

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

Middlesex County

Audit Report No. 06-2015

March 28, 2016



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 Middlesex County Children's Services Act (CSA) program. The Middlesex County CSA program provided services and/or funding for 16 at-risk youth and families in fiscal year 2015. The audit included review and evaluation of management oversight, operational and fiscal practices. Middlesex Community Policy Management Team (CPMT) demonstrated that efforts were made to ensure that services were provided to eligible youth and families as evidenced by the following achievement.

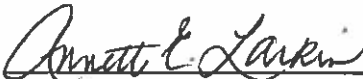
- One of the strategic goals of the Middlesex CPMT is to ensure the safety of all children served. Thus an objective was "after Family Planning and Assessment Team (FAPT) service approved, no CPS valid reports are received on families within one year of service approval." In FY 15, Middlesex saw an 11 percent reduction in the number of valid CPS complaints within one year of CSA services commencing for families referred in that period.
- OCS performance measures percentage of youth receiving community based services out of youth receiving all CSA funded services increased approximately 10 percent over the same period last fiscal year. Middlesex exceeds the statewide target by 21 percent, by having 71 percent of their youth receiving community based services.

However, there are additional opportunities to effect quality improvement in other areas of the CSA program. The audit concluded that there was a deficiency in compliance and internal controls that could adversely impact the reliability and integrity of information pertaining to CSA client referrals. The following issue was identified;

- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Client files examined were missing Individual Family Service Plan (IFSP) elements necessary for service planning. Two out of the five (5) cases examined contained at least one exception. Omissions from client case files included, measurable goals and objectives, consent to exchange information form, and discharge child and adolescent needs and strength assessments (CANS).

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. Formal responses from the CPMT to the reported audit observations 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 Middlesex County Children's Services Act program. The audit was conducted in accordance with generally accepted government 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 March 24, 2016 and covered the period January 1, 2015 – December 31, 2015.

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.

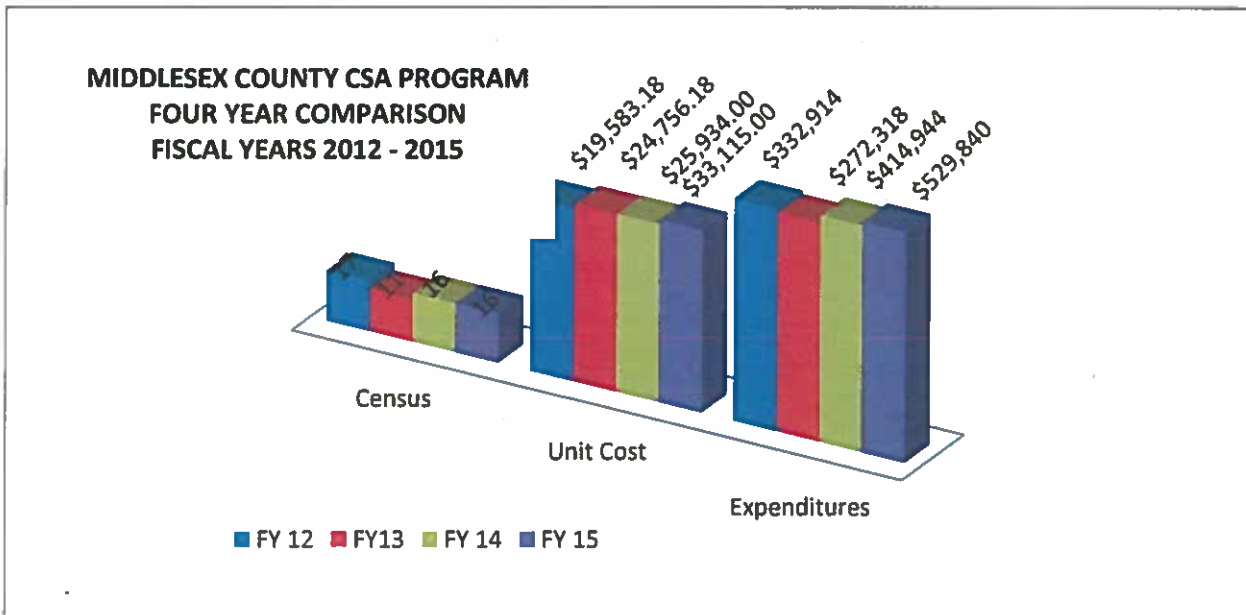
The scope of the audit included youth and their families who received CSA funded services during the last two quarters of FY15 and the first two quarters of FY16. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Middlesex County, founded in 1669, is located on the Middle Peninsula of Virginia nestled around the Rappahannock River, Chesapeake Bay and Piankatank River. Middlesex is a popular tourist attraction for its seafood as evident by its annual Urbanna Oyster Festival. The County is approximately 132 square miles in land area mass and borders the counties of Lancaster, Essex, King and Queen, and Mathews. According to the US Census Bureau, State and County Quick Facts report, the estimated population in FY14 was 10,696 and the median household income from 2010-2014 was \$54,452.

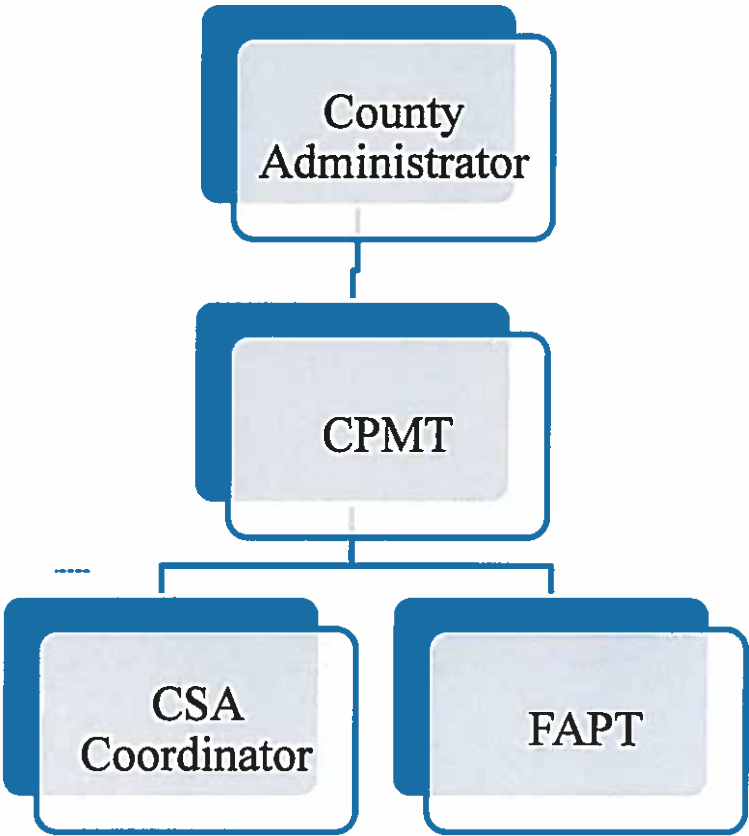
The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. Middlesex County’s net CSA expenditures for fiscal year FY15 totaled \$529,840, which was used to provide services to 16 at-risk youth and families. Based on reported figures for FY14, the average per capita cost for CSA was \$38.79.

An analysis of Middlesex County CSA’s FY15 expenditures and cost per child (unit cost) indicates an increase of 22% compared to FY14 data. The number of youth and families (census) served is stable compared to last fiscal year.



CSA state funds, combined with local community funds, are managed by local interagency teams, referred to as the Community Policy and Management Team (CPMT) which plan and oversee services to youth. Middlesex County CPMT was established to comply with this statute. The CPMT is supported in this initiative administratively by a CSA Coordinator and a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to at risk children and families. The local management structure for the Middlesex County CPMT is as follows:

Middlesex County CSA Organizational Structure



OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM ACTIVITIES

Observation #1:

Criteria:

Compliance and Internal Control

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Five (5) out of 16 case files were examined to confirm that required documentation was maintained in support of and to validate FAPT referral and CPMT funding decisions. Exceptions were noted for two (2) of the five (5) selected cases (40%). The results of the examination identified opportunities for improvements based on client case files that did not always contain sufficient information demonstrating compliance with CSA requirements key to the coordination and service planning by FAPT. Data omitted from case files reviewed is depicted in the table below.

Description	# of Cases	Error Rate
Consent to exchange information *	1	20%
Measurable goals, objectives, and strategies identified to achieve goals	1	20%
Missing Discharge CANS	2	40%

*A consent form was provided by Middlesex CSA Office, but the form did not contain the client's name, therefore; the auditor could not attest to the applicable client record examined.

The design of the Individual Family Service Plan (IFSP) used by Middlesex County CSA Office does not afford the FAPT an opportunity to document client's strengths, measurable goals and objectives, strategies and discharge planning on the service plan. In addition, the template does not have a designated space to evidence family participation and/or consent to the service plan. Middlesex has been documenting FAPT and family participation and consent in the FAPT minutes. In June 2014, the CPMT adopted new policies and procedures that have an updated IFSP template that includes required data elements. However, the reference document was not utilized as intended.

Insufficient data collection and poor document management in service planning may lead to operational and fiscal inefficiencies 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.

Recommendations

- The CPMT should ensure that all required documentation is maintained to attest to the service planning activities and funds expended.
- CSA Office should obtain consent to exchange information forms for all clients and the form should clearly identify the child name and the parent or legal guardian providing consent.
- CPMT should ensure that the CSA Office uses the current IFSP template adopted in their policies and procedures manual.
- CANS assessments (initial, re-assessment and discharge in accordance with Middlesex County Utilization Review Policy) should be completed in CANVaS and maintain in client record.

Client Comment

“The Middlesex CPMT will reformat consent forms to ensure that all client information is added to the document and ensure that discharge CANS are completed for all clients. In addition, new IFSP forms have already been put into use that will capture all client strengths, measurable goals, objectives, etc. to ensure service planning effectiveness.”

Observation #2:

Criteria:

Compliance and Internal Control

Middlesex CPMT has formally adopted a procedure to address the collection and maintenance of Student Testing Identifiers (STI) numbers however; it is not in accordance with the requirements of the joint memorandum from OCS and the Department of Education (DOE). According to the joint memorandum from OCS and the Department of Education (DOE) dated 10/29/10, beginning FY 2011 “each CPMT should develop a specific procedure locally for the collection and maintenance of this information.” The listing at a minimum should contain the STI number, student name and service placement type. Middlesex CPMT did not maintain a listing of (STI) numbers in accordance with the requirements established in the directive. The CSA Coordinator provided a list to the auditor; however, upon review of the list, the student’s name and service placement type was not captured.

Recommendations

Middlesex County CSA program uses the Thomas Brothers (TB) system which provides a mechanism to capture the required data elements in accordance with the OCS and DOE joint memorandum. Middlesex CPMT should immediately revise their current policy to align with the requirements set forth in the memorandum. In addition, the CPMT should consider using the module in TB to maintain the listing.

Client Comment

“The CSA Coordinator has researched utilization of Thomas Brothers to produce a report with all data elements necessary to capture information related to this criterion.”

B) Fiscal Activities

Observation #3:

Criteria:

Compliance and Internal Control

A formal process has not been established for the reconciliation of CSA reported balances and the locality’s reported general ledger account balances. The OCS auditor was provided a reconciliation that Middlesex County’s external auditors completed. Standard industry best practices dictate cash receipts, appropriation, expenditures and fund balance reconciliations are formally reconciled at least monthly. Monthly reconciliations further enhance the reliability of information pertaining to the availability of pool funds and the financial position of the CSA program that is used for management decision making.

Recommendation

The CPMT should ensure that a process is established for fully reconciling the CSA balances, to include appropriations, expenditures, revenues, and cash (where applicable) with local government general ledger accounts.

Client Comment

“The Middlesex CPMT will request that the locality reconcile expenses on a monthly basis.”

CONCLUSION

Our audit concluded that there was a deficiency and internal controls that could adversely impact the reliability and integrity of information pertaining to CSA client records. An exit conference was conducted on March 22, 2016 to present the audit results to the Middlesex CPMT. Persons in attendance representing the Middlesex CPMT were as follows: Rebecca Morgan, DSS Director, CPMT Chair designee and Moriah Elkins, CSA Coordinator. Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the Middlesex Community Policy and Management Team and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Interim Executive Director
Office of Children's Services

Matt Walker, CPMT Chair and County Administrator

Rebecca Morgan, DSS Director and Fiscal Agent

Moriah Elkins, CSA Coordinator

SEC Finance and Audit Committee