

December 2016

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

Internal Audit conducted this review as part of our FY16 audit plan approved by the County Administrator and School Board Superintendent.

Our objectives were to:

- Review internal controls over receipts and disbursements.
- Evaluate compliance with the State requirements, including testing required for annual external audit.
- Test reconciliation between the Treasurer's bank statements, Social Services subsidiary ledger and County's general ledger for Special Welfare Fund.
- Report results to the County Administrator.

What We Recommend

- Maintaining supporting documents for all disbursements.
- Document supervisory review for the reconciliation process.
- Document reconciliation completion and approval dates.



For more information, please contact
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Social Services Special Welfare Fund

What We Found

Social Services is responsible for maintaining guardianship over children with court ordered Foster Care. The foster children that receive Social Security monthly benefits (SSI), a Social Security lump sum payment (Dedicated), Social Security monthly survivor's benefit or child support payments (SWF) are accounted for in the Special Welfare fund.

Social Services also maintains a miscellaneous account in SWF for donations and Supplemental Nutrition Assistance Program (SNAP) Cash repayments. Donations are disbursed based on need and donor restrictions. Social Services recovers SNAP benefit overpayments through established monthly payment plan and remits all collections monthly to the Virginia Treasurer's office.

Commendation(s)

We commend Social Services for complying with State requirements by accurately and timely recording Special Welfare receipts and performing accurate reconciliations of the Special Welfare accounts.

Cash Disbursement

Section 3-15 of the Specifications for Audits of Counties, Cities, and Towns, published by the Commonwealth's Auditor of Public Accounts, all funds should be spent in accordance with any special stipulations.

Disbursements testing for supporting documentation, account classification, and subsidiary ledger posting noted one exception. A \$2,526 payment to a guardian had social worker and finance staff approval on the disbursement authorization form, but did not include supporting documentation. Test results were shared with the County's external auditor to assist with required compliance testing. The one exception for lack of supporting documentation is also reported in the Compliance Section of the County's FY 2016 Comprehensive Annual Financial Report (CAFR).

Reconciliation

Best business practices suggest reconciliations should be prepared and reviewed timely. The reconciliations were being completed; however, they were not dated, and there was no documentation of supervisory review.

Management concurred with 3 of 3 recommendations to be implemented by 12/31/2016.

We appreciate the cooperation received from management and staff while conducting this audit.