

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

Campbell County

***Audit Report No. 08-2018
January 16, 2018***



Office of Children's Services
Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

Introduction 1

Background 2

Observations and Recommendations

Major Deficiencies

A) Program Activities 3 – 4

B) Governance Activities 4 – 5

Section 2 – Other Deficiencies

C) Fiscal Activities 6 – 7

Conclusion 8

Report Distribution 9

Attachment – Client Responses

EXECUTIVE SUMMARY

The Office of Children's Services (OCS) has completed an audit of the Campbell County Children's Services Act (CSA) program. The Campbell County CSA Program provided services and/or funding for 133 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 Campbell County CSA program included:

- Percent of youth with a decrease in the Child and Adolescent Needs and Strengths (CANS) child behavioral/emotional needs domain, exceeded the statewide average by 22.9%.
- Percent of youth with a decrease in the Child and Adolescent Needs and Strengths (CANS) child school domain, exceeded the statewide average by 8.8%.
- Percent of youth receiving community-based services out of all CSA youth was 15.4% higher than the targeted 50%.

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:

- Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key to coordination and planning by the Family Assessment and Planning Team such as: (1) consent to exchange information; (2) evidence of utilization reviews; (3) discharge CANS; and (4) provider treatment plans.
- The Campbell County CPMT has not fully implemented its utilization management plan and efforts to assess and document overall program effectiveness based upon aggregated data pertaining to utilization of CSA resources and funding. 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 Campbell County CSA program has established and documented parameters for the "Use of Consent Agenda Items by the Family Assessment and Planning Team". However, the areas of guidance provided are not consistent with CSA statutes and/or policies or require further clarification to ensure CSA state and local compliance requirements are met.

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.

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

Handwritten signature of Stephanie S. Bacote in cursive script.

Stephanie S. Bacote, CIGA
Program Audit Manager

INTRODUCTION

The Office Children's Services (OCS) has completed a financial/compliance audit of the Campbell 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 December 28, 2017 and covered the period September 1, 2016 through August 31, 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

Campbell County is comprised of 511 square miles in Virginia's south central Piedmont region. It was settled in 1736 and incorporated in 1781. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Campbell County has a population estimate of 55,562 as of July 1, 2016. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2011-2015 as \$47,699.

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 Campbell County CPMT was established to comply with this statute. The CPMT is supported in this initiative by the Family Assessment and Planning Team (FAPT) and two multi-disciplinary teams (Family Partnership Meeting Team and Truancy Review Team) responsible for recommending appropriate services. 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 Campbell County
(2015-2017)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2015	167	21	14%	\$2,237,579	\$359,410	19%	\$13,399	4%
2016	156	-11	-7%	\$2,473,701	\$236,122	11%	\$15,857	16%
2017	133	-23	-15%	\$2,492,679	\$18,978	1%	\$18,742	15%

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

FY	Pool Expenditures
2015	\$2,237,579
2016	\$2,473,701
2017	\$2,492,679

FY	Census
2015	167
2016	156
2017	133

FY	Unit Cost
2015	\$13,399
2016	\$15,857
2017	\$18,742

**SECTION 1 – MAJOR DEFICIENCIES
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. Fourteen (14) 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 13 (93%) of the 14 case files reviewed. The following areas for improvement were noted:

- Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key to coordination and planning by FAPT. Documentation that could not be verified from the client case files or were not available for review included:

DOCUMENT DESCRIPTIONS	EXCEPTION RATE
• Evidence of utilization reviews	57% (8 of 14)
• Discharge Child and Adolescent Needs and Strength (CANS) Assessments	29% (4 of 14)
• Consent to exchange information	21% (3 of 14)
• Vendor treatment plans	7% (2 of 14)

- Consent agenda forms and Family Partnership Meeting (FPM) Summary/Funding Request that have been utilized as an alternate Individual and Family Services Plan (IFSP) do not include all of the required data elements for documenting and ensuring data integrity and reliability in service planning. Omitted data elements from the consent agenda include: strengths, needs, goals, objectives, strategies, and discharge planning. Omitted data elements from the FPM Summary/Funding Request include signatures of the FPM participants.

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.

Recommendation

- Prior to service planning, 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 CPMT should ensure that all documents utilized as a service plan in lieu of the formal IFSP captures the minimum required data elements to evidence appropriate considerations have been addressed in the service planning process.

- The FAPT and CSA Office should ensure that utilization reviews are performed and evidence of reviews are documented and maintained in individual client case files. The CPMT should consider adopting and utilizing Model IFSP UR Addendum dated July 2016 to evidence utilization review activities.
 - [Model IFSP UR Addendum July 2016](#)
 - [Model IFSP UR Addendum Directions July 2016](#)
- 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) GOVERNANCE ACTIVITIES

Observation #2:	
Criteria	Compliance and Internal Control

The Campbell County CPMT has not fully implemented its utilization management plan and efforts to assess and document overall program effectiveness based upon aggregated data collected pertaining to utilization of CSA resources and funding. Monthly meeting minutes and accompanying reports did not evidence review of “local and statewide data provided in 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.” Utilization management 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.

Recommendation

- The CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of utilization management/utilization review activities. Periodic reporting should be documented in the CPMT meeting minutes. Any supplemental materials should be retained with the official meeting minutes.

- The CPMT should periodically review local and statewide data provided in OCS management reports located on the CSA website, specifically but not limited to:
 - **CSA Performance Measures for FY 2015 and FY 2016**
 - **Performance Dashboard**
 - **Data Set Reports**
 - OCS Reports to the General Assembly (<http://www.csa.virginia.gov/OCSDData/ReportsPublications>)

Client Comment

See Attachment.

Observation #3:

Criteria Compliance and Internal Control

The Campbell County CSA program has established and documented parameters for the “Use of Consent Agenda Items by the Family Assessment and Planning Team”. However, the areas of guidance identified below are not consistent with CSA statutes and/or policies or require further clarification to ensure CSA state and local compliance requirements are met.

Foster Care Initial Placement

The language, as currently stated, does not explicitly direct cases for FAPT referral within 14 days of placement as required by the Children’s Services Act. Instead, it allows for services and funding approval for up to 30 days. [§ 2.2-5209](#)

Medical Cost Not Covered by Medicaid (for foster care youth)

Improperly exempts expenditures other than foster care maintenance from the FAPT referral and assessment process. [§ 2.2-5209](#)

Placement Changes and Extension of Community-Based Services

Changes initiated by consent agenda do not address the implications for the fiscal impact of the authorization of the funding of services, which is not within the scope of authority for case managers, particularly where there may be a significant increase in vendor fees and/or the duration of services where accessibility of funding may be limited (i.e. non-mandated/protected or special education wraparound). [§ 2.2-5206](#)

Recommendation

The CPMT should re-evaluate its “Use of Consent Agenda Items by the Family Assessment and Planning Team” and revise (where necessary) to ensure: (1) relevancy and consistency in the application of local and state CSA requirements for service planning and related documentation, and (2) accountability and quality assurance oversight pertaining to the use of CSA funds.

Client Comment

See Attachment.

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

D) Fiscal Activities

Observation #4:	
Criteria	Internal Control

Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services and/or to meet the needs of the children and families of Campbell County. The CPMT is not effectively exploring all available funding sources prior to utilization of state pool funds. The CPMT funds facilitation services for family partnership meetings as observed in 36% (5 of 14) of client case files reviewed. However, the Virginia Department of Social Services has allocated Family Partnership Meeting (FPM) Incentive Funds for the period FY 16 through 18 to local Department of Social Services (LDSS) offices.

FPM Incentive Funds are to “assist with costs for local staff expenses associated with conducting FPMs such as payments to trained facilitators for conducting FPMs, search activities to locate and include family members, and payments to coaches for internal facilitators.” (See VDSS Broadcasts 9669 and 10309). LDSS offices are eligible to received \$300 for each FPM held, which includes the local cash match of 15.5%. Upon further inquiry with local and state DSS representatives, it was noted that the LDSS could collect the incentive funds even where state pool funds were expended to purchase trained facilitators, which is a direct cost associated with conducting FPMs. Based on reported CSA expenditure reimbursements for FY 17, the Campbell County CPMT authorized funding totaling \$7,000 for FPM facilitation services on 35 occasions that also included a local cash match of 15.5%. Provided all 35 FPMs were included in determining the amount of Campbell County’s FPM incentive allocation, Campbell County could receive \$10,500 in FPM Incentive Funds. Less the facilitation costs, the LDSS would net \$3,500.

Family Partnership Meeting Facilitation - FY2017					
Locality	# of Instances (Duplicated Child Count)	# of Children (Unduplicated Child Count)	Total Amount Spent	Average Cost Per Instance	Average Cost Per Child
Campbell	35	32	\$7,000.00	\$200.00	\$218.75

Source: OCS' Local Expenditure Data Reporting System (LEDRS)

Fiscal Impact – FY2017		Actual		Proposed	
	#	Total Amount	Local Match (15.5%)	Total Amount	Local Match (15.5%)
FPM Incentives - Estimated	35	\$10,500	\$1,627.50	\$10,500	\$1,627.50
CSA Expenditures - Actual	35	(\$ 7,000)	\$1,085	0	0
LDSS Paid Facilitation - Est.		0	0	(\$7,000)	(\$1,085)
Local Net Gain		\$ 3,500	\$2,712.50	\$3,500	\$542.50
Net Incentive		\$787.50		\$2,957.50	

Code of Virginia (COV) § 2.2-5211 states “the community services board, the local school division, local social services agency, court service unit or Department of Juvenile Justice shall continue to be responsible for providing services identified in individual family service plans that are within the agency's scope of responsibility and that are funded separately from the state pool.” The LDSS’ acceptance of FPM Incentive Funds for facilitation services funded by CSA is an acknowledgement that the facilitators are an expense associated with conducting FPMs. With that acknowledgement the LDSS is compensated for an expense for which the cost incurred were paid by another funding source. Accordingly, the local government pays the local cash match twice on the same expenditure. Where the local DSS has assumed responsibility for costs incurred and seeks incentive funds for conducting FPMs, use of CSA state pool under to fund FPM facilitators is not the most effective and efficient use of CSA fiscal resources or local government funds.

Recommendation

The CPMT and local government fiscal representatives should strongly reconsider its practice of using state pool funds for trained facilitators conducting FPMs (within the agency’s scope of responsibility) instead of recognizing fees for services provided as an allowable administrative expense of the LDSS for which incentive funding is available (separately from the state pool) to offset the expenditures incurred.

Client Comment

See Attachment.

CONCLUSION

Our audit concluded that there were major deficiencies in compliance and internal controls over the Campbell 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 December 13, 2017 to present the audit results to the Campbell County CPMT. Persons in attendance representing Campbell County CPMT were:

Denton Sisk, CPMT Chair, Campbell County Public Schools
Daryl Holt, 24th District Court Services Unit
Lisa Linthicum, Campbell County Department of Social Services
Kathy Waller, Campbell County Health Department
Summer Tetterton, Director of Youth, Adult and Community Services
Ronna Johnson-Davis, CPMT Fiscal Agent
Deputy Director of Finance and Management Services

Other attendees representing Campbell County included:

Frank Rogers, County Administrator
Kristin Wright, Staff Attorney
Paul Harvey, Director of Community Development

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

Frank J. Rogers, Campbell County Administrator

Denton Sisk, CPMT Chair

Ronna Johnson-Davis, CPMT Fiscal Agent

Courtney Camden, CSA Coordinator

Irene Williams, CSA Coordinator

SEC Finance and Audit Committee



Youth, Adult & Community Services
Director, Summer Tetterton
P.O. Box 100, Rustburg, VA 24588
Phone: 434-332-9572; 592-9572; 283-9572
Fax: 434-332-9587
www.campbellcountyva.gov

December 28, 2017

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

Dear Ms. Bacote:

Thank you for sharing the Campbell County Children's Services Act (CSA) Program Financial Audit Draft Report and for meeting with the Community Policy and Management Team (CPMT) to discuss your findings. Please find the CPMT's responses to the cited observations below:

- Client Comment – Observation #1
 - Campbell County Youth, Adult and Community Services restructured CSA staff positions effective November 1, 2017. One staff person is now responsible for ensuring that utilization review activities are completed in accordance with policy. This position is also responsible for ensuring that all Child and Adolescent Needs and Strength Assessments (CANS) are completed at the required frequencies; and for reviewing treatment plans and service reports for CSA-funded services.
The three cases identified as not having consent to exchange information forms on file are Special Education Private Day Placements. Historically, Campbell County Public Schools has submitted the parental consent to implement the Individualized Education Plan (IEP) to the CSA Office. Campbell County CPMT and Campbell County Public Schools recognize that this form is not equivalent to consent to exchange information. School case managers of all private day placements will be submitting the required consent to exchange information forms to the CSA Office by January 31, 2018.
 - Campbell County CPMT recognizes the need to include required data elements on the Multi-Disciplinary Team (MDT) Funding Request Forms and a signature page indicating consensus, or lack thereof, among participants. CPMT will discuss the benefit of no longer using approval methods other than formal FAPT meetings and approved MDT meetings as a means of recommending CSA-funded services. Both of these issues will be discussed and acted upon accordingly at the January 2018 CPMT meeting.
- Client Comment – Observation #2

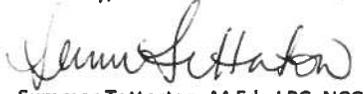
Governing with Vision
to be the most collaborative, professional, value-driven locality in Virginia
www.campbellcountyva.gov

ATTACHMENT – CLIENT RESPONSE

- Campbell County CPMT plans to review aggregate data from OCS management reports no less than once annually. CPMT may consider this as a standing agenda item for the annual retreat.
- Client Comment – Observation #3
 - As previously mentioned in the client comment regarding Observation #1, the CPMT will discuss discontinuing the use of consent agenda items at its January meeting and take action.
- Client Comment – Observation #4
 - In rare occasions in which the Department of Social Services (DSS) received incentive finds after CSA has funded the meeting facilitator, CSA will request repayment for the amount of the incentive. In the event that incentive funds are not available, repayment will not be requested. Campbell County will identify options for incorporating utilization review practices to identify these situations in a timely manner.
The attached Virginia DSS policy regarding Family Engagement endorsing the use of CSA funds for Family Partnership Meeting facilitation is a factor that led to DSS and CPMT adopting the current practice.

Campbell County CPMT recognizes potential for improving CSA program operations and genuinely appreciates the tools that you have provided to assist with accomplishing that. The Campbell County FAPT, CPMT and CSA staff takes great pride in ensuring that youth and families are provided with effective and high quality services. Because of this, any support that is offered to our locality by the Office of Children's Services will be welcomed and appreciated.

Sincerely,


Summer Tetterton, M.Ed., LPC, NCC
CPMT Vice-Chair