

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

Albemarle County

***Audit Report No. 06-2024
May 20, 2024***



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 Albemarle County CSA Program. The Albemarle County CSA Program provided services and funding to 307 eligible youth and families in fiscal year (FY) 2023. The audit included reviewing and evaluating management oversight, operational, and fiscal practices. Based upon established statewide Children's Services Act (CSA) performance measures reported for FY 2023, significant achievements for the Albemarle County CSA Program were:

- Eighty-three (83%) of youth in foster care are in a family-based foster care setting.
- Ninety-six (96%) percent of children exiting foster care achieved permanency, an increase of 22% from FY22. (This outcome measure represents the percentage of children who exit from foster care to a permanent living arrangement either through adoption, reunification with their biological family, or placement with a relative).
- Ninety-one (91%) percent of youth and families served by Albemarle received only community-based services.

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that there were deficiencies in compliance and internal controls regarding governance and fiscal practices. Conditions that could adversely affect the effective and efficient use of resources and compliance with statutory requirements were identified. The following significant issues were identified:

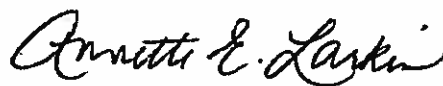
- Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with state and local CSA policies and procedures were unmet, resulting in questioned costs of \$52,686.41 (state share). Specific non-compliance items identified were:
 - frequency of Child and Adolescent Needs and strengths (CANS) assessment;
 - duplicate overpayments to vendors; and
 - application of State-Funded Kinship Subsidy policies.
- Local policies and practices adopted to ensure confidentiality were not functioning as intended. COV § 2.2-5210 states, "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." Consent to exchange information forms were either expired or not provided in 40 percent (4 of 10) of the case files reviewed (40%).
- The Financial Disclosure Statement (Short Form) was filed by non-public members of the Family Assessment and Planning Team (FAPT) instead of the required Statement of Economic Interest (long form). OCS Administrative Memo #18-02, dated January 16, 2018, provided guidance to local CSA programs regarding filing requirements. The guidance states that non-

public members must complete the "long" form specified in COV §2.2-3117 upon appointment.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. The body of the full report includes formal responses from the CPMT to the reported audit observations.



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 Albemarle County 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 to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on May 20, 2024, and covered the period from October 1, 2022 through September 30, 2023.

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 the implementation of quality improvement plans addressing prior audit observations reported by OCS and/or identified in the prior self-assessment evaluation completed by the Albemarle County CPMT. The audit report date was June 6, 2018.

The audit scope included all youth and their families who received CSA-funded services during the audit period. 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

Established in 1744 from Goochland County, Albemarle County is in the Piedmont region of the Commonwealth of Virginia. The County is the birthplace of Thomas Jefferson, the third President of the United States. According to the US Census Bureau Quick Facts 2022, the estimated population was 114,534. The median household income from 2018-2022 was \$97,708.

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, the Community Policy and Management Team (CPMT), that plans and oversees services to youth. Albemarle County CPMT is supported by a Family Assessment and Planning Team (FAPT). The CPMT delegated responsibility for funding authorization to the FAPT while establishing several Multi-disciplinary Teams (MDTs) responsible for recommending appropriate services to eligible children and families. Administrative services are managed through the local CSA office staffed by the CSA Coordinator. Expenditure demographics for fiscal years 2020 to 2024 are depicted below.

Source: CSA Data and Outcomes Dashboard
(Web link: [Data and Outcomes Dashboard \(CQI\)](#))

At-A-Glance

	2020	2021	2022	2023
Distinct Child Count	305	290	289	307
Net Expenditures	\$9.7M	\$10.3M	\$11.2M	\$11.8M
Local Net Match	\$3.6M	\$3.9M	\$4.2M	\$4.5M
Average Expenditure	\$31,665	\$35,557	\$38,813	\$38,287
Base Match Rate	0.4474	0.4474	0.4474	0.4474
Effective Match Rate	0.3708	0.3814	0.3778	0.3804

CQI dashboard data consists of information submitted by individual Virginia localities for youth receiving CSA-funded services in the reporting period. Statewide data was updated through 02/20/24 of the current program year.

OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM AND FISCAL ACTIVITIES

Observation 1:

Criteria:

Compliance and Internal Control

The Albemarle County CSA program was reimbursed \$47,561.63 (state share) for payment of services where the requirements for compliance with State Executive Council (SEC) and partnering agency policies and procedures were not met. Ten (10) client case files were examined to confirm that the required documentation was maintained to support and validate the service planning activities completed by multi-disciplinary teams (MDTs) and funding decisions by the Family Assessment Team (FAPT). A notable exception occurred in two (2) of 10 (20%) client records examined. Specific noted exceptions were:

1. Data collection practices and procedures pertaining to CSA clients and the mandatory uniform assessment instrument described in CSA Policy 3.6 have not been consistently applied to maintain complete, accurate, and reliable information. A CANS assessment is required initially, annually, and upon discharge of CSA-funded services. The annual CANS assessment was not completed on time for one (1) client. Funds totaling \$41,924.34 (state share) were expended during the lapsed compliance period. (See Table A, Client A)
2. Albemarle County was reimbursed \$5,637.29 (state share) for (a) a duplicate payment (\$5,616.19) and (b) a vendor overpayment (\$22.10). (See Table A, Client B)

Exceptions noted in Table A below are deemed significant, as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Table A				
Client File Review Exceptions- Fiscal Impact				
Exception Rate	Exception Description (Code)			
10% (1/10)	1. Missing an annual CANS assessment (CSA Policy 3.6, Mandatory Uniform Assessment)			
10% (1/10)	2. Duplicate payment and vendor overpayment (CSA Policy 4.5.2 Fiscal Procedures)			
Exception Code	Client	Service Period	Total Cost	State Share
1	A	December 2022 -June 2023	\$75,867.42	\$41,924.34
2(a)	B	February 2023	\$10,161.40	\$5,615.19
2(b)		March 2023	\$40.00	\$22.10
Total			\$86,068.82	\$47,561.63
Reimbursement Due to CSA			\$86,068.82	\$47,561.63

Recommendations:

1. CPMT has delegated funding authorization to FAPT. FAPT should ensure that the proposed expenditure meets the criteria for CSA funding (i.e., meeting all federal and state requirements). Adequate documentation should be maintained as justification for FAPT/CPMT

funding decisions, including, but not limited to, verifying the administration of the annual CANS assessment.

2. The CPMT may want to consider adding an additional layer of review before the pre-check run report in Thomas Brothers financial reporting system to ensure approved invoices match POs and the payment(s) are accurately recorded.
3. 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:

See Attachment A for Management Responses.

Observation 2:

Criteria:

Compliance and Internal Control

A comparison of CSA and IV-E funded transactions identified foster care maintenance payments reimbursed for two (2) clients not included in the initial ten sampled cases that did not meet CSA funding compliance criteria as follows:

1. Both CSA pool funds and Title IV-E funds were expended for foster care maintenance payments for the same service month. This represents a duplicate payment to the provider totaling \$645.44 (state share). Refer to Table B, Client D
2. Access to CSA pool funds for State Funded Kinship Subsidies requires a background check for all adults residing in a home considered for placement, according to Virginia Department of Social Services (VDSS) Policy E. Foster Care, Section 10.27 Overview of the State Funded Kinship Subsidy Program. Attempts to confirm compliance were unsuccessful. The records of the Albemarle Department of Social Services were not readily accessible. VDSS Office of Background Investigation (OBI) independently confirmed that a record of a criminal fingerprint and background check could not be located for the individual named as the payee for CSA-funded payments. Therefore, maintenance payments totaling \$4,479.35 (state share) are questioned. Refer to Table B, Client C

Exceptions noted in Table B below are deemed significant, as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Table B CSA/IV-E Comparative Analysis Exceptions- Fiscal Impact				
Exception Code	Client	Service Period	Total Cost	State Share
1	*D	April 2022	\$1,168.00	\$645.44
2	*C	November 2022 -September 2023	\$8,105.95	\$4,479.35
Total			\$9,273.95	\$5,124.78
Reimbursement Due to CSA				\$5,124.78
*CSA-funded clients identified through comparison of CSA to IV_E transactions recorded in the Local Expenditure Data and Reimbursement System				

Recommendations:

1. CPMT has delegated funding authorization to the FAPT. FAPT should ensure that the proposed expenditure meets the criteria for CSA funding (i.e., meeting all federal and state requirements). Adequate documentation should be maintained as justification for FAPT/CPMT funding decisions, such as but not limited to compliance with partnering agency policies as it pertains to the State Funded Kinship Subsidy program and consideration of other appropriate and available funding sources (i.e., Title IV-E).
2. As a part of the CPMT quality assurance review and monitoring efforts, the CPMT should review fiscal reports to ensure duplicate payments for foster care maintenance expenditures are not processed.
3. 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:

See Attachment A for Management Responses

Observation 3:

Criteria:

Compliance and Internal Control

Local policies and practices adopted to ensure confidentiality were not functioning as intended. Code of Virginia (COV). § 2.2-5210 states, “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.” Consent to exchange information forms were either expired or not provided in 40 percent (4 of 10) of case files tested. Notably, seventy-five (75%) percent were special education cases, including cases where consent was not provided.

OCS Administrative Memo #23-10 advises local school divisions that parental consent is required to share student records with CPMT, specifically the IEP. Without this information, CPMTs cannot verify the student’s CSA eligibility. Therefore, CSA may not reimburse a locality’s cost

for providing private special education for the student. The local school division may still be responsible for the costs, potentially placing Albemarle County Public Schools at risk of funding expenditures totaling \$246,991.95.

The state share reimbursed from state pool funds for the three cases was \$136,487.75. In all instances, the IEP was provided and eligibility was verified. However, failure to obtain consent or continued consent increases the likelihood of non-compliance with CSA statutes and policies. Moreover, Albemarle County Public Schools (ACPS) is at risk of violating the Family Educational Rights and Privacy Act (FERPA), resulting in potential liability due to the unauthorized exposure of protected information.

Recommendations:

1. As CPMT's designee for funding authorization, the FAPT quality control review should include confirming receipt of current consent to exchange information forms before approving funds.
2. Periodic case file reviews should be performed at least annually to establish quality control of client records and ensure compliance with CSA statutory requirements, particularly consent to exchange information forms.

Client Comment:

See Attachment A for Management Responses

B) CPMT GOVERNANCE

Observation 2:

Criteria: Internal Control

The CPMT did not effectively implement internal controls established by CSA statutes to safeguard against conflicts of interest. The non-public members serving on FAPT did not complete the statement of economic interest (SOEI) form in accordance with the requirements set forth in COV §2.2-5207. The non-public members completed the financial disclosure statement (Short Form) instead of the SOEI (Long Form). OCS Administrative Memo #18-02, dated January 16, 2018, provided guidance to local CSA programs regarding filing requirements. The guidance states that non-public members must complete the "long" form as defined in COV §2.2-3117 upon appointment.

Recommendations:

The CPMT should ensure all parties not representing a public agency complete the SOEI forms (Long Form) upon appointment and maintain filing in accordance with the Administrative Memo 18-02 dated January 16, 2018.

Client Comment:

See Attachment A for Management Responses

Observation 4:

Criteria:

Internal Control

Albemarle County local policy states, "parents of children receiving *exclusively community-based* services are exempt from parental contribution requirements." Fiscal and demographic data reviewed shows approximately 143 families meeting the exemption criteria. During the review period, Albemarle County expended \$1,579,438.95 (state and local share) for services provided to the eligible families. In addition, effective 1/19/22, Albemarle County CPMT suspended the referral of all out-of-home placements through a CSA parental agreement to the Division of Child Support Enforcement (DCSE). Three CSA parental agreements were in effect within the period of review. COV§2.2-5206 states that CPMTs shall: "Establish policies to assess the ability of parents or legal guardians to contribute financially to the cost of services to be provided and, when not specifically prohibited by federal or state law or regulation, provide for appropriate parental or legal guardian financial contribution, utilizing a standard sliding fee scale based upon ability to pay." The current fiscal policies adopted by Albemarle County CPMT governing parental contribution assessment and collection limit the opportunity to increase/maximize funding availability for services required to meet the community's needs. The table below depicts the effect of Albemarle County's current policies and practices.

FY	Fips	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
23	3	Albemarle	92,960.42	470.97	53,610.34	18,752.25	(3,280.99)	4,690.16	166,303.15
22	3	Albemarle	48,675.05	734.04	55,518.72	34,981.54	-	3,602.75	143,510.10
21	3	Albemarle	53,327.21	2,666.88	37,268.04	31,139.38	(80.00)	5,600.00	130,321.51

Source: <https://csa.virginia.gov/OCSPoolReports/PoolReports/RefundReport>

Recommendations:

The CPMT should re-consider the current policy not to assess and collect a parental co-pay assessment on community-based services. In addition, the CPMT should develop an assessment and collection policy for CHINS Parental Agreement cases.

Client Comment:

See Attachment A for Management Responses

CONCLUSION

This audit concluded that there were deficiencies in internal controls that could affect compliance with statutory requirements. An exit conference was conducted on March 7, 2024, to present the audit results to the Albemarle County CPMT. Persons in attendance representing the Albemarle County CPMT were as follows:

Mary Stebbins, CPMT Chair and Social Services
Kevin Kirst, Albemarle County Public School
Ashley Struzik, Albemarle County Public School
Neta Davis, Community Service Board
Christa Galleo, Court Service Unit
Erin Callas, Health Department
Ryan Davison, Albemarle County Local Government
Michelle Busby, Parent Representative
Tammy Johnson, Private Provider
Alice Micklem, Program Sub-committee Chair
Jennifer Wells, CSA Coordinator

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

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
Jeff Richardson, Albemarle County Executive
Mary Stebbins, CPMT Chair
Kevin Wasilewski, CPMT Fiscal Agent
Jennifer Wells, CSA Coordinator



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May 7, 2024

Annette Larkin
Office of Children's Services
1604 Santa Rosa Rd. Ste 137
Richmond, VA 23229

Dear Ms. Larkin:

The Albemarle CPMT has received and reviewed the observations and recommendations of the *Albemarle Children's Services Act (CSA) Program Audit Report No. 06-2024*. We would like to take this opportunity to thank you for your thoughtful review of our program and feedback on the program's performance and adherence to requirements.

The Albemarle CPMT has actively addressed the non-compliance observations that were found and considered the recommendations outlined in the report. Our response to these observations and recommendations is included in the attached document, *Albemarle CPMT Response to CSA Program Audit Observations and Recommendations*.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Stebbins', is written over a faint horizontal line.

Mary Stebbins
Director
Albemarle Department of Social Services



Seal of Albemarle County, Virginia

Albemarle CPMT Responses to CSA Program Audit Observations and Recommendations**May 2024****PROGRAM AND FISCAL ACTIVITIES**

Observation 1-1: Albemarle CPMT recognizes the need for greater integrity and monitoring in regards to completion of the mandatory uniform assessment instrument and has already taken steps to revise policy and implement strategies to ensure compliance.

1. Local policies and procedures have been updated and approved by the CPMT to help ensure compliance with this requirement.
2. Following the recommendation included in the audit report, the CSA Coordinator/FAPT will verify administration of the annual CANS assessment prior to each case being presented to the FAPT. To ensure it meets the criteria for CSA funding, a case will not be presented to the FAPT without a current CANS assessment, as confirmed in CANVaS.
3. Effective 7/1/2024, the CSA program will provide oversight to Albemarle County Public Schools to ensure compliance with the mandatory uniform assessment through shifting Purchase Order creation to staff within the CSA program to provide additional internal controls.
4. Locally, the CSA program utilizes a *CSA Quarterly Purchase of Service Request Checklist* (see attached). This form is completed by agency case managers as a mechanism to initiate quarterly purchase orders for services paid through CSA. This form has been revised to include a place for the case manager to record the most recent CANS date. The form will be provided to the staff who create Purchase Orders to verify the CANS assessment has been completed timely in accordance with local policies and practice prior to any purchase orders being created.
5. In an effort to ensure case managers understand the requirements of the mandatory uniform assessment and adhere to locally established CANS administration guidelines, training with agency case managers and supervisors has been recently completed and/or scheduled. Moving forward, all new case managers and supervisors will also receive this training and any refresher trainings will be provided as needed.

Albemarle CPMT agrees that the annual mandatory uniform assessment was not completed as required per CSA Policy 3.6.

Observation 1-2: The internal controls for monitoring duplicate payments were effectively utilized and a request for refunds was made to the provider. On 4/12/24, an email from the provider was received confirming that the refund was being processed; however, to date, no refund has been received. Albemarle CPMT agrees that the state share of the expenditures for February 2023 (\$5,615.19 state share) and March 2023 (\$22.10 state share) should be

reimbursed to CSA and the Albemarle CPMT will continue to request the refund due to the locality.

Observation 2-1: Albemarle CPMT agrees that CSA pool funds and Title IV-E funds were expended for foster care maintenance in the same service month. A refund was received; however, it was coded as a refund to Title IV-E and not CSA. This has been resolved (see attachments for verification). This was a result of human error in incorrectly coding the refund. Albemarle CPMT will have the accountant review the senior account clerk's work before submitting for payment.

Observation 2-2: Albemarle CPMT acknowledges that OBI fingerprint background checks were not conducted and now understands that they should have been. Albemarle DSS did complete a name search through the Virginia State Police Criminal Records Exchange. Albemarle CPMT further notes that it is understandable the local agency was under the impression it had met VDSS requirements based on VDSS guidance 10:6 Relative Assuming Custody of Child or Youth (in italics & bold below). It is easy to understand how this created confusion the very first time Albemarle applied for state kinship subsidy. The underlined VDSS guidance 10:6 should be amended to explicitly state OBI fingerprint checks are required.

When transfer of custody to a relative is determined to be in the best interest of the child or youth and a relative has been identified who is willing and appropriate to care for the child or youth, the LDSS shall first ensure that the relative's home is safe and that the relative will keep the child or youth safe from any further maltreatment. The LDSS shall complete with the relative's and other adult household members' permission:

- A state name search criminal background check, and a CPS Central Registry search on all adults residing in the home.**
- A sworn statement or affirmation disclosing whether or not the individual has a criminal conviction or is the subject of any pending criminal charges within or outside of Virginia and whether or not the individual has been the subject of a founded complaint of child abuse or neglect within or outside of Virginia***

Observation 3-1: Albemarle CPMT agrees that the consent to exchange information was either expired or not provided. The CSA program will be assuming responsibility for CSA special education cases from ACPS to include managing consents to ensure all CSA cases have current consents to exchange information. The CSA program will also be reviewing its current consent form to consider revisions that will help address any lapse.

CPMT GOVERNANCE

Observation 2: Albemarle CPMT has members of the FAPT and CPMT complete the SOEI (long form) as required. The FAPT member that completed the SOEI (short form) had previously completed the long form (see attachment for verification). The CSA Coordinator inadvertently provided the wrong version due to submitting the 2023 short form that was completed.

Observation 4: Albemarle CPMT previously had a policy and process for referring parental agreement cases to DCSE to assess parental contribution. However, Albemarle CPMT suspended its parental contribution requirement in 2022 after the Charlottesville DCSE office closed and issues arose with referrals to the state DCSE office with these particular types of cases. The CPMT began discussion regarding development of a new policy and process. Around that same time, OCS initiated a workgroup charged with developing a model parental contribution policy. The CSA Coordinator for Charlottesville had volunteered to serve on the workgroup in an effort to gain knowledge and insight around the requirement, how other localities implement this requirement, and expectations for localities from the state office. This information, as well as the recommendation from the state workgroup would then be shared with the CPMT in an effort to revise the local parental contribution policy and procedure. The work of this group is still in progress. However, Albemarle CPMT will proceed with developing a parental contribution assessment policy for CHINS parental agreement cases as recommended.