



## Chesterfield County, Virginia

### Internal Audit

9901 Lori Road, Room 142 – P.O. Box 40 – Chesterfield, VA 23832  
Phone: (804) 748-1240 – Fax: (804) 768-9346 – Internet: chesterfield.gov

DATE: November 24, 2020

TO: Joseph P. Casey, Ph.D. Chesterfield County  
County Administrator Board of Supervisors

Mervin B. Daugherty, Ed.D. Chesterfield County  
Superintendent School Board

FROM: Khara L. Durden, CPA, CISA, CFE  
Director of Internal Audit

A handwritten signature in black ink, appearing to read "K. Durden", is placed to the right of the typed name.

SUBJECT: Social Services – General Relief Program

The Office of Internal Audit completed an audit of the Social Services General Relief Program, and the final report is attached.

We would like to thank Kiva Rogers and the Social Services staff for their cooperation and assistance during this audit.

Attachment

Copy: Kiva Rogers, Director of Social Services  
Eugene Walton, Assistant Director of Social Services – Benefits Program  
James D. Worsley, Ph.D., Deputy County Administrator - Human Services



Providing a FIRST CHOICE  
Community through  
Excellence in Public Service



CHESTERFIELD COUNTY  
**Internal Audit**

---

Khara L. Durden, Director  
Steve Sanderson, Assistant Director  
Lora Holland, Senior Auditor  
Terry Parker, Senior Auditor  
Jim Boudreau, Staff Auditor  
Sandra Fuentes, Staff Auditor  
Christian Wingfield, Staff Auditor  
Annette Stinson, Administrative Analyst

---

# Social Services General Relief Program

---

November 24, 2020

HIGHLIGHTS	1
INTRODUCTION	2
FINDINGS/RECOMMENDATIONS	
<a href="#">Eligibility Determination and Other Program Requirements</a>	5
<a href="#">Dynamics System</a>	9

# Social Services – General Relief Program



## *Highlights*

### Eligibility Determination and Other Program Requirements

We selected ten new and renewal General Relief (GR) program applications for eligibility testing. We verified documentation for age, residency, citizenship, income limitations, and timely annual case review without exception. However, we found untimely processing of applications, lost files, and missing immunization documentation. We noted the Eligibility Form and Checklist used by Social Services for eligibility determination did not include all immunization requirements.

We reviewed 39 GR benefit payments made during FY19 and FY20 that did not match approved monthly benefit amounts. We noted one recipient received \$2,057 in one month representing eleven months of benefits. Due to an error, the applicant did not receive benefits when eligible. Similarly, a \$1,309 payment was made for seven months, because the application was misplaced. Once errors were discovered, catch-up payments were made. Additionally, we discovered two recurring overpayments totaling \$4,510.

**Recommendation(s):** Social Services should develop a process to ensure timely processing of applications. Update Eligibility Form and Checklist to include immunization requirements. Maintain complete case files including approved or denied applications, evidence of immunization requirements, date of application action and exceptions to timeliness, and record of child support attempt. Document supervisory review of application and approval of assistance amount. Perform monthly reconciliation of payments to benefit recipients. Notify program participants of benefit overpayments and any necessary benefit adjustments.

### Dynamics System

Social Services implemented Microsoft Dynamics, a platform with many built-in and add-on applications which help Social Services streamline program administration and improve citizen services. Dynamics is used for creating, approving, and processing payments, but not for other areas of program administration. Dynamics can be used to completely administer GR cases in conjunction with Laserfiche. In addition to payment processing, Dynamics and Laserfiche can be used to enter complete application information, perform supervisory approval, store supporting documentation, and access applicant history. Current program administration uses manual processing; however, recent system processing improvements include entering case notes in Dynamics and scanning application documentation to Laserfiche.

**Recommendation(s):** Social Services utilize Dynamics and Laserfiche to determine program eligibility, record supervisory approval, and store program documentation.

---

*Management concurred with 7 of 7 recommendations detailed in the report to be implemented from 1/1/2021 to 2/1/2021. Internal Audit performs annual follow-up with management to confirm implementation status.*

---

# INTRODUCTION

## BACKGROUND

The Chesterfield-Colonial Heights Department of Social Services serves both Chesterfield County and the City of Colonial Heights. Social Services provides nine benefit programs to enable citizens to preserve and restore families, protect the well-being of the most vulnerable (children, senior citizens, and those with disabilities), and provide advocacy to promote self-sufficiency. Social Services is made up of three divisions: Family Services Programs, Administration, and Benefits Programs. Social Services is governed by a nine-member Board which includes one elected official, four at-large representatives from Chesterfield County, and four at-large representatives from the City of Colonial Heights. At-large representative members are appointed by the Chesterfield County Board of Supervisors and Colonial Heights City Council.

The GR program provides financial assistance to children who do not reside with relatives. FY20 monthly financial assistance totaling \$187 equals Temporary Assistance for Needy Families (TANF) payments. The Code of Virginia, §63.2-802 Eligibility for General Relief provides the legal basis for the program. Each locality has the option to establish a GR program with approval from the local board.

Localities who chose to operate the program follow guidance from the State Board which is outlined in the Virginia Department of Social Services (VDSS) General Relief Guidance (GR) Manual. The GR Manual provides detailed guidance on program administration including legal basis, time standards, interview guidance, income verification, eligibility guidelines, record retention, and case actions. Using these guidelines, each locality must develop a GR Plan which outlines how the GR unattached child program will be operated. The local plan must be submitted to and approved by VDSS. Funding is provided by local funds (37.5%) approved by the Board of Supervisors and reimbursement of expenditures from the State (62.5%).

Locally, the Department of Social Services has developed a GR Plan for Chesterfield-Colonial Heights which is approved by the Social Services Board. The table below summarizes GR program expenditures and children served over the past two fiscal years.

### **GR Program Expenditures and Children Served:**

<b>Fiscal Year</b>	<b>State Funds</b>	<b>Local Funds</b>	<b>Total Expenditures</b>	<b>Average Children Served /Month</b>
<b>FY19</b>	\$43,465	\$26,078	\$69,543	33
<b>FY20</b>	\$28,906	\$17,530	\$46,436	22

## **OBJECTIVES**

Objectives of the audit were to:

- Determine if clients meet requirements to receive GR program benefits.
  - Test eligibility of new participant applicants.
  - Test eligibility of renewal applications for existing participants.
- Evaluate Dynamics system to understand how it assists with program compliance.

## **SCOPE**

Our audit work covered FY19, FY20 and the current operating environment. We considered the following code, policies, and procedures during our audit:

<i>Code of Virginia §63.2-603. Eligibility for TANF; Childhood Immunizations</i>	<i>Virginia Department of Social Services – General Relief Guidance (GR) Manual</i>
<i>Virginia Department of Social Services Temporary Assistance for Needy Families (TANF) Guidance Manual</i>	<i>National Association of Social Workers Technology Standards</i>
<i>County General Services Policy 05-06: Records Management</i>	<i>County Accounting Policy 01-05: Bill Approval, Documentation, and Payment</i>

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Jim Boudreau, Staff Auditor, performed the audit work. Chesterfield County Internal Audit is a department within the organization of Chesterfield County/Schools.

## **METHODOLOGY**

Detailed information regarding the methodology can be found in the individual findings listed in the report. Our methodology included the following: interviews, observations, data analysis, detail testing, and documentation review.

## **INTERNAL CONTROL CONCLUSION**

According to Government Auditing Standards, internal controls, in the broadest sense, encompass the agency’s plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- efficiency and effectiveness of operations;
- accurate financial reporting; and
- compliance with laws and regulations.

Based on the results and findings of the audit test work, auditors concluded there are several opportunities for improvement to internal control procedures to better provide reasonable assurance to assist management in meeting its missions, goals, and objectives. Recommendations specific to improving these controls can be found in detail further in the audit report.

### **CLOSING**

We would like to thank Kiva Rogers and the Social Services staff for their cooperation and assistance during this audit.

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Eligibility Determination and Other Program Requirements**

(Point Sheet 1)

**CRITERIA:**

Applicants for the GR Program meet eligibility requirements outlined in the VDSS General Relief Guidance (GR) Manual and the VDSS Temporary Assistance for Needy Families (TANF) Guidance Manual:

- Child under five years, and school-aged child under 18 who regularly attend school who are eligible for TANF except for the relationship requirement (caretaker does not need to be family).
- Child must be a citizen of the United States or an eligible alien and have a social security number.
- Provide documentation of residency in the locality where assistance is received.
- Considerations of any child income such as Social Security, child support, or trust fund payments.
- Verification of child immunizations required by Code of Virginia §63.2-603 Eligibility for TANF; Childhood Immunizations. If not immunized, Social Services provides information and follow-up at annual eligibility determination. Children in school are exempt from this requirement.

The VDSS GR Manual includes other program specific requirements:

- The applicant assists Social Services in pursuing parental support payments for the child.
- Applications should be processed within 30 days, unless certain exceptions exist.
- Cases must be reviewed every 12 months to determine whether eligibility still exists.
- All program records must be maintained for three years.
- The initial benefit payment must be issued when Social Services approves the application and can include retroactive payment to the application month.

County General Services Policy 05-06: Records Management requires record retention in accordance with Library of Virginia standards, which is three years for GR cases. County Accounting Policy 01-05: Bill Approval, Documentation, and Payment states payment requests must include supporting documentation.

**CONDITION(S):**

We asked Social Services to provide a list of FY19 and FY20 new applicants and FY20 renewal applicants. Social services reported 26 new applications were made during FY20, but 25 applications did not meet program eligibility requirements. We selected five of twenty FY19 new applicants and five of twelve FY20 renewal applicants for eligibility testing. Social Services maintains all program supporting documentation in paper files. We tested FY19 applicants and FY20 renewals by comparing supporting documentation with GR program eligibility requirements. After review, we verified documentation for age, residency, citizenship, income limitations, and timely annual case review.

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Eligibility Determination and Other Program Requirements**

(Point Sheet 1)

For FY19 applicants, one of five case files requested could not be found and therefore was not reviewed. From the remaining four files, we noted the following:

- Two of four case files did not include evidence of immunization exemption or documentation that immunization requirement information was provided to applicants.
- Two of four case files did not indicate date of application action.
- One of four case files did not include evidence of child support attempt.

For FY20 renewals, one of five case files requested could not be found and therefore was not reviewed. From the remaining four files, we noted the following:

- Two of four case files did not include required immunization evidence.
- One denied application was missing from the file. Therefore, we were unable to verify timely application processing.
- One application was denied more than 30 days after application date and did not document an exemption.

To determine eligibility for a variety of programs, an Evaluation of Eligibility Form (Form) is completed for each new applicant. The Form gathers eligibility documentation for Auxiliary Grants, Supplemental Nutrition Assistance Program, TANF, GR, Refugee Cash Assistance, and TANF Emergency Assistance. The Form also documents the applicant’s demographic information, household composition, resource information, and income sources. The Form provides an Eligibility Worker (EW) with sufficient guidance to ensure applicants have provided all necessary information to satisfy eligibility requirements. We noted Forms in the case files we tested were incomplete, because staff may not ask for information if previously supplied by the applicant.

When applicants are approved for the GR program, a GR Verification Checklist (Checklist) is used to verify all required supporting documentation is gathered from applicants. We noted the Checklist did not include immunization requirements.

Chesterfield County GR monthly assistance matches TANF payments and is determined based on the number of children helped.

Number of Children in Household	Payment Amount
1	\$187
2	274
3	344
4	411
5	486

Internal Audit reviewed GR payments made during FY19 and FY20. We inquired about 39 payments that did not match approved monthly benefit amounts. We noted one recipient received \$2,057 in one month representing eleven months of benefits. Management indicated that due to an

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Eligibility Determination and Other Program Requirements**

(Point Sheet 1)

error, the applicant did not receive benefits when eligible. Similarly, we noted a \$1,309 payment for seven months' benefits. Social Services said the application was routed to the incorrect EW and was not approved. Once errors were discovered, catch-up payments were made. There were two monthly payments over FY19 and FY20 that could not be matched to TANF approved assistance amounts; nine \$618 payments and 28 \$260 payments. The \$618 payment included duplicate payment for two children. The \$260 payment was incorrectly calculated for Colonial Heights instead of Chesterfield County. These errors resulted in benefit overpayments to recipients as shown below.

Payment	Correct Payment	Difference	Number of Payments	Total Overpaid
\$618	\$344	\$274	9	\$2,466
\$260	\$187	\$73	28	\$2,044

**CAUSE(S):**

- Application processing procedures do not ensure timely program approval or exception documentation.
- The Checklist was developed using the GR Manual.
- Denied applications are not always retained.
- Monthly assistance amount is not reviewed and approved by a supervisor.
- Reconciliation of monthly payments to program participants is not performed.

**EFFECT(S):**

- Applicants may not be receiving benefits timely.
- Benefit recipients may not be in compliance with immunization requirements.
- Social Services is not always maintaining documentation in compliance with the GR Manual and County Records Management policy.
- Payments to participants do not always match allowed program payments.
- Errors in monthly payments are not always discovered with current processes.

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Eligibility Determination and Other Program Requirements**  
(Point Sheet 1)

**RECOMMENDATION(S):**

We recommend Social Services:

1. Develop process ensuring timely processing of applications.
2. Update the Evaluation of Eligibility Form and General Relief Verification Checklist to include requirements for notifying first-time applicants of immunization requirements or to provide immunization exemption, and obtaining immunization records for renewal applications, if applicable.
3. Maintain complete case files including approved or denied applications, evidence of communication of immunization requirements, documentation of immunization exemption, immunizations dates started/completed, date of application action and exceptions to timeliness, and record of child support attempt.
4. Document supervisory review of application and approval of assistance amount.
5. Perform monthly reconciliation of payments to benefit recipients.
6. Notify program participants of benefit overpayments and any necessary benefit adjustments.

**MANAGEMENT'S RESPONSE(S):**

1. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, is responsible for implementing 2/1/2021. Update the Standard Operating Procedures and workflow to incorporate Dynamics as the caseload maintenance system and Rushmore review system for quality assurance case reviews.*
2. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, is responsible for implementing 1/1/2021. Update Evaluation of Eligibility form and General Relief Verification Checklist with current policy for immunization.*
3. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, is responsible for implementing 1/1/2021. Laserfiche will be used to store GR cases electronically. A case file checklist will be used to prep the cases for scanning to Laserfiche.*
4. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, is responsible for implementing 1/1/2021. Supervisor will be required to use the Rushmore review system for supervisory review. The case findings form will detail approvals, denials or special circumstances.*
5. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, and Assistant Director of Social Services – Administration and Finance, Karen Reilly Jones, are responsible for implementing 1/1/2021. Supervisor will conduct eligibility case reviews for intake applications and renewals. Benefits and Finance Supervisors will conduct joint case reviews on financial payment on a monthly basis.*
6. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, and Assistant Director of Social Services – Administration and Finance, Karen Reilly Jones, are responsible for implementing 1/1/2021. Supervisor will review all supporting documentation and case notes for overpayments and benefit adjustments with finance department prior to contacting participant to ensure accuracy and correctness of the claim.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Dynamics System

(Point Sheet 2)

#### **CRITERIA:**

The National Association of Social Workers (NASW) defines case management as the process to plan, seek, advocate for, and monitor services for clients. Case management includes documentation of all activities for the client record. Documentation can be recorded electronically and should be prepared, completed, secured, maintained, and disclosed in accordance with appropriate regulatory, and statutory as well as employee requirements.

NASW Technology Standards outline best practices for social workers use of technology. Social workers should use technology to gather, manage, and store client information. Gathering includes collecting information for the purposes of program evaluation. Managing information includes entering client and administrative data into files and sharing with other professionals. Storing information includes saving and maintaining electronic records. Using technology serves several valuable purposes, including accessing information easily, storing information safely, and saving time and money.

#### **CONDITION(S):**

In November 2016, Social Services implemented Microsoft Dynamics, a platform with many built-in and add-on applications which help Social Services streamline program administration and improve citizen services. Social Services uses Customer Engagement, Customized Social Services, SQL Server Integration Services Package, and other applications. To determine how the Dynamics system assists with program compliance we analyzed program administration requirements and identified those tasks completed in Dynamics versus steps completed manually. As shown below, Dynamics is used for creating, approving, and processing payments, but not for other areas of program administration.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Dynamics System

(Point Sheet 2)

#### Manual and System Processing for GR Program Administration:

Manual Processing	<ul style="list-style-type: none"> <li>✓ Supervisor reviews application and adds name to Excel spreadsheet.</li> <li>✓ Paper case file is created. Staff notes are written in the file throughout open case period.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Eligibility Form verifies program requirements.</li> <li>✓ Checklist verifies all required documents have been collected.</li> </ul>	<ul style="list-style-type: none"> <li>✓ EW determines program participation.</li> <li>✓ Verbal notification of approved application.</li> </ul>	<ul style="list-style-type: none"> <li>✓ EW verifies monthly payments from Excel spreadsheet.</li> </ul>
System Processing	<ul style="list-style-type: none"> <li>✓ Demographic information is entered.</li> <li>✓ Payment plan is established and submitted for review.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Supervisor approves payments.</li> <li>✓ Documents in case file are scanned to Laserfiche.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Auto-generated monthly payments are approved by EW and supervisor.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Finance unit uses Check-Run Total report and Warrant Register authorizing Treasurer to issue checks.</li> </ul>

We asked management about capabilities of Dynamics and were informed the system can be used to completely administer GR cases in conjunction with Laserfiche. Laserfiche is a digital document storage system and currently does not interface with Dynamics. In addition to payment processing, complete case administration using Dynamics and Laserfiche can include:

- Entering complete application information (some information fields may need to be added to applicant's record in Dynamics).
- Supervisory approval of applications (task will need to be created in Dynamics).
- Supporting documents can be scanned, uploaded, and reviewed in Laserfiche.
- Staff can easily access applicant history using Laserfiche.

During our review of Dynamics, we observed staff notes are not included in demographic information for applicants, they are added to each case individually. Notes are not shared between cases, which means staff must open each case individually to review previously recorded notes. Also, the audit trail in Dynamics does not document justification for closed cases that are later reopened. Recent GR case administration process changes include entering case notes in Dynamics and scanning application documentation to Laserfiche.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Dynamics System

(Point Sheet 2)

Social Services planned to implement Dynamics in three phases: (1a) records management, (1b) finance, (2) interface with Laserfiche, and (3) synchronize with VDSS Case Management System. Currently, the first phase is complete. Phase two implementation was canceled when the County's Information Systems Technology department (IST) advised Social Services the Laserfiche connector would not be pursued. Recently, Social Services began using Laserfiche for GR program document storage.

#### **CAUSE(S):**

- GR Program is administered using a mix of manual and system processes.

#### **EFFECT(S):**

- Efficiency is reduced when cases are managed using manual and electronic systems.

#### **RECOMMENDATION(S):**

7. We recommend Social Services utilize Dynamics and Laserfiche to determine program eligibility, record supervisory approval, and store program documentation.

#### **MANAGEMENT'S RESPONSE(S):**

7. *Concur. Assistant Director of Social Services – Benefits Program, Eugene Walton, and Assistant Director of Social Services – Administration and Finance, Karen Reilly Jones, are responsible for implementing 2/1/2021. Department of Social Services will utilize Dynamics for case management for eligibility and supervisory review and Laserfiche to store program documentation.*