

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

Franklin City

Audit Report No. 17-2019

July 11, 2019



Office of Children's Services

Empowering communities to serve youth

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EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the City of Franklin Children's Services Act (CSA) program. The City of Franklin CSA program provided services and/or funding to (6) six eligible youth and families in fiscal year (FY) 2018. The audit included review and evaluation of management oversight, operational, and fiscal practices. Based on the review and examination of the City of Franklin CSA Program and supporting documentation provided, internal controls governing management oversight, operational, and fiscal practices were determined as adequate and functioning as intended. No significant reportable non-compliance issues were observed. Based upon established statewide CSA performance measures reported as of FY 2018, significant achievements for the City of Franklin CSA program included:

- One hundred percent (100%) of eligible youth in residential placements received intensive care coordination services, which exceeds the statewide target and the statewide average by 25% and 59% respectively.
- One hundred percent (100%) of foster care children are in a family-based placements, which exceeds the statewide target and the statewide average by 15% and 19% respectively.
- Eighty-six percent (86%) of children that exited foster care were placed in a permanent living arrangement, which meets the statewide target and exceeds the statewide average, by 9%.

OCS appreciates the cooperation and assistance provided on behalf of the City of Franklin CPMT and other CSA staff. We also would like to acknowledge the excellent assistance and cooperation that was provided by Mrs. Rachel Lewis, CSA Coordinator, during our on-site visit. Mrs. Lewis efforts enabled the audit staff to quickly resolve any questions/concerns observed throughout the audit process. Formal responses from the City of Franklin CPMT are included in the body of the full report.



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 City of Franklin Children's Services Act 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 July 11, 2019 and covered the period May 1, 2018 through April 30, 2019.

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 implementation of quality improvements addressing prior audit observations reported by OCS and/or identified in the prior self-assessment evaluation completed by the City of Franklin. The prior CSA program audit self-assessment validation was completed March 28, 2016.

The scope of the audit included youth and their families who received CSA funded services during the last eight months of calendar year 2018 and the first four months of calendar year 2019. Audit procedures included reviews of relevant laws, policies, procedures, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

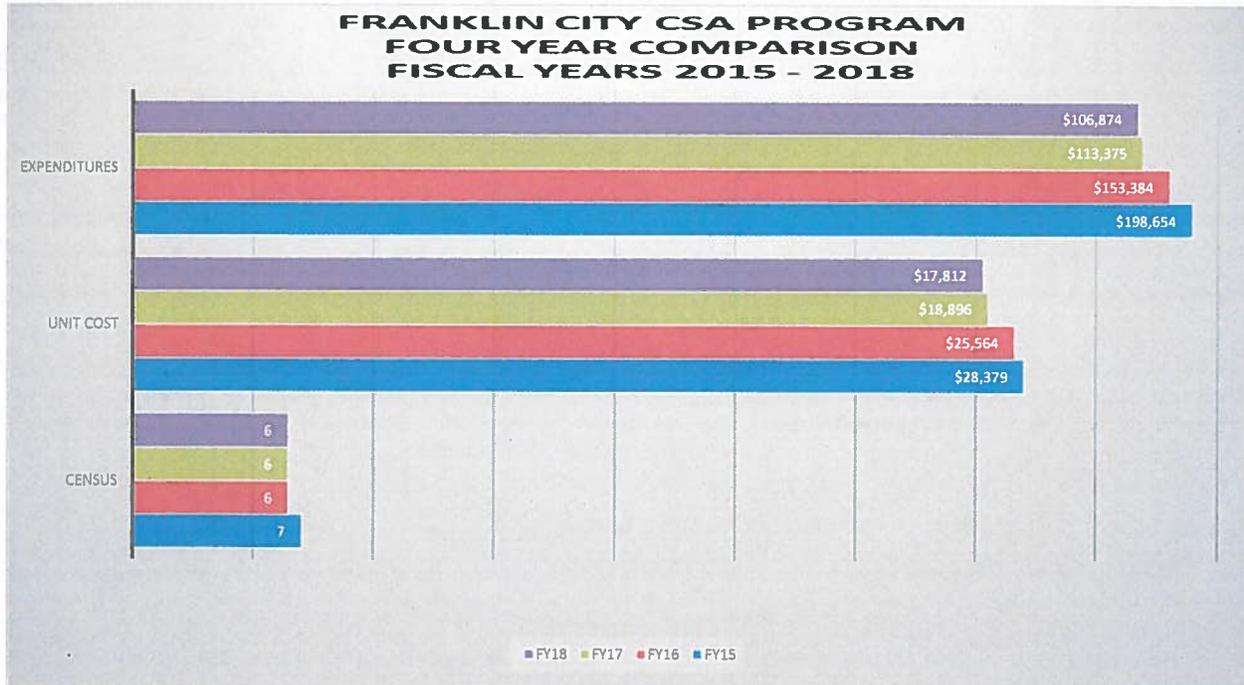
The City of Franklin, located in southeastern Virginia, was incorporated as a town in 1876 from Southampton County. In December 1961, Franklin became an independent city. The land area mass is approximately 8.75 square miles. The City of Franklin borders the counties of Isle of Wight (east) and Southampton (north, west and south). According to the U.S. Census Bureau Quick Facts, the median household income from 2013-2017 was \$38,760.

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, referred to as the Community Policy and Management Team (CPMT) that plans and oversees services to youth. The CPMT is supported by a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to eligible children and families, a CSA Coordinator, a CSA Management Specialist and a part-time Utilization Specialist. Expenditure demographics for fiscal 2015 to 2018 are depicted below.

CSA Pool & Census Data by FY for Franklin City (2015-2018)

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
15	7	-2	-14	\$ 198,654	\$ -6,872	-3	\$ 28,379	24
16	6	-1	0	\$ 153,384	\$ -45,270	-23	\$ 25,564	-10
17	6	0	0	\$ 113,375	\$ -40,010	-26	\$ 18,896	-26
18	6	0	0	\$ 106,874	\$ -6,500	-6	\$ 17,812	-6

Note: Changes recorded for FY 15 are based on difference from fiscal year 2014 to 2015



OBSERVATIONS AND RECOMMENDATIONS

None Reported

CONCLUSION

Our audit concluded that internal controls governing management oversight, operational, and fiscal practices were adequate and functioning as intended. No significant reportable non-compliance issues were observed. An exit conference was conducted on July 9, 2019 to present the audit results to the City of Franklin CPMT. Persons in attendance representing City of Franklin CPMT were:

Anne White, CPMT Chair and Director Franklin City of Department of Social Services
Tim Heiler, Tidewater Youth Services Commission
Vonda Warren Lilly, Western Tidewater CSB
Kimberly Jennings, 5th District Court Service Unit
Patricia Bills, Private Provider
Patti Story, Health Department
Pat Ballard, Parent Representative
Essie Thornton, Utilization Management Specialist

Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the City of Franklin CPMT and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
Amanda C. Jarratt, Franklin City Manager
Anne White, CPMT Chair
Joe Ann Faulk, CPMT Fiscal Agent
Rachel Lewis, CSA Coordinator