



HUMAN SERVICES

PERFORMANCE AUDIT

JANUARY 1, 2018 THROUGH MAY 31, 2019

**CITY OF CHESAPEAKE, VIRGINIA
AUDIT SERVICES DEPARTMENT**

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

Managerial Summary

A. Objective, Scope, and Methodology

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.

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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.

Major Observations and Conclusions

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.

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B. Departmental Practices, Procedures, and Performance Measurements

While the scope of this audit was limited, the role of Human Services in Chesapeake was not. The stated Mission of Human Services was “Helping to make people’s lives better by promoting positive change.” The department strived to do this in one of its four main component parts. These parts, Community Programs, Interagency Consortium, Juvenile Services, and Social Services, served the Citizens of Chesapeake across all demographic considerations and touched their lives in one way or another.

1. Community Programs

The mission of the Division of Community Programs was to promote services, coordination, and collaboration in the community for the enhancement of the Quality of Life for Chesapeake residents. There were 30 employees who worked in Community Programs that provided an array of services that enhanced the lives of Chesapeake citizens. There were seven service areas within the Division:

- a. Community Development
- b. Family / Youth Development
- c. Community Outreach
- d. Community Prevention
- e. Community Partnerships
- f. Community Corrections
- g. Community Relations

2. Interagency Consortium

The Interagency Consortium administered the Children’s Services Act (CSA). This act provided for a collaborative system of services that was centered on the child, focused on the family, and community based. The consortium provided services to disabled, troubled, and at-risk youths and their families. These services were provided in partnership with Human Services, Integrated Behavioral Healthcare, Public Schools, Court Services, and the Health Department. This program area had six main services. They were Regular Foster Care, Therapeutic Foster Care, Congregate Care, Non Mandated, Private Day School, and Community Based Care.

3. Juvenile Services

Chesapeake Juvenile Services (CJS) was a 100-bed facility located on Albemarle Drive in Chesapeake in the City's Municipal Complex. CJS was a division of Chesapeake Human Services. The Director of Chesapeake Human Services provided supervision to the Superintendent of CJS.

The facility was subdivided into general purposes areas that included: administrative offices, school administration, kitchen, cafeteria, laundry, housekeeping, maintenance, training room, gymnasium, Y.E.S. (Youth Entertainment Studio), school classrooms, school library, computer lab and offices, social work offices, videoconference room, clinic, intake, control, reception, and eight separate residential housing units that included day rooms and multi-purpose rooms. It should be noted that the maintenance work space and food storage facility was located in a separate annex behind the main facility.

4. Social Services

By far the largest area in Human Services was the Social Services area. This area provided over \$243 million dollars in financial benefits a year to citizens and also determined eligibility for the Supplemental Nutrition Assistance Program (SNAP), Medicaid Services, Energy Assistance and Temporary Assistance to Needy Families (TANF). Over 40,000 unique citizens of the City received the support provided through Public Benefits each year. Child and adult protective services, foster care, adoption and employment services were also components of this division. Community collaborations were very important to help maximize the investments in time, money, and effort being made by the City. These collaborations were also important to help the City determine and plan for emerging issues, respond to emergencies, and build safe communities.

- a. Public Benefits Eligibility was determined and administered by Social Services. These benefit programs assisted families by supplementing or replacing necessities. These programs, such as SNAP, TANF, and Medicaid, assisted low income, elderly and disabled families and individuals.
- b. Prevention Services were a critical part of the Social Services landscape. Social Services staff sought to prevent CPS involvement with at risk families. Social Services staffed both the Baby Care Oversight Team (coordinated by the Health Department) and the Truancy Team (coordinated by Chesapeake Public Schools.) As a part of those teams, Social Services might become involved with those families who were at risk of abusing or neglecting their children.
- c. Child Protective Services (CPS) was responsible for intervening in whatever way was necessary to ensure the child's safety and to prevent further harm from abuse or neglect. Protecting the child, validating sexual abuse, and seeing to the safety of other possible victims, such as siblings or friends, were the priority of the CPS

social worker. Each year the City received approximately 2,500 reports of alleged child abuse, approximately 1,500 of those reports required investigation. CPS hotline and emergency intervention services were provided 24 hours a day every day, as required by law. At any time of day or day of the year, at least one investigator and one supervisor was on-call to address CPS issues. The Chief of Child Welfare was also on-call 24 hours a day to support the on-call team and respond to serious injuries, fatalities, and other traumatic reports.

- d. **Foster Care Programs** worked with children ages 0 – 17 who had been removed from the care of their families and placed in the custody of Chesapeake Social Services. Because children did best in families, Federal and State law required that Social Service staff demonstrated that 1) continued placement in the home would be contrary to the welfare of the child, and 2) that reasonable efforts were made to prevent out of home placement. Most of the children in Foster Care come from families who had CPS involvement, and based on those efforts, had been determined that the family was either unable or unwilling to provide a safe and stable home for their child. In certain emergency cases, children were removed from their home during the CPS investigation process because it had been determined that the child was in immediate danger.
- e. **Adoption Services** were also provided by Chesapeake's Human Services' Adoption Services. These services included counseling to birth parents who were considering adoption, placement of children whose parental rights had been terminated, and necessary home studies for prospective adoptive parents. While children were still in the custody of Social Services but were receiving Adoption Services, all of the requirements of Foster Care workers remained. In addition, the worker must have also completed all of the required services related to adoption including assessing adoptive families, initiating and following through with JDRC, screening the child, and working with the Virginia Department of Social Services to negotiate adoption assistance.
- f. **Social Services** staff were responsible for the recruitment, monitoring, and training for Resource Homes (formerly known as Foster Homes). In order to ensure that the children entering Foster Care had safe homes with families where they were able to reside temporarily, the Resource Home staff was required to recruit for families who were willing and able to be Resource Families. Because most of the children in Foster Care had been victims of abuse or neglect, and many times were facing additional issues such as disabilities, it was critical that the Resource Families were provided with the training and support needed to address these issues. Also, since many of the Resource Families chose to adopt the children they had fostered, or for other reasons chose to end their service as Resource Families, the process of recruitment was constant. The Resource Staff also conducted the initial Mutual Family Assessments (formerly known as Home Studies), and the addendums as family circumstances changed.

- g. Interstate Compact for the Protection of Children (ICPC) services were provided when children in Foster Care were being assessed for movement across state lines. Chesapeake (through the Virginia Department of Social Services' ICPC Office) both received and referred out cases for ICPC consideration. If a case was received and approved in Chesapeake, ICPC staff provided ongoing monitoring and support to those children and reported back to the sending state regarding progress in the case. For receiving cases, a full Mutual Family Assessment was completed and recommendations for or against ICPC placement were sent back to the referring state.
- h. Adult Protective Services (APS) provided a wide variety of services to stop and prevent future acts of abuse, neglect or exploitation of incapacitated adults age 18 and over, and to any person age 60, or over, by persons who were responsible for their care. Services included:
 - 1. Receipt and investigation of reports that an adult was abused, neglected or exploited, or was at risk of abuse, neglect or exploitation.
 - 2. Assessment of needs and connection with health, housing, social and legal services.
 - 3. Legal intervention to provide essential protection in emergency situations for those who lacked the capacity to consent to services.
- i. Adult Services provided services that allowed adults to remain in the least restrictive setting and function as independently as possible by providing supportive services. Adult Services were provided to adults age 18 or over who had a disability.
- j. An additional program that is run by Social Services was the FIND (Fathers in New Directions) Program which was a fatherhood program designed to lead fathers to self-sufficiency, active involvement in the lives of their children, to secure gainful employment, and to meet their financial obligations to their children.

5. Chesapeake Resource Center

In June 2019, Human Services received approval for a service center for the homeless or those at risk of becoming homeless. The center would assist the target population with housing, employment, benefits, mental health access, laundry, showers, and other daily needs. The Day Service Center also supported the U.S. Department of Housing and Urban Development (HUD) Continuum of Care planning goal that "homelessness will be rare, brief, and nonrecurring."

C. Operational Issues -- Human Services-Virginia Dept. of Social Services (VDSS)

There were two major issues that surfaced that impacted the efficiency and effectiveness of Human Service-VDSS processes. The first was the need for more compliance and support to improve communications and internal controls among the staff, especially within the Title IV-E program. The second was the need for a more robust Fraud program to ensuring program integrity in all Human Services programs.

1. Human Services Compliance and Information Technology Support Issues

Finding - Human Services did not have processes in place to effectively and efficiently ensure compliance with Federal Title IV-E eligibility requirements for Foster Care and did not have adequate controls in place to prevent or detect Title IV-E payment errors.

Recommendation – Human Services should continue to develop, establish and implement a Quality Assurance, and Payment Accuracy teams to diminish the number of payment and documentation errors that currently exist. Management oversight and communications needs to be improved.

Response - In October 2018, CDHS began to build an Administrative Fiscal Support Team, mirroring best practices in other Human Service agencies. With focus on this process and more appropriately centralizing this function under the Fiscal team, rather than asking each Family Services Specialist (Social Worker) to be responsible for the accounting and fiscal responsibilities, made sense and in practice will reduce IV-E funding program errors. We have seen positive outcomes in the last IV-E review completed by the Regional State Office in preparation for the Federal Audit on September 23-27, 2019. The results of the April 2019 IV-E review showed no fiscal errors and some minor programming errors. We will continue to put in processes to minimize these errors. In addition to the fiscal team's oversight, we have recently hired a Quality Assurance Supervisor to review all processes and cases in the child welfare programs, recommend efficiencies and conduct on-going training. It is anticipated this team will be fully functional by August 1, 2019. We will continue to track the audit outcomes for IV-E funding.

2. Fraud Program

Finding - Human Services had 61 overdue fraud investigations as of May 31, 2019, of which the majority were cases were received and started in 2017 & 2018. The Fraud Division was not getting the management support and oversight needed and had not been fully staffed for extended periods of time. In addition, Virginia Case Management System (VaCMS) reports contained data that was inaccurate and unreliable.

Recommendation - Efforts should be made to reduce the investigation backlog and new cases should be investigated timely as required. Management support and oversight over the fraud program needs to be improved.

Response - Effective June 1, 2019, the Fraud team has been moved under a senior level leader for more direct oversight and processes are being reviewed for greater efficiency. We are hiring an additional Fraud Investigator as part of a recent request for reclassification and staffing review. We have hired a Quality Assurance Supervisor for all Benefit programs, including the Fraud team, to review processes and cases for increased efficiencies, error reduction and training.

D. Operational Issues – Chesapeake Juvenile Services

A review of Chesapeake Juvenile Services found several areas that impacted the functionality and efficient control over the detention home. These areas included holding employee P-Cards, keeping cash that should have been returned, and lack of control over the food inventories. Other areas included slow billings for services rendered, control over keys, and failure in verifying contract prices to invoices.

1. Safeguarding of Assets

Finding – Chesapeake Juvenile Services (CJS) was holding active employee P-Cards. Also, since 2015, CJS had been holding cash that should have been returned to the owner or escheated to the State.

Recommendation – CJS management should review their controls involving safeguarding assets and establish, document and implement proper controls over the assets held by CJS, including P-Cards and cash.

Response – CJS administration will order the necessary drop box safe with two keys to hold all assets. The safe will be a pre-drilled safe in order to assure bolting it to the floor, wall, or furniture will allow its placement to be a permanent fixture. Both Assistant Superintendents will be authorized to have the two different keys to the safe and both keys must be used in order to have entry as needed. Administration will create a log that will list date and time safe is opened, item(s) removed, or added, both authorized persons initials, and the same steps when the safe is locked.

Administration will distribute the written procedures that have been in place but not practiced that address safeguarding assets and will adjust procedures if necessary.

2. Food Inventory

Finding - There were no documented procedures established for the handling of the food inventory. Perpetual food inventory records were not being kept for the food inventory maintained by CJS. There was no independent count of the food inventory on a monthly basis. A food inventory general ledger account was not set up on the PeopleSoft system. In addition, USDA revenue reimbursement funds had not been applied to offset food expenses. Security over the food inventory area needed to be enhanced.

Recommendation - CJS management should develop and document food inventory procedures and implement the food inventory process established therein. Food inventory should be counted at the end of each month by an independent person. Also, CJS management should consult with the Finance Department to determine the proper accounting for food inventory on the general ledger. CJS should also attempt to access the USDA grant funds to help offset food expenses on an ongoing basis. Further, access to the food inventory area needs to be restricted to the extent practical.

Response - In February 2019, a new acting Food Services Manager was promoted from within the food service staff. Prior to the new acting food manager, there were no instruments used to track inventory. Since that time, the food service manager has put in place inventory controls to ensure all food and new inventory are tracked and accounted for. Monthly inventory audits are conducted.

As of February 2019, there have been no vendor samples, gifts or USDA bonuses accepted and policies are in place to prohibit this.

All vendors must now report to the main entrance to CJS to check in prior to driving to the rear of the building to off load supplies.

Administration has researched and discussed with Purchasing and Finance the possibility of adding inventory software. Currently we use PeopleSoft as a financial managing system, but not the expanded Inventory Module.

3. Detention Home Service Billing

Finding - The billing process for detention home services for localities needed improvement. There were no signed Memorandum of Understanding (MOU) agreements for the localities receiving detention home services from CJS. Monthly billing for services rendered were not being sent out timely. Manual records for tracking payments were not kept current and did not indicate the total delinquent outstanding balances for the various localities.

Recommendation - CJS management should obtain signed MOU agreements for each locality that receives detention home services from CJS. Monthly billing should be prepared and mailed by the end of the first week of each month. Manual spreadsheets for tracking payments should be updated when payments are received and any payment that remains delinquent over 30 days should be followed up for payment. In addition, CJS management should monitor the billing process to ensure billing is completed timely and that delinquent accounts are followed up for payment.

Response - Memorandums of Understanding are being developed with each locality to address payment for services. Administration will use the State Department of Juvenile Justice BADGE system with the information needed to avoid further late billings of miscellaneous invoices to all localities receiving services for residents at CJS. Administration will be responsible for following up on delinquent payments. Manual records kept by administration are posted with up to date information showing: Current, 30-59 days, 60-89 days, and over 90 days. Administration will work with the Department of Social Services Fiscal Administrator to review other City fiscal reporting systems in order to follow up on delinquent outstanding payments.

4. Facility Keys

Finding- Control over the master key box which housed facility keys for all units needed to be improved.

Recommendation - Consideration should be given to upgrade the existing key control process by obtaining digital access control key box. This would streamline the key control process and free up supervisory time each day. Consideration should be given to install a camera in the receiving area.

Response - The doors on the facility's master key control box have been adjusted and properly aligned by maintenance personnel. Access to the master key, which permits access to the Facility's master key control box, will be limited to essential staff. CJS is in the process of purchasing a combination safe for the specific purpose of securing the master key control box key. Key box access will be limited to Operations Coordinators, Control Staff, Maintenance Supervisor, and Administration. The facility key box will remain locked at all times when not in use.

5. Contracts

Finding – CJS did not verify that the prices on invoices were in agreement with the negotiated contract prices for purchases they made before invoices were paid. In addition, CJS did not have copies of the contracts for all of the vendors for which they did business.

Recommendation – CJS should coordinate with Purchasing to obtain access to any City contracts used, other approved entity’s contract, or cooperative agreement. Additionally, CJS should ensure pricing schedules are detailed in requisitions.

Response - Discussed with Purchasing and beginning in FY 2019-20 all contracts/POs will be provided for administration. This will allow the department to verify invoice amounts are correct based on the negotiated contract prices before payments are made. Currently all vendor payments are made through the PeopleSoft Financial payment system (PO payments & non-PO payments). All one-time payments (those that are not a monthly repetitive expense) will continue to be paid as non-PO vouchers.

E. Access Control Issues

The ability to activate, deactivate, or delete an employee’s physical accesses was a manual, three-tiered process involving individual departments, Human Resources, and Information Technology. Any breakdown in communication or follow-through in that process could result in a separated employee’s ability to maintain access to City facilities.

Through no fault of Human Services, our audit found that the three-tiered process did not provide Human Services as well as other departments with routine feedback and a system of proper checks and balances that would allow departments the ability to monitor and confirm the deactivation of physical building accesses for separated employees. This situation left the City exposed to security breaches.

1. Access Controls

Finding – City processes did not always deactivate physical accesses of Human Services employees who had separated from the City. Failure to terminate separating employees’ accesses to City facilities and computer systems puts the City and employees at risk.

Recommendation – The City should consider revisiting the appropriate policies with Human Resources, Information Technology, and all City departments to address this situation. The City should consider revising the three-tiered process to provide Human Services as well as other departments with routine feedback through a system designed with proper checks and balances that would allow departments the ability to monitor and confirm the *timely deactivation* of physical building accesses for separated employees.

Response – (Note: Human Services concurs with the recommendation.)

HUMAN SERVICES
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July 1, 2017 TO May 31, 2019

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Appendix A – Response from Human Services

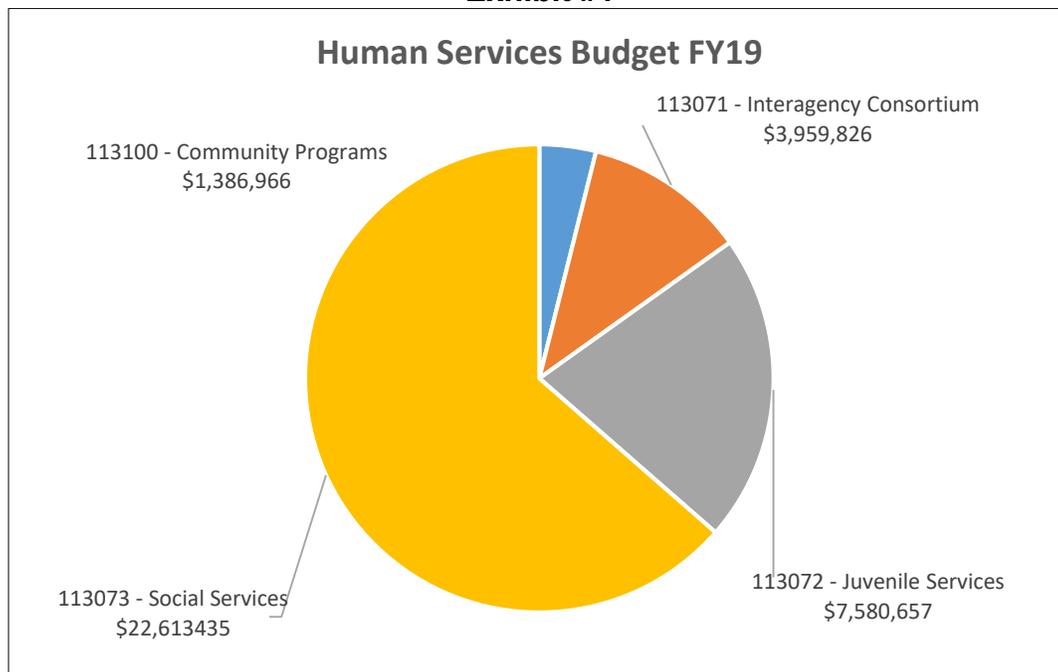
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Exhibit #1



Major Observations and Conclusions

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Methodology

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.

We interviewed Social Services and JDH management, administrative, and field staff to obtain an understanding of overall operations. We also worked with the Virginia Department of Social Services (VDSS) to gather performance information regarding the various Chesapeake social services programs. We also met with teams of Social Services personnel to obtain an understanding of the Title IV-E program. Juvenile Service's procurement and financial data were also reviewed to determine compliance with the City's purchasing policies. Finally, we reviewed the VDSS QAA Report to improve internal controls.

B. Departmental Practices, Procedures, and Performance Measurements

While the scope of this audit was limited, the role of Human Services in Chesapeake was not. The stated Mission of Human Services was “Helping to make people’s lives better by promoting positive change.” The department strived to do this in one of its four main component parts. These parts, Community Programs, Interagency Consortium, Juvenile Services, and Social Services, served the Citizens of Chesapeake across all demographic considerations and touched their lives in one way or another.

1. Community Programs

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a. Community Development

The Division of Community Programs worked to develop, revitalize and maintain healthy neighborhoods through community involvement and support of neighborhood activities. Resources were provided to the neighborhoods in terms of education for Civic Leagues, housing repairs for low-income homeowners, and partnerships with neighborhood events to ensure the community was aware of City and community resources and programs. Community Programs provided the following:

- *Quality of Life Study*
- *Serve the City*
- *World Changers*
- *Civic League Development*
- *Neighborhood Community Events*

b. Family / Youth Development

The Division of Community Programs collaborated with other youth and family professionals to provide family education and support services; promoted community events and special youth programs that promoted positive youth development throughout the community; provided case management and accountability for at risk youth; informed and educated the community. Services were not neighborhood specific but designed to serve all youth living in Chesapeake. Initiatives and programs included:

- *Truancy Program*
- *Court Appointed Special Advocates (CASA)*
- *Community Service Program*
- *Juvenile Conference Committee*

- *Educational Programs: The Teen Seminar Program; Virginia Teens and the Law; Life Skills*
- *Mayor's Youth Day*

c. Community Outreach

The Division of Community Programs collaborated with faith-based organizations, community agencies and other departments in order to provide comprehensive services to individuals and families facing homelessness, and those re-entering the community following incarcerations. These services included case management and assistance with meeting basic needs such as employment and housing. The newest initiative included the Homeless Resource Center co-located with Chesapeake Redevelopment and Housing Authority in an effort to provide resources and case management services to those individuals and families living in in places not designed for human habitation. Other services included:

- *Prisoner Re-entry Council*
- *Prisoner Re-entry Case Management*
- *Comprehensive Plan to End Homelessness*
- *Homeless Case Management*
- *Housing Locator services*
- *Homeless Resource Center*

d. Community Prevention

In an effort to prevent children from entering into Foster Care and to ensure that children grow up healthy and become productive members of our community; and to ensure that our older adult citizens enjoy their senior years in safe and secure environments, the Prevention Team worked closely with Child Protective Services and Adult Protective Services to address those concerns that were brought to Social Services of families, children, and adults that may need extra support in their daily lives. The work of the team included assessing the referrals and meeting with the individuals or families to identify needed services and ensured those services are put into place. The Prevention Team included:

- Project FIND (Fathers In New Directions)
- Promoting Safe and Stable Families
- Case Management
- Resource and referral

e. Community Partnerships

The Division of Community Programs' collaborations and partnerships were formed with faith-based organizations, civic leagues, community agencies, non-profit organizations, and other entities in order to align a continuum of services for Chesapeake Citizens. Their goals included: to ensure children enter school ready to learn and

graduate from high school with ongoing plans to be self-sufficient; and to ensure our adult population 55 and better had the resources needed to access medical, food, recreational and other needed services to live in safe and healthy environments. The department strove to meet those goals through the following:

- *Chesapeake R U Ready Coalition/Comprehensive Plan for Youth*
- *Youth Advisory Board*
- *Mayor's Ambassadors*
- *55Plus/Comprehensive Plan for 55 and Better*

f. Community Corrections

The Division of Community Programs provided a community based alternative to incarceration through Community Corrections. It served the Chesapeake Circuit, General District and Juvenile and Domestic Relations Court and provided both pre and post-trial services. This community based correctional alternative was a multi-service approach to diverting and supervising minimum-security arrestees and detainees from the Chesapeake jail. Services included:

- *Local Community-Based Probation*
- *Pre-trial Services*
- *Community Criminal Justice Board (CCJB)*

g. Community Relations

The Division of Community Programs welcomed volunteers to assist with programming for youth, homeless, probationers, incarcerated persons coming back into the community, and boards and commissions that supported the citizens of Chesapeake. The division sought volunteers to assist with all areas of programming. Volunteers were screened through the City of Chesapeake's Human Resource Department or through the division's partnership with the Department of Juvenile Justice.

2. Interagency Consortium

The Interagency Consortium administered the Children's Services Act (CSA). This act provided for a collaborative system of services that was centered on the child, focused on the family, and community based. The consortium provided services to disabled, troubled, and at-risk youths and their families. These services were provided in partnership with Human Services, Integrated Behavioral Healthcare, Public Schools, Court Services, and the Health Department. This program area had six main services. They were Regular Foster Care, Therapeutic Foster Care, Congregate Care, Non Mandated, Private Day School, and Community Based Care.

- a. Regular Foster Care payments were paid to foster families for the basic living expenses of children in foster care by the Consortium. These expense included such items as room and board, school supplies, clothing, and personal incidentals.

- b. Therapeutic Foster Care was provided for children living in foster homes and needing additional care above and beyond that found in regular foster care. The Consortium services included therapeutic assessments, development of child-specific treatment plans, home visits, training of foster parents in the necessary care, respite care, and casework and management.
- c. Congregate Care services were offered by the Consortium to children living in temporary care facilities, emergency shelters, group homes, and 24 hour secure residential facilities. The group homes must be for children with behavioral, emotional, or physical difficulties. Services were eligible for Medicaid reimbursement but were provided to all children including those who may not be eligible for Medicaid.
- d. Non-Mandated Services were those services identified by the CSA provided by the Consortium that were in the best interest of both the child and the community. These services were for children that were not eligible for services under Title IV-E, did not have an individualized education program (IEP) and were not identified as a "Child in Need of Service" as defined by Virginia statute.
- e. Private Day School tuition was made available by the Consortium for children whose home school could not appropriately address their IEP. In addition, the Consortium offered what was referred to as wrap around services. These services were non-IEP services provided outside of the school and were intended for students with disabilities.
- f. Community Based Care were services that included such items as outpatient assessment, crisis stabilization, substance abuse services, modifications to homes that enabled the child to stay in the home, and therapeutic day treatment services. The Consortium had a goal that 50% of all children and youth receiving CSA funded services would also receive community based services.

3. Juvenile Services

Chesapeake Juvenile Services (CJS) was a 100-bed facility located on Albemarle Drive in Chesapeake in the City's Municipal Complex. CJS was a division of Chesapeake Human Services. The Director of Chesapeake Human Services provided supervision to the Superintendent of CJS.

The facility was subdivided into general purposes areas that included: administrative offices, school administration, kitchen, cafeteria, laundry, housekeeping, maintenance, training room, gymnasium, Y.E.S. (Youth Entertainment Studio), school classrooms, school library, computer lab and offices, social work offices, videoconference room, clinic, intake, control, reception, and eight separate residential housing units that included day rooms and multi-purpose rooms. It should be noted that the maintenance work space and food storage facility was located in a separate annex behind the main facility.

a. Program Description

CJS was a regional facility that served the cities of Chesapeake, Portsmouth, Suffolk, Franklin, and Isle of Wight and Southampton counties. CJS provided services to residents in the following programs: Pre-Disposition, Post-Disposition and Community Placement Program (CPP), and Detention Re-entry.

There were ten beds designated for Post-Disposition, ten beds for CPP, and ten flexible beds that were used by other programs as needed. The remaining seventy beds were generally utilized for Pre-Dispositional residents. Included in that 70 bed count was one female unit while the other units were utilized for males.

CPP, Detention Re-entry, and Post-Disposition residents received assessment and case management services. They were assigned staff that worked closely with their parent/legal guardians, probation officers, and other involved professionals. They received services in anger management, substance abuse education/treatment, conflict resolution, life skills, and independent living skills.

CJS provided staffing and operated by a team approach. They had four teams of juvenile service specialists and supervisors that provided direct care security services and handled daily operations. They had support services staff that consisted of education, medical, mental health, food services, housekeeping, laundry, and maintenance.

b. Services Provided

CJS provided secure residential services within a restricted living environment to male and female residents. CJS provided services that supported the physical, emotional and social development of juveniles. Those services included well-balanced USDA approved meals, educational services, medical services, mental health services and religious and recreation programming.

1. Food Services

Food Services provided three nutritionally balanced meals and a healthy snack daily. The meals were prepared in accordance with the USDA National School Lunch Program guidelines.

2. Educational Services

Chesapeake Public Schools provided standard and special education classes on site in addition to GED preparation and testing and post-graduate certification education services. The Educational Services Department was staffed with a Principal and an Administrative Assistant. There were 12 full-time teachers: (2) Math, (2) English, (2) Social Studies, (2) Special Education, (1) Science, (1) Literacy Coach, (1) Art, and (1) Physical Education. Residents attended school from 8:30 AM to 2:55 PM Monday through Friday. During the normal school year, students followed the Chesapeake

Public School calendar. After regular school ended, residents attended Enrichment for two weeks at the end of June and two weeks at the beginning of August to prepare them for the school year.

3. Medical Services

Wellpath, provided contractual medical services to CJS residents. Wellpath provided one full-time Registered Nurse, two Licensed Practical Nurses, and one medical doctor. The Doctor was on site once a week and was available twenty-four hours a day. The Registered Nurse was also available twenty-four hours a day. Mobile x-rays were utilized for imaging needs and they were available twenty-four hours a day. Labs were sent to LabCorp. CJS had contractual agreements with Solomon, Forbes & Nachman Family Dentistry for emergency dental services and Chesapeake Regional Medical Center for emergency medical services.

Basic medical services were provided to all residents admitted to CJS. Each resident received a physical assessment within 5 days of admission. Screenings were included for vision, hearing, and communicable diseases. Minor medical issues were assessed and treated by medical staff under the authority of the contract medical doctor. The contract physician provided weekly visits to the facility and saw any resident that had been referred via sick call slip completed by the resident or staff. Medication administration, appointments, and monitoring necessary medication refills were provided by Wellpath medical staff.

4. Mental Health Services

CJS provided mental services that included screening, assessment, crisis intervention, counseling, and referral services. Residents received an initial mental health screening from CJS staff as part of the intake process. CJS Intake staff made referrals to an on-site Family Services Supervisor (FSS) for further assessment, counseling, and crisis intervention. If the FSS concluded that a juvenile was in need of further assessment and/or mental health services, then the resident was referred to a mental health clinician that was on-site but employed by Chesapeake Integrated Behavioral Healthcare (CIBH). The clinician provided selective evaluation, short term solution focused counseling, crisis intervention, and processing of behaviors utilizing a cognitive behavioral therapeutic approach. The mental health clinician also provided referral and intake services for residents in need of psychiatric evaluations and medication management. Residents with acute mental health needs were referred to Chesapeake Integrated Behavioral Healthcare (CIBH) - Emergency Services for an assessment. CIBH - Emergency Services determined if a resident was able to be safely managed in CJS or if hospitalization was deemed appropriate. CJS staff utilized all available internal resources in order to manage residents with mental health issues.

5. Religious Programming

All residents were provided the opportunity to voluntarily engage in interdenominational religious programming. CJS had trained volunteers through the Chesapeake Jail Ministry Program that came to the facility to offer religious services to residents twice weekly. Residents were allowed to have and receive visitation with their personal clergy provided they were able to provide proper clergy identification.

6. Recreation Programming

Chesapeake Juvenile Services' Therapeutic Recreation Program offered the residents opportunities for individual, group, and co-recreational activities. Such activities included sports and games, creative expression, special events, and a special activity for high-level residents. Recreation programming was scheduled in a manner that would not conflict with meals, religious services, educational programs, visitation, and other unit events. In addition to recreation time, residents had free time to pursue their individual interests. Male and female residents were afforded weekly co-recreational activities. Residents who were physically handicapped or had other health restrictions and who could not participate in recreational activities with the general population were provided alternative recreation that was suitable to their abilities.

7. Community Services

CJS partnered with various community agencies in order to provide enrichment programming. The Up Center coordinated the Fatherhood Initiative Program. Tidewater Youth Services Commission provided Aggression Replacement Therapy (ART), and Substance Abuse group services. Chesapeake Sheriffs' and Police provided a mentoring program that was coordinated through the CJS school program. Chesapeake Jail Ministries and Royal Rangers were providers of religious programming.

8. Community Placement Program (CPP)

The Community Placement Program (CPP) was a partnership between the Department of Juvenile Justice (DJJ) and Chesapeake Juvenile Detention and provided residential services with community re-integration planning. The program was a highly structured, disciplined, residential program for juvenile offenders committed to the Department of Juvenile Justice. CPP focused on addressing specific treatment needs and risk factors to develop competency and skill building in areas of education, job readiness, life and social skills. The Youth Assessment and Screening Instrument (YASI) was utilized for case planning to address criminogenic need and was revisited to monitor a resident's progress. CPP served male residents between 14-20 from the CJS-served cities and counties.

The programs and services provided for CPP were designed to alter the behavior of chronically aggressive youth via group therapy and were as follows:

- **Substance Abuse Group**- provided substance abuse treatment services for residents that met the criteria via group therapy
- **Job Readiness**- this group provided competency and skill development in completing job applications, interviews, resume building, and appropriate attire to prepare youth to enter the workforce
- **Skill streaming**- this group taught a broad curriculum of 50 skills divided into six sub-groups for prosocial behavior skill building
- **Psycho-educational Therapy**- this group was facilitated by the Mental Health Clinician to provide education, coping strategies, and skill development associated with mental health issues
- **Y.E.S.**- Youth Entertainment Studio - provided residents with opportunities for creative musical expression through writing and recording their own lyrics in a studio simulated environment

9. Post-D Program

Post-D was a secure 6-month residential treatment program for males and females up to the age of 17. The Program only accepted referrals from localities with a written post dispositional agreement between their respective court services unit and CJS. Residents completed assessments provided by the Post-D Coordinator to determine their suitability for the program. The Post-D Program could house up to 10 residents. The residents must have a suspended commitment with the Department of Juvenile Justice. The residents worked on the objectives from their Individual Service Plan (ISP). Residents were assigned to a Juvenile Services Specialist I, which worked on the unit.

The goal of this program was to re-integrate the juvenile back into the community with their families. The Post-D program attempted to repair and strengthen family relationships, prepared residents to live productive lives, and integrated them back into the community as productive citizens.

An Individual Service Plan was created within 5 business days of admission to determine the resident's strengths, deficits and goals. The ISP was a "ROADMAP" to assist residents in reaching their goals. The residents in the program attended Substance Abuse classes that focused on teaching them how to resolve issues and practice avoidance. Post-D utilized treatment targets that consisted of orientation, adjusting to the program, treatment program, personal goals, family goals, education/employment, and transition. They were also able to participate in a Horticulture Program sponsored by Chesapeake Public Schools.

4. Social Services

By far the largest area in Human Services was the Social Services area. This area provided over \$243 million dollars in financial benefits a year to citizens and also determined eligibility for the Supplemental Nutrition Assistance Program (SNAP), Medicaid Services, Energy Assistance and Temporary Assistance to Needy Families (TANF). Over 40,000 unique citizens of the City received the support provided through

Public Benefits each year. Child and adult protective services, foster care, adoption and employment services were also components of this division. Community collaborations were very important to help maximize the investments in time, money, and effort being made by the City. These collaborations were also important to help the City determine and plan for emerging issues, respond to emergencies, and build safe communities.

- a. Public Benefits Eligibility was determined and administered by Social Services. These benefit programs assisted families by supplementing or replacing necessities. These programs, such as SNAP, TANF, and Medicaid, assisted low income, elderly and disabled families and individuals.

- Supplemental Nutrition Assistance Program (SNAP)

SNAP was designed to alleviate hunger and malnutrition by increasing the purchasing power of low-income households. SNAP was one of the largest programs in Human Services.

- Temporary Assistance for Needy Families (TANF)

TANF provided temporary cash assistance and employment-related services to enable families with children to become self-supporting. It was also funded primarily through a federal block grant.

- Employment Services

Employment Services included one-to-one job counseling and job searches, employment readiness classes, employer recruitment, job fairs, and life skills classes were provided to eligible residents who were receiving TANF and SNAP. Employment services were provided with the goal of reducing poverty and dependence on public benefits in the City. These services were jointly funded by the federal and state governments, as well as the City.

- Medicaid

Medicaid was the nation's public health insurance program for low-income, elderly, and disabled Americans and is jointly financed by the Federal and State governments. The program financed health and long-term care services for children and adults in low-income working families and for the elderly and disabled. Individuals must have met both financial and categorical criteria to qualify and be either a U.S. citizen or have five years of legal residency.

Other key programs administered by Social Services included Child Care, Energy Assistance, General Relief, and Auxiliary Grant.

- Child Care Services were available to persons who meet the income eligibility guidelines and received a TANF payment within the previous 12 months. The

program was a 12-month program and was effective the month following TANF closure.

- Energy Assistance Program was comprised of three components: fuel assistance, crisis assistance, and cooling assistance. The Energy Assistance Program assisted eligible low-income households to offset the costs of home energy.
 - General Relief (GR) Burial Services provided limited financial assistance to help with burial costs of a deceased relative. To be eligible, a family had to be financially needy and meet certain requirements. Funds were subject to availability.
 - Auxiliary Grant (AG) provided an income supplement to recipients of Supplemental Security Income (SSI) and certain other aged, blind, or disabled individuals residing in an assisted living licensed facility, or in an adult foster care home, approved by Human Services.
- b. Prevention Services were a critical part of the Social Services landscape. Social Services staff sought to prevent CPS involvement with at risk families. Social Services staffed both the Baby Care Oversight Team (coordinated by the Health Department) and the Truancy Team (coordinated by Chesapeake Public Schools.) As a part of those teams, Social Services might become involved with those families who were at risk of abusing or neglecting their children.

In addition to CPS prevention, Social Services provided Foster Care Prevention Services (often called Diversion) for those families who were at risk of having their children removed. It was in the best interest of children to remain with their families. With that in mind, Foster Care prevention workers collaborated with families to identify both their strengths and their needs and helped the family to identify and secure the necessary services to maintain the child safely in their homes. Foster Care prevention cases came to the agency through court order by the Juvenile and Domestic Relations Court (JDRC) either through a family-initiated request for Relief of Custody, or a Court Order for initiation of services for court-involved families.

- c. Child Protective Services (CPS) was responsible for intervening in whatever way was necessary to ensure the child's safety and to prevent further harm from abuse or neglect. Protecting the child, validating sexual abuse, and seeing to the safety of other possible victims, such as siblings or friends, were the priority of the CPS social worker. Each year the City received approximately 2,500 reports of alleged child abuse, approximately 1,500 of those reports required investigation. CPS hotline and emergency intervention services were provided 24 hours a day every day, as required by law. At any time of day or day of the year, at least one investigator and one supervisor was on-call to address CPS issues. The Chief of

Child Welfare was also on-call 24 hours a day to support the on-call team and respond to serious injuries, fatalities, and other traumatic reports.

Investigations must be completed within 45 – 60 days, and required interviews with all involved parties, including the parents. In addition to interviewing, investigators were also required to visually observe, not only of the alleged victim, but all of the children in the household. When serious injuries were involved, these investigations were conducted in partnership with the police, the Commonwealth or City Attorney's Office, the Children's Hospital of the Kings Daughters – Child Abuse Prevention program, and other involved stakeholders.

CPS staff also provided Ongoing Services to families who were a part of a CPS investigation or Family Assessment. The services provided through CPS workers were provided with the goals of:

- Prevention of further abuse or neglect to the child.
- Assurance of the child's safety, and
- Maintenance of the child in his or her family.

With these goals in mind, CPS Ongoing workers collaborated with families to identify both their strengths and their needs and established plans that addressed both. The roles of the CPS Ongoing worker were diverse and varied from family to family. The CPS Ongoing worker was expected to be an advocate, an educator, a case manager, a facilitator, and many other things. As was true for CPS investigation and assessment, the requirements for the CPS Ongoing worker were plentiful, highly regulated, and on strict timelines. One of the primary differences between CPS investigation and assessment and ongoing services was the absence of a specific end date. While most cases were open for an average of six months, in cases with multiple or ongoing need the case may be open for a year or more.

- d. Foster Care Programs worked with children ages 0 – 17 who had been removed from the care of their families and placed in the custody of Chesapeake Social Services. Because children did best in families, Federal and State law required that Social Service staff demonstrated that 1) continued placement in the home would be contrary to the welfare of the child, and 2) that reasonable efforts were made to prevent out of home placement. Most of the children in Foster Care come from families who had CPS involvement, and based on those efforts, had been determined that the family was either unable or unwilling to provide a safe and stable home for their child. In certain emergency cases, children were removed from their home during the CPS investigation process because it had been determined that the child was in immediate danger.

Foster Care services were highly regulated by both the Federal and State government and mandated continuous involvement by the JDRC. Foster Care workers were required to complete the necessary paperwork and participated with

the courts during Emergency Removal Orders, Preliminary Child Protective or Removal Orders, Adjudication Hearings, Dispositional Hearing, Foster Care Reviews, Permanency Planning Hearings, Hearing for Termination of Parental Rights, and Post Permanency Planning Hearings. In addition, in order to be eligible for Federal reimbursement each child must be assessed for eligibility for Title IV-E funds and appropriate documentation must be maintained. If ineligible for Title IV-E reimbursement, Foster Care staff must complete the necessary documentation for Children's Services Act reimbursement, which was managed through the State.

In addition to the administrative funding eligibility requirements, Foster Care staff's most important function was the provision of services to the impacted children and families. The most preferential goal for Foster Care was to have children returned home. Services to the children and families were first geared toward achievement of that goal. Foster Care staff met regularly with both the children in care, their foster families, and their family of origin, most often the biological parents. Meetings with these parties must occur monthly, with an additional requirement for monthly face-to-face meetings with the child and bi-monthly meetings with each of the biological parents for as long as the goal is to reunify the family.

Throughout this process Foster Care staff made continual efforts to identify relatives, family friends (known as fictive kin), and others who could potentially provide support to the family and child. When a child is in Foster Care, it was best for the child to live with family or people he or she knew than with Foster Families with whom the child had no connection. These placements were known as Kinship Care and still required all of the oversight as other traditional Foster Care placements.

If efforts to have the child returned home, or placed with relatives were unsuccessful and the child was still a minor, the Foster Care worker began the process of preparing the child for adoption.

- e. Adoption Services were also provided by Chesapeake's Human Services' Adoption Services. These services included counseling to birth parents who were considering adoption, placement of children whose parental rights had been terminated, and necessary home studies for prospective adoptive parents. While children were still in the custody of Social Services but were receiving Adoption Services, all of the requirements of Foster Care workers remained. In addition, the worker must have also completed all of the required services related to adoption including assessing adoptive families, initiating and following through with JDRC, screening the child, and working with the Virginia Department of Social Services to negotiate adoption assistance.

After the adoption had been finalized, Adoption Services worked with the family at least once annually to complete the Annual Affidavit process. However, the

Adoption Services staff remained available to the family to provide the necessary support to ensure the child's ongoing well-being.

- f. Social Services staff were responsible for the recruitment, monitoring, and training for Resource Homes (formerly known as Foster Homes). In order to ensure that the children entering Foster Care had safe homes with families where they were able to reside temporarily, the Resource Home staff was required to recruit for families who were willing and able to be Resource Families. Because most of the children in Foster Care had been victims of abuse or neglect, and many times were facing additional issues such as disabilities, it was critical that the Resource Families were provided with the training and support needed to address these issues. Also, since many of the Resource Families chose to adopt the children they had fostered, or for other reasons chose to end their service as Resource Families, the process of recruitment was constant. The Resource Staff also conducted the initial Mutual Family Assessments (formerly known as Home Studies), and the addendums as family circumstances changed.
- g. Interstate Compact for the Protection of Children (ICPC) services were provided when children in Foster Care were being assessed for movement across state lines. Chesapeake (through the Virginia Department of Social Services' ICPC Office) both received and referred out cases for ICPC consideration. If a case was received and approved in Chesapeake, ICPC staff provided ongoing monitoring and support to those children and reported back to the sending state regarding progress in the case. For receiving cases, a full Mutual Family Assessment was completed and recommendations for or against ICPC placement were sent back to the referring state.
- h. Adult Protective Services (APS) provided a wide variety of services to stop and prevent future acts of abuse, neglect or exploitation of incapacitated adults age 18 and over, and to any person age 60, or over, by persons who were responsible for their care. Services included:
 - 1. Receipt and investigation of reports that an adult was abused, neglected or exploited, or was at risk of abuse, neglect or exploitation.
 - 2. Assessment of needs and connection with health, housing, social and legal services.
 - 3. Legal intervention to provide essential protection in emergency situations for those who lacked the capacity to consent to services.

Social Service staff was available to receive reports of mistreatment 24 hours a day, and in cases of safety or related emergency, would coordinate an immediate response by coordinating with the Chesapeake Police Department or other entities as necessary.

- i. Adult Services provided services that allowed adults to remain in the least restrictive setting and function as independently as possible by providing supportive services. Adult Services were provided to adults age 18 or over who

had a disability. Adult Services staff (in some cases in partnership with the Health Department) provided the following services:

- Nursing home pre-screening
- Assisted living facility assessments

In addition, Adult Services staff recruited for support providers of and linked clients with:

- Companion Services
- Adult Foster Care

Lastly, Adult Services staff provided ongoing support to families, and referred to programs such as Guardianship and Adult Day Care when needed.

- j. An additional program that is run by Social Services was the FIND (Fathers in New Directions) Program which was a fatherhood program designed to lead fathers to self-sufficiency, active involvement in the lives of their children, to secure gainful employment, and to meet their financial obligations to their children.

5. Chesapeake Resource Center

In June 2019, Human Services received approval for a service center for the homeless or those at risk of becoming homeless. The center would assist the target population with housing, employment, benefits, mental health access, laundry, showers, and other daily needs. The Day Service Center also supported the U.S. Department of Housing and Urban Development (HUD) Continuum of Care planning goal that “homelessness will be rare, brief, and nonrecurring.”

C. Operational Issues -- Human Services-Virginia Dept. of Social Services (VDSS)

There were two major issues that surfaced that impacted the efficiency and effectiveness of Human Service-VDSS processes. The first was the need for more compliance and support to improve communications and internal controls among the staff, especially within the Title IV-E program. The second was the need for a more robust Fraud program to ensuring program integrity in all Human Services programs.

1. Human Services Compliance and Information Technology Support Issues

Finding - Human Services did not have processes in place to effectively and efficiently ensure compliance with Federal Title IV-E eligibility requirements for Foster Care and did not have adequate controls in place to prevent or detect Title IV-E payment, compliance, and documentation errors.

The Virginia Department of Social Services (VDSS) required localities to follow Title IV-E eligibility requirements as provided by Federal Regulations (45 Code of Federal Regulations Parts 1355 and 1356) and State Statutes (Title 63.2 and Title 16.1), as well as requiring the appropriate use of Title IV-E funds for those foster care children who had been found eligible for funding under Title IV-E.

We identified the following deficiencies that impaired compliance and adversely impacted controls over Title IV-E expenditures.

- 1. Compliance and Documentation Errors.** Human Services did not have an integrated system of internal controls to ensure federal compliance and avoid possible payment errors. Compliance and documentation errors included missing court orders, safety checks, certificate of approval, modified state checklist documents, criminal background checks not completed on all adults in the home, and incorrect or missing information in OASIS, a state automated child welfare information system used daily by every local social worker in Virginia, and the system used to record Title IV-E. These findings were cited in the February 14, 2018, July 11, 2018, January 7 thru 9, 2019, and January 10, 2019, VDSS Title IV-E Case Review Reports. In addition, it should be pointed out that the VDSS notified the Human Services department two weeks in advance of their visit and provides the department with the names of the cases they will be reviewing. Therefore, errors should be at a minimum. The VDSS threshold standard for payment and case documentation errors is zero percent. Exhibit #2 below provides a summary of the results of the VDSS IV-E case reviews.

Exhibit #2
Summary of VDSS QAA Report Results

VDSS Report Date and Period Reviewed	Deficiencies Found and Error Rate
<p>Jan 7-9, 2019 Reviewed 34 random cases for the period Jun thru Nov 2018.</p>	<p>9 of 34 cases reviewed did not properly exercise placement and care of the child. (26% error rate)</p> <p>8 of 34 cases reviewed utilize title IV-E funds for unallowable expenses (overpayments). (24% error rate)</p> <p>5 of 34 cases reviewed, information entered into OASIS contained data that was inconsistent with the paper case record. (15% error rate)</p> <p>7 of 34 cases reviewed, eligibility file was missing documentation. (20% error rate)</p> <p>2 of 34 cases reviewed, agency made underpayments for clothing, maintenance, and/or enhanced maintenance payments. (6% error rate).</p>
<p>January 10, 2019 Reviewed all 5 new cases for the period Aug, Sep, and Oct 2018.</p>	<p>4 of the 5 cases reviewed were not in compliance with IV-4 regulations or needed OASIS updates. (80% error rate)</p>
<p>July 11, 2018 Reviewed all 8 new cases for the period Feb, Mar, and APR, 2018</p>	<p>7 of the 8 cases reviewed had no errors. One file had missing documentation and OASIS not updated.</p>
<p>February 14, 2018 Reviewed 44 random cases for the period June 2017 thru November 2017</p>	<p>11 of the 44 cases reviewed, the agency utilized IV-E funds for unallowable expenses.(overpayments, duplicate payments and calculation errors) (25% error rate)</p> <p>18 of the 44 cases reviewed, had missing documentation. (41% error rate)</p> <p>17of the 44 cases reviewed, the Notice of Action forms were not on file. (39% error rate)</p> <p>2 of the 44 cases reviewed, the agency modified State form. (4% error rate)</p>

2. **Workflow Management Deficiencies.** Human Services had not established a workflow process that would identify deficiencies and correct documentation and payment errors for the Title IV-E program.

We found the following issues:

- There was no internal process in place and fully operational to ensure payments were accurate and made in accordance with guidelines. (This was in process of being developed)
 - There was no quality review process in place and fully operational to review cases on an ongoing basis for completeness and accuracy. (this was in process of being developed)
 - Management oversight was lacking.
 - Divisions were siloed and communication between divisions was lacking.
 - Employees were not always filing documentation to files when received.
 - Data entered into OASIS was not being verified to ensure the data was in agreement with information in the case file.
3. **Automated Document Imaging Needs.** Human Services also did not have an automated document imaging system to support the Title IV-E eligibility determination process. An imaging system would have allowed Human services to retain documents electronically, review them for accuracy, and to attach the scanned documents to case notes within client records for completeness.

These situations occurred because there was a lack of management oversight, lack of communication between divisions, and divisions were not working together as a team to resolve issues that may affect various divisions. Further, divisions were understaffed as a result of employee turnover and staff retirements.

If these situations are not addressed, the department will continue to have numerous payment, documentation, and OASIS errors which could lead to substantial penalties and losses for the City. In addition, foster child may lose their eligibility.

Recommendation – Human Services should continue to develop, establish and implement a Quality Assurance, and Payment Accuracy teams to diminish the number of payment and documentation errors that currently exist. Management oversight and communications needs to be improved.

The following items should be considered.

- Data entered into OASIS should be verified to the information indicated in the case files at least once a quarter for accuracy.
- Employees should be required to file case documentation for eligibility when it is received.
- Human Services should consider obtaining an automated document imaging system to support the Title IV-E eligibility process.

Response - In October 2018, CDHS began to build an Administrative Fiscal Support Team, mirroring best practices in other Human Service agencies. With focus on this process and more appropriately centralizing this function under the Fiscal team, rather than asking each Family Services Specialist (Social Worker) to be responsible for the accounting and fiscal responsibilities, made sense and in practice will reduce IV-E funding program errors. We have seen positive outcomes in the last IV-E review completed by the Regional State Office in preparation for the Federal Audit on September 23-27, 2019. The results of the April 2019 IV-E review showed no fiscal errors and some minor programming errors. We will continue to put in processes to minimize these errors. In addition to the fiscal team's oversight, we have recently hired a Quality Assurance Supervisor to review all processes and cases in the child welfare programs, recommend efficiencies and conduct on-going training. It is anticipated this team will be fully functional by August 1, 2019. We will continue to track the audit outcomes for IV-E funding.

2. Fraud Program

Finding - Human Services had 61 overdue fraud investigations as of May 31, 2019, of which the majority were cases were received and started in 2017 & 2018. The Fraud Division was not getting the management support and oversight needed and had not been fully staffed for extended periods of time. In addition, Virginia Case Management System (VaCMS) reports contained data that was inaccurate and unreliable.

Human Services was responsible for the administration of its own fraud investigations. The program was critical for ensuring program integrity in all Human Services programs. As with all other programs, the VDSS provided technical assistance, fraud investigative training, and policy support to local DSS offices.

The VDSS had a target goal for all localities to complete fraud investigations within 90 days from the time the investigations were started in the system. VaCMS tracked the number of investigations open for 90 days or more by locality across the state. It should be noted that state reports generated by the VaCMS system were often found to be inaccurate and unreliable. Therefore, the fraud division had to research their manual records to provide the following information. The table below showed a backlog of 61 overdue cases, 77 new cases, and 372 Paris Matches cases that had not been started as of May 31, 2019.

**Exhibit #3
Investigation Summary Report**

Cases by Category	Number of Cases
Cases Over 90 Days	61
New Cases not Started in VaCMS	77
Paris Matches not Started	372

In addition, the Fraud Division was not getting the management support and oversight needed and has not been fully staffed for extended periods of time. The fraud team had two full time investigators and one part time investigator. A second part time investigator position had been vacant since November 2017. Also, the Fraud Division created a monthly report that indicated monthly agency errors and overpayments which had not been provided to senior level management. This report provided information that identified the different types of agency errors and overpayments being made by the various divisions within Human Services, which would provide management the opportunity and ability to take timely corrective action if needed. Further, we were informed by the fraud supervisor that their division would increase their efficiency if the staff had laptop/tablets with VPN and WIFI capabilities.

According to the Fraud Supervisor, the investigation backlog occurred because Human Services had only two full time and one part time investigators. The second part time position had been vacant since November 2017. As of May 31, 2019, the investigation staff consisted of one Fraud Supervisor and two investigative staff members. In addition, because the VaCMS system was not generating accurate reports the supervisor of the fraud division had to take an excessive amount time to create needed reports on spreadsheets. In addition, the increased Chesapeake client data base had a direct impact in the increased investigative caseload. Finally, since each case was unique, the amount of work involved to investigate the potential for fraud varied case by case.

If these situations are not addressed the backlog of fraud cases will continue to grow and the new fraud cases will not be worked timely as required. In addition, perpetrators of the frauds will continue to receive benefits they do not deserve, and the amount of overpayments owed the City will increase.

Recommendation - Efforts should be made to reduce the investigation backlog and new cases should be investigated timely as required. Management support and oversight over the fraud program needs to be improved.

The following items need to be addressed:

- Develop a strategy for eliminating the back log of fraud cases and how to keep the new fraud cases current.
- Review and evaluate the staffing level of the fraud division to ensure they are properly staffed to fulfil their job responsibilities. According to the lead supervisor the State fraud division recommended that Chesapeake fraud division should have four full time FTE's to handle their workload.
- Consider having the Fraud Division report to a senior level of management position. (As of May 31, 2019 the fraud division reports to the Assistant Director of Human Services. This change occurred during our audit.)
- Consult with the State fraud division to determine the status of the corrective action the State is taking to correct the deficiencies of the VaCMS fraud system.
- Consider providing the fraud division laptops/tablets computers to gain efficiency when performing investigations.

Response - Effective June 1, 2019, the Fraud team has been moved under a senior level leader for more direct oversight and processes are being reviewed for greater efficiency. We are hiring an additional Fraud Investigator as part of a recent request for reclassification and staffing review. We have hired a Quality Assurance Supervisor for all Benefit programs, including the Fraud team, to review processes and cases for increased efficiencies, error reduction and training.

D. Operational Issues – Chesapeake Juvenile Services

A review of Chesapeake Juvenile Services found several areas that impacted the functionality and efficient control over the detention home. These areas included holding employee P-Cards, keeping cash that should have been returned, and lack of control over the food inventories. Other areas included slow billings for services rendered, control over keys, and failure in verifying contract prices to invoices.

1. Safeguarding of Assets

Finding – Chesapeake Juvenile Services (CJS) was holding active employee P-Cards. Also, since 2015, CJS had been holding cash that should have been returned to the owner or escheated to the State.

Boston-based KLR, a Certified Public Accounting firm, recommended the following best practices related to safeguarding of assets:

- *Safeguarding Assets:* Protect the organization's cash on hand by placing them in a locked cabinet or drawer with limited access (or better yet a drop safe). This should be monitored to ensure only the right personnel have access to handling cash. For example, petty cash and/or blank checks should be stored in a locked drawer with limited access and only authorized personnel have the combination or key.
- *Monitoring:* A review process is crucial to ensure controls are in place and running effectively. Management should review and monitor regularly and investigate any unusual activity. This process will help determine if a control is not working properly or needs to be changed or updated.

We found that CJS accounting administration had been holding 6 active P-Cards for various employees. Each card had a \$1,000.00 credit limit. We found that one of the cards was being held for an employee who had been on suspension since October 2018, but the card had not been deactivated or destroyed. In addition, there was \$43.00 in cash that had been received in 2015, from the intake area that had been turned over to accounting to safeguard that was still being held. These items were kept in a single key safe box in the accounting office, but the safe box was not affixed to a floor or wall. In addition, the key to the safe box was kept in a vase in the accounting office which could be accessed by unauthorized personnel. No one knew if there was a second key to the safe box. Further, there was no ongoing periodic verification of the assets held in the safe box. In addition, when employees left the City's employ, keys to the safe box were not changed.

These situations existed because there were no documented procedures that addressed safeguarding of assets at CJS. In addition, CJS had experienced a lot of turnover in the administration area, and CJS accounting staff were not aware of state escheatment requirements.

If these situations are not addressed, the lack of proper controls over assets may lead to risk of loss, theft, and/or unauthorized/misuse of credit cards. The holding of someone's cash since 2015 without returning it or escheating it is a violation of state law.

Recommendation – CJS management should review their controls involving safeguarding assets and establish, document and implement proper controls over the assets held by CJS, including P-Cards and cash.

The following items should be considered.

- Assets should be kept in a facility that is affixed to the floor/wall and requires two individuals to access the facility in the presence of each other. In addition, a log should be maintained that records the date, individuals who accessed the facility, the movement of assets to and from the facility, and who received the asset removed from the facility.
- P-Cards should be controlled as outlined in Section 14 of the Purchasing Manual' including evaluating the need to cancel cards or notifying the City's Procurement Administrator of terminated cards.
- Determine the owner and their last known address for the cash held by CJS and attempt to return it. If that information is known, the funds should be escheated to the state if returning to the owner is not an option. If the information is unknown the funds should be processed as recoveries and rebates in the general ledger account.

Response - CJS administration will order the necessary drop box safe with two keys to hold all assets. The safe will be a pre-drilled safe in order to assure bolting it to the floor, wall, or furniture will allow its placement to be a permanent fixture. Both Assistant Superintendents will be authorized to have the two different keys to the safe and both keys must be used in order to have entry as needed. Administration will create a log that will list date and time safe is opened, item(s) removed, or added, both authorized persons initials, and the same steps when the safe is locked.

Administration will distribute the written procedures that have been in place but not practiced that address safeguarding assets and will adjust procedures if necessary.

2. Food inventory

Finding - There were no documented procedures established for the handling of the food inventory. Perpetual food inventory records were not being kept for the food inventory maintained by CJS. There was no independent count of the food inventory on a monthly basis. A food inventory general ledger account was not set up on the PeopleSoft system. In addition, USDA revenue reimbursement funds had not been applied to offset food expenses. Security over the food inventory area needed to be enhanced.

The previously cited best practices for safeguarding cash assets can also be applied to food inventories. Food inventory control refers to the process of effectively managing consumable food items. Inventory controls help streamline food inventory operations and it provides item-level visibility for items in inventory, where food inventory is, and when to order more.

Sound inventory control processes enable food inventory managers to:

- Reduce time spent looking for inventory items.
- Prevent overstock and out-of-stock situations.
- Monitor item consumption.
- Increase accountability and prevent shrinkage.

Failure to properly manage inventory can result in poor visibility as well as wasted time and money.

We identified the following areas where controls over the food inventory on hand at CJS could be enhanced:

- There were no documented procedures for the handling of the food inventory. In addition, we identified several exception situations that need to be addressed such as the handling of expired food, vendor samples and gifts, and USDA entitlement food issuance bonuses. Also, there was a new freezer donated by a vendor to CJS that needs to be forfeited.
- Perpetual inventory records for the reserve supply of food maintained by CJS had not been established.
- Monthly food inventory audits were not performed by a person independent of the cooks.
- Access to the back of the CJS building was not restricted; therefore, unauthorized vehicles could access the back of the building and go undetected without notice to inside personnel.
- Back doors to the food inventory area were not alarmed.
- Vendors arrived unannounced to deliver food inventory items and were not required to check in at the front desk before proceeding to make deliveries to the back of the building.
- The accounting for reserve food inventory had not been established on PeopleSoft.
- CJS had not used USDA reimbursed revenue to offset food cost. As of March 31, 2019, there was \$144,012.00 in revenue that had not been used to offset food expense.
- Maintenance and housekeeping supplies were maintained in the food inventory area. This allowed maintenance and housekeeping employees to have full access to the food inventory area during working hours.
- Food order quantities were not prepared in advance for each established weekly food menu.
- Storage shelves where food inventory was stored were not labeled with food type and order numbers.
- Date received was not noted on cases of food.

- There were no reorder points created for all food items

In addition to these items, we were informed by Chesapeake Schools that there was a USDA grant program called Child and Adult Care Food Program that may reimburse CJS for dinner meals. However, CJS was not taking advantage of the program

These situations existed because there were no documented procedures for handling of the food inventory and lack of management oversight of the food inventory process. In addition, the previous cook had complete control of the food inventory process. The cook was allowed to create menus, order food, accept food orders and maintain and access food inventory with no accountability. There were no independent inventory food audits performed by an independent person. Segregation of duties was nonexistent. If these situations are not addressed, there is a high risk for misappropriation of food inventory.

Recommendation- CJS management should develop and document food inventory procedures and implement the food inventory process established therein. Food inventory should be counted at the end of each month by an independent person. Also, CJS management should consult with the Finance Department to determine the proper accounting for food inventory on the general ledger. CJS should also attempt to access the USDA grant funds to help offset food expenses on an ongoing basis. Further, access to the food inventory area needs to be restricted to the extent practical.

The following items should be addressed:

- Policies and procedures should address the handling of expired food, vendor samples and gifts, and USDA entitlement food issuance bonuses. Also, there was a new freezer donated by a vendor that needs to be forfeited.
- Since access to the back of the CJS facility was unrestricted, therefore, food vendors delivering to CJS should be required to check in with the front desk before being allowed to enter the rear of the building and that the front desk notify cooks that food trucks are delivering food.
- Consider placing an alarm on the two back doors of the food inventory area.
- Consider researching a USDA grant program called Child and Adult Care Food Program that may reimburse CJS for dinner meals.
- Prepare food order quantities for each established weekly food menu.
- Consider labeling food storage shelves with the food type and order numbers, and the date food items were received. Create reorder points for food items.

Response - In February 2019, a new acting Food Services Manager was promoted from within the food service staff. Prior to the new acting food manager, there were no instruments used to track inventory. Since that time, the food service manager has put in place inventory controls to ensure all food and new inventory are tracked and accounted for. Monthly inventory audits are conducted.

As of February 2019, there have been no vendor samples, gifts or USDA bonuses accepted and policies are in place to prohibit this.

All vendors must now report to the main entrance to CJS to check in prior to driving to the rear of the building to off load supplies.

Administration has researched and discussed with Purchasing and Finance the possibility of adding inventory software. Currently we use PeopleSoft as a financial managing system, but not the expanded Inventory Module.

3. Detention Home Service Billing

Finding- The billing process for detention home services for localities needed improvement. There were no signed Memorandum of Understanding (MOU) agreements for the localities receiving detention home services from CJS. Monthly billing for services rendered were not being sent out timely. Manual records for tracking payments were not kept current and did not indicate the total delinquent outstanding balances for the various localities.

Best business practices for billing process are as follows:

- Prepare Invoices with payment due date as close to the end of the month as practical.
- Mail invoices as soon as practical.
- Maintain an accounting record that indicates date invoices was mailed, dollar amount of invoice, invoice #, due date, date and amount paid, total amount of delinquent payments by customer.
- Follow up on invoices delinquent over 30 days.
- Management should monitor this process on a monthly basis.

We found the following conditions that needed to be addressed related to the collection of detention home service fees:

- CJS did not have signed MOU agreements for providing detention home services for the various localities.
- There was little or no management oversight over the billing process.
- We found that the invoices for the month of March 2019 were prepared for mailing on 4/17/19, but were not placed in the mail until 4/24/19.
- Delinquent accounts for detention home service fees which were over 30 days delinquent totaled \$423,210. The cities of Hampton and Norfolk had delinquent balances that dated back to 2017, in the amount of \$7600.00. We were informed that the City of Norfolk had a “gentlemen’s agreement” with the CJS with regard to paying fees, however, no one knew what that agreement meant.
- Employees were not following up on delinquent accounts. We were informed that the employee responsible for billing thought the Treasurer’s department was following up on delinquent accounts, but in reality nobody was following up.

- Manual records maintained for tracking payments was not kept current at the time of our audit. Payments had not been posted for several months and the spreadsheet did not reflect the total dollar amount of outstanding delinquent payments.
- Employees responsible for the billing for service fees were not aware that the Treasurer's invoice system could produce a delinquent aging report which could be used to follow up on delinquent payments.
- Addresses and names of contact individuals for monthly billing had not been verified recently.

This situation occurred because CJS management delegated the billing to employees with little or no management oversight. Also, the Assistant Superintendent Administration position had remained vacant for over year. In addition, employees responsible for billing did not understand that they had to follow up on delinquent payments. In addition, there was no cumulative record maintained for delinquent accounts by locality. If these situations are not corrected, there may be a loss of revenue for the CJS.

Recommendation- CJS management should obtain signed MOU agreements for each locality that receives detention home services from CJS. Monthly billing should be prepared and mailed by the end of the first week of each month. Manual spreadsheets for tracking payments should be updated when payments are received and any payment that remains delinquent over 30 days should be followed up for payment. In addition, CJS management should monitor the billing process to ensure billing is completed timely and that delinquent accounts are followed up for payment.

The following items additional items should be addressed:

- Billing employees should be trained on how to obtain aging report off of the Treasurer's invoicing system. This report should be run after the billing due date and the report should be given to management for review.
- Addresses and names of contact individuals should be verified at least once a year to ensure the right person is receiving their bill.
- Manual spreadsheet used to track payments should be kept current and indicate the total dollar amount of delinquent payments.

Response – Memorandums of Understanding are being developed with each locality to address payment for services. Administration will use the State Department of Juvenile Justice BADGE system with the information needed to avoid further late billings of miscellaneous invoices to all localities receiving services for residents at CJS. Administration will be responsible for following up on delinquent payments. Manual records kept by administration are posted with up to date information showing: Current, 30-59 days, 60-89 days, and over 90 days. Administration will work with the Department of Social Services Fiscal Administrator to review other City fiscal reporting systems in order to follow up on delinquent outstanding payments.

4. Facility Keys

Finding- Control over the master key box which housed facility keys for all units needed to be improved.

Boston-based KLR, a Certified Public Accounting firm, also recommended the following best practices related to safeguarding of keys:

- *Safeguarding of facility unit keys:* Protect the organization's unit keys by placing them in a locked cabinet or drawer with limited access. This should be monitored to ensure only the right personnel have access to the facility unit keys. For example, the key that opens the lock box should be stored in a locked drawer and the lock box that stores the unit keys to the facility should have limited access and only authorized personnel have the combination/key to the unit lock box that stores all of the facility unit keys.

We found that the key to the main key box doors were kept in an unlocked drawer in the receiving area, which could be accessible to unauthorized employees. In addition, the key box doors were made of wood and the two doors to the box were misaligned, making it difficult to lock. Also, we observed that the key box doors were left unlocked at times. In addition, cameras were not located in the receiving room where the key box was kept.

This situation existed because the doors to the key box had not been repaired. Also, different employees needed access to the key box to assign keys to their staff when checking in and out for their work shift. If these situations are not corrected there is a risk that keys facility unit doors and halls could be found missing.

Recommendation- Consideration should be given to upgrade the existing key control process by obtaining digital access control key box. This would streamline the key control process and free up supervisory time each day. Consideration should be given to install a camera in the receiving area.

Upgrading to a digital box would provide better protection for the facility as a whole. A camera in the receiving room would further enhance this protection.

Response - The doors on the facility's master key control box have been adjusted and properly aligned by maintenance personnel. Access to the master key, which permits access to the Facility's master key control box, will be limited to essential staff. CJS is in the process of purchasing a combination safe for the specific purpose of securing the master key control box key. Key box access will be limited to Operations Coordinators, Control Staff, Maintenance Supervisor, and Administration. The facility key box will remain locked at all times when not in use.

5. Contracts

Finding – CJS did not verify that the prices on invoices were in agreement with the negotiated contract prices for purchases they made before invoices were paid. In addition, CJS did not have copies of the contracts for all of the vendors for which they did business.

Generally, when goods or services are received, invoices should be reviewed to ensure that the information on the invoice agrees with the contract, purchase order, or agreement and that the invoice is correct and proper for payment.

Our review of the records and discussion with staff, we determined that CJS did not have contracts on file for all of the vendors for which they purchased goods and services. Therefore, invoices were paid without verifying purchase prices for goods and services to the vendor contracts before being paid. **This issue was addressed in our prior audit report in Fiscal Year 2013.**

Also, CJS continued to use non-PO vouchers to pay for goods and services. It should be noted that the vast majority of all purchases by CJS were being paid by PO's. This issue has greatly improved since our previous audit.

This situation occurred because the CJS did not have copies of vendor contracts for which they did business. Management oversight was lacking and staff turnover were determining factors. If these conditions continue, there is risk that the City will pay more than the agreed price for goods or services.

Recommendation – CJS should coordinate with Purchasing to obtain access to any City contracts used, other approved entity's contract, or cooperative agreement. Additionally, CJS should ensure pricing schedules are detailed in requisitions.

CJS should also ensure that it reviews any prices listed to ensure that match agreed upon prices. CJS should also limit use of non-PO vouchers for purchase order related expenses.

Response - Discussed with Purchasing and beginning in FY 2019-20 all contracts/POs will be provided for administration. This will allow the department to verify invoice amounts are correct based on the negotiated contract prices before payments are made. Currently all vendor payments are made through the PeopleSoft Financial payment system (PO payments & non-PO payments). All one-time payments (those that are not a monthly repetitive expense) will continue to be paid as non-PO vouchers.

E. Access Control Issues

The ability to activate, deactivate, or delete an employee's physical accesses was a manual, three-tiered process involving individual departments, Human Resources, and Information Technology. Any breakdown in communication or follow-through in that process could result in a separated employee's ability to maintain access to City facilities.

Through no fault of Human Services, our audit found that the three-tiered process did not provide Human Services as well as other departments with routine feedback and a system of proper checks and balances that would allow departments the ability to monitor and confirm the deactivation of physical building accesses for separated employees. This situation left the City exposed to security breaches.

1. Access Controls

Finding – City processes did not always deactivate physical accesses of Human Services employees who had separated from the City. Failure to terminate separating employees' accesses to City facilities and computer systems puts the City and employees at risk.

The City's Human Resources Clearance Form revised 12/7/2017 was required to be completed for separating employees. The Clearance Form provides a checklist for city departments to follow. The checklist required the department (√) the items below that applied to the separating employee related to facility and system access:

- I.D Badge/Card/Keys/Badge(s) (if applicable) have been returned
- DIT has been notified to terminate all user access/CUARF form had been submitted

We conducted a 100% review of access to City facilities as of December 6, 2018, and found several former Human Services staff had authorization access to the Human services building. There were four employees who had left City service and a fifth employee who had moved to the Health Department who continued to have access to the Human Services building, as noted in Exhibit 4 below.

Exhibit #4

Terminated staff with existing facility access authorization to the Human Services Building as of December 6, 2018

Employee number	Employment status	Last used access card	Access
116787	Terminated 11/4/2011	not used	737 Human Services All Doors 645A-501p
121412	Terminated 08/3/2010	not used	737 Human Services All Doors 645A-501p
123867	Terminated 6/11/2010	not used	737 Human Services All Doors 645A-501p
126152	Terminated 12/7/2012	not used	737 Human Services All Doors 645A-501p
126534	Active Employee at Health Department 6/1/14 – This employee no longer works for Social Services	not used	737 Human Services All Doors 645A-501p

Additionally, we also observed that the Department completed the City's Computer User Access Request Form (CUARF) via the City's intranet City Point for the creation of a new employee profile and termination of existing employees. The receiving department submitted updates to transferred employees. Once the electronic form was completed and approved by the Department, Information Technologies (IT) was supposed to take the requested appropriate action. System access had been deactivated for these former employees.

The cause of this situation was the reliance on other City departments to complete the termination process, therefore, no periodic review was initiated. Allowing former employees to continue to have physical access to restricted Human Services facilities created multiple risks to both the Department and the City. Terminated employees could potentially access restricted work areas for the purposes of theft, vandalism, or to cause physical harm to current employees.

Recommendation – The City should consider revisiting the appropriate policies with Human Resources, Information Technology, and all City departments to address this situation. The City should consider revising the three-tiered process to provide Human Services as well as other departments with routine feedback through a system designed with proper checks and balances that would allow departments the ability to monitor and confirm the *timely deactivation* of physical building accesses for separated employees.

The following should also be considered:

- Including a box on the Clearance Form where departmental payroll staff can validate the immediate destruction of the access cards for separated employees. Departments should be instructed on the proper means of how the cards are to be destroyed. An employee responsible for destroying the card should be separate from an employee witnessing the destruction. The Clearance Form should be signed off by the witness as evidence of proper destruction.
- For access cards that are not returned, there should be a means to validate the date and time a card has been deactivated and by whom. The definition of “timely deactivation” should also be communicated in the revised policy.
- Human Services should continue monitoring the ongoing process to ensure the CUARF forms are properly processed. Management should ensure supervisors are trained on the timely reporting of and proper use of the CUARF.

Response – (Note: Human Services concurs with the recommendation.)

APPENDIX A

RESPONSE FROM HUMAN SERVICES OFFICIALS

MEMORANDUM

TO: Jay Poole, City auditor

VIA: Wanda Barnard-Bailey, Ph.D. Deputy City Manager

FROM: Jill Baker, Director
Chesapeake Department of Human Service

DATE: July 8, 2019

SUBJECT: Audit Recommendation Responses

The City of Chesapeake Audit Services Department recently completed the 2019 review of the Chesapeake Department of Human Services (CDHS) for the period of January 1, 2018 to May 31, 2019. CDHS appreciates the opportunity to respond to the Audit findings and recommendations. It was encouraging to read that overall, CDHS has sound practices and procedures, which complements our overall mission for the array of programs we offer.

The audit revealed two findings for the Social Services division on which we have been working diligently, with some success, over the last 10 months. Additional issues were cited within Chesapeake Juvenile Services (CJS). With new leadership in place there and a focus on examining all policies and procedures, we are certain these will be resolved quickly.

Human Services administration appreciates the time the auditors spent with all divisions and staff to identify needed process changes and recommendations. Our goal is to use the audit's findings and recommendations to strengthen all of our policies and processes to deliver efficient and timely services.

Cc: James E. Baker

DEPARTMENT OF HUMAN
SERVICES
100 Outlaw St.
Chesapeake, Virginia 23320
(757) 382-2226
Fax (757) 382-2354

MEMORANDUM

TO: Jay Poole, City Auditor

FROM: Jill Baker, Director of Human Services

DATE: July 8, 2019

SUBJECT: Audit Responses—Department of Human Services

The City of Chesapeake Audit Services completed the 2019 review of the Department of Human Services (CDHS). The Department appreciates the opportunity to respond to the findings and suggested recommendations. Several of the findings included processes that the Department has been working through over the last year. We are confident that making the following changes will strengthen our Department both fiscally and programmatically.

1. Finding: Human Services Compliance and Information Technology Support Issues--Human Services did not have the processes in place to effectively and efficiently ensure compliance with Federal Title IV-E eligibility requirements for Foster Care and Adoption Assistance programs, and did not have adequate controls in place to prevent or detect Title IV-E payment errors.

Response: In October 2018, CDHS began to build an Administrative Fiscal Support Team, mirroring best practices in other Human Service agencies. With focus on this process and more appropriately centralizing this function under the Fiscal team, rather than asking each Family Services Specialist (Social Worker) to be responsible for the accounting and fiscal responsibilities, made sense and in practice will reduce IV-E funding program errors. We have seen positive outcomes in the last IV-E review completed by the Regional State Office in preparation for the Federal Audit on September 23-27, 2019. The results of the April 2019 IV-E review showed no fiscal errors and some minor programming errors. We will continue to put in processes to minimize these errors. In addition to the fiscal team's oversight, we have recently hired a Quality Assurance Supervisor to review all processes and cases in the child welfare programs, recommend efficiencies and conduct on-going training. It is anticipated this team will be fully functional by August 1, 2019. We will continue to track the audit outcomes for IV-E funding.

2. Finding: Human Services had 61 overdue fraud investigations as of May 31, 2019, of which the majority were cases received and started in 2017 & 2018. The Fraud Division was not getting the management support and oversight needed and had not been fully staffed for extended periods. In addition, Virginia Case Management System (VaCMS) reports contained data that was inaccurate and unreliable.

Response: Effective June 1, 2019, the Fraud team has been moved under a senior level leader for more direct oversight and processes are being reviewed for greater efficiency. We are hiring an additional Fraud Investigator as part of a recent request for reclassification and staffing review. We have hired a Quality Assurance Supervisor for all Benefit programs, including the Fraud team, to review processes and cases for increased efficiencies, error reduction and training.

3. Finding: Chesapeake Juvenile Services (CJS) was holding active employee P-Cards. Also, since 2015, CJS has been holding cash that should have been returned to the owner or escheated to the State.

Response: CJS administration will order the necessary drop box safe with two keys to hold all assets. The safe will be a pre-drilled safe in order to assure bolting it to the floor, wall, or furniture will allow its placement to be a permanent fixture. Both Assistant Superintendents will be authorized to have the two different keys to the safe and both keys must be used in order to have entry as needed. Administration will create a log that will list date and time safe is opened, item(s) removed, or added, both authorized persons initials, and the same steps when the safe is locked.

Administration will distribute the written procedures that have been in place but not practiced that address safeguarding assets and will adjust procedures if necessary.

4. Finding: There were no documented procedures established for the handling of the food inventory. Perpetual food inventory records were not being kept for the food inventory maintained by CJS. There was no independent count of the food inventory on a monthly basis. A food inventory general ledger account was not set up on the PeopleSoft system. In addition, USDA revenue reimbursement funds had not been applied to offset food expenses. Security over the food inventory area needed to be enhanced.

Response: In February 2019, a new acting Food Services Manager was promoted from within the food service staff. Prior to the new acting food manager, there were no instruments used to track inventory. Since that time, the food service manager has put in place inventory controls to ensure all food and new inventory are tracked and accounted for. Monthly inventory audits are conducted.

As of February 2019, there have been no vendor samples, gifts or USDA bonuses accepted and policies are in place to prohibit this.

All vendors must now report to the main entrance to CJS to check in prior to driving to the rear of the building to off load supplies.

Administration has researched and discussed with Purchasing and Finance the possibility of adding inventory software. Currently we use PeopleSoft as a financial managing system, but not the expanded Inventory Module.

5. Finding: The billing process for detention home services for localities needed improvement. There were no signed Memorandum of Understanding (MOU) agreements for the localities receiving detention home services from CJS. Monthly billing for services rendered were not being sent out timely. Manual records for tracking payments were not kept current and did not indicate the total delinquent outstanding balances for the various localities.

Response: Memorandums of Understanding are being developed with each locality to address payment for services. Administration will use the State Department of Juvenile Justice BADGE system with the information needed to avoid further late billings of miscellaneous invoices to all localities receiving services for residents at CJS. Administration will be responsible for following up on delinquent payments. Manual records kept by administration are posted with up to date information showing: Current, 30-59 days, 60-89 days, and over 90 days. Administration will work with the Department of Social Services Fiscal Administrator to review other City fiscal reporting systems in order to follow up on delinquent outstanding payments.

6. Finding: Control over to the master key box which houses facility keys for all units to be improved.

Response: The doors on the facility's master key control box have been adjusted and properly aligned by maintenance personnel. Access to the master key, which permits access to the Facility's master key control box, will be limited to essential staff. CJS is in the process of purchasing a combination safe for the specific purpose of securing the master key control box key. Key box access will

be limited to Operations Coordinators, Control Staff, Maintenance Supervisor, and Administration. The facility key box will remain locked at all times when not in use.

7. Finding: Chesapeake Juvenile Services did not verify that the prices on the invoices were in agreement with the negotiated contract prices for purchases they made before invoices were paid. In addition, CJS did not have copies of the contracts for all of the vendors for which they did business.

Response: Discussed with Purchasing and beginning in FY 2019-20 all contracts/POs will be provided for administration. This will allow the department to verify invoice amounts are correct based on the negotiated contract prices before payments are made. Currently all vendor payments are made through the PeopleSoft Financial payment system (PO payments & non-PO payments). All one-time payments (those that are not a monthly repetitive expense) will continue to be paid as non-PO vouchers.

c: James E. Baker, City Manager
Dr. Wanda Barnard-Bailey, Deputy City Manager