

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

Appomattox County

Audit Report No. 14-2015

April 17, 2017



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 Appomattox County Children's Services Act (CSA) program. The Appomattox County CSA Program provided services and/or funding for 80 youth and families during fiscal year 2015 and 70 youth through second quarter ending fiscal year 2016. The audit included review and evaluation of management oversight, operational, and fiscal practices. Evidenced by the following achievements, the Community Policy and Management Team (CPMT) responsible for oversight of the CSA program demonstrated that efforts were made to ensure that services were provided to eligible youths and families:

- Percentage of youth with a decrease in the school domain as reported via the Child and Adolescent Needs Strengths (CANS) exceeds the statewide target by 2.6%. Decreases in CANS scores are generally indicative of improved functioning.
- Percentage of youth receiving community based services out of all youth receiving services is 4.5% higher than the established statewide target.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were major deficiencies¹ in internal controls that could adversely impact the effective and efficient use of resources, accomplishment of program objectives, as well as compliance with statutory requirements. The following significant issues were identified:

- The Appomattox County CPMT has not established aggregate performance measures to assess overall program effectiveness. Monthly meeting minutes and accompanying reports did not evidence review of "local and statewide data provided in the management reports on the number of children served, children placed out of state, demographics, types of services provided, duration of services, service expenditures, child and family outcomes, and performance measures."
- The Appomattox CSA Program was reimbursed \$31,005.17 (state share) in Fiscal Years 2015 and 2016 where: (1) the Child and Adolescent Needs Strengths assessments were not completed in accordance with CSA policy, (2) services funded were not documented in an Individual and Family Services Plan (IFSP), and/or (3) CPMT authorization of funding could not be verified.

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



Stephanie S. Bacote, CIGA
Program Audit Manager

¹ Major deficiency is defined as an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its' objectives." Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework, May 2013.

INTRODUCTION

The Office Children's Services (OCS) has completed a financial/compliance audit of the Appomattox County Children's Services Act (CSA) 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 April 13, 2017 and covered the period February 1, 2015 through January 31, 2016.

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, procedure, 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

Appomattox County is located in the Piedmont Area of Central Virginia. It was created in 1845 from sections of the counties of Buckingham, Prince Edward, Campbell, and Charlotte. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Appomattox County has a population estimate of 15,388 as of July 1, 2016. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2011-2015 as \$48,823.

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 Appomattox County CPMT was established to comply with this statute. The CPMT is supported in this initiative by the Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by the CSA Coordinator. Expenditure demographics fiscal years 2014 to 2016 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Appomattox
(2014-2016)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2014	74	3	4%	\$1,130,553	\$325,235	40	\$15,278	35%
2015	80	6	8%	\$1,510,519	\$379,966	34	\$18,881	24%
2016	77	-3	-4%	\$1,684,035	\$173,516	11	\$21,871	16%

Note: Changes recorded for FY 2014 are based on differences from fiscal year 2013 to 2014.

FY	Pool Expenditures
2014	\$1,130,553
2015	\$1,510,519
2016	\$1,684,035

FY	Census
2014	74
2015	80
2016	77

FY	Unit Cost
2014	\$15,278
2015	\$18,881
2016	\$21,871

**SECTION 1 – MAJOR DEFICIENCIES
OBSERVATIONS AND RECOMMENDATIONS**

A) CPMT GOVERNANCE ACTIVITIES

Observation #1:	
Criteria	Compliance and Internal Control
<p>The Appomattox County CPMT has not established aggregate performance measures to assess overall program effectiveness. Monthly meeting minutes and accompanying reports did not evidence review of “local and statewide data provided in the management reports on the number of children served, children placed out of state, demographics, types of services provided, duration of services, service expenditures, child and family outcomes, and performance measures. Additionally, teams shall track the utilization and performance of residential placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative’s homes, family-like setting, or their community.” UM/UR is a key element in CPMT monitoring activities in assessing the validity and effectiveness of services purchased, which is critical to ensure that the CPMT is well-informed when carrying out its decision-making responsibilities.</p>	
Recommendation	
<p>The CPMT should establish performance metrics to monitor and analyze overall effectiveness of the local CSA program, to include but not be limited to, utilization of OCS’ management reports available on the CSA website.</p>	
Client Comment	
See Attachment	

B) FISCAL ACTIVITIES

Observation #2:		
Criteria	Compliance and Internal Control	
<p>The Appomattox CSA Program was reimbursed \$31,005.17 (state share) in Fiscal Years 2015 and 2016 where: (1) the Child and Adolescent Needs Strengths assessments were not completed in accordance with CSA policy, (2) services funded were not documented in an Individual and Family Services Plan (IFSP), and/or (3) CPMT authorization of funding could not be verified. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements and policies.</p>		
Client	Exception Description	Questionable Costs**
001	Annual CANS Assessment	\$11,332.26
002	CANS, IFSP, and CPMT Authorization	\$19,672.91
Total (State Share)		\$31,005.17
**Figures were based on client payment history reports.		

Recommendation

1. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding. Adequate documentation should be maintained as justification for CPMT funding decisions.
2. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the questioned costs will be voluntarily restored. 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

C) DATA INTEGRITY AND INFORMATION SECURITY**Observation #3:****Criteria****Compliance and Internal Control**

Data integrity and information security practices and procedures pertaining to CSA client records have not been consistently applied to ensure that sensitive and confidential information is adequately protected from unauthorized access and/or alteration. Certifications were expired for of five (10%) out fifty users granted access privileges for Appomattox County to perform Child and Adolescent Needs Strengths (CANS) assessments. At the time of the review, certifications had been expired more than 90 days for three of five users identified. Users are required to maintain current certifications in order to perform CANS assessments. Expired certifications are also an indicator that users are no longer affiliated with CSA and that access privileges should have been terminated when those duties were no longer required.

Recommendation

The CPMT should designate an individual to be responsible for periodically reviewing CANS access privileges, to include but not be limited to:

1. identify active and inactive users,
2. ensure active users maintain current certification, and
3. deactivate accounts timely when identified users no longer have a business need for system access.

Client Comment

See Attachment

**SECTION 2 – OTHER DEFICIENCIES
OBSERVATIONS AND RECOMMENDATIONS**

E) RECORDS MANAGMENT

Observation #4:	
Criteria	Compliance and Internal Control
A formal procedure for formally closing CSA client case files after services and/or funding are no longer provided has not been established. Two client case files were examined where it was determined that services had not been provided in an extended period of time. However, the case files did not document the final discharge from CSA services. The last indication of CSA action was October 2014 for one case and August 2015 for the other. This could potentially affect records management and/or retention requirements, reliability and integrity of information pertaining to CSA fiscal and program activities	
Recommendation	
The CPMT should incorporate a section for records management in the local CSA policy manual.	
Client Comment	
See Attachment	

CONCLUSION

Our audit concluded that there were major deficiencies in compliance and internal controls over the Appomattox County CSA program. Conditions were identified that could adversely impact the effectiveness and efficient use of resources, accomplishment of program objectives, as well as compliance with statutory requirements. An exit conference was conducted on March 22, 2016 to present the audit results to the Appomattox County CPMT. Persons in attendance representing Appomattox County CPMT were:

Susan Adams, Appomattox County Administrator/CPMT Fiscal Agent
Brad Burdett, Department of Social Services Representative/CPMT Chair
Cynthia Eubank, Parent Representative
Chuck Watts, Court Services Unit Representative
Beth Haught, Appomattox Public School Representative
Jennifer Bonderaunt, Community Services Board Representative
Pat Howard, Private Provider Representative
Amy Wallen, CSA Coordinator

Representing the Office of Children's Services was: Stephanie Bacote, Program Audit Manager

We would like to thank the Appomattox 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

Susan Adams, Appomattox County Administrator
&CPMT Fiscal Agent

Brad Burdette, CPMT Chair

Amy Wallen, CSA Coordinator

SEC Finance and Audit Committee

ATTACHMENT

Amy Wallen
CSA Coordinator

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Appomattox County
Children's Services Act (CSA)
Post Office Box 863
Appomattox, Virginia 24522

TO: Stephanie Bacote, Office of Children's Services Auditor
FROM: Brad Burdette, Appomattox DSS Director, CPMT Chair
c/o Amy Wallen, CSA Coordinator
DATE: April 6, 2017
RE: Audit No: 14-2015

NOTE:

Appomattox County CSA Coordinator and Community Policy Management Team immediately began making changes upon your first visit to our office in February 2016. We appreciate the feedback and support provided during the initial audit.

Since your exit interview conducted in March 2017, the CPMT in unison with the CSA Coordinator have begun putting corrective actions into place.

We will continue to work on our Quality Improvement Plan and promptly submit to you upon completion.

Thank you.