

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

Fauquier County

***Audit Report No. 22-2020
August 19, 2021***



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 Fauquier County Children's Services Act (CSA) program. The Fauquier County CSA program provided services and/or funding to 166 youth and families in fiscal year (FY) 2020. The audit included review and evaluation of management oversight, operational and fiscal practices of the CSA program. Notable accomplishments of the Fauquier County CSA Program as indicated by established CSA performance measures reported as of FY 2019 include:

1. Percent of youth indicating improvement in the Child and Adolescent Needs and Strengths (CANS) Behavioral and Emotional Needs domain exceeds the statewide average by 6.2%.
2. Percent of youth indicating improvement in the Child and Adolescent Needs and Strengths (CANS) Strengths domain exceeds the statewide average by 4.2%.
3. Percent of children finding permanent placement exceeded the statewide average by 7.0%.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were deficiencies in internal controls that affected compliance with statutory requirements. The following significant issues were identified:

1. Expenditure reimbursements were requested and processed for payment of services where CSA compliance was not met. Exceptions were noted for six (6) of ten (10) (60%) client records examined. Specific non-compliance items identified include: (a) services that were not documented in an approved service plan and/or authorized for funding by the Community Policy and Management Team (CPMT), (b) transportation services paid with CSA pool funds that were the responsibility of the local school system, and (c) payment for incidental costs defined as foster care maintenance in addition to the regular monthly maintenance allowance. The total state share of questioned costs equals \$7,655.24.
2. The LOCAL CSA POLICIES AND PROCEDURES MANUAL (the Manual), including Appendices, does not align with CSA statutes and State Executive Council (SEC) policies. The Manual does not clearly state that CPMT approval is needed for foster care maintenance only cases that are not referred to FAPT for service planning and funding recommendations .

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


Stephanie S. Bacote, CIGA
Program Audit Manager


D. Brent Barcomb
Program Auditor

INTRODUCTION

The Office of Children's Services (OCS) has conducted a financial/compliance audit of the Fauquier 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 August 13, 2021 and covered the period January 1, 2020 through December 31, 2020.

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 by OCS on and/or identified in the prior self-assessment evaluation completed by the Fauquier County CSA in the audit report dated August 31, 2018.

The scope of this 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 procedures deemed necessary to meet the audit objectives.

BACKGROUND

Located in Northern Virginia, Fauquier County is part of the Washington, D.C. metropolitan area and one of the fastest-growing counties in the United States. Fauquier County was established on May 1, 1759 from Prince William County. Fauquier County has a total area of 651 square miles. According to the U.S. Census Bureau’s Quick Facts, the July 1, 2019 population of Fauquier County was 71,222 and the median household income from 2015-2019 was \$100,783.

The Children's Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for youth and their families. State funds, combined with local community funds, are managed by a local interagency team, referred to as the Community Policy and Management Team (CPMT) who plan and oversee services to youth. The CPMT is supported in this initiative by one 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 Specialist. Expenditure and demographic information for fiscal years 2017 to 2020 are depicted below:

CSA Pool & Census Data by Fiscal Year for Fauquier County (2017-2020)

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>
	188	165	184	166
Distinct Child Count	4.1M	4.4M	4.2M	4.5M
Gross Expenditures	4.1M	4.2M	4.1M	4.4M
Net Expenditures	\$21,555	\$25,189	\$22,414	\$26,491
Average Expenditure	0.4584	0.4584	0.4584	0.4584
Base Match Rates	0.4381	0.4449	0.4386	0.4422
Effective Match Rate				

OBSERVATIONS AND RECOMMENDATIONS

A) FISCAL ACTIVITIES

Observation #1:

Criteria Compliance and Internal Control

Ten (10) client case files were examined to confirm that required documentation was maintained in support of and to validate Family Assessment and Planning Team (FAPT) service planning recommendations and Community Policy and Management Team (CPMT) funding decisions. At least one exception was noted in 80% of the client files reviewed. The results of that review indicate improvement is needed in the documentation of service planning and funding decisions. Fauquier County CSA was reimbursed of \$7,655.24 (state share) in fiscal years 2020-2021 for expenditures incurred that did not meet compliance requirements. Exceptions as noted in Table A are deemed significant, as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Table A				
Client File Review Exception - Fiscal Impact				
Exception Rate	Description/Exception Code			
60% (6/10)	1. CPMT funding authorization was not evidenced. COV, § 2.2-5206			
60% (6/10)	2. Service funded was not documented in an approved service plan. COV § 2.2-5208 and § 2.2-5212			
10% (1/10)	3. Responsibility of another agency COV, § 2.2-5211			
10% (1/10)	4. Expenditure defined as foster care maintenance; monthly maintenance payment rate VDSS Foster Care Manual, Section 18.1.1			
Exception Code	Service Description	Period	Questioned Cost	
			Total	State Share
1	Foster Care Maintenance	Dec 2019 – Dec 2020	\$10,159.04	\$5,502.14
1 and 2	Utilization Reviews	Dec 2019 – Dec 2020	\$850.00	\$563.50
3	Special Education/Transportation	Dec 2019 – Mar 2020	\$2,935.00	\$1,589.60
4	Foster Care Maintenance/Incidentals*	June 2020	\$89.00	\$48.20
<i>Note: See Appendix A for breakdown by client. * Questioned cost not included in total calculation; amount captured in the total figure for Exception Code 1.</i>			\$13,944.04	\$7,655.24

Recommendation

1. The CPMT or its designee should document authorization of all CSA pool fund expenditures, including expenditures related to foster care maintenance that do not go through the normal FAPT process or require an IFSP.

2. Prior to service planning and/or payment processing, the CSA staff should verify required documentation has been completed (IFSP, funding authorization, etc.). The review should confirm appropriate funding source, compliance with policies of CSA and other related agencies (where applicable) required to access funding, period of service indicated in the invoice and purchase order are consistent with the approved service plan and CPMT authorizations, and potential duplicate payments.
3. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the CPMT agrees with the observation 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 may be required.

Client Comment

1. The County’s practice for foster care maintenance has been approval of the budget by both the CPMT and the Board of Supervisors, with regular review of spending by CPMT as part of the committee’s financial report review. Specific cases were not reviewed given this is a set allocation to Foster Care families upon placement.
 However, the CPMT Chair and DSS Director have approved a new practice by which a listing of those families receiving maintenance funding are reviewed as part of the CMPT sub-committee regular funding allocation reviews with FAPT caseloads and School allocations The new practice includes:
 - o Add new foster care cases to the regular sub-committee review, schedule aligns to FAPT meetings
 - o Add local foster care tab to the CPMT Placement Report
 - o Updated the Funding Request Form to document CPMT approval
 - o CPMT Policy & Procedure will reflect the required changes.
2. We will continue to work with school division where children are placed and our local public schools to ensure transportation related to the approved BID plan for children receiving foster care services are covered per policy. If resistance is met around the immediate admission of students, consultation will be requested from VDSS and VDOE resources.

B) GOVERNANCE

Observation #2:

Criteria

Internal Control

The LOCAL CSA POLICIES AND PROCEDURES MANUAL (the Manual), including Appendices, does not align with CSA statutes, policies adopted by the State Executive Council (i.e. CSA Policy Manual), and/or applicable policies and procedures established by other federal/state/local child-serving agencies. The Manual does not clearly state that CPMT approval is needed for foster care cases that are not required to come before the FAPT or require an IFSP.

While the locality uses a standard form to record funding authorizations. The form was not always completed evidencing CPMT funding authorization for foster care maintenance only cases exempt from FAPT. Client testing confirmed payment for foster care maintenance expenditures without approval by the CPMT or its designee.

Exhibit – Excerpt from the Manual

B.2 Fiscal Administration and Management

The CPMT is responsible for the local overall financial administration, authorization, and management of the Children's Services Act. CPMT Chair, or alternate CPMT member designated by the CPMT Chair, will approve funding the services recommended by FAPT.

- D. The FAPT may approve service plans, however the expenditure of pool funds is subject to final CPMT approval. Purchased services must be consistent with the mission of the Children's Service Act and the policies of the referring agency.
- I. Children in foster care requiring funding for basic maintenance, clothing, daycare, incidentals, and respite only shall be exempt from the FAPT process. A Funding Request

Form completed by the child's social worker will serve as notification to CSA of the date of placement and the necessity to begin funding.

Recommendation

The Fauquier County CPMT should review and revise (where appropriate) the Manual to ensure that the CPMT is responsible for oversight and approval of all CSA expenditures, regardless of the FAPT process or need for an IFSP. Specifically:

1. Page 13, section D.1 Fiscal Responsibility of the Manual should clarify that the CPMT has the fiscal responsibility to approve or deny the use of all CSA funds.
2. Appendix A of the Manual, Section VII. Access to CSA Pool Funds, Items E and I should clarify that the CPMT, or its designee, has to approve all CSA expenditures, including foster care that is exempt from the FAPT process or the need for an IFSP.

Client Comment

Beginning with FY22, Fauquier CPMT will implement the following process for approving foster care maintenance payments:

- Add new foster care cases to the weekly sub-committee review.
- Add local foster care tab to the CPMT Placement Report.
- Approval of the Placement Report and the Financial Report will be added to the agenda.
- The Funding Request Form submitted by case workers will be updated to reflect CPMT Approval.
- CPMT Policy & Procedure will reflect the required changes.

CONCLUSION

This audit concluded that there were deficiencies in internal controls relating to policies and procedures and expenditure reimbursements. Conditions were identified that affected compliance with statutory requirements pertaining to governance and oversight of operational and fiscal transactions. An exit conference was conducted on June 15, 2021 to present the audit results to the Fauquier County CPMT. Persons in attendance representing the Fauquier County CPMT were:

Erin Kozanecki, Deputy County Administrator
CPMT Chair/Local Government Representative

Shel Bolyard-Douglas, Director
CPMT Representative/Fauquier Department of Social Services

Representing the Office of Children's Services was D. Brent Barcomb, Program Auditor.

We would like to thank the Fauquier County CPMT and CSA staff for their cooperation and assistance on this audit.

Appendix A

Fauquier County CSA Program Breakdown of Questioned Costs – By Client

Client	Error Type	Service Description	Period of Services	Total Expenditures	State Share
2	1	Foster Care Maintenance	Jun 2020 – Dec 2020	\$5,640.80	\$3,055.06
	3	Personal Incidentals	Jun 2020	\$89.00 ^{Note1}	\$48.20 ^{Note1}
4	1 and 2	Utilization Review	Dec 2019 – Sep 2020	\$250.00	\$135.40 ^{Note2}
5	1 and 2	Utilization Review	Jun 2020 – Dec 2020	\$150.00	\$115.62
6	1 and 2	Utilization Review	Dec 2019 – Jan 2020	\$100.00	\$42.70 ^{Note3}
	4	SPED Transportation	Dec 2019 – Mar 2020	\$2,935.00	\$1,589.60
9	1 and 2	Utilization Review	Dec 2019 – Dec 2020	\$250.00	\$192.70
10	1	Foster Care Maintenance	Dec 2019 – Sep 2020	\$4,518.24	\$2,447.08
	1 and 2	Utilization Review	Jun 2020 – Sep 2020	\$100.00	\$77.08
Total				\$13,944.04	\$7,655.24

Error Types:

- 1 No CPMT approval. The form used by the local CSA office to document CPMT authorization of funding was not completed. The CSA Office was unable to provide any other evidentiary documentation to affirm that CPMT approval was obtained, required by COV § 2.2-5206.
- 2 Services funded were not documented in an approved service plan (IFSP). Utilization Review services provided by the local Department of Social Services did not appear on an IFSP. COV § 2.2-5208.
- 3 Foster care maintenance/personal incidental; included in monthly maintenance payments. The Local Department of Social Services purchased a car seat for a foster care child. Pursuant to the Child and Family Services Manual, Section E. Foster Care, 18.1.4, the expense is deemed a personal incidental that is included in the routine foster care maintenance payment.
- 4 Transportation costs for students attending special education private day schools are the responsibility of the local public school system. COV § 2.2-5211

Explanations:

^{Note1} Figures not included in total calculation; captured in total figure for error type 1.

^{Note2} Incorrect expenditure category/match rate applied. State share calculation based on SPED Wrap (2H/\$0.4584) rather than community-based services (2F/\$0.2292).

^{Note3} Incorrect expenditure category/match rate applied. State share calculation based on Congregate Care/Foster Care (1B/\$0.5730) rather than community-based services (2F/\$0.2292).

REPORT DISTRIBUTION

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