

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

Fluvanna County

Audit Report No. 06-2020

July 29, 2020



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 Fluvanna County Children's Services Act (CSA) Program. The Fluvanna County CSA Program provided services and/or funding for approximately 108 youth and families in Fiscal Year (FY) 2019. The audit included a review and evaluation of management oversight and operational and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2019, significant achievements for the Fluvanna County CSA Program were:

- Fifty-two percent (52%) of youth had a decrease in Child and Adolescent Needs and Strengths Assessment (CANS) Behavior/Emotional Needs domain, which is seven percent (7%) above the statewide average. Decreases in CANS scores are indicative of improved functioning.
- Eighty-seven percent (87%) of youth received community-based services out of all youth served in Fluvanna County, which exceeds the statewide average by four percent (4%).
- One hundred percent (100%) of foster care youth are in a family-based placement, which is 19% above the statewide average and 15% above the established statewide target.

There are, however, additional opportunities to effect quality improvement in other areas of the CSA Program. Our audit concluded that there were deficiencies in internal controls that could impact the effective and efficient use of resources, as well as compliance with statutory requirements. The following significant issues were identified:

- Expenditure reimbursements were requested and processed for payment of services where CSA compliance requirements were not met, resulting in questioned costs of \$143.37 (state share). CSA pool funds were used for expenditures that were eligible for an alternate funding source (i.e. Medicaid).
- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. At least three (3) exceptions were noted in each of the five (5) of the 14 (36%) client case files examined to confirm that required documentation was maintained in support of and to validate FAPT and/or multi-disciplinary team (MDT) referral and CPMT funding decisions. Omissions from client case file documentation included: discharge CANS assessments, consent to exchange information forms, and parental co-pay assessments. The omission of parental contribution assessments was referenced in the prior audit report dated August 7, 2017.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the Fluvanna County CPMT and other CSA staff. Formal responses from the Fluvanna County CPMT to the reported audit observations are included in the body of the full report.



Stephanie S. Bacote, CIGA
Program Audit Manager



Rendell R. Briggs, CAMS
Program Auditor

INTRODUCTION

The Office of Children's Services (OCS) has completed a financial/compliance audit of the Fluvanna County Children's Services Act (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 in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on July 28, 2020 and covered the period January 1, 2019 through December 31, 2019.

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 local CSA programs.
- 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.
- Assess implementation of quality improvements addressing prior audit observations reported by OCS and/or identified in the prior self-assessment evaluation completed by the Fluvanna County CPMT. The CSA program audit self-assessment validation was completed August 7, 2017.

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, procedures, 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

Established in 1777, Fluvanna County is located in the Piedmont region of the Commonwealth of Virginia. Fluvanna County borders the counties of Louisa (north), Goochland (east), Cumberland (southeast), Buckingham (south) and Albemarle (west). According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Fluvanna County has an estimated population of 25,691 as of January 28, 2019. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2014-2018 as \$74,931.

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 local interagency teams referred to as the Community Policy and Management Team (CPMT) who plan and oversee services to youth. The Fluvanna County CPMT was established to comply with this statute. The CPMT is supported in this by the Family Assessment and Planning Team (FAPT) that is responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by a full-time CSA Coordinator. Expenditure and demographics for fiscal years 2017 to 2019 are depicted below:

CSA Pool & Census Data by Fiscal Year for Fluvanna County (2017 - 2019)

Source: CSA Continuous Quality Improvement (CQI) Dashboard

At-A-Glance

<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
119	126	108
Distinct Child Count	Distinct Child Count	Distinct Child Count
3.2M	2.9M	2.4M
Gross Expenditures	Gross Expenditures	Gross Expenditures
3.2M	2.9M	2.4M
Net Expenditures	Net Expenditures	Net Expenditures
\$26,777	\$23,127	\$22,153
Average Expenditure	Average Expenditure	Average Expenditure
0.3811	0.3811	0.3811
Base Match Rate	Base Match Rates	Base Match Rates
0.3702	0.3525	0.3451
Effective Match Rate	Effective Match Rate	Effective Match Rate

OBSERVATIONS AND RECOMMENDATIONS

A) FISCAL ACTIVITIES:

Observation #1	Criteria	Compliance and Internal Control
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Expenditure reimbursements were requested and processed for payment of services where CSA compliance requirements were not met. CSA pool funds were used in lieu of Medicaid funds for case management services for youth determined Medicaid eligible. This resulted in total questioned costs of \$143.37 (state share). Per the current Appropriation Act and CSA Policy 4.4.2 Medicaid Funded Services, “pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children and youth, except when Medicaid-funded services are unavailable or inappropriate for meeting the needs of a child.”

Client	Services	Period	Total Questioned Costs	Total State Share
Client A	Treatment Foster Care Case Management	01/01/19 – 01/31/19	\$231.66	\$143.37

Recommendation

1. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding or other appropriate funding sources.
2. The CSA Office should confirm funding sources are accurate prior to finalizing expenditure documents for payment processing.
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 Policy 4.7, Response to Audit Findings, of whether there will be any denial of funds, the identified actions are acceptable or any additional actions that maybe required.

Client Comment

“The Fluvanna County CPMT concurs with this observation, and will ensure that, prior to approval by FAPT and authorization by CPMT of all requested services, authorization for all Medicaid-eligible services has been pursued, where applicable, and documented.”

B) PROGRAM ACTIVITIES:

Observation #2
Criteria Compliance and Internal Control - Repeat Observation

Client files did not always contain sufficient information demonstrating compliance with CSA requirements key to the coordination and service planning by FAPT. Fourteen (14) client case files were examined to confirm that required documentation was maintained in support of and to validate FAPT and/or multi-disciplinary team (MDT) referral and CPMT funding decisions. At least three (3) exceptions were noted in each of five (5) of the 14 (36%) client case files examined. Documentation missing from the case files reviewed and/or data elements omitted from the Individual and Family Services Plan (IFSP) are specified in the table below.

Description	# of Cases	Error Rate
1. Missing data elements on IFSP (<i>e.g. strengths; needs; and discharge planning.</i>); CSA Policy 3.5 Records Management	4 of 14	29%
2. Missing Progress Reports/ Treatment Plans; CSA Policy 3.5 Records Management	4 of 14	29%
3. Missing Consent to Exchange Forms; Code of Virginia (COV) 2.2-5210 and CSA Policy 3.5 Records Management	4 of 14	29%
4. Missing Parental Co-Pay Assessments (Repeat Observation); COV 2.2-5208, 2020 Appropriation Act Item 292 E, and CSA Policy 3.5 Records Management	2 of 5 (5 eligible cases)	40%
5. Missing Discharge Child and Adolescent Needs and Strengths (CANS) assessments; CSA Policy 3.6.5 Frequency of CANS Administration	2 of 4 (4 eligible cases)	50%

Insufficient data collection and poor document management in service planning may lead to increased operational and fiscal inefficiency and ineffectiveness of the local program. Further, this condition fosters an environment that makes the program more susceptible to potential loss of accessibility to State funding in support of local programs as a result of non-compliance with CSA statutes regarding service planning and access to pool funds.

The observation pertaining to parental co-pay assessments was identified in the prior audit report issued August 7, 2017. The CPMT submitted a revised quality improvement plan (QIP) with a target completion date of February 28, 2018. The CPMT, as the governing body, is responsible for ongoing monitoring of the quality improvement plan to ensure timely implementation of the plan and the actions taken are continuously working as intended.

Recommendation

1. The CSA Coordinator and the Family Assessment and Planning Team (FAPT) should ensure that required service plan data elements, consent to exchange information forms and parental co-pay assessments are completed immediately upon referral for CSA funded services.

2. The Family Assessment and Planning Team should ensure that vendor treatment plans, progress reports, and discharge CANS assessments are completed and reviewed prior to final closing of client case records.
3. 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.

Client Comment

“Fluvanna County CPMT approved a co-pay policy on April 23, 2018 that utilized the Department of Child Support Enforcement as the mechanism for collecting parental co-pays; this policy was discovered in April, 2019 to be legally unenforceable, as the CSA Office is not under the purview of Fluvanna County Department of Social Services. Fluvanna County CPMT will review its co-pay policy, and amend it by October 31, 2020 to be fully compliant with the Code of Virginia and all regulations set forth by the State Executive Council. Additional staffing is being pursued by the CSA Office to ensure proper human resources are available to pursue Recommendations 1 and 2. CPMT will discuss the content of Recommendation 3 by March 31, 2021.”

C) GOVERNANCE ACTIVITIES:

Observation #3

Criteria Compliance and Internal Control

The Fluvanna CPMT conducts regular administrative meetings to operate the local CSA program. However, the adopted Fluvanna County CPMT meeting minutes disclosed instances of non-compliance with the Children’s Services Act (CSA) pertaining to conflicts of interest and the Virginia Freedom of Information Act (FOIA) governing public meetings. Opportunities for improvement in the following areas:

1. CSA - CPMT minutes did not record the CPMT Private Provider representative as abstaining from decision-making to approve CSA funding where there may be a personal or fiduciary interest, as required by COV 2.2-5205. The designated representative was documented as attending meetings where funding decisions were unanimously approved, and included funding requests for services to be provided by their organization to five (5) of 14 (36%) client case files selected for audit examination. CSA expenditure reports for the audit period denotes the full scale of clients affected and associated fiscal impact, depicted in the table below. This practice lessens the effectiveness of the control to ensure transparency, accountability and appropriate use of CSA pool funds by individuals responsible for managing public funds.

Value of Funding Authorizations Beneficial to Private Provider Organization Appointed to Fluvanna County Community Policy and Management Team	
• Service Description	Mentoring
• Total Expenditures (Audit Period)**	\$95,810
• # of Clients Served	15
**Source: Local Expenditure Data Reporting System (LEDRS) January 1, 2019 through December 31, 2019	

2. FOIA – Approval of funding was improperly conducted in closed session. The CPMT minutes, dated January 29, 2019 and May 28, 2019, did not evidence a recorded vote to: (a) authorize funding of FAPT referrals during the open session and/or (b) exit closed session. Pursuant to COV 2.2-3712, public business and accompanying votes must be conducted in open session, unless exempted per FOIA criteria for closed session. Funding authorizations are considered public business.

Recommendation

1. Non-Public officials of the CPMT should abstain from voting on funding authorization where they have a personal or fiduciary interest. The CPMT should ensure that votes are appropriate and accurately recorded in the CPMT minutes (e.g. Yea/Nay/Abstain).
2. The CPMT should ensure meetings adhere to minimum requirements established in statute governing public meetings. The Fluvanna County CPMT should restrict its discussions during the closed meeting only to those matters specifically exempt from state statutes and identified in the certification of proceedings. The minutes should accurately reflect those activities.

Client Comment

“Fluvanna County CPMT concurs with these findings and recommendations. Fluvanna County CPMT was trained on June 23, 2020 to properly express abstention or dissent votes for items discussed during closed sessions.”

Observation #4

Criteria

Compliance and Internal Control

Written policies and procedures are not consistent with state statutes, established CSA guidelines, and/or best practices that direct the CPMT to ensure procedures are established to govern local CSA programs. The CPMT has not developed and incorporated policies for providing Intensive Care Coordination (ICC) services for children who are at risk of entering or are placed in residential care through the CSA program, in accordance with the criteria established by COV 2.2-5206 governing local CSA programs. It was noted that no ICC services were funded by Fluvanna County CSA during the audit period.

Recommendation

The CPMT should immediately establish and document policies and governing the provisions of ICC services to reflect current state and local CSA practices and requirements.

Client Comment

“Fluvanna County CPMT concurs with this Observation. While the voting record listed in the Fluvanna County CSA Local Policy Manual shows that a policy was approved by CPMT on 11/25/2014, the CSA Office has thus far been unable to locate the approved policy. Fluvanna County CPMT will establish a policy to govern the provisions of ICC services by March 31, 2020.”

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Fluvanna County CSA program. Conditions were identified that could affect the effectiveness and efficient use of resources as well as compliance with statutory requirements. An exit conference was conducted on July 28, 2020 to present the audit results to the Fluvanna County CPMT. Persons in attendance representing Fluvanna County CPMT were:

Ms. Kimberly Mabe, CPMT Vice-Chairperson/Director, Fluvanna County Department of Social Services

Ms. Mary Anna Twisdale, CPMT Fiscal Agent/Director of Finance, Fluvanna County

Mr. Bryan Moeller, CSA Coordinator, Fluvanna County

Ms. Mozell Booker, Fluvanna County Board of Supervisors (Fork Union District)

Ms. Erin Callas, Manager of Nursing, Thomas Jefferson Health District, Virginia Department of Health

Ms. Martha Carroll, Director, Sixteenth District Court Services Unit, Department of Juvenile Justice

Mr. Mark Hinline, Clinician, Fluvanna Counseling Center, Region Ten CSB (non-voting agency representative)

Ms. Jennifer Valentine; Director of Special Education, Fluvanna County Public Schools

Representing the Office of Children's Services was Rendell R. Briggs, Program Auditor. We would like to thank the Fluvanna County CPMT and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Mr. Scott Reiner, Executive Director
Office of Children's Services
Mr. Eric M. Dahl, Fluvanna County Administrator
Ms. Aisha Williams-Cusano, CPMT Chair
Region Ten Community Services Board
Mary Anna Twisdale, CPMT Fiscal Agent
Fluvanna County Director of Finance
Mr. Bryan Moeller, CSA Coordinator