



**SINGLE AUDIT REPORT**

*For the Year Ended June 30, 2019*

**CITY OF CHARLOTTESVILLE, VIRGINIA**

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of  
the City Council  
City of Charlottesville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Specifications for Audits of Counties, Cities, and Towns*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements, the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlottesville, Virginia (the “City”), as of and for the year ended June 30, 2019 and the related notes to the financial statements which collectively comprise the City’s basic financial statements, and have issued our report thereon dated, November 22, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that were not identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described at Items 2019-002, 2018-001, 2018-002, and 2018-003 in the accompanying schedule of findings and questioned costs.**

## City of Charlottesville's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*  
CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
November 22, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of  
the City Council  
Charlottesville, Virginia

**Report on Compliance for Each Major Federal Program**

We have audited the City of Charlottesville, Virginia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

## Report on Compliance for Each Major Federal Program (Continued)

### *Opinion on Each Major Federal Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### *Other Matters*

**The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.** Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. **We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

(Continued)

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 22, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
November 22, 2019

**CITY OF CHARLOTTESVILLE, VIRGINIA**  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal granting agency/recipient state agency/grant program/grant number	CFDA number	Pass- Through Entity DUNS	Amount Passed- Through to Subrecipient	FY2019 Federal Expenditures
<b><u>DEPARTMENT OF AGRICULTURE</u></b>				
<u>Pass-through payments:</u>				
<u>Virginia Department of Education</u>				
School Breakfast Program (457-07-05)	10.553			\$ 444,352
National School Lunch Program (457-07-05)	10.555			1,118,458
<u>Virginia Department of Agriculture &amp; Consumer Services</u>				
Food Distribution - USDA Commodities	10.555			16,124
Summer Food Service Program for Children (10013)	10.559			64,783
Total Child Nutrition Cluster				<u>1,643,717</u>
<u>Virginia Department of Agriculture &amp; Consumer Services</u>				
Child & Adult Care Food Program (60090)	10.558			17,126
<u>Virginia Department of Social Services</u>				
State administrative matching grant for SNAP	10.561			1,225,622
Pilot Projects to Reduce Dependency under SNAP	10.596			15,362
<u>Virginia Department of Education</u>				
Child Nutrition Discretionary Grant - School Meals Equipment	10.579			15,574
School Lunch Program - Fresh Fruit (179-01-00)	10.582			42,637
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<u>Direct payments:</u>				
Community Development Block Grant	14.218	128721896	45,171	316,564
(B15MC10022; B16MC10022; B17MC10022; B18MC10022)	14.218	078675710	12,500	
	14.218	832619907	26,531	
	14.218	607425837	8,300	
	14.218	042709139	<u>26,431</u>	
			118,933	
<u>Pass-through payments:</u>				
<u>Virginia Department of Housing &amp; Community Development</u>				
Virginia Homeless Solutions Program (18-VHSP-008)	14.231	832619907	129,737	129,737
Housing Opportunities for Persons with Aids (18-HW-303)	14.241	832619907	190,662	190,662
<u>Thomas Jefferson Planning District Commission</u>				
Housing Opportunities Made Equal (HOME)	14.239	128721896	21,089	21,089
<b><u>DEPARTMENT OF THE INTERIOR</u></b>				
<u>Pass-through payments:</u>				
<u>Virginia Department of Historic Resources</u>				
Historic Preservation Fund (CLG)	15.904			13,155
<b><u>DEPARTMENT OF JUSTICE</u></b>				
<u>Direct payments:</u>				
Cyber Crimes Task Force - FBI	16.304			13,171
State Criminal Alien Assistance Program (2015-AP-BX-0450)	16.606	105255769	14,086	14,086
Edward Byrne Memorial Justice Assistance Grant Program (2017-DJ-BS-)	16.738			48,685
<u>Pass-through payments:</u>				
<u>Virginia Department of Criminal Justice Services:</u>				
Crime Victim Assistance (19-Y8566VW17)	16.575			168,018
Violence Against Women Formula Grant (19-W9413VA18)	16.588			16,637
Byrne Formula Grant (18-C3192AD16; 18-C3284BY13)	16.738			155,153
<u>Supreme Court of Virginia</u>				
Byrne Formula Drug Treatment Court (18-C3684AD17)	16.579	198093189	205,000	205,000
<b><u>DEPARTMENT OF LABOR</u></b>				
<u>Pass-through payments:</u>				
<u>Virginia Community College System</u>				
WIOA - Adult Services	17.258	957031974	189,039	189,039
WIOA - Youth Services	17.259	957031974	357,547	357,547
WIOA - Dislocated Worker Services	17.278	957031974	315,188	315,188
Total Workforce Innovation and Opportunity Act Cluster				<u>861,774</u>
Workforce Innovation Fund	17.283	957031974	118,345	118,345
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>				
<u>Direct payments:</u>				
<u>Federal Transportation Agency</u>				
Federal Transportation Formula Grants	20.507	099592768	534,025	2,670,697
<u>Pass-through payments:</u>				
<u>Virginia Department of Transportation</u>				
Highway Planning and Construction	20.205			1,705,658
Safe Routes to School Projects	20.205			63,516
Total Highway Planning and Construction Cluster				<u>1,769,174</u>



**CITY OF CHARLOTTESVILLE, VIRGINIA**  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal granting agency/recipient state agency/grant program/grant number	CFDA number	Pass- Through Entity DUNS	Amount Passed- Through to Subrecipient	FY2019 Federal Expenditures
<b><u>DEPARTMENT OF EDUCATION</u></b>				
<u>Direct payments:</u>				
Elementary and Secondary Education Act:				
Title VIII, Impact Aid (SO41B-2005-5233)	84.041			\$ 10,825
Title X, Part C, Education for Homeless Children & Youth (G10403)	84.196			15,014
Gear Up - Council of Higher Education	84.334			55,914
<u>Pass-through payments:</u>				
<u>Department of Education</u>				
NCLB - Title I Part A Chapter I: LEA (171-01-05)	84.010			1,579,436
NCLB - Title I, Part D, Subpart 2 - Neglected & Delinquent (171-01-05)	84.013			2,301
IDEA - Part B Section 611 - Sp. Ed. Flow Th. (171-02-50)	84.027			1,206,336
IDEA - Part B Section 619 Sp. Ed. Preschool (171-02-50)	84.173			64,197
Total IDEA Part B Cluster				<u>1,270,533</u>
Career & Technical Education Basic Grants to States (171-03-50)	84.048			97,038
Title IV Part B - Twenty First Century Community Learning Centers	84.287			20,033
NCLB - Title III Part A - English Language Acquisition (171-06-05)	84.365			30,551
Title II, Part A, ESEA Improving Teacher Quality (560-45-45)	84.367			188,974
Title IV Part A LEA Student Support & Academic Enrichment	84.424			66,622
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<u>Direct payments:</u>				
Substance Abuse and Mental Health Services Grant	93.243	198093189	254,117	254,117
Administration for Children & Families - Basic Center Grant	93.623	084136464	141,251	211,199
<u>Pass-through payments:</u>				
<u>Department of Social Services</u>				
Temporary Assistance for Needy Families	93.558			662,007
GO Training for TANF Clients (BEN-17-056)	93.558			56,777
Total TANF Cluster				<u>718,784</u>
Promoting Safe & Stable Families	93.556			36,792
Refugee & Entrant Assistance - State Administered Programs	93.566			330
Low-Income Home Energy Assistance	93.568			106,782
Child Care Mandatory & Matching Funds of CCDF	93.596			114,550
Chafee Education & Training Vouchers Programs	93.599			2,488
Adoption Incentive payments	93.603			520
Child Welfare Services - State Grants	93.645			679
Foster Care – Title IV-E	93.658			1,402,741
Adoption Assistance	93.659			1,074,916
Social Services Block Grant	93.667			911,854
Chafee Foster Care Independence Program	93.674			18,753
State Children's Insurance Program	93.767			30,767
Medical Assistance Program (Medicaid; Title XIX)	93.778			1,394,233
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>				
<u>Pass-through payments:</u>				
<u>Virginia Department of Emergency Management</u>				
Local Emergency Management Performance Grant (7522)	97.042	066022047	7,500	13,590
Total			<u>2,596,519</u>	<u>19,302,321</u>

**CITY OF CHARLOTTESVILLE, VIRGINIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2019**

**Note 1 – General**

The Uniform Guidance requires a schedule of expenditures of federal awards showing total federal expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). The accompanying schedule of federal awards presents the activity of all federal financial assistance programs of the City of Charlottesville, Virginia, and its component units. The City of Charlottesville reporting entity is defined in Note 1 of the City’s financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

**Note 2 – Basis of Accounting**

The schedule of federal awards is presented using the modified accrual basis of accounting, which is more fully described in Note 1 (c) to the City’s financial statements. The City of Charlottesville participated in federal programs below in which non-cash benefits are provided through the state to eligible program participants:

Food Distribution Programs (CFDA Numbers 10.555) – The value of food commodities was calculated using the U.S. Department of Agriculture’s Food and Nutrition Service commodity price lists.

Food Stamps (CFDA Number 10.561) – The Virginia Department of Social Services uses an Electronic Benefits Transfer (EBT) process for food stamp benefit distribution statewide.

**Note 3 – Relationship to Basic Financial Statements**

Federal financial assistance revenues are reported in the City’s basic financial statements as follows:

	General	Capital	Social	Debt	Other	Total	Component Unit	
	Government	Projects	Services	Service	Governmental		Schools	CVPED*
Intergovernmental revenue per financial statements	\$ 29,230,238	\$ 3,938,162	\$ 10,152,679	\$ 148,845	\$ 16,570,360	\$ 60,040,284	\$ 24,448,293	\$ 980,119
Less: amounts not related to federal financial assistance	29,217,067	2,232,504	3,154,283	148,845	11,939,769	46,692,468	19,473,907	-
Total schedule of expenditures of federal awards	\$ 13,171	\$ 1,705,658	\$ 6,998,396	\$ -	\$ 4,630,591	\$ 13,347,816	\$ 4,974,368	\$ 980,119

\* The City of Charlottesville and Central Virginia Partnership for Economic Development are parties to a Workforce Act Fiscal and Administrative Agent Agreement. As a fiscal agent, Central Virginia Partnership for Economic Development directly manages WIOA funds. The City monitors WIOA financials.

**CITY OF CHARLOTTESVILLE, VIRGINIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2019**

**Note 4 – Subrecipients**

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

Program Title	DUNS	CFDA	Amount	Subrecipients
Community Development Block Grant	128721896	14.218	\$ 45,171	Albemarle Housing Improvement Program
Community Development Block Grant	078675710	14.218	12,500	Community Investment Collaborative
Community Development Block Grant	042709139	14.218	26,431	United Way
Community Development Block Grant	832619907	14.218	26,531	Thomas Jefferson Area Coalition for the Homeless
Community Development Block Grant	607425837	14.218	8,300	Literacy Volunteers of Charlottesville Albemarle
Virginia Homeless Solutions Program	832619907	14.231	129,737	Thomas Jefferson Area Coalition for the Homeless
Housing Opportunities Made Equal	128721896	14.239	21,089	Albemarle Housing Improvement Program
Housing Opportunities for Persons with Aids	832619907	14.241	190,662	Thomas Jefferson Area Coalition for the Homeless
Drug Control System Improvement - Byrne Memorial Formula Grant	198093189	16.579	205,000	Offender Aid and Restoration
State Criminal Alien Assistance Program	105255769	16.606	14,086	Charlottesville-Albemarle Regional Jail
Workforce Investment Act - Adult Services	957031974	17.258	189,039	Central VA Partnership for Economic Development
Workforce Investment Act - Youth Services	957031974	17.259	357,547	Central VA Partnership for Economic Development
Workforce Investment Act- Dislocated Worker Services	957031974	17.278	315,188	Central VA Partnership for Economic Development
Workforce Investment Act - WIF	957031974	17.283	118,345	Central VA Partnership for Economic Development
Federal Highway Administration	099592768	20.507	534,025	JAUNT
H&HS - Substance Abuse & Mental Health Services	198093189	93.243	254,117	Offender Aid and Restoration
H&HS - Basic Center Program for Runaway Services	084136464	93.623	141,251	Ready Kids
Local Emergency Management Performance Grant	066022047	97.042	7,500	C/A Emergency Communications Center
			<u>\$ 2,596,519</u>	

**Note 5 – Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with amounts reported in the related federal financial reports, except that certain federal financial reports are prepared on the cash basis of accounting and the schedule of federal awards is prepared on the modified accrual basis of accounting (see Note 2 above).

**Note 6 – De Minimus Indirect Cost Rate**

The City did not elect to use the 10% de minimus cost rate.

**Note 7 – Outstanding Loan Balances**

At June 30, 2019, the City had no outstanding loan balances requiring disclosure.

(Continued)

**CITY OF CHARLOTTESVILLE, VIRGINIA  
SUMMARY OF COMPLIANCE MATTERS  
JUNE 30, 2019**

As more fully described in the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the City’s compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS**

*Code of Virginia*

Budget and Appropriation Laws  
Cash and Investment Laws  
Conflicts of Interest Act  
Local Retirement Systems  
Debt Provisions  
Procurement Laws  
Children’s Services Act  
Uniform Disposition of Unclaimed Property Act  
Sheriff Internal Controls  
Stormwater Utility Program

State Agency Requirements

Education  
Social Services  
Urban Highway Maintenance

**FEDERAL COMPLIANCE MATTERS**

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

**CITY OF CHARLOTTESVILLE, VIRGINIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2019**

**A. SUMMARY OF AUDITOR’S RESULTS**

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements were reported in the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs expresses an **unmodified opinion** on all programs.
6. The audit disclosed **one audit finding** listed at 2019-001 relating to the major programs.
7. The programs tested as major were:

Name of Program	<u>CFDA #</u>
Child Nutrition Cluster:	
School Breakfast Program	10.553
School Lunch Program	10.555
Summer Food Service Program	10.559
Title I	84.010
Foster Care – Title IV-E	93.658
Adoption Assistance	93.659
Community Development Block Grant/Entitlement	14.218

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The City of Charlottesville was determined to be a low-risk auditee.

**CITY OF CHARLOTTESVILLE, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2019**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

**2019-001: Child Nutrition Cluster Eligibility**

***Condition:***

One student tested had a household income outside of the approved range, but was approved for eligibility due to a miscalculation of the total household income.

***Criteria:***

Students must meet certain household income ranges to be eligible for free or reduced lunches.

***Cause:***

There was an error in the total household income calculation resulting in improper approval.

***Effect:***

An ineligible student received free lunch instead of reduced lunch.

***Questioned Cost Amount:***

The total cost of reduced lunch for 180 school days is \$72.

***Perspective Information:***

The finding occurred in one of twenty five students selected for testing.

***Recommendation:***

We recommend application approvals and calculations be reviewed.

***Views of Responsible Officials and Planned Corrective Action:*** *Employees completing applications will exercise more care in calculations of income.*

**CITY OF CHARLOTTESVILLE, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2019**

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2019-002: Weldon Cooper Expenditures**

***Condition:***

Eligible traffic control device expenditures were omitted from the report, therefore total traffic control device expenditures were omitted.

***Recommendation:***

We recommend reviewing data input thoroughly before submission.

***Management Response:*** *Errors will be immediately corrected and additional measures will be implemented to prevent a similar future occurrence.*

**2018-001: Social Services Terminated Employees**

***Condition:***

Employees who are terminated from employment from Social Services must be removed from the VDSS systems within three working days of termination. Employees tested were not removed timely. Per Title 63.2 of the Code of Virginia, terminated employee access must be removed within three working days of termination.

***Recommendation:***

We recommend all terminated employees' access be removed within three working days of termination by either the operations supervisor or their backup.

***Management Response:*** *If the operations officer is unable to remove the employees from the VDSS system within three days of termination, the back up security officer will take the required action.*

**CITY OF CHARLOTTESVILLE, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2019**

**D. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2018-002: Social Services Employee Access Review**

***Condition:***

Employees' access to DSS applications are not reviewed on an annual basis. Title 63.2 of the Code of Virginia requires an annual review of employee access.

***Recommendation:***

We recommend the local security officer review all employees' access to each application with the employee's supervisor to ensure all access is properly aligned with job responsibilities annually.

***Management Response:*** *Local security officer will implement an annual review of subsequent years including contact with direct supervisors of personnel to ensure proper system alignment including a total refresh of paperwork with corresponding internal audit dates.*

**2018-003: Social Services Security Policies**

***Condition:***

Inconsistent documentation exists for employees' acknowledgement and completion of various information security policies. Per Title 63.2 of the Code of Virginia, employees must document acknowledgment of the Acceptable Use Awareness Policy.

***Recommendation:***

We recommend maintaining adequate documentation to support all employee acknowledgements of the Acceptable Use Awareness Policy and to enter all training completion information in the system.

***Management Response:*** *Local security officer will review annually to ensure that all folders have current year's acceptable use policy along with corresponding training completion dates in SAMS.*



**CITY OF CHARLOTTESVILLE, VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2019**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**B. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2018-001: Social Services Terminated Employees**

***Condition:***

Employees who are terminated from employment from Social Services must be removed from the VDSS systems within three working days of termination. Employees tested were not removed timely. Per Title 63.2 of the Code of Virginia, terminated employee access must be removed within three working days of termination.

**Current Year Status:** *Condition still applicable*

***Recommendation:***

We recommend all terminated employees' access be removed within three working days of termination by either the operations supervisor or their backup.

***Management Response:*** *If the operations officer is unable to remove the employees from the VDSS system within three days of termination, the back up security officer will take the required action.*

**2018-002: Social Services Employee Access Review**

***Condition:***

Employees' access to DSS applications are not reviewed on an annual basis. Title 63.2 of the Code of Virginia requires an annual review of employee access.

**Current Year Status:** *Condition still applicable*

***Recommendation:***

We recommend the local security officer review all employees' access to each application with the employee's supervisor to ensure all access is properly aligned with job responsibilities annually.

***Management Response:*** *Local security officer will implement an annual review of subsequent years including contact with direct supervisors of personnel to ensure proper system alignment including a total refresh of paperwork with corresponding internal audit dates.*

**CITY OF CHARLOTTESVILLE, VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2019**

**B. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2018-003: Social Services Security Policies**

***Condition:***

Inconsistent documentation exists for employees' acknowledgement and completion of various information security policies. Per Title 63.2 of the Code of Virginia, employees must document acknowledgment of the Acceptable Use Awareness Policy.

**Current Year Status:** *Condition still applicable*

***Recommendation:***

We recommend maintaining adequate documentation to support all employee acknowledgements of the Acceptable Use Awareness Policy and to enter all training completion information in the system.

***Management Response:*** *Local security officer will review annually to ensure that all folders have current year's acceptable use policy along with corresponding training completion dates in SAMS.*