

***CHILDREN'S SERVICES ACT
PROGRAM AUDIT***

Lee County

Self-Assessment Validation

Final Audit Report No. 32-2020

March 29, 2021



Office of Children's Services
Empowering communities to serve youth

Report Disclaimer

Due to the COVID-19 pandemic, onsite visits to validate management's conclusions have been suspended until further notice. In lieu of onsite visits, self-assessment validation activities were conducted remotely. Audit procedures were divided into two phases (Governance and Client Record Reviews). An interim report addressing governance activities was issued on January 22, 2021. The interim report did not include the results of an evaluation of compliance and internal controls pertaining to child/family referrals for service planning and funding as determined through client record reviews. Client record reviews were completed on February 17, 2021. This final report represents the full and completed evaluation of both phases of the self-assessment validation.



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

OFFICE OF CHILDREN'S SERVICES
Administering the Children's Services Act

March 29, 2021

Brian Dean, Acting CPMT Chair
Lee County Public Schools
155 Vo-Tech Drive
Jonesville, VA 24263

RE: Lee County CSA Program Self-Assessment Validation
Final Report, File No. 32-2020

Dear Mr. Dean,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2020, the Lee Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Service Act (CSA) Program. Based on the review and examination of the self-assessment workbook and supporting documentation provided by the Lee County CSA program completed June 15, 2020 and covering the period July 1, 2018 through June 30, 2019, our independent validation of CPMT governance activities:

Concurs

Partially Concurs

Does Not Concur

with the conclusion reported by the Lee County CPMT that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted on behalf of the Lee County CSA Program. The explanations for our assessment results are as follows:

The Lee County CPMT concluded that there were only non-significant compliance and/or internal control weakness observations noted. A summary of non-compliance and/or internal control weaknesses reported by the CPMT are included as Attachment A to this report. However, validation procedures identified deficiencies indicating non-compliance in the local CSA program as well internal control weaknesses not identified by the CPMT. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the Commonwealth. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics are detailed on pages 2-5.

SIGNIFICANT NON-COMPLIANCE - REPEAT OBSERVATION

1. Documentation of utilization review (UR) in service planning activities requires strengthening to ensure compliance with program requirements and best practices. Utilization reviews of services documented in the approved service plans and funded by the state pool were not performed for any of the five client records examined. The Code of Virginia (COV) §2.2-5208 item 5 (iv) task the family assessment and planning team (FAPT) to “provide regular monitoring and utilization review of the services and residential placement for the child to determine whether the services and placement continue to provide the most appropriate and effective services for the child and his family”.

This observation was identified in the prior audit report issued September 17, 2018. Lee County CSA Office subsequently reported to OCS that the quality improvement plan submitted in response to the observations reported had been implemented. The CPMT, as the governing body, is responsible for on-going monitoring of the quality improvement plan to ensure timely implementation of the plan and the actions taken are continuously working as intended.

RECOMMENDATIONS

1. In accordance with COV §2.2-5208 item 5 (iv) and local policy, the CPMT should ensure that the FAPT performs UR of all services recommended and funded by the state pool. Persons independent of the FAPT should conduct periodic reviews of individual client records to verify compliance.
2. The Lee County CPMT should consider adopting the model Individual Family Services Plan (IFSP) UR addendum available on the CSA website.
3. Documentation of utilization reviews should be maintained in the individual client records.

CLIENT COMMENT

“Concur”

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

2. Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services and/or to meet the needs of the children and families. SEC Policy 4.5.2 Pool Fund Reimbursement requires localities to report at least quarterly all CSA eligible expenditures and applicable refunds in accordance with appropriate expenditure-reporting categories and refund classification. A review of the Local Expenditure, Data and Reimbursement System (LEDRS) Refund Reports for FY 2017-2019 indicates that Lee County has not reported any Child Support Enforcement recoveries (Refer to Exhibit A on page 3). However, other data collected by OCS for Lee County denotes between 69 -84 foster care clients received CSA funded services (Refer to Exhibit B on page 3). Upon inquiry, the Lee County CSA Office advised that they had not received any child support funds from the Department of Social Services.

This observation was included in the interim audit report issued, January 22, 2021.

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS CONTINUED									
Exhibit A LEDRS Refund Reports for FY 2017-2019 https://www.csa.virginia.gov/OCSPoolReports/PoolReports/RefundReport									
FY	FIPS	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
17	105	Lee	66,778.25	-	17,676.61	-	-	4,731.57	89,186.43
18	105	Lee	6,688.94	1,148.42	14,231.96	-	-	-	22,069.32
19	105	Lee	15,335.15	523.71	13,288.29	-	-	-	29,147.15

EXHIBIT B CONTINUOUS QUALITY IMPROVEMENT (CQI) DASHBOARD https://www.csa.virginia.gov/Resources/ContinuousQualityImprovement					
		Finance	Demographics/Utilization	Outcome Measures	Home
Lee County					
Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019	
Distinct Child Count By Mandate Type 84 Foster Care Abuse/Neg... 84 (100.0%)		Distinct Child Count By Mandate Type 71 Foster Care Abuse/Neg... 2 (2.8%) Foster Care Abuse/Neg... 70 (97.2%)		Distinct Child Count By Mandate Type 69 Foster Care Abuse/Neg... 1 (1.4%) Foster Care Abuse/Neg... 69 (98.6%)	

RECOMMENDATIONS
In accordance with SEC Policy 4.5.2, the CPMT should determine if there were any child support collections for the current and previous fiscal years and report the refund in LEDRS with their next pool reimbursement.
CLIENT COMMENT
“Concur”

SIGNIFICANT INTERNAL CONTROL WEAKNESSES

1. Written policies and procedures are not consistent with State statutes, established state CSA guidelines, partnering agencies polices and/or best practices, which direct the CPMT to ensure that procedures are established to govern the local CSA program. Lee County CPMT policies and procedures misinterprets the appropriate application of non-custodial agreements executed by the local department of social services and a CSA parental agreement enacted on behalf of the CPMT. Examples of noted misrepresentations were:

- A. The Family Assessment and Planning Teams executes and CPMT approves Non-Custodial Placement Agreements. VDSS Child and Family Service Manual E Foster Care Section 3.7.5.1 Non-Custodial Foster Care Placements outlines the duties and responsibilities of the social service agency.
- B. Public agencies entering into agreements are responsible for meeting federal and state foster care requirements, such as foster care service plans, court petitions, referrals for Title IV-E and Medicaid eligibility screenings. These requirements are not applicable to CSA Parental Agreements as these placements are not considered foster care.

Children are not placed in foster care through a CSA parental agreement, but rather a non-custodial agreement through the local department of social services. A non-custodial agreement is case managed by the local social service agency only. The local department of social services is administratively responsible for: (1) completing the foster care plan and all other court documents for children in its custody; (2) completing the child welfare information system documentation; and (3) making referrals to title IV-E.

The decision and approval to enter into a non-custodial agreement lies solely with the local social services department and not the CPMT or FAPT. A CSA Parental agreement is used by all other public agencies for out of home placements where the parents retain custodial of the child. These cases may be managed by all other public agencies, except the local social services department.

Policies and procedures that blur the lines of a CSA parental agreement versus a non-custodial agreement leads to misapplication of the two agreements as evidenced in a similar audit observation included in the prior audit report issued September 17, 2018. In response to the prior audit’s observation, a quality improvement plan was submitted with a target completion date of October 31, 2018. Satisfactory implementation of the quality improvement tasks identified was evaluated with the client file review and a parental agreement was executed correctly.

This observation was included in the interim audit report issued, January 22, 2021.

2. Documentation corroborating expenditures reimbursed by the state pool of funds was not sufficiently maintained. The agency purchased the service using the agency’s small purchase charge card and completed CSA reimbursement through the case action payment process. However, an original receipt to support charges billed to the agency’s small purchase charge card was not provided for verification. The state share of questioned cost totals \$68.47. See Exhibit C.

EXHIBIT C

Provider Name	Service Month	Description	Questioned Cost	
			Total	State Share
Bank of America Business Cards	May 2019	Pest Control	\$77.12	\$68.47

SIGNIFICANT INTERNAL CONTROL WEAKNESSES CONTINUED

3. Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflicts of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Representatives from Lonesome Pine Office on Youth and Frontier Health have been appointed to serve on the CPMT as the private provider and contracted vendor acting on behalf of the Community Services Board (CSB) respectively. All CPMT members, including the private provider and the CSB representative, signed the service plans for 4 out of the 5 cases reviewed indicating funding approval. However, the CPMT minutes denoted that the private provider and the CSB representative abstained from voting on cases that financially benefit their organization. This practice blurs the lines of accountability and gives the appearance of impropriety where conflicts exists as it pertains to self-interests, disclosure requirements, and funding authorizations.

RECOMMENDATIONS

1. Lee CPMT should immediately update their policies and procedures manual to align with current State statutes and established policies adopted by the State Executive Council (SEC), and partnering agencies regarding CSA Parental Agreements and Non-custodial agreements. The policies should clearly differentiate the requirements for both agreements and agency responsibilities in the administering the agreements.
2. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding and/or other appropriate funding sources. Adequate documentation, such as but not limited to original receipts should be maintained as justification for CPMT funding decisions.
3. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the CPMT agrees with the observations regarding questioned costs. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director of whether the identified actions are acceptable or any additional actions that may be required.
4. The private provider and the CSB representative should discontinue signing off on the IFSP for cases where their organization is the approved service provider to ensure that the appearance of a conflict is not present. The CPMT minutes should continue to denote where representatives abstain from voting on funding authorizations.

CLIENT COMMENT

“Concur”

The Office of Children’s Services respectfully requests that you submit a quality improvement plan (QIP) to address the observations outlined in this report no later than 30 days from receipt of this report. We ask that you notify this office as QIP tasks identified to address significant observations are completed. OCS will conduct a follow up validation to ensure the quality improvements have been implemented as reported.

Brian Dean, Acting CPMT Chair
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We would like to thank the Lee County Community Policy and Management Team and CSA staff and partners for their contributions in completing the CSA Self-Assessment Workbook. We also would like to acknowledge the assistance provided by Janet Bright, CSA Coordinator during our review. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin, MBA
Program Auditor



Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Dane Poe, Lee County Administrator
Nathan Cope, CPMT Fiscal Agent
Janet Bright, CSA Coordinator

Attachment



CSA Self-Assessment Validation
Lee County CSA Program Audit- SAV
 Summary of Self-Reported Non-Compliance and/or (Non-significant) Internal Control Weakness

Observations	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date
1. CPMTs are responsible for instituting policies and practices that inform, prepare, and support family members for their participation in CSA, throughout the duration of their CSA services. This should be accomplished through communication and interaction methods that are appropriate to the family's cultural and linguistic needs and preferences, including providing written material to family members to understand their rights and responsibilities with respect to CSA services; and if they are fully informed about and prepared to participate in the assessment, planning and service delivery process in their locality.	SEC Policy Manual and CSA User Guide Policy Manual, Section 3.3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/10/21

The list below includes self-reported internal control enhancements				
Observations	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date
1. Solicit and document feedback from local CSA program partners and stakeholders regarding the effectiveness of the program.	ARMICS ¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/10/21
2. CPMT personnel with appropriate responsibilities, organizational experience, and knowledge of the program's affairs periodically review and document the functioning and overall effectiveness of fiscal controls.	ARMICS ¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/10/21
3. Appropriate criteria are established to evaluate fiscal controls.	ARMICS ¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/10/21

ARMICS (Department of Accounts, Agency Risk Management and Internal Control Standards):

- ¹Monitoring: Program Evaluation