

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



Department of Social Services Family Services Investigation

October 22, 2019

Report Number: 20-005
Audit Plan Number: 19-310

Municipal Auditing Department

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SUMMARY OF COMPLAINT

In October 2018, Municipal Auditing was alerted to a purchasing card expenditure that included expensive, name brand items purchased by a City of Roanoke Department of Social Services employee. The funds used were from the Fostering Futures Grant Program.

INVESTIGATION OBJECTIVES & CONCLUSIONS

1. To determine if Fostering Futures' clothing purchases made by City employees were for basic clothing and accessories that any reasonable person would determine necessary and appropriate for any youth.

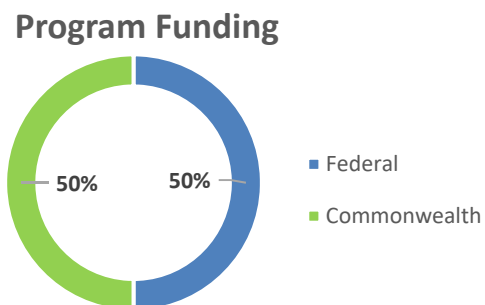
Yes with exceptions – With the exception of one purchase, we conclude that Fostering Futures' clothing purchases made by City employees aligned with the definition of allowable clothing items as prescribed by the Virginia Department of Social Services. The expensive, name brand purchase that was the subject of the original complaint was determined to be in compliance with program requirements.

****END OF OBJECTIVES & CONCLUSIONS****

BACKGROUND

The City of Roanoke Division of Human Services/Social Services (DSS) administers a number of significant mandated and non-mandated programs to assist the poor and other vulnerable populations. The department employs managers, supervisors, and over 200 staff who primarily work in benefits and services, assisting clients on a daily basis. The Director of DSS reports to the Assistant City Manager for Community Development.

The *Fostering Futures Program* (the Program) is managed by the Family Services Supervisor / Independent Living Coordinator. The Program is an extension of the Foster Care Title IV-E grant. Fifty percent of program funding is provided by the federal government, while the other 50% is provided by the Commonwealth. Local funds are only required when a child or expense does not meet certain eligibility criteria.



The purpose of the Program is to provide services and support to individuals, ages 18 up to 21 who were in foster care as minors. Such services and support should be designed to assist the youth in transitioning to full adulthood, becoming self-sufficient, and creating permanent, positive relationships. The Program is required by the Commonwealth for eligible youth in Virginia reaching age 18 on or after July 1, 2016.

Fostering Futures has contributed to an increase in the size of Virginia's foster care population in recent years. As of June 30, 2018, an additional 667 children between the ages of 18 and 20 were in the Virginia foster care system. Currently, Roanoke City DSS has approximately 22 youth participating in the Program. City of Roanoke Fostering Futures expenditures began in Fiscal Year 2017, as follows:



Youth meeting the requirements for continued eligibility for Fostering Futures are entitled to the full array of foster care services and *are eligible to receive financial assistance in the form of maintenance payments and annual supplemental clothing allowances*. Our work focused on items purchased for youths using the annual supplemental clothing allowance (clothing allowance) funds. *During Fiscal Year 2019, youth in the Program were eligible to receive up to \$473 in clothing allowance.*

On April 11, 2019, *The Virginia Department of Social Services Finance Guidelines Manual for LDSS, Section 3.12 – Agency Purchase Card and Gift Card Use on Behalf of Social Services Clients* issued the following new requirements related to items purchased on behalf of clients on the Local Department of Social Services (LDSS) purchasing card:

- Supervisor approval is required prior to any client-specific purchase. The LDSS employee should complete the *Client Purchase Request Form*. Only in extreme cases, such as after hours, where a supervisor approval cannot be obtained, should the LDSS employee obtain supervisor approval by the close of the next business day.
- Every LDSS client receiving goods or services purchased with a purchasing card must sign a *Client Affidavit for Goods/Services Received* confirming receipt.

****END OF BACKGROUND****

OBJECTIVE 1:

Objective: To determine if Fostering Futures' clothing purchases made by City employees were for basic clothing and accessories that any reasonable person would determine necessary and appropriate for any youth.

Yes – with exceptions.

Scope: Fostering Futures' clothing purchases made between May 2018 and May 2019.

Results: We reviewed 25 Fostering Futures Program clothing allowance purchases made with a City purchasing card. The purchases, totaling \$3,272, were attributable to seven (7) program participants.

All youth selected for testing were between the ages of 18 and 21 when purchases were made on their behalf, and had a paper file maintained by their designated services worker. Purchases were within the maximum Fiscal Year 2019 annual supplemental clothing allowance. Each file contained documentation supporting that the items purchased were received by the youths.

We reviewed items purchased for appropriateness based on the definition of allowable items per the *Virginia Department of Social Services (VDSS) Child and Family Services Manual* (the Manual). The Manual states: **“items allowable for purchase include basic clothing and accessories that any reasonable person would determine necessary and appropriate for any youth.”**

We acknowledge that the original complaint regarded items purchased of a name-brand and relatively expensive nature. Our research indicates that items of this nature are not specifically prohibited per the VDSS Guidelines, so long as the items purchased meet the definition of allowable above. Fostering Future's clothing allowance funds are used at the discretion of the youth in question, with guidance from their Family Services Specialist. One of the goals of the program is to help the youths gain and maintain a sense of “normalcy.” As long as the items selected by the youth for purchase are “appropriate,” public employees are not given the latitude to direct the youth's spending against name-brand or higher priced items.

One (1) of 25 purchases tested did not meet the definition of items allowable as the purchase included clothing items embossed with profane language and references to illegal drugs.

The Family Services Specialist (FSS) responsible for the purchases did not recall buying the specific items in question. Per the FSS, the youth for which the items were purchased was agitated and needed additional space that day. In attempting to grant personal space while shopping, the FSS did not monitor the shopping process, only going to the register to pay for items when the youth was finished. The clothing would not have been purchased had the FSS realized the graphic nature. The FSS instructs youths they may not purchase items with

profane language or that are drug related. Purchases of this nature do not support Program goals in assisting youth transitioning into adulthood.

Approved *Client Purchase Request Forms* and signed *Client Affidavits for Goods/Services Received* were required for eight (8) purchases under review. All request forms and affidavits were complete and on file. However, seven (7) request forms were approved after the purchase, including two (2) instances where supervisor approval was not obtained for at least 25 days.

A lack of timely guidance from VDSS on the implementation of the new Client Purchase Request Form contributed to approval of forms *after* purchases had already been made. Roanoke's Department of Social Services requested an extension period from VDSS which would have allowed for appropriate time to put the forms into place. This request was denied.

****END OF OBJECTIVE 1****

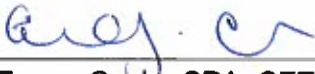
SUMMARY OF MANAGEMENT ACTION PLANS

Management Action Plan – Purchases	
<p>Family Service Specialists will monitor purchases made by youth prior to using the City Purchasing Card to make sure the purchase is appropriate and reasonable. FSS will still be able to provide personal space to the youth to promote normalcy yet review the items purchased at the register before making the purchase. Supervisors will provide guidance to staff regarding the judgment calls regarding purchases that are appropriate and reasonable and provide documentation in the case record to support the decision.</p>	
Assigned To	Target Date
Robin Royer	11/1/19

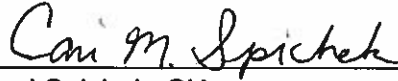
Management Action Plan – Supervisor Approvals	
<p>Family Service Specialist will complete the Client Purchase Request Form for supervisory approval prior to purchase. Only in extreme cases, such as after hours, where a supervisor approval cannot be obtained, should the FSS obtain supervisor approval by the close of the next business day. Management will assure that all Family Service Specialists have received training on the procedure and obtain supervisor approval prior to purchases being made.</p> <p>A written policy with standard operating procedures will be developed. A training module will be developed and training will be received by all staff who receive a purchasing card. Staff who receive a purchasing card will be expected to complete the training module no later than 60 days from the time their card is received. Staff will sign an acknowledgment of receiving training and agreement to comply with the policy upon completion of the training. The Human Service Business Administrator will assure that record is retained for all staff who have acknowledged completion of the training.</p>	
Assigned To	Target Date
Meredith Burger	3/15/20

ACKNOWLEDGEMENTS

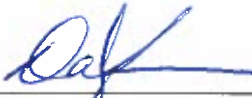
We would like to thank Department of Social Services management, as well as the Independent Living Supervisor and her staff for their cooperation and assistance throughout the Investigation.



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