

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

***Pittsylvania County***

***Audit Report No. 02-2016***

***July 15, 2016***



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

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## EXECUTIVE SUMMARY

The Office of Children's Services (OCS) has completed an audit of the Pittsylvania County Children's Services Act (CSA) program. The Pittsylvania County CSA Program provided services and/or funding for 128 youth and families during fiscal year 2015 and 121 through 2nd quarter ending fiscal year 2016. The audit included review and evaluation of management oversight, operational, and fiscal practices. Evidenced by the following achievements, the Community Policy and Management Team (CPMT) responsible for oversight of the CSA program demonstrated that efforts were made to ensure that services were provided to eligible youths and families:

- Reduction in the average length of stay per child in residential setting from 179 to 115 days, as reported for third quarter fiscal years (FY) 2014 and 2015.
- Percentage of youth receiving community based services out of youth receiving all CSA funded services exceeds the statewide target by 25%.
- Percentage of youth with a decrease in the child behavior/emotional needs domain as reported via the Child and Adolescent Needs Strengths (CANS) exceeds the statewide target by 5.1%. Decreases in CANS scores are generally indicative of improved functioning.
- As reported by the CSA Coordinator, there has been 100% parent attendance/participation in Family Assessment and Planning Team (FAPT) meetings over the last year.
- Implementation of quarterly utilization reviews of all CSA funded cases in accordance with the locally adopted utilization review frequency chart.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were deficiencies in internal controls that could adversely impact the effective and efficient use of resources and accomplishment of program objectives. The following significant issues were identified:

- Wrap-around funds for students with disabilities allocated in FY 2015 and FY 2016 totaling \$41,986 (state and local share) were not effectively utilized.
- Annual training of local CSA stakeholders has not been provided in accordance with locally established policies and procedures.

OCS appreciates the cooperation and assistance provided on behalf of the Pittsylvania County CPMT and other CSA staff. Formal responses from the Pittsylvania County CPMT to the reported audit observations are included in the body of the full report.



Stephanie S. Bacote, CIGA  
Program Audit Manager

## INTRODUCTION

The Office Children's Services (OCS) has completed a financial/compliance audit of the Pittsylvania County Children's Services Act (CSA) program. The audit was conducted in accordance with generally accepted government auditing standards. The standards require planning and performance of the audit pursuant to stated objectives in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on July 6, 2016 and covered the period January 1, 2015 through December 31, 2015.

The objectives of the audit were to:

- To determine whether adequate internal controls have been established and implemented over CSA expenditures.
- To determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- To assess whether operations have maintained high standards for sound fiscal accountability and ensured responsible use of taxpayer funds by evaluating fiscal activities of local CSA programs.
- To assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating local CSA program's operational and utilization review practices.
- To determine satisfactory implementation of quality improvement plans adopted to address observations reported in prior audits performed by the Auditor of Public Accounts (November, 2010) and the Office of Children's Services (2013-2015)

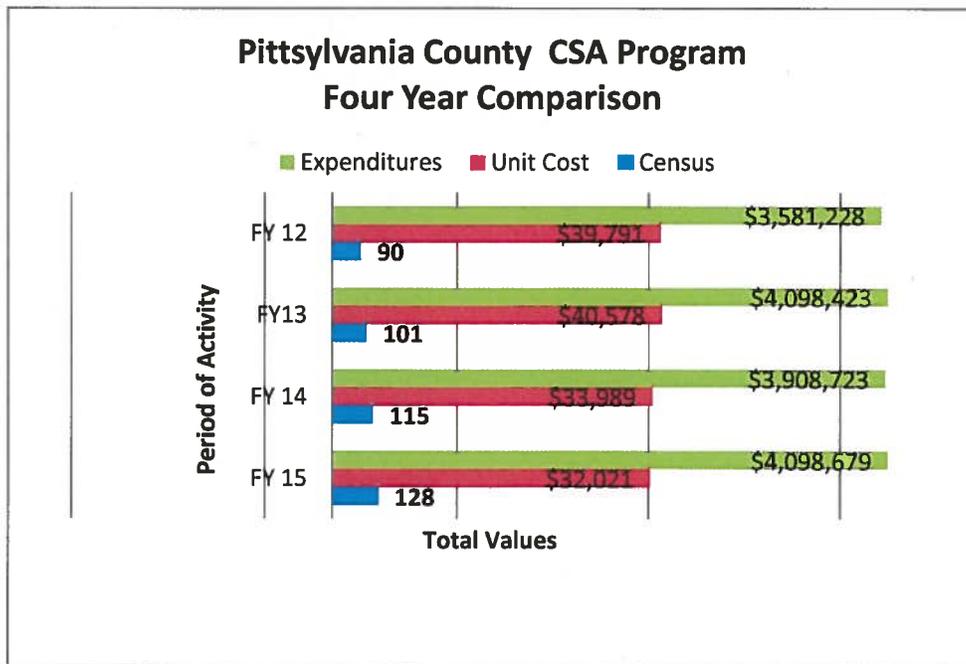
The scope of our audit included all youth and their families who received CSA funded services during the audit period. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; various tests and examination of records;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

## BACKGROUND

Pittsylvania County is situated in Virginia’s south-central Piedmont plateau region. The county encompasses 982 square miles, making it the largest county in the state. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Pittsylvania County has a population estimate of 63,255 as of July 1, 2015. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2010 -2014 as \$42,311.

The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at- risk youth and their families. Of the approximate \$270 million appropriated annually by the Virginia General Assembly and local governments to fund CSA, total allocations (state and local funds) for the Pittsylvania County were \$4.33 million for fiscal year 2015 and \$4.29 million for fiscal year 2016. Actual net expenditures for fiscal year 2015-2016 (reported to date) combined totaled \$7.09 million. Based on reported expenditures for fiscal year 2015, the estimated average per capita cost of CSA in the Pittsylvania County is \$65.

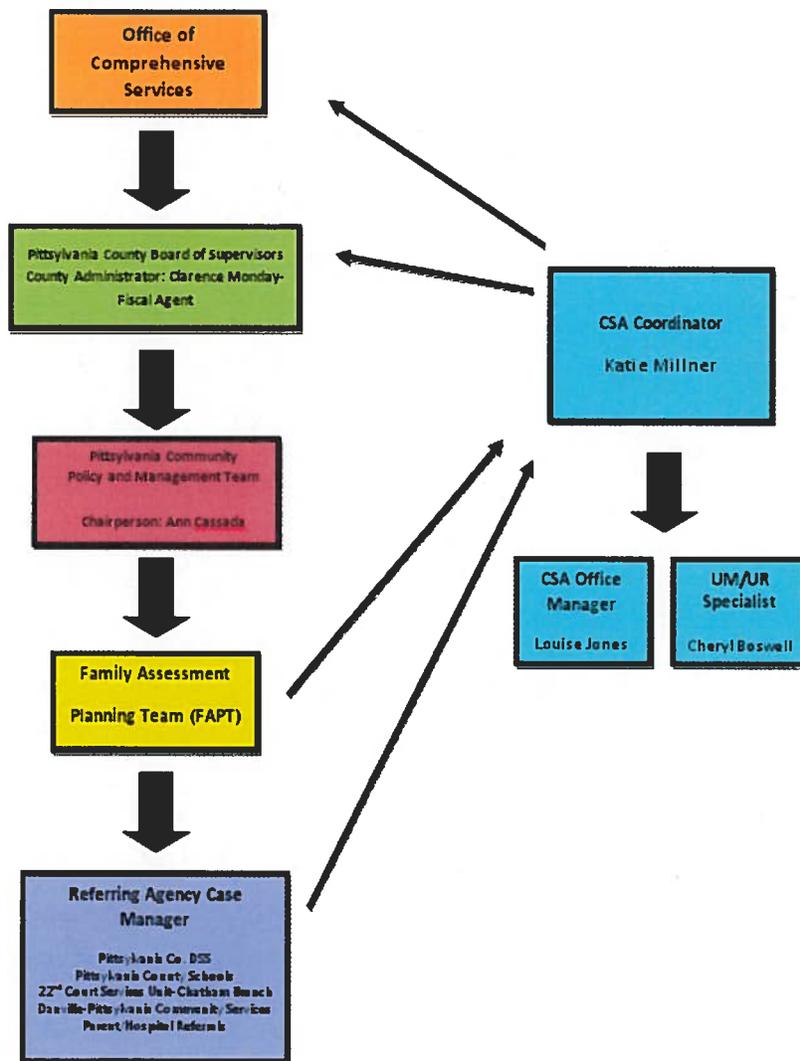
An analysis of Pittsylvania County CSA expenditures, population, and cost per child (“unit cost”) indicated expenditures, population, and unit cost are relatively stable. The chart below depicts a comparison for fiscal years 2012 through 2015.



Source: CSA Website, Statewide Statistics, Pool Expenditure Reports (<http://www.csa.virginia.gov/publicstats/pool/localitybyyear.cfm>)

The state funds, combined with local community funds, are managed by local interagency teams, referred to as “Community Policy and Management Teams (CPMT) who plan and oversee services to youth. The Pittsylvania County CPMT was established to comply with this statute. The CPMT is supported in this initiative by the Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by the CSA Coordinator, Utilization Management/Utilization Review (UM/UR) Specialist, and an Office Manager. The local management structure for the Pittsylvania County CSA Program is as follows:

*FY 2015-2016 Pittsylvania County CSA  
Program Organizational Chart*



Source: Pittsylvania County CSA Office

## OBSERVATIONS AND RECOMMENDATIONS

### A) FISCAL ACTIVITIES

#### Observation 1:

##### Criteria

##### Internal Control

Pittsylvania County's CSA program did not fully take advantage available fiscal resources that could be utilized to provide non-educational treatment services to students with disabilities. Pittsylvania County's CSA Program received a total allocation of \$41,986 for fiscal years 2015 and 2016 for "wrap-around" funding to provide community-based services to students with educational disabilities for the purpose of reducing the risk of a more restrictive educational placement. However, none of the funds allocated were expended. Not utilizing the available funding creates a lost opportunity to address the needs and improve overall treatment outcomes for the at-risk youth and families of Pittsylvania County.

#### Recommendation

The CPMT should optimize every opportunity available to increase and utilize funding to support the provision of services to at-risk youth and families in the Pittsylvania County community, to include but not limited to utilizing special education "wrap-around" funding.

#### Client Comment

Concur. "Pittsylvania County agrees that the CSA program did not take full advantage of all available fiscal resources. Going forward, Pittsylvania County CSA intends to utilize all available resources in accordance with compliance and eligibility requirements to best serve the children in Pittsylvania County."

### B) CPMT Governance Activities

#### Observation 2:

##### Criteria

##### Compliance and Internal Control

Annual training of local CSA stakeholders has not been provided in accordance with locally established policies and procedures. The Pittsylvania County CSA Policy and Procedures Manual states "local staff (including but not limited to agency directors, superintendents, supervisors, and case managers) having any interaction with local CSA must have an annual training provided by the CSA Coordinator." At the time of the on-site review, annual trainings have not been provided.

## **Recommendation**

The CPMT should ensure that annual training of applicable stakeholders is conducted in accordance with the requirements established by the locally adopted policies and procedures.

## **Client Comment**

Concur. “Twelve CSA stakeholders attend the annual CSA conference. However, Pittsylvania County CSA recognizes and agrees additional training is required to be in compliance with local policy. Training will be scheduled accordingly in the future.”

## CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Pittsylvania County CSA program. Conditions were identified that could adversely impact the effectiveness and efficient use of resources and accomplishment of program objectives. An exit conference was conducted on June 23, 2016 to present the audit results to the Pittsylvania County CPMT. Persons in attendance representing Pittsylvania CPMT were:

Ann Cassada, CPMT Chair/Assistant Superintendent for Support Services, Pittsylvania County Schools;

Kim Van Der Hyde, Parent Representative/Finance Director, Pittsylvania County

Jennifer Cooper, Parent Representative

Sherry Flanagan, Director, Pittsylvania County Department of Social Services

Joyce Green, Director, Twenty-Second District Court Service Unit

James F. Bebeau, Executive Director, Pittsylvania-Danville Community Services

Tonya Milling, Private Provider Representative/Executive Director, The Arc of Southside

Mike Taylor, Sheriff, Pittsylvania County

Katie Millner, CSA Coordinator

Louise Jones, CSA Office Manager

Cheryl Boswell, UM/UR Specialist

Representing the Office of Children's Services was: Stephanie Bacote, Program Audit Manager

We would like to thank the Pittsylvania County CPMT and related CSA staff for their cooperation and assistance on this audit.

## **REPORT DISTRIBUTION**

Scott Reiner, Executive Director  
Office of Children's Services

Clarence Monday, Pittsylvania County Administrator  
&CPMT Fiscal Agent

Anne Cassada, CPMT Chair

Katie Millner, CSA Coordinator

SEC Finance and Audit Committee