

*CHILDREN'S SERVICES ACT
PROGRAM AUDIT*

Pittsylvania County

Audit Report No. 07-2017

April 4, 2017



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 (FY) 2015 and 145 youth and families during FY16. 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 appropriate and effective services were provided to eligible youths and families:

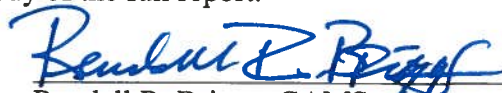
- Percentage of youth receiving community based services out of youth receiving all CSA funded services exceeds the statewide target by approximately 12%.
- Percentage of youth with a decrease in the child behavior/emotional needs domain as reported via the Child and Adolescent Needs Strengths (CANS) exceeds the statewide target by 4%. Decreases in CANS scores are generally indicative of improved functioning.
- Percentage of youth exiting foster care to a permanent living arrangement exceeded the statewide target by approximately 8%.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded there are deficiencies in internal controls and compliance over operational and fiscal activities that could adversely impact the effectiveness and efficient use of resources. In addition, instances of non-compliance with statutory requirements were identified. Significant issues were noted as follows:

- The composition of members serving on CPMT for Pittsylvania County does not meet the membership requirements established by CSA statute and local policy. The CPMT does not have a Health Department representative.
- Annual training of local CSA stakeholders has not been provided in accordance with locally established policies and procedures. This observation was included in the prior audit report dated July 15, 2016.
- Pittsylvania County's CSA program did not fully take advantage of available fiscal resources that could be utilized to provide non-educational treatment services to students with disabilities. Wrap-funds for students with disabilities allocated in FY15 and FY16 totaling \$41,986 (state and local share) were not effectively utilized. This observation was included in the prior audit report dated July 15, 2016.

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


Rendell R. Briggs, CAMS
Program Auditor

INTRODUCTION

The OCS has completed a financial/compliance audit of the Pittsylvania County's 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 audit objectives in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on April 4, 2017 and covered the period January 1, 2016 through December 31, 2016.

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 OCS (June 2013 through June 2015).

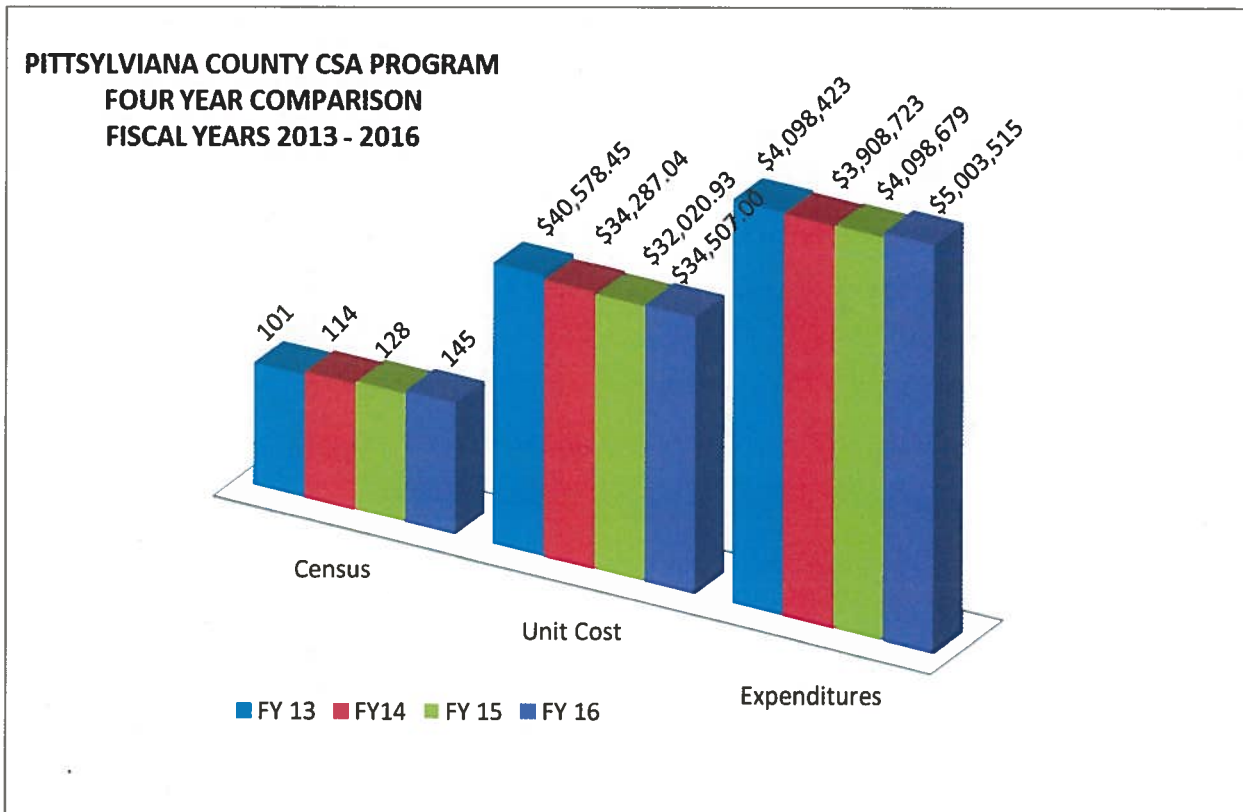
The scope of our audit included all youth and their families who received CSA funded services for calendar year 2016. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; various tests and examination of records; 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 62,614 as of July 1, 2016. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2011-2015 as \$41,824.

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. Pittsylvania County net CSA expenditures for FY16 totaled \$5.00 million which was used to provide services to 145 youth and families. As of this report date, the estimated net expenditures for FY17 are \$2.40 million, which was used to provide services to 134 youth and families.

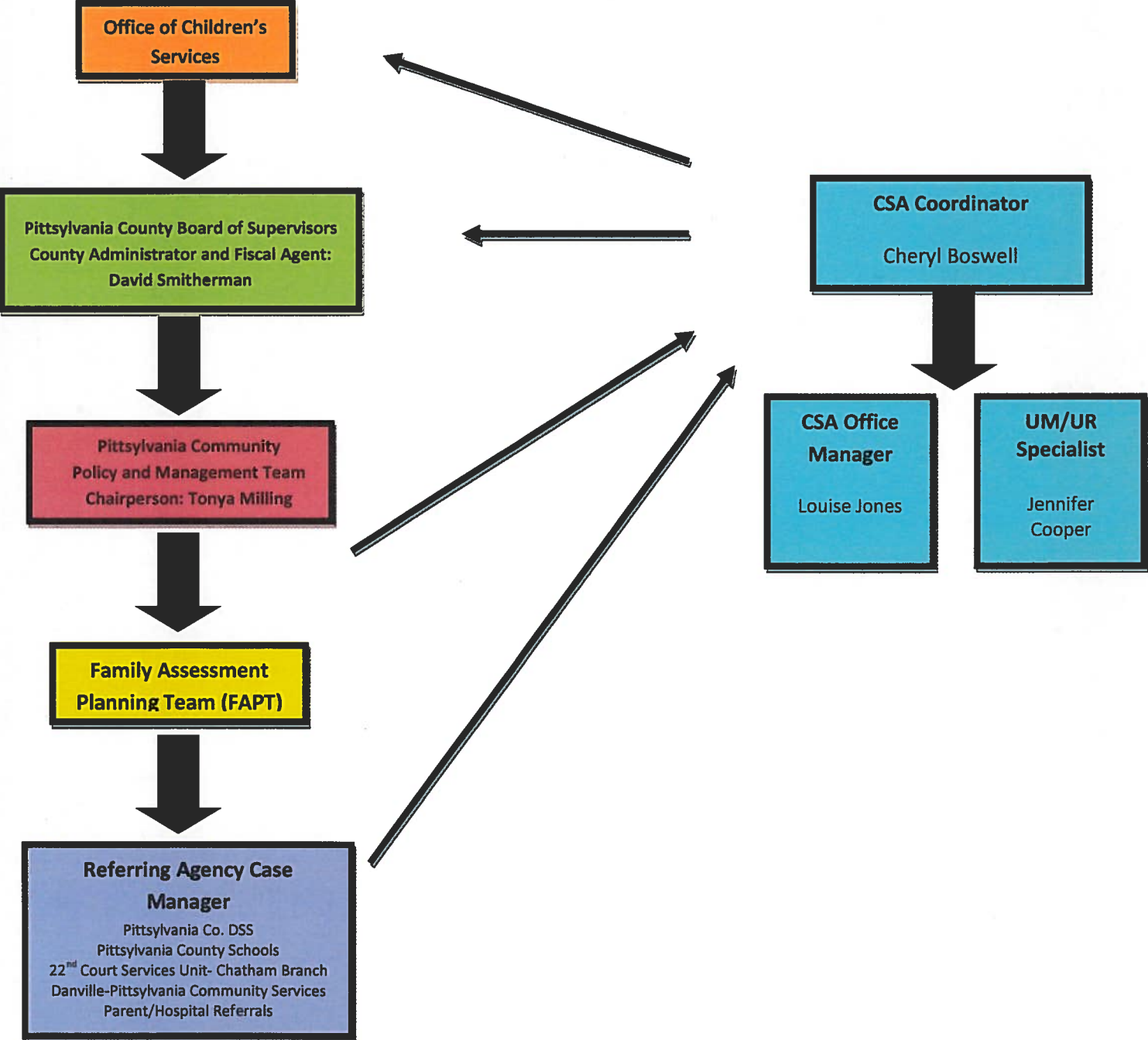
An analysis of Pittsylvania County CSA expenditures, population, and cost per child ("unit cost") indicated expenditures, population, and unit cost are relatively stable. The chart below depicts a comparison for fiscal years 2013 through 2016.



Source: CSA Website, Statewide Statistics, Pool Expenditure Reports (<http://www.governor.gov/publicstats/Pool/fiscalyear.cfm>)

The state funds, combined with local community funds, are managed by a local interagency team, referred to as the Community Policy and Management Team (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 and through administrative support provided by the CSA Coordinator, Utilization Management (UM)/Utilization Review (UR) Manager and an Office Manager (OM). The local management structure for the Pittsylvania County CSA Program is as follows:

FY 2016-2017 Pittsylvania County CSA Program Organizational Chart



OBSERVATIONS AND RECOMMENDATIONS

A) CPMT GOVERNANCE ACTIVITIES:

Observation #1

Criteria:

Compliance and Internal Controls

The composition of members serving on the CPMT for Pittsylvania County does not meet the membership requirements established by CSA statute and local policy. According to the CPMT membership roster and confirmed via the monthly meeting minutes, Pittsylvania County CPMT does not have a representative from the Health Department and a parent representative for FAPT. The absence of the Health Department and parent representative from the governing body responsible for the administration and implementation of the local CSA program represents a significant weakness in oversight and governance of the program.

Recommendations:

The CPMT should acquire a Health Department and parent representative to comply with statutory requirements.

Client Comment:

At the end of the 2015 calendar year the director of the Danville - Pittsylvania County Department of Health resigned a replacement was not found until January of 2017. The director is usually a member of CPMT or appoints someone as member. Due to this vacancy the CSA Coordinator was not able to find anyone as the Health Department Representative. Since a new director has been found the CSA Coordinator has been communicating with the Health Department in regards to membership on CPMT. The CSA Coordinator hopes to have a Health Department Representative by the May CPMT meeting.

Observation #2

Criteria:

Compliance and Internal Controls

At the time of this review, the annual training of local CSA Stakeholders had 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." There was no documentation to support that key members of both CPMT and FAPT had completed the annual training. This observation was included in the prior audit report dated July 15, 2016. The CPMT submitted a quality improvement plan indicating that the training would be completed by December 31, 2016 and annually thereafter.

Recommendations:

CSA Coordinator scheduled and held an annual training on November 3, 2016 for all CPMT/FAPT members, case managers and/or anyone else involved with CSA. CSA Coordinator did not make this meeting mandatory for all involved with CSA because of the language in the Quality Improvement Plan from the 2016 audit. Going forward CMPT plans to amend the policies and procedures to exclude the “must have an annual training” to “may have an annual training”.

Client Comment:

CSA Coordinator scheduled and held an annual training on November 3, 2016 for all CPMT/FAPT members, case managers and/or anyone else involved with CSA. CSA Coordinator did not make this meeting mandatory for all involved with CSA because of the language in the Quality Improvement Plan from the 2016 audit. Going forward CSA Coordinator will ensure that all who are involved with CSA will have an annual training to meet the requirements of our local policies and procedures.

B) FISCAL ACTIVITIES

Observation #3

Criteria:

Compliance and Internal Controls

Pittsylvania County CSA program did not fully take advantage of available fiscal resources that could be utilized to provide non-educational treatment services to students with disabilities. Pittsylvania County CSA Program received a total allocation of \$64,750 for fiscal year 2016 and 2017 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, only \$400 of the funds allocated was expended as of the report date. Not utilizing the available funding creates a lost opportunity to address the needs and improve overall treatment outcomes for at-risk youth and families in Pittsylvania County. This observation was included in the prior audit report dated July 15, 2016. The CPMT submitted a quality improvement plan indicating its intent to utilize all available fiscal resources by December 31, 2016.

Recommendations:

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 included but not limited to utilizing special education “wrap-around” funding.

Client Comment:

Pittsylvania County CSA encumbered SPED Wrap Funding during the 2016 calendar year. Those encumbrances were not paid out during the 2016 calendar year but will be paid out in the 2017 calendar year. The CSA Office and Pittsylvania County Schools are continuing to work on how utilize the SPED Wrap Funding appropriately.

CONCLUSION

Our audit concluded that deficiencies in internal controls and compliance over operational and fiscal activities exist that could adversely impact the effectiveness and efficient use of resources, as well as non-compliance with statutory requirements. An exit conference was conducted on March 17, 2017 to present the audit results to the Pittsylvania County CPMT. Persons in attendance representing:

Tonya Milling –	CPMT Chair – Private Provider – Arc of Southside
Ann Cassada –	CPMT Vice Chair – Pittsylvania County Schools
Amy Edwards –	CPMT Parent Representative
Ronald Scearce –	Pittsylvania County Board of Supervisors Representative
Mike Taylor –	Sheriff Pittsylvania County
Cheryl Boswell –	CSA Coordinator
Jennifer Cooper –	CSA UM/UR Specialist
Louise Jones –	CSA Office Manager

Representing the Office of Children’s Services was: Rendell Briggs, Program Auditor and Annette Larkin, Program Auditor.

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

REPORT DISTRIBUTION

Mr. Scott Reiner, Executive Director
Office of Children Services

Mr. David M. Smitherman, Pittsylvania County Administrator
& CPMT Fiscal Agent

Ms. Tonya Milling, CPMT Chair

Ms. Cheryl Boswell, CSA Coordinator

SEC Finance and Audit Committee