



# OFFICE OF CHILDREN'S SERVICES

## AUDIT OF SUBRECIPIENT MONITORING - SOCIAL SERVICES BLOCK GRANT

FOR THE YEAR ENDED  
JUNE 30, 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



## AUDIT SUMMARY

Our audit of subrecipient monitoring for the Social Services Block Grant federal program, administered by the Office of Children's Services (Children's Services) for the fiscal year ended June 30, 2019, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth accounting and reporting system and in federal schedules submitted to the Department of Accounts;
- no matters involving internal control necessary to bring to management's attention;
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to Children's Services' audit finding reported in the 2016 Commonwealth of Virginia Single Audit Report.

Children's Services transferred \$9,419,998 of Social Services Block Grant funding to local governments and monitored their compliance. This amount represents 13 percent of total statewide expenses for the Social Services Block Grant.



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

December 13, 2019

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Thomas K. Norment, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission

We have audited subrecipient monitoring for the **Social Services Block Grant** federal program, administered by the **Office of Children's Services** (Children's Services), for the year ended June 30, 2019. We conducted our 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 Social Services Block Grant federal program in support of the Commonwealth's Single Audit. In support of this objective, we evaluated the accuracy of recorded financial transactions in the Commonwealth's accounting and reporting system and in federal schedules submitted to the Department of Accounts; reviewed the adequacy of the Children's Services internal controls over the federal program; tested for compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed corrective actions with respect to the audit finding reported in the 2016 Commonwealth of Virginia Single Audit Report.

## **Audit Scope and Methodology**

Children's 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 and compliance with subrecipient monitoring requirements for the portion of the Social Service Block Grant administered by Children's Services.

We performed audit tests to determine whether Children's 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, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and comparing Children's Services' work plan for monitoring subrecipients to their actual operations.

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 Children's Services properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and reporting system and in federal schedules submitted to the Department of Accounts for the Social Services Block Grant federal program.

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.

Children's Services has taken adequate corrective action with respect to the audit finding numbered 2016-098 reported in the 2016 Single Audit for the Commonwealth of Virginia.

The results for the Commonwealth's Single Audit for the year ended June 30, 2019, are contained in a separate report which will be available on our website at [www.apa.virginia.gov](http://www.apa.virginia.gov) in February 2020.

### **Report Distribution**

We provided a draft of the report to management for review on January 8, 2020.

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.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

GDS/vks

## OFFICE OF CHILDREN'S SERVICES

As of June 30, 2019

Scott Reiner  
Executive Director

Zandra Relaford  
Assistant Director