

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

Dickenson County

Audit Report No. 08-2024

September 11, 2024



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 Dickenson County CSA Program. The Dickenson County CSA Program provided services and funding to 48 eligible youth and families in fiscal year (FY) 2023. The audit included reviewing and evaluating management oversight and operational and fiscal practices. Based upon established statewide Children's Services Act (CSA) performance measures and outcomes data reported as of FY 2023, significant achievements for the Dickenson County CSA Program were:

- Based on the 2019-2023 Child and Adolescent Needs Strength (CANS) assessments, behavioral and emotional needs improved for 53% of youth and families receiving funded service through CSA, which is 10% higher than the statewide average.
- Youth starting services between FY 2019 and FY 2023 improved their initial CANS assessment scores by 60% in the child strengths domain. This outcome measure represents the percentage of youth with a decreased score (indicating an increase in strengths) in the CANS instrument's child strengths domain from a baseline assessment to the most recent re-assessment.
- Foster care exits to permanency exceeded the established target by 7% and the statewide average by 15%.

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

- Expenditure reimbursements were requested and processed for payment of services where CSA compliance requirements were not met. Services eligible for another funding source (e.g., Title IVE) or confirmed as an unallowable expense (e.g., unlicensed provider or duplicate payment) were funded using CSA funds. The total cost of questioned expenses is \$2,299.69 (state share).
- Data elements were omitted from the Individual and Family Services Plan (IFSP) of 100% (5/5) of client records examined. CSA Policy 3.5 Records Management requires child-specific documentation collected to demonstrate compliance, including desired outcomes and timeframes (i.e., goals/objectives), Family Assessment and Planning Team (FAPT) recommendations (i.e., duration of services), utilization review data (i.e., discharge planning), and parent/guardian participation.
- Formal performance measures and utilization review practices and procedures to assess overall program effectiveness have not been established per COV §2.2-5206 items 6 and 13. CPMT meeting minutes and accompanying reports did not evidence continuous quality improvement activities as directed by utilization management requirements. This observation was reported in the prior audit report.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. While offered the opportunity, the CPMT did not provide formal responses to the reported audit observations for inclusion in this report.



Stephanie S. Bacote, CIGA
Program Audit Manager

INTRODUCTION

The Office of Children’s Services has completed a financial/compliance audit of the Dickenson County CSA 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 September 11, 2024, and covered the period from May 1, 2023, through April 30, 2024.

The objectives of the audit were:

- 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 the local CSA program.
- To 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 improvement plans addressing prior audit observations reported by OCS and identified in the prior self-assessment evaluation completed by the Dickenson County CPMT. The audit report date was March 28, 2019.

The audit scope included 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; flowcharts of operational and fiscal processes; various tests and examination of records; and other required audit procedures to meet the audit objectives.

BACKGROUND

Dickenson County, formed in 1880, is Virginia's youngest county. Located in the western part of the state, it neighbors the counties of Buchanan, Russell, and Wise. According to the US Census Bureau Quick Facts, the 2023 population was 13,640. The median household income from 2018-2022 was \$40,143.

The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for eligible youth and their families. The state funds, combined with local community funds, are managed by a local interagency team, the Community Policy and Management Team (CPMT), that plans and oversees services to youth. The Dickenson County CPMT is supported by a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to eligible children and families. Administrative services are managed through the local CSA office staffed by the CSA Coordinator. Expenditure demographics for fiscal years 2020 to 2023 are depicted below.

Source: CSA Data and Outcomes Dashboard

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

At-A-Glance

	2020	2021	2022	2023
Distinct Child Count	66	47	55	48
Net Expenditures	\$1.0M	\$0.7M	\$1.0M	\$1.2M
Local Net Match	\$0.3M	\$0.2M	\$0.3M	\$0.4M
Average Expenditure	\$14,564	\$15,137	\$17,852	\$25,588
Base Match Rate	0.3042	0.3042	0.3042	0.3042
Effective Match Rate	0.2858	0.2894	0.3077	0.3133

CQI dashboard data consists of information submitted by individual Virginia localities for youth receiving CSA-funded services in the reporting period. Statewide data was updated through 06/24 of the current program year.

OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM AND FISCAL ACTIVITIES

Observation 1:

Criteria:

Compliance and Internal Control

Expenditure reimbursements totaling \$692.40 (state share) were requested and processed for payment of services where the requirements for compliance with state statutes and local CSA policies and procedures were unmet. Five (5) client files were examined to confirm that required documentation was maintained to support and validate FAPT referrals and CPMT funding decisions. At least one exception was observed in each file reviewed (100% or 5/5). Exceptions noted in Tables A and B below are significant as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Table A: Client File Review Exceptions- Fiscal Impact COV 2.2-5206, 2.2-5211, and CSA Policy 4.5 Fiscal Procedures					
Rate		Description (Code)			
20% (2/5)		1. Alternate Funding Source: <ul style="list-style-type: none"> a. CSA-funded drug screens, although funds have been allocated to Budget Line 830 of the local Department of Social Services. b. CSA funds were used for foster care maintenance expenditures (i.e., clothing) that met Title IVE funding criteria. 			
20% (1/5)		2. Duplicate Payment.			
Code	Client	Service Description	Service Period	Total Cost	State Share
1a	A	Drug Screens	Apr – Sep 2023	\$510.00	\$432.43
1b	B	Maintenance - Clothing	Aug 2023	\$237.17	\$201.10
2	B	Maintenance - Clothing	Aug 2023	\$69.43	\$58.87
Reimbursement Due to CSA					\$692.40

Table B: Client File Review Exceptions- No Fiscal Impact COV 2.2-5208 and CSA Policy 3.5 Records Management	
Rate	Description
100% (5/5)	Missing Individual and Family Services Plan (IFSP) Data Elements: (1) measurable goals/objectives with target dates, (2) duration of services, (3) discharge planning, and (4) evidence of parent/guardian participation in service planning or signature consent on the IFSP.

Recommendations:

1. During service planning, the FAPT and the CSA Coordinator should ensure that minimum documentation requirements are met and relevant documents are maintained in individual client case files. Ensure all data fields on the service plan are filled (no blanks).

2. Before authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding.
3. The CSA and Fiscal office should ensure that month-end closing procedures of fiscal transactions include a review of payment transactions for duplicate payments.
4. Someone other than the CSA Coordinator should perform periodic case file reviews to establish quality control of client records and ensure compliance with CSA statutory requirements. Targeted areas should include, but are not limited to, alternate funding, document completion/retention, payment processing, and reporting.
5. 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 based on SEC-approved policy 4.7 Response to Audit Findings of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment:

No Comment.

Observation 2:

Criteria:

Compliance and Internal Control

A comparison of CSA and Title IVE financial reports identified Title IVE-eligible expenditures funded from the State pool for a Title IVE-eligible client. CSA funded childcare assistance payments totaling \$1,607.30 (state share) because the actual service providers were not licensed daycare providers. Title IVE and CSA policies expressly prohibit using unlicensed providers where a license is required for the service purchased. Refer to Table C for more information.

In addition, financial reports identified the foster parent as the payee instead of the actual service provider. There were no receipts of out-of-pocket payments by the foster parent to the childcare provider. Log sheets signed by the actual service providers were used as invoices for payment. This practice circumvents fiscal reporting requirements and increases the likelihood of unreported income paid to the actual service provider (i.e., taxes, business licensing, etc.).

Table C: Ineligible Expense – Unlicensed Provider COV 2.2-2648 and CSA Policy 4.6 Denial of Funds				
Client	Service Description	Service Period	Total Cost	State Share
C	Childcare Assistance	Oct 2023 – Jan 2024	\$2,310.00	\$1,607.30

Recommendations:

1. The CSA Office should confirm IV-E eligibility and provider licensure status (where applicable) before processing expenditure payments using pool funds. Where not eligible for CSA funds, local only or other funding sources should be utilized.

2. CPMT, in coordination with local government fiscal officers, should consider developing procedures to govern appropriate documentation required for payments using pool funds, such as (a) reimbursements for out-of-pocket costs, (b) verification of licensure status, (c) collection of vendor information required for tax reporting (EIN or Tax ID), etc.
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 based on SEC-approved policy 4.7 Response to Audit Findings of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment:

No Comment.

B) CPMT GOVERNANCE

Observation 3:

Criteria:

Compliance and Internal Control – Repeat Observation

A formal process documenting continuous quality improvement (CQI) and utilization management (UM) has not been implemented by Dickenson County CPMT following COV §2.2-5206 items 6 and 13. CPMT monthly meeting minutes and accompanying reports did not evidence CQI/UM activities to include:

1. Reviewing local and statewide data provided in the management reports on the number of children placed out of state, demographics, types of services provided, duration of services, services expenditures, child and family outcomes, and performance measures.
2. Tracking the utilization and performance of placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative’s homes, family-like settings, or their community.

This observation was reported in the prior audit of the Dickenson County CSA program dated March 28, 2019. The quality improvement plan prepared by the CPMT established a target date of June 1, 2019, to resolve the deficiency. CPMT, as the governing body, is responsible for ongoing monitoring of the QIP to ensure timely implementation of the plan and that the actions taken are continuously working as intended.

Recommendations:

The CPMT minutes should document the outcome of CQI activities, and supporting documentation should be maintained with the recorded minutes. Utilization management tools and resources are

available on the CSA website to help local programs meet compliance requirements. Use the template below at least annually to document CQI activities. Source data is available through the Data and Outcome Dashboard and CSA Utilization Reports.

1. [Strategic Planning Tools \(CQI\) Documentation Template with Instructions \(Download\)](#)
2. Data and Outcomes Dashboard (<https://csa.virginia.gov/Resources/CQIDashboardReport>)
3. CSA Utilization Reports (<https://csa.virginia.gov/Resources/ContinuousQualityImprovement>)

Client Comment:

No Comment.

Observation 4:

Criteria:

Compliance and Internal Control – Repeat Observation

The CPMT did not effectively implement internal controls established by CSA statutes to safeguard against conflicts of interest. The CPMT parent representative did not complete the statement of economic interest (SOEI) form per the requirements outlined in COV § 2.2-5205. OCS Administrative Memo #18-02, dated January 16, 2018, guided local CSA programs regarding filing requirements. The guidance states that non-public members must complete the “long” form defined in (COV) §2.2-3117 upon appointment.

This observation was reported in the prior audit of the Dickenson County CSA program dated March 28, 2019. The quality improvement plan prepared by the CPMT established a target date of June 1, 2019, to resolve the deficiency. CPMT, as the governing body, is responsible for ongoing monitoring of the QIP to ensure timely implementation of the plan and that the actions taken are continuously working as intended. The required SOEI form was completed and filed in May 2024, immediately upon notice of the current deficiency.

Recommendations:

The CPMT should ensure that the SOEI form is completed immediately for all non-public participating members serving on the CPMT. Completed disclosure forms should be maintained following Administration memo #18-02 guidance.

Client Comment:

No Comment.

Observation 5:

Criteria:

Internal Control

CPMT has documented five objectives in its bylaws. However, a formal strategic plan with measurable goals/objectives, strategies, performance metrics/benchmarks, and target dates has not

been adopted. Further, the CPMT minutes for the review period did not evidence any discussion of progress towards achieving any of the five objectives identified in the bylaws.

Recommendations:

1. The CPMT should develop and adopt a formal strategic plan that includes measurable goals/objectives, benchmarks/milestones, responsible parties, and target implementation dates. Consider using the SMART format (Specific, Measurable, Achievable, Relevant, and Time-bound).
2. The CPMT should periodically review and report on your strategic plan achievement progress. Use the strategic planning tools to document your actions:
 - [Strategic Planning Tools \(CQI\) Documentation Template with Instructions \(Download\)](#)
 - [Strategic Planning Tools \(CQI\) Terms and Definitions](#)
 - [Strategic Planning Tools \(CQI\) Training](#)

Client Comment:

No Comment.

CONCLUSION

This audit concluded that there were deficiencies in internal controls that could affect compliance with statutory requirements. An exit conference was conducted on August 6, 2024, to present the audit results to Dickenson County CPMT. Persons in attendance representing Dickenson County CPMT were as follows:

Rhonda Sluss, Dickenson County Board of Supervisors
Kevin Mullins, Dickenson County Behavioral Health Services/CPMT Chair
Jeff Brintle, 29th District Court Services Unit
Rick Mitchell, Private Provider Representative
David Moore, Dickenson County Department of Social Services
Tonya Tiller, Parent Representative
Ambra Deel, CSA Coordinator

Stephanie Bacote, Program Audit Manager, represented the Office of Children's Services. We thank Dickenson County CPMT and related staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
Larry Barton, Dickenson County Administrator
Kevin Mullins, CPMT Chair
Nancy Phillips, CPMT Fiscal Agent
Ambra Deel, CSA Coordinator