

June 30, 2019

The Honorable Richard W. West and
Members of the City Council
City of Chesapeake
City Hall – 6th Floor
Chesapeake, Virginia 23328

Dear Mayor West and Members of the City Council:

We have completed our review of the City of Chesapeake's (City's) Human Services Department (Human Services) for the period January 1, 2018 to May 31, 2019. Our review was conducted for the purpose of evaluating whether Human Services was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City procedures in its handling of Title IV-E processes, contract administration, and other areas. All divisions of Human Services were subject to evaluation, especially Social Services and Chesapeake Juvenile Services. The audit included review and evaluation of procedures, practices, and controls of the various divisions of Human Services on a selective basis. Samples were taken as appropriate to assist with our evaluation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Human Services employed a work force of approximately 362 full-time and part-time employees. Their budget for fiscal 2018-19 exceeded \$35.5 million dollars, and accounts for 3.36% of the City's current budget. Areas of operational responsibility included Joint Staff Operations, Service Staff Operations, Eligibility Staff Operations, Bureau of Public Assistance, Human Services-Other, Welfare to Work, and the Fatherhood Program, Juvenile Services, and the Interagency Consortium.

To conduct this audit, we reviewed and evaluated City and Department policies, procedures, operations, documents, and reports, both internal and external. This review included testing and evaluation of the Department's food inventory system, access control, and internal control over case management.

Based on our review, we found that Human Services generally had sound practices and procedures, which complimented its overall mission of their programs. However, it was noted that there were issues with compliance and support to improve communications and internal controls among the staff, especially within the Title IV-E program and the need for a more robust Fraud program to ensuring program integrity in all Human Services. Also, the detention center had numerous areas of concerns such as P-cards, food inventory, billings, key control, and contracts. Another area of concern was facility and computer access control.

This report, in draft, was provided to Department officials for review, and response, and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Department management, supervisors, and staffs were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely,



Jay Poole

City Auditor

City of Chesapeake, Virginia

C: James E. Baker, City Manager
Wanda Barnard-Bailey, Ph.D., Deputy City Manager
Jill Baker, Director of Human Services