

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

Gloucester County

***Audit Report No. 05-2018
September 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 Gloucester County Children's Services Act (CSA) program. The Gloucester County CSA Program provided services and/or funding for 50 youth and families during fiscal year 2018. The audit included review and evaluation of management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported as of fiscal year 2017, significant achievements for the Gloucester County CSA program included:

- Percent of foster care children in family-based placements exceeded the statewide target by 15% and the statewide average by 19%. One hundred percent (100%) of foster care youth are in family-based placements.
- Percent of youth exiting from foster care to permanent living arrangements exceeds the statewide target by 9% and the statewide average by 12.6%.
- Percent of youth with a decrease in the Child and Adolescent Needs and Strengths (CANS) child school domain, exceeded the statewide average by 14.1%.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were deficiencies in internal controls that could adversely affect the effective and efficient use of resources and compliance with statutory requirements. The following significant issues identified were also included in the prior audit report dated October 31, 2014:

- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Eight (8) case files were examined to confirm that required documentation was maintained in support of and to validate Family Assessment and Planning Team (FAPT) and/or multi-disciplinary team (MDT) referral and CPMT funding decisions. Omissions from client case file documentation for two (2) of the eight (8) were: (1) an Individual Family Service Plan (IFSP) documenting services recommended by FAPT and (2) initial and/or discharge CANS.
- Expenditure reimbursements totaling \$13,166 (state share) were requested and processed for payment of services where CSA compliance criteria was not met. The areas of non-compliance identified were:
 - Services were funded outside of the FAPT process and were not documented in an IFSP in accordance with Code of Virginia (COV) [§ 2.2-5209](#).
 - An initial CANS assessment was not completed prior to accessing CSA funded services as required by COV [§ 2.2-5212](#).

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


Stephanie S. Bacote, CIGA
Program Audit Manager

INTRODUCTION

The Office Children's Services (OCS) has completed a financial/compliance audit of the Gloucester 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 September 11, 2018 and covered the period April 1, 2017 through March 31, 2018.

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 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.

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

Gloucester County, located approximately 75 miles east of Richmond Virginia, was founded in 1651. The County is a part of the Hampton Roads and Middle Peninsula planning districts and borders the York River and the lower Chesapeake Bay. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Gloucester County has a population estimate of 37,169 as of July 1, 2017. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2012-2016 as \$62,878.

The Children’s Services Act (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. The state funds, combined with local community funds, are managed by local interagency teams, referred to as Community Policy and Management Teams (CPMT) who plan and oversee services to youth. The Gloucester County CPMT was established to comply with this statute. The CPMT is supported in this initiative by the Family Assessment and Planning Team (FAPT). Administrative services are managed through the local CSA office staffed by a CSA Coordinator. Expenditure and demographics for fiscal years 2015 to 2017 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Gloucester County
(2015-2017)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2015	51	0	0%	\$1,340,010	\$99,361	8%	\$26,275	8%
2016	54	3	6%	\$815,584	-\$524,426	-39%	\$15,103	-43%
2017	51	-3	-6%	\$860,698	\$45,115	6%	\$16,876	12%

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

FY	Expenditures
2015	\$1,340,010
2016	\$815,584
2017	\$860,698

FY	Census
2015	51
2016	54
2017	51

FY	Unit Cost
2015	\$26,275
2016	\$15,103
2017	\$16,876

OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM ACTIVITIES

Observation #1:

Criteria

Compliance and Internal Control – Repeat Observation

Eight (8) case files were examined to confirm that required documentation was maintained in support of and to validate FAPT recommendations for services and state pool funding decisions. At least one exception was noted in 50% (4 of 8) case files reviewed. Exceptions as noted in the table below are deemed significant, as they are critical to evidencing of the appropriateness of services and compliance with CSA funding requirements. Documentation that could not be verified from the client case files or were not available for review included:

DOCUMENT DESCRIPTIONS	EXCEPTION RATE
1. Initial and/or discharge Child and Adolescent Needs and Strength (CANS) assessments	37.5% (3 of 8)
2. Individual and Family Services Plan (IFSP) identifying services funded	12.5% (1 of 8)

Insufficient data collection and poor document management for service planning and utilization review may lead to increased operational and fiscal inefficiency/ineffectiveness of the local program. Further, the local program risks the potential loss of access to reimbursement of the state share of pool fund for expenditures authorized based on the service planning recommendation of the FAPT that is not fully compliant with CSA statutes and related policies and procedures required to access state pool funds. This observation was also reported in the prior audit of the Gloucester County CSA Program dated October 31, 2014.

Recommendation

1. 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 and upon discharge of CSA activities, and that IFSPs are completed to document planning considerations and services recommended for funding.
2. Periodic case reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA policy and statutory requirements.

Client Comment

See Attachment

B) FISCAL ACTIVITIES

Observation #2:

Criteria Compliance and Internal Control – Repeat Observation

The Gloucester County CSA program expended \$20,319 was reimbursed \$13,166 (state share) in FY 2018 for expenditures incurred that did not meet compliance requirements of CSA. Exceptions were noted in 25% (2 of 8) of cases reviewed. The non-compliance errors observed included:

1. Error Type 1: An initial CANS assessment was not completed prior to accessing CSA funded services as required by COV [§ 2.2-5212](#). In lieu of completing the Virginia CSA approved Comprehensive CANS assessment, the locality accepted a version of the CANS assessment for service providers that was prepared by the Independent Assessment and Care Coordination Team (IACCT) outside of the FAPT process.
2. Error Type 2: Services were funded outside of the FAPT referral and assessment process, which is required per Code of Virginia (COV) [§ 2.2-5209](#). As a result, an IFSP documenting services funded was not completed.

Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements, making it local government’s responsibility for funding the purchased services. Refer to table below for a detailed breakdown of the exceptions. This observation was also reported in the prior audit of the Gloucester County CSA Program dated October 31, 2014.

Client	Service Description	Error Type	Period Covered	Questioned Costs		
				Total	State Share	Local Share
001	Residential, Intensive Care Coordination, and Case Support	1	10/3/17 – 03/18/18	\$16,958	\$11,044	\$5,914
002	Treatment Foster Care	2	11/23/17 – 12/10/17	\$3,361	\$2,122	\$1,239
**Figures based on reports of client payment history and invoices.				\$20,319	\$13,166	\$7,153

Recommendation

1. Prior to approving expenditures for payment, the CSA Office should ensure that the proposed expenditure meets the criteria for CSA funding, to include matching the period of services covered to the IFSP and documented authorization by the CPMT for the period services were incurred.
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 of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment

See Attachment

CONCLUSION

Our audit concluded that there were deficiencies in compliance with statutory requirements regarding timely FAPT and CANS assessments. An exit conference was conducted on August 7, 2018 to present the audit results to the Gloucester County CPMT. Persons in attendance representing the Gloucester County CPMT were:

Andrew James, Gloucester County Board of Supervisors

Fran Goforth, CPMT Chair, Gloucester County Public Schools

Lisa Kersey, Assistant Director, Gloucester County Department of Social Services

Christi Lewis, Director of Community Education

Kris Kiley, Parent Representative

Chuck Walsh, MPNN-CSB Executive Director

Joe Jackson, Ninth District Court Services Unit

Mary Merrill, Three Rivers Health District

Stephanie Tinsley, Financial Director, Gloucester County

Tanya Howe, CSA Coordinator

Representing the Office of Children's Services was Stephanie Bacote, Program Audit Manager. We would like to thank the Gloucester 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

J. Brent Fedors, Gloucester County Administrator

Fran Goforth, CPMT Chair

Beth Barry, CPMT Fiscal Agent

Tanya Howe, CSA Coordinator

SEC Finance and Audit Committee

ATTACHMENT – CLIENT RESPONSE



County of Gloucester

DEPARTMENT OF SOCIAL SERVICES
Gloucester, Virginia

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ZANES (BETH) BARRY
DIRECTOR

September 7, 2018

Ms. Stephanie S. Bacote
Program Audit Manager
Office of Children's Services
1604 Santa Rosa Rd., Suite 137
Richmond, VA 23229

Via email and United States Postal Service

RE: Gloucester CSA 2018 Audit Comments

Dear Ms. Bacote:

Per the verbal agreement with you at the August 28, 2018 Gloucester CPMT meeting, attached please find comments to the draft Audit Report No. 05-2018.

Throughout the comments included with the draft report, please note that you will see it indicated for the period under review, Gloucester was without a dedicated CSA Coordinator. A Coordinator was not hired until January 1, 2018 and did not enter the position full time until later in March 2018. When hired the Coordinator was also responsible for work in other programs while the prior position was vacant. We are happy to say that the position has remained filled for eight months now.

It is also noteworthy that Gloucester had been unable to find a qualified person to fill the role of CSA Coordinator since 2011 with the exception of a one year period when the position was filled from 2015 to 2016. The Gloucester CPMT and FAPT have worked very hard to ensure that all requirements were met and take the findings of the audit very seriously as we strive to ensure that we are meeting the needs of the citizens as well as upholding the requirements of the Code of Virginia, the SEC and DMAS.

We look forward to ensuring that all requirements will be met in the future.

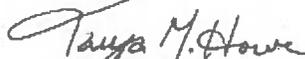
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Stephanie Bacot
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We have indicated on the attached document areas that we concur with in whole or in part as well as areas where we do not concur with the findings. This also includes our concerns where repeat observations are indicated.

Thank you for your thorough audit. We look forward to receiving the template for the Quality Improvement Plan and returning it in anticipation that our actions will suffice. Please remember to send that template as soon as possible with a return due date.

Sincerely,


Tanya M. Howe
CSA Coordinator


Fran Goforth
CPMT Chair, Gloucester County
Director of Special Education,
Gloucester County Public Schools

ATTACHMENT – CLIENT RESPONSE

Gloucester County CPMT
2018 Audit Comments

The following represents the Gloucester CPMT's formal comments regarding observations and recommendations resulting from the 2018 audit.

A) PROGRAM ACTIVITIES

Observation #1 Compliance and Internal Control-Repeat Observation, specifically initial and/or discharge CANS assessments were either not completed or not completed timely in three cases.

Client Comment:

As noted in the cover letter, Gloucester County was not successful in filling the position of CSA Coordinator from 2011 until 2015 and then the position was staffed for only one year, 2016. The position remained vacant until January 2018 and was then fully staffed in March 2018. The period under review falls during the time that there was no CSA Coordinator.

In three cases there were CANS initial and discharge concerns expressed.

Case number 1: This finding has to do with completion of CSA CANS verses the Magellan CANS in the IACCT process. We concur with the finding of no initial CSA CANS in the CSA case file; however, there are circumstances that we would like to address. The Magellan CANS performed in the IACCT process (by the CSB) was completed and accepted as FAPT was involved in that process. Although the correct version of the CANS was not completed, it should be noted that the Magellan CANS was used as the necessary assessment tool prior to accessing CSA funds and is included in the case file. It should be noted that Gloucester CSA did not have their first IACCT process until August 31, 2017. At the time the IACCT for this case (number 1) was requested, the acting CSA Coordinator referred to the CSA User Guide and Manual and did not come across the documents that were later provided on August 6, 2018, pertaining to the IACCT and CSA CANS, dated December 2016. It is clear at this time that there are other methods of communication that existed and were not found by neither the acting CSA Coordinator nor the new CSA Coordinator who completed the Academy. Moving forward we are very much aware of the requirement, despite it not being in the published user guidelines or manual and will assure this will not happen in the future.

In Section B) Fiscal Activities, regarding this same case, the audit report states "In lieu of completing the Virginia CSA approved Comprehensive CANS assessment, the locality accepted a version of the CANS assessment for service providers that was prepared by the Independent Assessment and Care Coordination Team (IACCT) outside of the FAPT process". It is emphasized that the FAPT was involved in this IACCT process and the CSB was serving in the IACCT role. At the point that the CANS was completed, it had not

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Gloucester County CPMT 2018 Audit Comments

been determined that the youth was indeed a CSA child as the CANS was an assessment of the youth's needs. Therefore, not finding information in the CSA User Guide and Manual, it did not make sense to duplicate efforts by having another CANS completed when we had the IACCT CANS in the file. In reviewing the materials provided on August 6, 2018, it is much clearer that data cannot be extracted from the Magellan CANS; however, the Gloucester CPMT does not agree that there existed a situation of inappropriate funding but rather a use of an incorrect version of CANS. Therefore, being penalized financially for using another form of the CANS assessment instrument to initiate and guide services seems not to accurately reflect the situation at hand. In light of this, we do not concur with the finding.

It is understood that the repeat observation is a non-compliance error regarding CANS as a whole; however the situation of having the Magellan CANS is a process that was not in existence at the time of the 2014 audit.

Case number 2: We concur with the finding as our files did not contain a discharge CANS. This was a CSB managed case and they were no longer able to locate their file to demonstrate that a discharge CANS had been done. In addition, the CANS system no longer keeps assessments that would have enabled us to check that system. We agree that the discharge CANS should have been in the CSA file. A discharge CANS would have been necessary in November 2016 prior to the period under review; however, this case had one payment that was previously outstanding that we were unable to get a bill and issue payment until July 2017. Given all of these factors, the new CSA Coordinator will ensure that discharge CANS are in hand by the thirtieth day post closure with reminders, when necessary, using a new tracking tool, as the old method of tracking was not foolproof.

Case number 3: This was a school-managed case for private day educational services. The student was at the age of majority when he decided to drop out of school. The case manager was unable to locate the student after learning of his departure to obtain his social security number in order to complete a discharge CANS. Case managers had changed and the number had not been documented in the school case file. Therefore, we concur with this finding. It should be recognized that the schools indicate that they cannot ask for social security numbers but it appears that the number must have originally been provided in order to do the CANS assessments that are contained in the file. The use of social security numbers is a problem. The new CSA Coordinator will be looking into options that may exist to alleviate this issue.

Case number 4: This pertains to services being funded outside of the FAPT referral and assessment process. This matter was a very complicated situation. It is much easier to see in hindsight. We concur with the finding of no IFSP identifying services funded. We

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Gloucester County CPMT
2018 Audit Comments

stipulate that the existing IFSP was not updated timely, for the period 11/23/17 through 12/10/17 for the reasons indicated below.

The youth had made it clear that she was not going to remain in foster care past her 18th birthday, which happened to be on Thanksgiving Day, 2017. She was already placed in a TFC placement and opted to remain in foster care at the same TFC placement after turning 18; however, funding had ended the day prior to her birthdate. It should be noted that at the FAPT meeting where the IFSP was developed, discussion was had regarding the desire of the FAPT to extend TFC services and funding beyond the youth's 18th birthday (November 23, 2017); however, the youth was adamant that she would not do so and thus the IFSP indicated services and funding through November 22, 2017. In discussion with the auditor, this type of situation could have been avoided by extending the IFSP despite the youth's adamancy.

An emergency approval for funding for the youth to remain in the current placement was sought from CPMT. What was necessary at this point was a new IFSP. Emergency funding was initially approved pursuant to Gloucester CPMT policy with affirmation by the entire CPMT 13 days after the youth opted not to leave foster care. It is noted that on the 12th day after not leaving foster care, the youth was determined eligible for Fostering Futures-Title IV-E. The case manager and CPMT was not aware of this approval at the time that they affirmed the emergency funding. The youth was scheduled on the next FAPT agenda for the portion of funds not covered by IV-E; however, she left the TFC placement 5 days after the emergency funding was approved, thus ending all CSA involvement.

This is listed as a repeat observation. We do not agree with that determination as the situation is a completely different type of situation from the 2014 audit findings, but do understand the perspective of the auditor when looking at the broad picture.

We concur with the recommendation in regard to someone other than the CSA Coordinator establishing quality control and ensuring compliance. A process that enables the supervisor of the CSA Coordinator, also a CPMT representative, to monitor case files no less than quarterly using a tool specifically designed to evaluate the completion of all requirements, is in the process of being devised. This process will also include a review of all cases due for closure. It is anticipated that with the CSA Coordinator vacancy being filled and remaining filled, these types of situations will not occur.

Finally, going forward, training for CSA team members is set for September 19, 2018 to review many aspects of CSA and will include the audit findings as a further mechanism to ensure adherence to all requirements.

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Gloucester County CPMT
2018 Audit Comments

B) FISCAL ACTIVITIES

Observation #2 indicated that on one case, the initial CANS was not completed prior to accessing CSA Funds and services were funded outside of the FAPT referral process resulting in an IFSP not being completed.

Client Comment:

Again, as noted in the cover letter, Gloucester County was not successful in filling the position of CSA Coordinator from 2011 until 2015 and then the position was filled for only one year, 2016. The vacant position was finally filled in January 2018 and fully staffed in March 2018. The period under review falls during the time that there was no CSA Coordinator.

In two cases there were expenditures incurred that did not meet compliance requirements of CSA as noted below.

Case number 1/Error Type number 1: Please refer to comments under PROGRAM ACTIVITIES, Observation number 1, Case number 1.

Case number 2/Error Type number 2: Please refer to comments under PROGRAM ACTIVITIES, Observation number 1, Case number 4.

Finally, we look forward to receiving a template for the Quality Improvement Plan referenced in the recommendations and submitting the plan for review in hopes that our identified actions are acceptable. It will include among other things, new training for CSA team members to be provided on September 19, 2018.