

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

***Prince William County***

***Audit Report No. 14-2018***

***October 12, 2018***



**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 Prince William County Children's Services Act (CSA) Program. The Prince William County CSA Program provided services and/or funding for approximately 511 youth and families in Fiscal Year (FY) 2017. The audit included a review and evaluation of management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2017, significant achievements for Prince William County and the CSA Program were:


- the percentage of youth with a decrease in Child and Adolescent Needs and Strengths (CANS) school domain exceeded the statewide average by 4.9%;
- the percentage of youth with a decrease in CANS behavioral/emotional needs domain exceeded the statewide average by 4.6%; and
- the percentage of youth receiving community-based services out of all the youth receiving services was 9.5% higher than the established statewide target and 7.6% higher than the statewide average.

However, there are 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 adversely impact the effective and efficient use of resources, accomplishment of program objectives, as well as compliance with statutory requirements. The following significant issues were identified:

- Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with CSA policies and procedures were not met. Prince William County CSA Program was reimbursed \$1,559.48 (state share) in Fiscal Year 2017 where an initial and/or annual Child and Adolescent Needs Strengths (CANS) assessment was not completed in accordance with CSA statutes.
- Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key pertaining to discharge CANS assessments.

OCS appreciates the cooperation and assistance provided on behalf of the Prince William County CPMT and other CSA staff. Formal responses from the Prince William 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 Children's Services (OCS) has completed a financial/compliance audit of the Prince William 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 October 5, 2018 and covered the period December 1, 2016 through November 30, 2017.

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 Prince William County CPMT. The CSA program audit self-assessment validation was completed March 15, 2015.

The scope of our audit 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; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

## BACKGROUND

Prince William County was established in 1731. It is located on the Potomac River in the Commonwealth of Virginia. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Prince William County has a population estimate of 455,990 as of January 29, 2018. The U.S. Census Bureau, State and County Quick Facts, reports the median household income from 2012-2016 was \$98,548.

The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for 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 Prince William 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 a full-time CSA Coordinator. Expenditure and demographics for fiscal years 2014 to 2017 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Prince William County  
(2014-2017)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2014	630	7	1%	\$6,260,998	\$-1,582,635	-20%	\$9,938	-21%
2015	611	-19	-3%	\$7,872,163	\$1,611,164	26%	\$12,884	30%
2016	446	-165	-27%	\$9,242,692	\$1,370,530	17%	\$20,724	61%
2017	511	65	15%	\$11,300,422	\$2,057,729	22%	\$22,114	7%

Note: Changes recorded for FY 2014 are based on differences from fiscal year 2014 to 2015.

FY	Pool Expenditures
2014	\$6,260,998
2015	\$7,872,163
2016	\$9,242,692
2017	\$11,300,422

FY	Census
2014	630
2015	611
2016	446
2017	511

FY	Unit Cost
2014	\$9,938
2015	\$12,884
2016	\$20,724
2017	22,114

## OBSERVATIONS AND RECOMMENDATIONS

### A) FISCAL ACTIVITIES

#### Observation #1:

##### Criteria

##### Compliance and Internal Control

An annual CANS assessment had not been completed in accordance with CSA statutes and complementary guidance for a period of nine (9) months (March 2017 – November 2017) for one (1) of fifteen (15) client case files examined, hereafter referred to as Client A. The last CANS assessment documented was dated February 2016. During the period for which there was no current, documented assessment, expenditure reimbursements were requested and processed for payment of services incurred. Per COV 2.2-5212, access to the state pool of funds includes a determination “through the use of a uniform assessment instrument and process and by policies of the CPMT.” The Child and Adolescent Needs and Strengths Assessment (CANS) is the approved uniform assessment instrument per CSA policy adopted in 2009. Further, guidance addressing the [CANS Frequency of Administration - Updated 2013](#) states “Required: Every child receiving CSA funds shall receive a comprehensive CANS assessment initially, with reassessments determined based on the needs of the child and family and the intensity of services provided as described below. A comprehensive assessment is required annually and when the child is discharged from CSA.” Use of state pool funds under these circumstances constitutes non-compliance with requirements governing access to pool funds, resulting in questioned cost of \$2,331.32 of which \$1,559.48 represents the state share.

#### Recommendation

- Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding. Adequate documentation, such as CANS assessments (initial, annual, discharge), should be maintained to support CPMT funding decisions.
- The Prince William CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether 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 of whether the identified actions are acceptable or any additional actions that may be required.

#### Client Comment

“This is a foster care client with routine needs for monthly foster care funding. The annual CANS assessment was not completed as stated; however, this oversight did not involve any services other than the mandated monthly payments for foster care children. Steps were completed to ensure all cases will be in compliance. Finding noted and corrections made.”

**B) PROGRAM ACTIVITIES**

<b>Observation #2:</b>	
<b>Criteria</b>	<b>Compliance and Internal Control</b>

Fifteen (15) client case files were examined to confirm that the required documentation was maintained in support of and to validate FAPT/MDT referral and CPMT funding decisions. The results of the examination noted that client case files did not always contain sufficient information demonstrating compliance with CSA requirements pertaining to CANS assessments. Discharge CANS assessments were omitted for four (80%) out of five eligible client case files reviewed and/or could not be verified. A comprehensive CANS assessment is required initially, annually, and upon discharge of CSA funded services. The data collected is used to evaluate outcomes and inform decision making at the state and local level, which is dependent upon complete, accurate, and reliable information.

**Recommendation**

- The CPMT should ensure that all required documentation is maintained in the client case files or readily accessible, such as discharge CANS assessments.
- Periodic case file reviews should be performed at least annually to establish quality control of client records and ensure compliance with CSA statutes and policies.

**Client Comment**

“All cases have a Discharge CANS. At the time of the audit, a Discharge CANS was not completed, but there wasn’t a timeframe established for localities regarding when one has to be completed. Actions were taken to have discharge CANS completed.”

**C) CPMT Governance**

<b>Observation #3:</b>	
<b>Criteria</b>	<b>Internal Control – Repeat Observation</b>

Section X, Item VI of the Prince William County Policies Manual for At Risk Youth and Families provides for blanket authorization for services other than foster care maintenance only that are not presented to FAPT (see excerpt below). The local policy allows the local Department of Social Services to continue to approve payment for costs typically characterized as maintenance (i.e. daycare, clothing allowance, transportation, educational expenses, and incidentals) for a period of up to six months after the child returns home, if the family cannot afford them. Absent a placement outside of the home (i.e. foster care services), the expenses described are not considered maintenance and would be subject to the FAPT referral process. Application of this local policy circumvents COV § 2.2-5209 governing the FAPT referral process limiting only the exemption of foster care maintenance only expenses or services assessed via an approved, collaborative multi-disciplinary team process.

**Source: Prince William County CSA**

CSA FOR AT RISK-YOUTH AND FAMILIES	ADOPTED: 6/93	REVISED: 12/17/14; 06/15/16
LOCAL IMPLEMENTATION MANUAL	SECTION: X	

**VI. POLICIES GOVERNING WHICH YOUTH AND FAMILIES ARE NOT REQUIRED TO BE ASSESSED BY A FAMILY ASSESSMENT AND PLANNING TEAM BUT FOR WHOM FUNDS FROM THE STATE POOL MAY BE DIRECTLY ACCESSED TO PAY FOR SPECIFIED SERVICES (§2.1-755)**

- A. All expenditures of pool funds must be approved by a FAPT or CPMT, *except* the following:
1. Family foster care costs may be approved by the Department of Social Services, to include only the following costs:
    - Room and board.
    - Virginia Enhanced Maintenance Assessment Tool (VEMAT) determined rates
    - Daycare.
    - Non-Medicaid reimbursable transportation.
    - Yearly clothing allowance.
    - Educational expenses not to exceed \$500/year. All financial aid for which the child may be eligible must first be accessed.
    - Additionally, the total cumulative of incidental monthly cost not to exceed \$1000.
  2. DSS may continue to approve these costs (with the exception of room, board and specialized foster care payments) for a period of up to six months after the child returns home, if the family cannot afford them.

**Recommendation**

The CPMT should initiate an immediate review of their policies and procedures and update the policies where applicable to ensure: (a) alignment with current CSA statues and policies adopted by the State Executive Council for Children’s Services and other applicable child/family servicing agencies and (b) clarity and consistency in implementation.

**Client Comment**

"This audit provided clarity that was not provided with past audits. Local policy will be revised in accordance to the Auditor comment section."

**Auditor Comment**

VDSS Child and Family Services Manual, Section I Title IV-E Foster Care, item 1.6.2.8 Placement documentation states, “The following situations do not meet placement requirements and are not approved for title IV-E payments unless otherwise indicated: Child is on a trial home visit.” Item 1.7.1.3.1 Placement further states, “A child placed with his parents is not eligible for title IV-E maintenance payments but may be eligible for TANF, during a trial visit if the agency retains custody.” Guidance to localities documented in the CSA User Guide Section 10 Consistency of CSA Practices with Other Regulations states “Policies and practices of the Children’s Services Act shall be consistent with all relevant federal and state laws, regulations and policies. Regardless of



whether state pool, federal or other state funds are utilized, CSA follows these requirements.” Thus, maintenance payments during a trial home visit while DSS retains custody are not eligible for title IV-E or CSA funding. Consequently and without the classification as foster care maintenance, such expenditures where funded by CSA are not exempt from the FAPT referral and assessment process.

### **CONCLUSION**

Our audit concluded that there were deficiencies in compliance and internal controls over the Prince William County CSA program. Conditions were identified that could adversely impact the effectiveness and efficient use of resources and compliance with federal, state, and local policies applicable to CSA programs. Audit conclusions were presented to the Prince William County CPMT in a draft report issued on September 21, 2018. Upon receipt and review of the draft report, the Prince William County CPMT elected to forego a formal exit conference and on October 5, 2018 subsequently provided the written responses included in this report.

We would like to thank the Prince William 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

Christopher E. Martino, Prince William County Administrator

Courtney Tierney, CPMT Chair

Elizabeth M. Roe, CPMT Fiscal Agent

Victor Evans, CSA Coordinator

SEC Finance and Audit Committee