



DEPARTMENT FOR AGING
AND REHABILITATIVE SERVICES
AGING CLUSTER

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2023

Auditor of Public Accounts
Staci A. Henshaw, CPA

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AUDIT SUMMARY

Our audit of the Aging Cluster of federal programs, administered by the Department for Aging and Rehabilitative Services (Aging and Rehabilitative Services), for the fiscal year ended June 30, 2023, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and reporting system;
- no matters involving internal control and its operation necessary to bring to management's attention nor instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- proper reporting of the status of corrective action in the Commonwealth's Summary Schedule of Prior Audit Findings as of June 30, 2023.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 31, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Kathryn Hayfield, Commissioner
Department for Aging and Rehabilitative Services

We have audited the financial records and operations of the Aging Cluster of federal programs, administered by the Department for Aging and Rehabilitative Services, for the year ended June 30, 2023. We conducted this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, in support of the Commonwealth's Single Audit. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective was to audit the Aging Cluster of federal programs in support of the Commonwealth's Single Audit for the year ended June 30, 2023. In support of this objective, we evaluated the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system. We reviewed the adequacy of Aging and Rehabilitative Services internal controls over compliance with applicable laws, regulations, contracts, and grant agreements and reviewed corrective actions with respect to an audit finding originally included in the 2019 Commonwealth of Virginia Single Audit Report to confirm that Aging and Rehabilitative Services properly reported the status of corrective action in the Commonwealth's Summary Schedule of Prior Audit Findings as of June 30, 2023.

Audit Scope and Methodology

Aging and Rehabilitative Services' management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the Aging Cluster of federal programs.

We performed audit tests to determine whether Aging and Rehabilitative Services controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel; inspection of documents, records, and contracts; and observation of Aging and Rehabilitative Services' operations. We performed analytical procedures to determine which compliance requirements are direct and material to the Aging Cluster of federal programs and tested details of transactions to achieve our audit objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and, when appropriate, we projected our results to the population.

Conclusions

We found that Aging and Rehabilitative Services properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The results for the Commonwealth's Single Audit for the year ended June 30, 2023, are contained in a separate report, which will be available on our website at www.apa.virginia.gov in February 2024.

Aging and Rehabilitative Services properly reported the status of corrective action for a remaining prior audit finding in the Commonwealth's Summary Schedule of Prior Audit Findings as of June 30, 2023.

Exit Conference and Report Distribution

We discussed this report with management on February 15, 2024. This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

MAS/clj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action	First Issued
Improve the Case Management System Access Review Process*	Complete	2019
Improve Oversight of Third-Party Service Providers**	Deferred	2019
Improve the Eligibility Determination Process for Vocational Rehabilitation*	Complete	2019
Improve Processes to Comply with the Conflicts of Interest Act*	Complete	2019
Improve Documentation to Show Compliance*	Complete	2019

* Aging and Rehabilitative Services reported that it completed corrective action on these findings as of June 30, 2021, and we confirmed the accuracy of the corrective action status during the Commonwealth's 2021 Single Audit.

**This audit finding originated from the fiscal year 2019 audit of the Rehabilitative Services Vocational Rehabilitation Grants to States and Disability Insurance/Supplemental Security Income (SSI) Cluster audits. Both federal grant programs are not in cycle for the Commonwealth's 2023 Single Audit, and as such, we limited our audit procedures to confirming the accuracy of the corrective action status in the Commonwealth's Summary Schedule of Prior Audit Findings. Per our inquiry with Aging and Rehabilitative Services, we determined that corrective action was ongoing as of June 30, 2023.