

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

Clarke County

***Audit Report No. 06-2019
April 1, 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 Clarke County Children's Services Act (CSA) program. The Clarke County CSA program provided services and/or funding for 20 youth and families during fiscal year 2018. The audit included review and evaluation of management oversight and operational and fiscal practices. Based upon established statewide CSA Performance Measures – FY2016-2018, significant achievements for the Clarke County CSA program include:

1. Percent of youth with a decrease in the Child and Adolescent Needs and Strengths (CANS) child school domain exceeded the statewide average by 49.7% in fiscal year 2017.
2. Percent of youth with a decrease in CANS child behavioral/emotional needs domain exceeded the statewide average by 49.2% in fiscal year 2017.
3. Percent of youth with an improvement in CANS child strengths domain exceeded the statewide average by 7.5% in fiscal year 2017.
4. Percent of youth receiving community based services out of all CSA Youth met the statewide target of 50% in fiscal year 2018.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there was a deficiency in internal controls that affected compliance with statutory requirements. The Clarke County CSA Program expended \$2,087.50 and was reimbursed \$1,586.71 (state share) in Fiscal Year 2018 for court appearance fees that did not meet established criteria for CSA funding because:

1. another agency was responsible for funding such expenditures,
2. the services funded were not documented in an Individual and Family Service Plan recommended by the Family Assessment and Planning Team (FAPT), and
3. CPMT authorization of funding CPMT was not evidenced.

OCS appreciates the cooperation and assistance provided on behalf of the Clarke County CPMT and other CSA staff. Formal responses from the Clarke County CPMT to the reported audit observations are included in the body of the full report.



Stephanie S. Bacote, CIGA
Program Audit Manager



D. Brent Barcomb
Program Auditor

INTRODUCTION

The Office of Children's Services (OCS) has completed a financial/compliance audit of the Clarke 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 April 1, 2019 and covered the period November 1, 2017 through October 31, 2018.

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 conducted by the Clarke County CPMT. The CSA program audit self-assessment validation was completed May 9, 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

Clarke County encompasses 178 square miles and is situated in Northern Virginia. County status came in 1836 when it was divided off from Frederick County. According to the U.S. Census Bureau's Quick Facts, the July 1, 2017 population of Clarke County was 14,508 and the median household income was \$72,129.

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. 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 CPMT is supported in this initiative by one Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by a part-time CSA Coordinator. Expenditure and demographic information for fiscal years 2016 to 2018 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Clarke County
(2016-2018)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2016	22	-8	-27%	\$548,215	-\$88,255	-14%	\$24,919	17%
2017	23	1	5%	\$705,124	\$156,910	29%	\$30,658	23%
2018	20	-3	-13%	\$297,307	-\$407,817	-58%	\$14,865	-52%

Note: Changes recorded for FY 2016 are based on differences from fiscal year 2015 to 2016.

FY	Pool Expenditures
2016	\$548,215
2017	\$705,124
2018	\$297,307

FY	Census
2016	22
2017	23
2018	20

FY	Unit Cost
2016	\$24,919
2017	\$30,658
2018	\$14,865

OBSERVATIONS AND RECOMMENDATIONS

FISCAL ACTIVITIES

Observation #1:

Criteria **Compliance and Internal Control**

The CSA Program expended \$2,087.50 and was reimbursed \$1,586.71 (state share) in Fiscal Year 2018 for court appearance fees that did not meet established criteria for CSA funding. The court appearance fees were related to court actions initiated by the local Department of Social Services. Per COV § 2.2-5211, the local social services agency shall continue to be responsible for providing services identified in individual family service plans that are within the agency’s scope of responsibility and that are funded separately from the state pool. In addition, the services funded were:

1. not assessed by the Family Assessment and Planning Team and documented in an Individual and Family Service Plan in accordance with Code of Virginia (COV) § 2.2-5208 and § 2.2-5209, and
2. not evidenced as approved for funding by the CPMT as required by COV § 2.2-5206.

CLIENT	SERVICE DESCRIPTION	PERIOD	QUESTIONABLE COSTS *	STATE SHARE
1	Court Appearance Fees	11/2017	\$2,087.50	\$1,586.71
* Figures based on client payment history reports; transactions processed during the audit period.				

Recommendation

1. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding. Adequate documentation should be maintained as justification for CPMT funding decisions.
2. 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 of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment

CSA Coordinator will not accept any case actions for expenditures that have not been approved by the FAPT, with the exception of Foster Care maintenance.

CONCLUSION

Our audit concluded that there was a deficiency in internal controls relating to documentation, reviews and authorizations that affected compliance with statutory requirements for governance and oversight of fiscal transactions. An exit conference was conducted on February 25, 2019 to present the audit results to the Clarke County CPMT. Persons in attendance representing the Clarke County CPMT were:

CPMT: Denise Acker, Community Service Board – CPMT Chairperson; Dr. Colin Greene, Lord Fairfax Health District; Laura Obradavic, Private Provider Representative; Ellen Bauserman, Clarke County Public Schools; Lisa Goshen, Parent Representative

CSA Staff: Judith Blau, CSA Coordinator

Representing the Office of Children’s Services was Donald Barcomb, Program Auditor.

We would like to thank the Clarke County CPMT and Clarke County CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services

David L. Ash, Clarke County Administrator

Denise Acker, CPMT Chair

Sharon Keeler, CPMT Fiscal Agent

Judith Blau, CSA Coordinator