

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

Montgomery County

***Audit Report No. 09-2024
June 27, 2024***



Office of Children's Services
Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

Introduction 1

Background 2

Observation and Recommendation

CPMT Governance 3
(Community Policy and Management Team)

Data Integrity 3-4

Program Activities..... 4-5

Conclusion and Client Comment 6

Report Distribution 7

Attachment A- Management Response

EXECUTIVE SUMMARY

The Office of Children's Services (OCS) has completed an audit of the Montgomery County CSA Program. The Montgomery County CSA Program provided services and funding to 88 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 reported for FY 2023, significant achievements for the Montgomery County CSA Program were:

- Eighty-eight percent (88%) of youth and families served by Montgomery County received only community-based services.
- Eighty-two percent (82%) of youth exiting the foster care achieved permanency, 5% above the statewide average. Permanency is achieved through adoption, reunification with their biological family or placement with a relative.
- Youth starting services between FY19 and FY23 improved their initial Child Adolescent Needs and Strengths (CANS) assessment scores by 53% in child strengths domain. This outcome measure represents the percentage of youth who have a decrease in their score (indicating an increase in strengths).

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that internal controls regarding governance, operational and fiscal practices were deficient. Conditions were identified that could affect the reliability and integrity of data and compliance with statutory requirements. The following significant issues were identified:

- The Statement of Economic Interest (SOEI) form was not completed by designated alternates of non-public CPMT representatives as required by Code of Virginia (COV) § 2.2-5207. 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 specified in COV §2.2-3117 upon appointment.
- Data integrity and the reliability of the information reported to OCS by the Montgomery County CSA office needs improvement. In 5 of 10 (50%) client case files examined, the mandate type or service name was recorded incorrectly in fiscal transactions. These reporting errors represent internal control weaknesses in the reliability and integrity of the financial data used by management in decision-making.
- Five (50%) out of the 10 cases reviewed did not evidence the participation of parent/guardian and/or foster parents in service plans. This is a violation of SEC Family Engagement Policy 3.3 and the COV § 2.2-5208, which requires the FAPT to provide for families and foster parents participation in all aspects of the assessment, planning and implementation of services.

The Office of Children's Services appreciates the cooperation and assistance provided by the CPMT and other CSA staff. We also acknowledge the excellent assistance and cooperation provided by Dawn Ramsey, CSA Coordinator, during our review. Mrs. Ramsey's efforts enabled the audit staff to resolve any questions/concerns observed during the audit process.



Stephanie S. Bacote, CIGA
Program Audit Manager



Annette E. Larkin, MBA
Program Auditor

INTRODUCTION

The Office of Children's Services has completed a financial/compliance audit of the Montgomery County CSA Program. The audit conformed to the International Standards for the Professional Practice of Internal Auditing (Standards). The standards require planning and performance of the audit under stated audit objectives to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on June 27, 2024, and covered the period from April 1, 2023 through March 31, 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/or identified in the prior self-assessment evaluation completed by the Montgomery County CPMT.

The audit scope 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; flowcharts of operational and fiscal processes; multiple tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Established in 1776, Montgomery County is located in southwest Virginia, bordering the city of Radford and the counties of Craig, Giles, Pulaski, Floyd, and Roanoke. The County seat is Christiansburg and Blacksburg. According to the US Census Bureau Quick Facts 2023, the estimated population was 99,719. The median household income from 2018-2022 was \$65,270.

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. Montgomery CPMT is supported by a Family Assessment and Planning Team (FAPT). Administrative services are managed through the local Human Services Division staffed by the Human Services Director/CPMT Chair and 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	74	80	91	88
Net Expenditures	\$1.5M	\$1.5M	\$1.8M	\$1.9M
Local Net Match	\$0.4M	\$0.4M	\$0.5M	\$0.5M
Average Expenditure	\$20,299	\$18,495	\$19,873	\$21,482
Base Match Rate	0.2834	0.2834	0.2834	0.2834
Effective Match Rate	0.2807	0.2652	0.2639	0.2550

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 5/15/24 of the current program year.

OBSERVATIONS AND RECOMMENDATIONS

A) CPMT GOVERNANCE

Observation 1:

Criteria:

Compliance and Internal Control

The CPMT did not effectively implement internal controls established by CSA statutes to safeguard against conflicts of interest. The designated alternate of the CPMT private provider representative did not complete the statement of economic interest (SOEI) form in accordance with the requirements set forth in Code of Virginia (COV) §2.2-5207. 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 as defined in COV §2.2-3117 upon appointment. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds is reduced based on the increased opportunity for an individual not to disclose all personal and financial interests. Immediate corrective action was taken upon notification of the deficiency.

Recommendations:

The CPMT should ensure that all parties not representing a public agency, including alternates, complete the SOEI forms (Long Form) upon appointment and maintain filing in accordance with Administrative Memo 18-02 dated January 16, 2018.

Client Comment:

See Attachment A for Management Response

B) DATA INTEGRITY

Observation #2

Criteria:

Internal Control

Data integrity and the reliability of the information reported by the Montgomery County CSA office to OCS needs improvement. Financial reporting errors were identified in 5 out of 10 (50%) cases reviewed that pertain to mandate type and services name category reported in the Local Expenditure and Data Reimbursement System (LEDRS). Moreover, when performing comparisons of clients funded using Title IV-E and, six (6) more were identified as having service name coding errors for foster care maintenance. The reporting errors were pervasive throughout the period of review, indicating that internal controls for review and monitoring to ensure data accuracy and integrity are not working as intended. While the errors identified have no fiscal impact, they undermine the reliability of publicly available financial and performance data used by state and local stakeholders for decision-making. See the tables below for detailed descriptions of the data integrity errors.

Exceptions – Client File Review (50% or 5/10)			
Error Type	Client(s)	LEDRS	Correct
Service Name	A&B	Basic Maintenance	Enhance Maintenance
	B	Private Residential School	Private Foster Care, Support/Supv/Admin
	C ^{Note1}	Maintenance Transportation	Residential Education
Mandate Type	D&E	CHINS Prevention	Transportation
			CHINS - CSA Parental Agreement

Note1: Non-foster care client/ineligible for maintenance.

Exceptions – CSA/Title IVE Client Comparison			
Error Type	Client(s)	LEDRS	Correct
Service Name	F, G, H&I	Basic Maintenance	Private Foster Care, Support/Supv/Admin
	J	Maintenance -Clothing	Basic Maintenance
	K	Basic Maintenance	Enhance Maintenance
			Private Foster Care, Support/Supv/Admin

Recommendations:

The CSA Coordinator and Fiscal Agent should perform a quality control review to ensure all expenditures are reported using the correct mandate type and service name before the submission of the pool reimbursement report each month.

Client Comment:

See Attachment A for Management Response

C) PROGRAM ACTIVITIES

Observation #3:

Criteria:

Compliance

Ten (10) CSA client records were examined to confirm that required documentation was maintained to support and validate FAPT service planning recommendations and CPMT funding decisions. Family participation in the FAPT service planning process should be documented on the individual family service plan (IFSP) typically documented by the parent/guardian (including foster parent) signature attesting to their participation. Five (50%) out of the 10 cases reviewed did not evidence the participation of parent/guardian and/or foster parents in service plans. This is a violation of SEC Family Engagement Policy 3.3 and the COV § 2.2-5208, which requires the FAPT to provide for families and foster parents participation in all aspects of the assessment,

planning and implementation of services. Moreover, Montgomery local FAPT manual states ...“parent/guardian must be present for the initial and each six-month review Family Assessment and Planning Team meetings”.

Recommendations:

1. Montgomery CPMT and FAPT should adhere to and enforce their local policy which requires the attendance and participation of parents and/or guardians in the initial FAPT and each six-month meeting.
2. Montgomery CPMT should consider adding language to their local policy regarding the re-scheduling of FAPT meeting when the parent/guardian or foster parent is unable to attend the FAPT meeting.
3. Montgomery CPMT should consider adding language to their policy for case manager and FAPT to document their efforts of inviting parents/guardians and foster parents to all FAPT meetings to include barriers to the families’ inability to participate in the meeting and case managers and FAPT’s efforts to remedy the barriers. Documentation should be maintained with the client record.

Client Comment:

See Attachment A for Management Response

CONCLUSION

This audit concluded that internal controls governing management oversight, and data integrity were not adequate and functioning as intended, affecting compliance with statutory requirements. An exit conference was conducted on June 12, 2024, to present the audit results to the Montgomery County CPMT. Persons in attendance representing the Montgomery County CPMT were as follows:

Alexandria Strickler – Montgomery County Human Services Director & CPMT Chair
Dawn Ramsey – Montgomery County CSA Program Administrator
Scott Woodrum – Montgomery County Deputy Assistant County Administrator
Kelly Edmonson – Montgomery County Dept of Social Services Director
Charity Curran – National Counseling Group, Private Provider Rep
Julie Ligon – Montgomery County Public Schools, Special Education
Amanda Talbert – New River Health District
Lacey Canterbury – Court Services Unit
Dawn Ramsey, CSA Coordinator

Annette Larkin, Program Auditor, represented the Office of Children's Services. We thank Montgomery County CPMT and related staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
Angela Hill, Montgomery County Administrator
Alexandria Strickler, CPMT Chair
Lisa Rayne, CPMT Fiscal Agent
Dawn Ramsey, CSA Coordinator

ATTACHMENT A- MANAGEMENT RESPONSE



MONTGOMERY COUNTY, VIRGINIA EST. 1776

MONTGOMERY COUNTY HUMAN SERVICES/CSA
210 SOUTH PEPPER STREET, SUITE D
CHRISTIANSBURG, VA 24073
540-382-5776 / 540-382-5780 FAX

Annette Larkin, Program Auditor
Offices of Children's Services
1604 Santa Rosa Rd., Suite 137
Richmond, VA 23229

June 27, 2024

Ms. Larkin,

This letter is to inform you that the Montgomery County CPMT concurs with the findings of the May 2024 audit of Montgomery County CSA.

Sincerely,

Alexandria Strickler

Alexandria Strickler, Director
Montgomery County Human Services