

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

***Westmoreland County***

***Audit Report No. 13-2019***

***July 17, 2019***



**Office of Children's Services**

Empowering communities to serve youth

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## EXECUTIVE SUMMARY

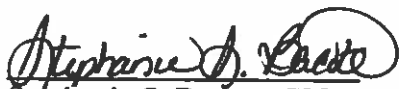
The Office of Children's Services (OCS) has completed an audit of the Westmoreland County Children's Services Act (CSA) Program. The Westmoreland County CSA Program provided services and/or funding for approximately 48 youth and families in Fiscal Year (FY) 2018. The audit included review and evaluation of management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2018, significant achievements for Westmoreland County and the CSA Program were:

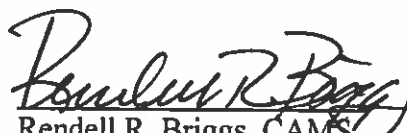
- the percentage of foster care youth receiving Intensive Care Coordination (ICC) services against those in residential exceed the statewide average by 58.8%; and
- the percentage of youth receiving Community Based Services (CBS) out of all CSA Youth exceed the statewide average by 28.3%.

However, there are additional opportunities to effect quality improvement in other areas of the CSA Program. Our audit concluded that there were major deficiencies<sup>1</sup> 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 the requirements for compliance with state and local CSA policies and procedures were not met resulting in questioned cost of \$78,210.57 (state share).
- Membership of the Westmoreland County Community Policy and Management Team (CPMT) was not consistent with state and locally established requirements. The composition of members serving on the Westmoreland County CPMT did not include a parent representative and a private provider as required by the Code of Virginia (COV) 2.2-5207.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the Westmoreland County CPMT and other CSA staff. Formal responses from the Westmoreland 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

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<sup>1</sup> Major deficiency is defined as an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its' objectives. Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework, May 2013.

## INTRODUCTION

The Office of Children's Services (OCS) has completed a financial/compliance audit of the Westmoreland 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 June 17, 2019 and covered the period February 1, 2018 through January 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 Westmoreland County CPMT. The CSA program audit self-assessment validation was completed March 2, 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 1653, Westmoreland County is located in the Northern Neck of the Commonwealth of Virginia. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Westmoreland County has a population estimate of 17,454 as of July 1, 2018. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2013-2017 as \$55,688.

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 Westmoreland 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 2015 to 2018 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Westmoreland County  
(2015-2018)**

<b>FY</b>	<b>Census</b>	<b>Census</b>	<b>Census</b>	<b>Pool</b>	<b>Expenditures</b>	<b>Expenditures</b>	<b>Unit Cost</b>	<b>Unit Cost</b>
	<b>Change</b>	<b>% Change</b>	<b>% Change</b>	<b>Expenditures</b>	<b>\$ Change</b>	<b>% Change</b>		<b>% Change</b>
2015	41	-4	-9%	\$1,330,121	\$-255,775	-16%	\$32,442	-8%
2016	35	-6	-15%	\$1,240,771	\$-89,350	-7%	\$35,451	9%
2017	45	10	29%	\$1,557,239	\$316,467	26%	\$34,605	-2%
2018	48	3	7%	\$1,514,471	-\$42,768	-3%	\$31,551	-9%

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

<b>FY</b>	<b>Pool Expenditures</b>
2015	\$1,330,121
2016	\$1,240,771
2017	\$1,557,239
2018	\$1,514,471

<b>FY</b>	<b>Census</b>
2015	41
2016	35
2017	45
2018	48

<b>FY</b>	<b>Unit Cost</b>
2015	\$32,442
2016	\$35,451
2017	\$34,605
2018	\$31,551

**SECTION 1 – MAJOR DEFICIENCIES  
OBSERVATIONS AND RECOMMENDATIONS**

**A) FISCAL ACTIVITIES**

<b>Observation #1</b>	
<b>Criteria</b>	<b>Compliance and Internal Control</b>

Expenditure reimbursements were requested and processed for services where the requirements for compliance with state and local CSA policies and procedures were not met:

- Seven (7) client records were reviewed to determine whether the clients met the eligibility requirements to access CSA funding. Per Code of Virginia 2.2-5212, access to the state pool of funds includes determination through the use of a uniform assessment instruction and process. The Child and Adolescent Needs and Strengths (CANS) Assessment is the approved uniform assessment instrument per CSA policy adopted in 2009. The CANS assessment is required initially, annually, and upon discharge from the CSA process. Initial CANS had not been completed for five (5) client case files examined, resulting in \$75,338.57 (state share) in questioned costs. See below:

<b>Client</b>	<b>Type of CANS (Initial or Annual)</b>	<b>Lapsed of Time During Period of Review</b>	<b>Expenditure (Based on Audit Period)</b>	<b>Questioned Cost (State Share)</b>	<b>Total Questioned Cost</b>
A	Initial	10/2017 - 06/2018	\$1,590	\$1,349.43	
B	Annual	12/2015 - 01/2019	\$84,990	\$60,640.37	
C	Initial	04/2017 - 07/2018	\$4,114	\$2,869.57	
D	Initial	01/2018 - 09/2018	\$1,485	\$1,260.32	
E	Initial	01/2018 - 03/2018	\$18,648	\$12,090.88	
<b>Total</b>					<b>\$78,210.57</b>

Discharge CANS assessments were not completed for two (2) out of seven (7) twenty-nine (29%) of the applicable cases examined.

The CANS assessment is an instrument to assist child-serving professionals in the planning and management of services to children and their families by identifying the strengths and needs of the child and family. In addition, to services planning activities, CANS is used to measure progress and identify most commonly occurring needs and strengths at the individual, local, and statewide levels. The data collected is used to evaluate outcomes and to inform decision making at the state and local levels, which is dependent upon complete, accurate and reliable information.

## Recommendation

- The CSA Coordinator and the FAPT should ensure that minimum documentation requirements are met and correspondence is maintained in the client case file or readily accessible in order to substantiate services recommended to CPMT for funding authorization. The FAPT should ensure that CANS assessments are completed initially, annually, and upon discharge of CSA activities, and that IFSPs are completed to document planning considerations and services recommended for funding.
- 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 as to whether the identified actions are acceptable or any additional actions may be required.

## Client Comment

“Westmoreland CPMT is in agreement with the identified areas that need to be corrected and/or addressed. The CPMT will complete a corrective action plan to address all areas.”

## B) PROGRAM ACTIVITIES:

### Observation #2

#### Criteria

#### Compliance and Internal Control

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Seven (7) 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) referrals and CPMT funding decisions. The results of the examination identified opportunities for improvements based on the following:

Description	# of Eligible Cases	Error Rate
Missing Initial, Annual, and/or Discharge CANS	7 out of 7	100%
Missing IFSP Data Elements *	6 out of 7	86%
Utilization Review	3 out of 7	43%
No Consent To Exchange Form	3 out of 7	43%
* Missing IFSP Data Elements included at least one example of missing Measurable Goals/Objectives; Discharge Plans; and/or Child/Family Strengths.		

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.

#### Recommendation

Periodic case file reviews should be performed at least annually to establish quality control of client records and to ensure compliance with CSA statutory requirements.

#### Client Comment

“Westmoreland CPMT is in agreement with the identified areas that need to be corrected and/or addressed. The CPMT will complete a corrective action plan to address all areas.”

### C) GOVERNANCE ACTIVITIES:

#### Observation #3

##### Criteria

##### Compliance and Internal Control – Repeat Observation

The composition of members serving on the Westmoreland County CPMT/FAPT does not meet the membership requirements established by CSA statute and local policy. The Westmoreland County CPMT does not have a parent representative and a private provider. The Westmoreland County FAPT does not have a private provider serving on the team. CSA statutory language enlists the preference for “shall” as it pertains to the CPMT and “may” as it pertains to FAPT. While the COV provides an exemption for rural communities that do not have a private provider in their area, Westmoreland County has two private providers accessible within the county (Gateway Private School-Montross and Pathway Counseling Services). The CPMT minutes or other available documentation were insufficient in evidencing recruiting efforts during the audit period. The absence of the parent representative and a private provider impedes the intent of CSA to create a collaborative system of services and funding contingent upon active participation of all required members.

#### Recommendation

The CPMT should ensure that the composition of the CPMT meets the minimum requirements as established by the COV and locally established policies and procedures. The CPMT minutes and applicable documentation should be retained to reflect all recruitment efforts and/or campaigns to secure CPMT membership.

#### Client Comment

“Westmoreland CPMT is in agreement with the identified areas that need to be corrected and/or addressed. The CPMT will complete a corrective action plan to address all areas.”



**Observation #4**

**Criteria**      **Compliance and Internal Control – Repeat Observation**

The Westmoreland County CPMT has documented within its CPMT minutes a formal process for Utilization Management (UM) using the OCS fiscal reporting, e.g. OCS Pool Reimbursement Request; and the County’s Encumbrance Report. Program oversight by the Westmoreland County CPMT has not included review and/or assessment of specific reports that summarize, in aggregate, program outcomes to demonstrate accomplishment of statewide and local program goals, objectives, and effectiveness of the services provided correlated with the funds expended. Opportunities for improvement were noted in that the Westmoreland County CPMT has not explicitly identified and documented formal performance measure, standards and/or criteria with targeted milestones or benchmarks that illustrate percentage of change within specific time-periods; and strategies to aid in the evaluating the effectiveness and accountability of the local CSA Program. Utilization Management is a key element in the CPMT’s monitoring activities and assessing the appropriateness and effectiveness of services purchased, which is critical to ensure the CPMT is well informed when carrying out its decision-making responsibilities.

**Recommendation**

The CPMT should set out measurable criteria and principles that provide a framework for evaluating the governance and operation of the CSA Program to improve the efficiencies of the utilization management reporting

**Client Comment**

“Westmoreland CPMT is in agreement with the identified areas that need to be corrected and/or addressed. The CPMT will complete a corrective action plan to address all areas.”

**SECTION 2 – OTHER DEFICIENCIES  
OBSERVATIONS AND RECOMMENDATIONS**

**D) GOVERNANCE ACTIVITIES:**

**Observation #5**

**Criteria**      **Internal Control**

Opportunities exist for the Westmoreland County CPMT to implement a process that enhances communications with partnering agencies, youth, families, and community stakeholders to promote the local CSA program and share information. There is no formal continuing education program established to ensure local CSA stakeholders are afforded awareness of the duties and responsibilities of CPMT, state requirements (e.g.. legislative changes), and local policies and procedures governing CSA. Suggested actions to be considered may include, but not limited to, the following:

- The development of a website for ongoing dissemination of information to the public and community stakeholders, to include but not limited to demographic data (i.e. population served and annual expenditures by service placement type or costs per child).
- Periodically assess the training needs of CPMT, FAPT, and community stakeholders. Based upon assessment results, the CPMT should develop and implement a formal training agenda. At least annually, the CPMT should report on continuing education acquired/provided by CPMT and FAPT members as well as participation by community stakeholders (i.e. parent representatives, private providers, etc.).

The broader dissemination of information to all CSA stakeholders promotes consistency in awareness and understanding regarding accessibility to services, and also demonstrates high standards for sound fiscal accountability and responsible use of taxpayer funds.

### **Recommendation**

The CPMT should implement a process to enhance communication with partnering agencies, families, and community stakeholders to promote and share information on accessing CSA-related services. This could be accomplished by establishing a subcommittee to evaluate the effectiveness of its current training program. The subcommittee could be tasked with conducting periodic assessment of the training needs of its team members and developing a training curriculum for all stakeholders on CSA topics based on the results of the assessment. In addition, the CPMT should consider options of mandatory in service and/or refresher training surrounding access to services, local philosophy, goals, and objectives of its local program, and state and local policies and procedures at least annually for team members and case managers.

### **Client Comment**

“Westmoreland CPMT is in agreement with the identified areas that need to be corrected and/or addressed. The CPMT will complete a corrective action plan to address all areas.”

## CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Westmoreland County CSA program. Conditions were identified that could impact the effectiveness and efficient use of resources as well as compliance with statutory requirements. An exit conference was conducted on July 17, 2019 to present the audit results to the Westmoreland County CPMT. Persons in attendance representing Westmoreland County CPMT were:

Mr. Norm Risavi, Westmoreland County Administrator / CPMT Fiscal Agent  
Ms. Belinda Johnson, CPMT Chair, Westmoreland County Department of Social Services

Representing the Office of Children's Services was: Rendell R. Briggs, Program Auditor. We would like to thank the Westmoreland 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  
Mr. Norm Risavi, Westmoreland County Administrator / CPMT Fiscal Agent  
Belinda Johnson, CPMT Chair, Westmoreland County Department of Social Services  
Sheree-Tina Sumter, CSA Coordinator, Westmoreland County Department of Social Services