

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

City of Norfolk

***Audit Report No. 02-2018
May 23, 2018***



Office of Children's Services
Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

Introduction 1

Background 2

Observations and Recommendations

Governance Activities 3

Program Activities 3 – 4

Conclusion 4

Report Distribution 5

EXECUTIVE SUMMARY

The Office of Children's Services (OCS) has completed an audit of the City of Norfolk Children's Services Act (CSA) programs. The Norfolk CSA program provided services and/or funding for 412 youth and families during fiscal year 2017. 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 2016, significant achievements for the City of Norfolk CSA program include:

- Percent of youth with a decrease in the Child and Adolescent Needs and Strengths (CANS) child behavioral/emotional needs domain exceeds the statewide average by 5.5%.
- Percent of youth with a decrease in CANS child school domain exceeds the statewide average by 15.6%.
- Percent of foster care children in family based placements exceeds the statewide average by 9.5% and the state target by 6.5%.
- Percent of children who exit from foster care to a permanent living arrangement exceeds the statewide average by 12% and the state target by 3%.

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 affect compliance with statutory requirements. The following issues were identified:

- Three (3) of nine (9) Family Assessment and Planning Teams (FAPT) do not meet membership requirements because they do not have parent representatives as established in Section XI, c, iii of the City of Norfolk Policies and Procedures for the Administration of the Comprehensive Services Act manual and Code of Virginia (COV) [§ 2.2-5207](#).
- Consent to exchange information were missing or expired for 29% (6 of 21) client files reviewed as established in Section XIII, b, ii, 3 of the City of Norfolk Policies and Procedures for the Administration of the Comprehensive Services Act manual and COV [§ 2.2-5210](#).

OCS appreciates the cooperation and assistance provided on behalf of the Norfolk CPMT and other CSA staff. Formal responses from the Norfolk 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 City of Norfolk 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 20, 2018 and covered the period October 1, 2016 through September 30, 2017.

The objectives of the audit were to:

- 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

The city of Norfolk encompasses 66 square miles of Virginia’s Tidewater region and is located at the core of the Hampton Roads metropolitan area. It is home to the world’s largest naval base and is considered to be the historic, urban, financial and cultural center of the region. According to the U.S. Census Bureau’s Quick Facts for States, Counties and Cities with a population of 5,000 or more, the 2016 population of Norfolk was 245,115 and the median household income was \$45,268.

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. 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 nine Family Assessment and Planning Teams (FAPT) responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by a CSA Program Manager, a FAPT Coordinator, an Administrative Assistant, a Family Service Worker and a Management Analyst. Expenditure and demographic information for fiscal years 2015 to 2017 are depicted below:

**CSA Pool & Census Data by Fiscal Year for the City of Norfolk
(2015-2017)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2015	410	-44	-10%	\$8,334,290	\$152,909	2%	\$20,328	13%
2016	380	-30	-7%	\$8,417,527	\$83,237	1%	\$22,151	9%
2017	412	32	8%	\$9,193,121	\$775,594	9%	\$22,313	1%

FY	Pool Expenditures
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2016	\$8,417,527
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FY	Census
2015	410
2016	380
2017	412

FY	Unit Cost
2015	\$20,328
2016	\$22,151
2017	\$22,313

OBSERVATIONS AND RECOMMENDATIONS

A) GOVERNANCE ACTIVITIES

Observation #1:

Criteria

Compliance and Internal Control

The composition of members serving on City of Norfolk CSA FAPTs does not meet the membership requirements established by local policy in Section XI, c, iii of the City of Norfolk Policies and Procedures for the Administration of the Comprehensive Services Act manual and the Code of Virginia [§ 2.2-5207](#). Three (3) of nine (9) (33%) FAPTs were missing a parent representative. The absence of parent representatives from the teams responsible for service planning could potentially impede achievement of the highest degree of multi-disciplinary collaboration.

Recommendation

The CPMT should secure parent representatives to serve on all of the City of Norfolk's FAPTs in accordance with statute and local policy.

Client Comment

We concur with this finding. The CSA office will actively recruit for parent representatives for three teams. It will be placed on the CPMT agenda as a standing agenda item until the matter is resolved. Efforts to recruit will be documented.

B) PROGRAM ACTIVITIES

Observation #2:

Criteria

Compliance and Internal Control

Records Management requires strengthening to ensure compliance with program requirements regarding confidentiality. Twenty-one (21) case files were examined to confirm that required documentation was maintained and to validate that the FAPTs and / or multi-disciplinary teams (MDT) process was administered properly. Consent to exchange information were missing or expired for 29% (6 of 21) client files reviewed. Per COV [§ 2.2-5210](#), the agency that refers a youth and family to the team shall be responsible for obtaining the consent required to share agency client information with the team.

Recommendation

Prior to service planning, the CSA Program Manager and the FAPTs should ensure that required consent forms are obtained and maintained in the client case files. Periodic case reviews should be performed by someone other than the CSA Program Manager or FAPT Coordinator to establish quality control of client records and to ensure compliance with CSA policy and statutory requirements.

Client Comment

We concur with this finding. The Norfolk CSA office will implement a multi-level checks and balance system to ensure that the consent to exchange information form is in each CSA file and is current for all open cases.

CONCLUSION

Our audit concluded that there were compliance deficiencies. Conditions were identified that affect compliance with statutory requirements pertaining to FAPT membership and confidentiality requirements. An exit conference was conducted on April 11, 2018 to present the audit results to the Norfolk CPMT. Persons in attendance representing the City of Norfolk:

CPMT: Saniyyah Manigault, Programs Manager, in lieu of Denise Gallop – Chair; Audra Bullock, Parent Representative; Denise Williams-Patterson, Norfolk Public Schools; R. Breckenridge Daughtrey, City Clerk, City of Norfolk; Stacey O’Toole, Norfolk Community Services Board; Steve Hawks, Director, Norfolk Dept. of Human Services; and Theresa McBride, Norfolk Juvenile Court Services

CSA Staff: Sharon Phillips, Administrative Assistant II; Tara Ruffin, FAPT Coordinator; and Vonda Johnson, Family Services Worker I

Other attendees: James Rogers, Deputy City Manager; Anna Heim, CSA Business Manager, Norfolk Dept. of Human Services; Galina Georgieva, Operations Controller, Norfolk Dept. of Human Services; Heather Kelley, Assistant City Attorney, City of Norfolk; and Stephanie Haynes, City Finance Department

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

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

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services

Douglas L. Smith, Norfolk City Manager

Denise Gallop, CPMT Chair

Christine Garczynski, CPMT Fiscal Agent
Norfolk City Director of Finance

Saniyyah Manigault, CSA Program Manager

SEC Finance and Audit Committee