

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

Charlotte County

Audit Report No. 04-2021

March 10, 2022



Office of Children's Services
Empowering communities to serve youth

Report Disclaimer

Due to the COVID-19 pandemic, onsite visits have been suspended until further notice. In lieu of onsite visits, audit procedures were conducted remotely to ensure public health safety.

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EXECUTIVE SUMMARY


The Office of Children's Services (OCS) has completed an audit of the Charlotte County Children's Services Act (CSA) Program. The Charlotte County CSA Program provided services and/or funding for approximately 66 youth and families in Fiscal Year (FY) 2021. The audit included a review and evaluation of management oversight, operational and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2020 significant achievements for the Charlotte County CSA Program were:

- Forty-seven percent (47%) of youth had a decrease in Child and Adolescent Needs and Strengths Assessment (CANS) School Domain, which is three percent (3%) above the statewide average. Decreases in CANS scores are indicative of improved functioning.
- Percentage of youth receiving community-based services exceeded the statewide average by 5.2%.
- Family-based foster care exceeded the statewide average by 10.41% and was 9.1% higher than the established target.

However, there are additional opportunities to effect quality improvement in other areas of the CSA Program. Our audit concluded that there were deficiencies in internal controls that could impact the effective and efficient use of resources, as well as compliance with statutory requirements. Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with state and local CSA policies and procedures were not met, resulting in questioned costs of \$26,818.86 (state share). Specific non-compliance items identified were:

- CSA pool funds were expended for Medicaid eligible services provided to a Medicaid eligible client. The current Appropriation Act and CSA Policy Manual 4.4.3 Medicaid Funded Services requires CPMT to use Medicaid funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Children's Services Act.; and
- Initial and/or annual CANS assessments were not administered in accordance with the Code of Virginia (COV) [§ 2.2-5212](#) and CSA Policy Manual 3.6.5 Frequency of CANS Administration.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the Charlotte County CPMT and other CSA staff. Formal responses from the Charlotte County CPMT to the reported audit observations are included in the body of the full report.


Stephanie S. Bacote, CIGA
Program Audit Manager


Rendell R. Briggs, CAMS
Program Auditor

INTRODUCTION

The Office of Children's Services (OCS) has completed a financial/compliance audit of the Charlotte 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 March 1, 2022 and covered the period June 1, 2020 through May 31, 2021.

The objectives of the audit were to:

- Determine whether adequate internal controls have been established and implemented over CSA expenditures.
- Determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- 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.
- 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.
- Assess implementation of quality improvements addressing prior audit observations reported August 2, 2018.

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

Established in 1856, Charlotte County is located in the southwest region of the Commonwealth of Virginia. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Charlotte County has a population estimate of 11,936 as of July 29, 2021. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2015-2019 as \$40,573.

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 local interagency teams referred to as the Community Policy and Management Team (CPMT) who plan and oversee services to youth. Charlotte 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 a full-time CSA Coordinator. Expenditures and demographics for fiscal years 2017 to 2021 are depicted below:

CSA Pool & Census Data by Fiscal Year for Charlotte County (2017 - 2021)

Source: CSA Continuous Quality Improvement (CQI) Dashboard

At-A-Glance				
<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
61	64	59	70	66
Distinct Child Count	Distinct Child Count	Distinct Child Count	Distinct Child Count	Distinct Child Count
1.2M	1.2M	1.0M⁺	1.1M	1.2M
Gross Expenditures	Gross Expenditures	Gross Expenditures	Gross Expenditures	Gross Expenditures
1.1M	1.2M	1.0M	1.0M	1.2M
Net Expenditures	Net Expenditures	Net Expenditures	Net Expenditures	Net Expenditures
\$18,788	\$18,630	\$17,351	\$14,978	\$18,158
Average Expenditure	Average Expenditure	Average Expenditure	Average Expenditure	Average Expenditure
0.2204	0.2204	0.2204	0.2204	0.2204
Base Match Rates	Base Match Rates	Base Match Rates	Base Match Rate	Base Match Rate
0.2213	0.2161	0.2150	0.2069	0.2045
Effective Match Rate	Effective Match Rate	Effective Match Rate	Effective Match Rate	Effective Match Rate

OBSERVATIONS AND RECOMMENDATIONS

FISCAL ACTIVITIES:

Observation
Criteria
Compliance and Internal Control

Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with state and local CSA policies and procedures were not met. The Code of Virginia (COV) [§ 2.2-5206](#) directs the CPMT to “establish quality assurance and accountability procedures for program utilization and funds management.” An exception was identified in two (2) of the ten (10) (20%) client case files reviewed to validate compliance. Refer to the table below for detailed description of exceptions and a breakdown of the applicable questions costs.

Table A Client File Review Exceptions- Fiscal Impact					
Exception Rate	Description (Code)				
10% (1/10)	1. Alternate Funding Source: CSA pool funds used for Medicaid Eligible Expense COV § 2.2-5206 ; § 2.2-5208 ; §2.2-5211 and Current Appropriations Act.				
10% (1/10)	2. Initial and Discharge CANS assessment not completed timely. COV § 2.2-5212 and CSA Policy 3.6.5 Frequency of CANS Administration.				
Exception Code	Clients	Service Description	Period	Total Cost	State Share (Net Fiscal Impact)
1	A	Residential Room and Board	11/24/20 - 03/15/21	\$34,525.44	\$25,013.68
2	B	Initial CANS Assessment	07/08/20 - 02/28/21	\$2,028.75	\$1,805.18
					\$26,818.86

Recommendation

1. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding or other appropriate funding sources. Adequate documentation should be maintained as justification for CPMT funding decisions such as, but not limited to, verification of eligibility/denial for alternate funding sources.
2. During service planning and/or utilization review, the FAPT and CSA Office should ensure that CANS assessments (initial and discharge) are completed in accordance with CSA policies and CANVaS 2.0 user agreements.
3. The CPMT should establish and implement a quality assurance review of client case files at least quarterly to ensure compliance with CSA statutes, policies, procedures etc.

4. 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 Policy 4.7, Response to Audit Findings, of whether there will be any denial of funds, the identified actions are acceptable, or any additional actions that maybe required.

Client Comment

“Our locality concurs with the audit findings. However we gave additional comments during our exit interview. Our comments are:

Client A: This particular child was placed at Newport News Behavioral Health Center (NNBH) and during the initial paperwork of admissions an error was made on the Medicaid Reimbursement Rate sheet. This particular case was a very difficult situation and there were multiple agencies working with the case which honestly caused a lot of confusion during the first year of the pandemic. Once the error was found, our CSA office contacted the facility and requested that it be resubmitted to Medicaid correctly within the allowed one year time frame of her admission date. Our office is hopeful that Magellan will approve the corrected rate and then NNBH can reimburse CSA for the Residential Room & Board cost. NNBH has confirmed through email messages that the request was made to Magellan/Medicaid and the results of that approval are pending. We respectfully requested a point of contact with DMAS/Magellan that we could call to inquiry the status of this resubmission during our exit meeting with Rendell Briggs. Rendell stated he would speak with someone with the OCS office to get a point of contact with DMAS/Magellan for our locality.

Client B: This case was also during the chaos of the pandemic and the DSS office was closed multiple weeks during this timeframe because of multiple outbreaks of positive COVID cases within the office. As a result of this, documents and certifications were delayed in the timeframe of completion.

Respectfully, our locality is requesting that OCS consider these issues that were results of our office experiencing chaos and unforeseen situations because of the COVID pandemic.”

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Charlotte County CSA program. Conditions were identified that could affect the effectiveness and efficient use of resources as well as compliance with statutory requirements. An exit conference was conducted on March 1, 2022 to present the audit results to the Charlotte County CPMT. Persons in attendance representing Charlotte County CPMT were:

Sari C Goff, CPMT Chair, Charlotte Department of Social Services
Norma Tuck, CPMT Fiscal Agent, Charlotte County Administration
Amanda Lee, CSA Coordinator, Charlotte Department of Social Services

Representing the Office of Children's Services was Rendell R. Briggs, Program Auditor. We would like to thank the Charlotte 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

Daniel Witt, Charlotte County Administrator

Sari Goff, CPMT Chair,
Charlotte County Department of Social Services

Norma Tuck, CPMT Fiscal Agent

Amanda Lee, CSA Coordinator