Department of Education	Career and Technical Education - Basic Grants to States	84.048		17901-61095	291,356			
	Virginia Department of Education	Special Education - Preschool Grants	84.173	Special Education Cluster	17901-60957 17901-62521	84,965			
	Virginia Department of Education	English Language Acquisition State Grants	84.365	Special Education Cluster - Total	17901-60509 17901-60512 17901-60760	95,724	4,616,067		
	Virginia Department of Education	Mathematics and Science Partnerships	84.366		17901-60730	7,367			
	Virginia Department of Education	Supporting Effective Instruction State Grant	84.367		17901-61480	428,077			
Total U.S. Department of Education						8,812,269			

See accompanying notes to the schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2018

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 Health and Human Services	Direct Payments	Head Start	93.600		not applicable	1,123,944			
	Virginia Department of Social Services	Promoting Safe and Stable Families	93.556		765-460010 765-469002	55,462			
	Virginia Department of Social Services	Temporary Assistance for Needy Families	93.558	TANF Cluster	765-460010 765-452001 765-452012	644,558	644,558		
	Virginia Department of Social Services	Refugee and Entrant Assistance - State Administered Programs	93.566		765-460010 765-491002	12,694			
	Virginia Department of Social Services	Low -Income Home Energy Assistance	93.568		765-460010	53,563			
	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	72,046	72,046		
	Virginia Department of Social Services	Chafee Education and Training Vouchers Program (ETV)	93.599		765-460010	8,076			
	Virginia Department of Social Services	Stephanie Tubbs Jones Child Welfare Services Program	93.645		765-460010	1,324			
	Virginia Department of Social Services	Foster Care - Title IV-E	93.658		765-460010 765-469001 765-469002	1,130,499			

See accompanying notes to the schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2018

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	Adoption Assistance	93.659		765-460010 765-469003	713,538			
	Virginia Department of Social Services	Social Services Block Grant	93.667		765-460010 765-469003	649,312			
	Virginia Department of Social Services	Chafee Foster Care Independence Program	93.674		765-460010 765-469002	10,085			
	Virginia Department of Social Services	Children's Health Insurance Program	93.767		765-460010	40,691			
	Virginia Department of Social Services	Medical Assistance Program	93.778	Medicaid Cluster	765-460010	1,048,688	1,048,688		
					Total U.S. Department of Health and Human Services	5,564,480			
U.S. Department of Homeland Security	Direct Payments	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		not applicable	578,642			
	Direct Payments	Assistance to Firefighters Grant	97.044		not applicable	247,182			
	Virginia Department of Emergency Management	Emergency Management Performance Grants	97.042		7444	40,579			
					Total U.S. Department of Homeland Security	866,403			

See accompanying notes to the schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2018

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 Justice	Direct Payments	Edward Byrne Memorial Justice Assistance Grant Program	16.738		not applicable	4,176			
	Direct Payments	Paul Coverdell Forensic Science Improvement Grant	16.742		not applicable	48,607			
	Virginia Department of Criminal Justice Services	Crime Victim Assistance	16.575		18-V9259VW16	184,151			
	Virginia Department of Criminal Justice Services	Edward Byrne Memorial Justice Assistance Grant Program	16.738		18-B4054AD11	10,854		15,030	
Total U.S. Department of Justice						247,788			
U.S. Department of Transportation	Virginia Department of Transportation	Highway Planning & Construction	20.205	Highway Planning & Construction Cluster	56436 EN00-088-150 UPC 56436, 110488	37,250			
	Virginia Clean Cities	Highway Planning & Construction	20.205	Highway Planning & Construction Cluster	UPC-T11802	25,764			
					Highway Planning & Construction Cluster - Total			63,014	
	Virginia Department of Motor Vehicles	State and Community Highway Safety	20.600	Highway Safety Cluster	18X9204020VA17 SC-2018-58027-8027	51,575			
	Virginia Department of Motor Vehicles	Alcohol Open Container Requirements	20.607		18X920405DVA17 154AL-2018-58028-8028	101,484			
	Virginia Department of Motor Vehicles	National Priority Safety Program for Lidar Replacement Funding	20.616	Highway Safety Cluster	FDLAL-2018-58427-8435	12,444			
					Highway Safety Cluster - Total			64,019	
Total U.S. Department of Transportation						228,517			
TOTAL EXPENDITURES OF FEDERAL AWARDS						\$ 23,193,454			

See accompanying notes to the schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2018

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 ("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 (\$714,656) 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, 2018

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: **Yes, 2018-001**
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: **None reported**
6. Material weaknesses in internal controls over major programs: **Yes, 2018-002**
7. The type of report issued on compliance for major programs:

Qualified opinion regarding eligibility of the Medical Assistance Program (Medicaid Cluster - CFDA Number 93.778).

Unmodified opinions over other applicable compliance requirements for all other major programs.

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>
Child Nutrition Cluster	10.553 and 10.555
Special Education Cluster (IDEA)	84.027 and 84.173
Foster Care Title IV-E	93.658
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, 2018

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

2018-001: Significant Deficiency – Financial Reporting (Repeat Finding 2017-001)

Criteria: The *Code of Virginia* requires the County to file annual financial statements prepared in all material respects in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Condition: Subsequent to the issuance of the financial statements for the fiscal year ended June 30, 2017, Spotsylvania County Public Schools (“Schools”) determined that the reported capital asset balances were inaccurately understated in the Statement of Net Position by \$842,952 and not in accordance with GAAP.

Cause: Internal controls over capital assets were not operating effectively to ensure all capital asset additions were recognized on a timely basis.

Effect: At June 30, 2017, the discretely presented component unit’s capital assets and net position were understated by \$842,952. Net position at June 30, 2018 is fairly presented in all material respects.

Recommendation: We recommend that the Schools continue to review its capital asset activity monthly to ensure that all asset additions are recognized.

Views of responsible officials and planned corrective actions: Management agrees with the above finding and has enhanced its current financial close and reporting processes to address the deficiency identified.

C. Findings and Questioned Costs Relating to Federal Awards:

2018-002: Material Weakness and Material Noncompliance – Eligibility

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: 2018)

Criteria: Per Title 2 Subpart §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.

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

YEAR ENDED JUNE 30, 2018

- (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 documentation of verification of income or evidence for proof of citizenship.
- One (1) beneficiary case file did not contain evidence for proof of citizenship.
- Two (2) beneficiary case files did not contain documentation of income, but included contemporaneous notes from the case worker indicating that the income verification had been performed at the time of renewal.

Cause: A significant 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.

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

Estimated Completion: Latest deployment date: April 5, 2019; all activity will be on-going.

Corrected Action: 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 to difficulties in filling an Eligibility Supervisor position and a 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 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 and continued efforts to reach an overdue renewal count of zero.

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

YEAR ENDED JUNE 30, 2018

It should be noted there were only two cases with actual errors in case documentation in the 60 cases reviewed; one of the workers involved had already been identified by the agency for additional supervision and case monitoring to address performance issues. The other two cases reflected a practice acceptable prior to January 1, 2018; where SOLQ was required to be reviewed for income eligibility but the SOLQ itself did not have to be included case documentation. Both lapses noted by the auditor occurred in either the month prior to or just following the implementation of that policy change.

Specific Corrective Action:

All Eligibility Supervisor positions are now filled which has allowed capacity for random case monitoring to be conducted monthly inclusive of all workers in the sample pool. Start date: Summer 2018

Medicaid workgroup meetings will be held monthly and will include policy updates, new and refresher trainings, Q&A, other needs as determined. Start date: April 5, 2019.

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

None reported.

E. Status of Prior Year Findings

2017-001 – Repeated as 2018-001.

2017-002 – Finding not repeated in current year.