

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

***Loudoun County***

***Audit Report No. 04-2023***

**October 6, 2023**



**Office of Children's Services**  
Empowering communities to serve youth

# TABLE OF CONTENTS

*Executive Summary*

*Introduction* .....1

*Background* .....2

*Observations and Recommendations*

*Program and Fiscal Activities*..... 3 - 4

*Conclusion*.....5

*Report Distribution* .....6

## EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the Loudoun County Children's Services Act (CSA) program. The Loudoun County CSA program provided services and/or funding for approximately 171 youth and families in fiscal year 2023 (FY23). The audit included reviewing and evaluating management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported for fiscal year 2022, significant achievements for the Loudoun County CSA program were as follows:

- Child and Adolescent Needs and Strengths (CANS) improvements in the school domain are 15% higher than the statewide average and 9.9% higher than the previous fiscal year.
- Improvements in the CANS behavioral/emotional needs domain exceed the statewide average by 21.3%.
- Improvements in the CANS strengths domain are 16.2% above the statewide average and increased 19.1% from FY 2021 to FY 2022.

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that there were deficiencies in compliance and internal controls, particularly regarding fiscal, governance, and operational practices. Conditions that could adversely affect the effective and efficient use of resources and compliance with statutory requirements were identified. The following significant issues were identified:

Loudoun County was reimbursed \$1,391.80 (state share) in fiscal year 2023 for expenditures incurred that did not meet compliance requirements set forth in Code of Virginia (COV) sections 2.2-5208, 2.2-5211, CSA Policy 4.2, and CSA Policy 3.5. At least one exception was noted in 13% (2/15) of the client files reviewed, including significant exceptions such as:

- (1) services not documented in an Individual Family Service Plan (IFSP); and
- (2) continued funding of services for an adoptive placement no longer met legal residency status in Loudoun County.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. The body of the full report includes formal responses from the CPMT to the reported audit observations.



---

Stephanie S. Bacote, CIGA  
Program Audit Manager

## INTRODUCTION

The Office of Children's Services has completed a financial/compliance audit of the Loudoun County Children's Services Act program. The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards). The standards require planning and performance of the audit pursuant to stated audit objectives to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on October 5, 2023, and covered July 1, 2022 through June 30, 2023.

The objectives of the audit were to:

- Determine whether adequate internal controls have been established and implemented over CSA expenditures.
- Determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- Assess whether operations have maintained high standards for sound fiscal accountability and ensured responsible use of taxpayer funds by evaluating fiscal activities of the local CSA program.
- Assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating the local CSA program's operational and utilization review practices.
- Assess the implementation of quality improvements addressing prior audit observations reported by OCS in the final report dated August 26, 2019.

The scope of our audit included all youth and their families who received CSA-funded services during the audit period. Audit procedures included reviews of relevant laws, policies, procedures, and regulations; interviews with various CSA stakeholders; tests and examination of records; and other necessary audit procedures to meet the audit objectives.

## BACKGROUND

Loudoun County was established in 1757 from Fairfax County. The county is in northern Virginia and is part of the Washington–Arlington–Alexandria, DC–VA–MD–WV Metropolitan Statistical Area. According to the U.S. Census Bureau, State and County Quick Facts, the population estimate as of July 1, 2022 is 432,085. The median household income from 2017-2021 was \$156,821.

The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for youth and their families. The state funds, combined with local community funds, are managed by local interagency teams, referred to as the Community Policy and Management Team (CPMT), which plans and oversees services to youth. The Loudoun County CPMT has established a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to eligible children and families. The CPMT is supported administratively by the CSA office. The staff includes the CSA Program Administrator (CSA Coordinator), Utilization Review/Utilization Management (UM/UR) Supervisor, three (3) UM/UR Analyst, and the CSA Administrative Assistant. Expenditure demographics for fiscal years 2019 to 2023 are depicted below.

Source: CSA Data and Outcomes Dashboard

(Web link: [Data and Outcomes Dashboard \(COI\)](#))

<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
<b>213</b>	<b>254</b>	<b>199</b>	<b>170</b>	<b>171</b>
Distinct Child Count	Distinct Child Count	Distinct Child Count	Distinct Child Count	Distinct Child Count
<b>\$6.4M</b>	<b>\$8.2M</b>	<b>\$7.0M</b>	<b>\$6.0M</b>	<b>\$6.3M</b>
Net Expenditures	Net Expenditures	Net Expenditures	Net Expenditures	Net Expenditures
<b>\$2.9M</b>	<b>\$3.8M</b>	<b>\$3.2M</b>	<b>\$2.8M</b>	<b>\$2.8M</b>
Local Net Match	Local Net Match	Local Net Match	Local Net Match	Local Net Match
<b>\$29,840</b>	<b>\$32,359</b>	<b>\$35,173</b>	<b>\$35,530</b>	<b>\$36,933</b>
Average Expenditure	Average Expenditure	Average Expenditure	Average Expenditure	Average Expenditure
<b>0.4764</b>	<b>0.4764</b>	<b>0.4764</b>	<b>0.4764</b>	<b>0.4764</b>
Base Match Rates	Base Match Rates	Base Match Rate	Base Match Rate	Base Match Rates
<b>0.4577</b>	<b>0.4669</b>	<b>0.4618</b>	<b>0.4592</b>	<b>0.4465</b>
Effective Match Rate	Effective Match Rate	Effective Match Rate	Effective Match Rate	Effective Match Rate

*COI dashboard data consist of information submitted by individual Virginia localities for youth receiving CSA-funded services in the reporting period.*

Statewide data updated through: **08/16/2023**

## OBSERVATIONS AND RECOMMENDATIONS

### PROGRAM AND FISCAL ACTIVITIES

**Observation:**

**Criteria:**

**Compliance and Internal Control**

Loudoun County CSA was reimbursed \$1,391.80 (state share) in fiscal year 2023 for expenditures incurred that did not meet compliance requirements. Fifteen (15) client case files were examined to confirm that required documentation was maintained to support and validate Family Assessment and Planning Team (FAPT) service planning recommendations and Community Policy and Management Team funding decisions. At least one exception was noted in 13% (2/15) of the client files reviewed. Exceptions noted in the table below are deemed significant, as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Client File Review Exceptions – Fiscal Impact				
Exception Rate	Exception Description (Code)			
(1/10)	1. Client A - Ineligible Expense: Services were not documented in an Individual Family and Service Plan (IFSP) signed by FAPT. (COV <a href="#">2.2-5208</a> , CSA Policy 3.5 Records Management)			
(1/10)	2. Client B – Legal Residency/Alternate Funding Source: CSA funded mentoring for an adoption subsidy case where the adoptive parents resided in a neighboring locality. Services started after the adoption had been completed. (COV 2.2-5211, CSA Policy Manual 4.2, VDSS Child and Family Services Manual Section F. Adoption 4.10.1)			
Exception Code	Service Description	Period	Total Cost	State Share
1	Legal Services	Feb 2023 – Mar 2023	\$630.00	\$479.93
2	Mentoring	Dec 2022 – Apr 2023	\$1,197.00	\$911.87
Total			\$1,827	\$1,391.80
<b>Reimbursement Due to CSA</b>				<b>\$1,391.80</b>

**Recommendations:**

1. Prior to processing purchasing and expenditure transactions, The CSA Office should compare IFSPs against purchase orders and funding requests to ensure only services listed in the IFSP are initiated for purchase and processed for payment.
2. Periodic case file reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA statutory requirements and CSA policy, including verification of current residency status.

- 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.

**Client Comment:**



BrodyWrye, Tesa <Tesa.BrodyWrye@loudoun.gov>

To: Bacote, Stephanie (CSA)

Cc: Spells, Monica <Monica.Spells@loudoun.gov>; Martin, Alyce; Ina Fernandez



Thu 10/5/2023 5:02 PM

Mrs. Bacote,

Thank you for your patience as the Loudoun County Children's Services Act (CSA) and Community Policy and Management Team (CPMT) formulated a response to the Office of Children's Services (OCS) audit findings. Our team is resolutely committed to addressing the identified deficiencies, with the overarching aim of enhancing the program's effectiveness and ensuring adherence to statutory requirements.

The audit findings represent invaluable insights into areas where substantive improvements are needed. We have already begun to develop a comprehensive plan to rectify the identified issues and seize opportunities for enhancement. Upon receipt of the final audit report, we shall expediently prepare and submit the requisite performance plan to further demonstrate our commitment to compliance and program improvement.

In our assessment, we found the audit to be both equitable and succinct. We appreciate the effort taken to educate our team throughout the audit process, recognizing that the Loudoun County CSA program stands to benefit from the knowledge gained during this evaluation. It has been a privilege collaborating with you on this endeavor, and we are genuinely grateful for the time and expertise you have invested.

Once again, we extend our gratitude for your guidance and oversight throughout this audit process. We are confident that the Loudoun County CSA program will emerge stronger and more compliant as a result of the insights gleaned from this comprehensive assessment.

Regards,



Tesa Brody-Wrye, MPH, MSW, LCSW  
(She/Her/Hers)  
Children's Services Act Program  
Administrator

Email: [tesa.brodywrye@loudoun.gov](mailto:tesa.brodywrye@loudoun.gov)  
Phone: 703-737-8380 | Mobile: 571-498-1375

102 Heritage Way, NE, Suite 103  
Leesburg, VA 20177-7400  
[Children's Services Act | Loudoun County, VA - Official Website](#)

## CONCLUSION

Our audit identified deficiencies in compliance and internal controls in the Loudoun County CSA program. Conditions were identified pertaining to operating and fiscal practices of the locally administered program that could affect the effective and efficient use of resources and compliance with statutory requirements. An exit conference was conducted on September 21, 2023, to present the audit results to the Loudoun County CPMT. Persons in attendance representing the Loudoun County CPMT were as follows:

Monica Spells, Assistant County Administrator/CPMT Chair  
Ina Fernandez, Division of Family Services  
Ira Holland, Juvenile Court Services Unit  
Tedra Richardson, Loudoun County Public Schools  
David Goodfriend, Loudoun County Health Department  
Tesa Brody-Wrye, CSA Program Administrator

Stephanie Bacote, Program Audit Manager, represented the Office of Children's Services.

We thank the Loudoun County Community Policy and Management Team and CSA staff for their cooperation and assistance on this audit.



## **REPORT DISTRIBUTION**

Scott Reiner, Executive Director  
Office of Children's Services

Tim Hemstreet, Loudoun County Administrator

Monica Spells, CPMT Chair  
Assistant County Administrator

Elaine Crawford, CPMT Fiscal Agent

Tesa Brody-Wrye, CSA Program Administrator