

CHILDREN'S SERVICES ACT
PROGRAM AUDIT

Greene County

Audit Report No. 10-2018

December 5, 2017



Office of Children's Services
Empowering communities to serve youth

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EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the Greene County Children's Services Act (CSA) program. The Greene County CSA program provided services and/or funding for approximately 34 at-risk youth and families in fiscal year 2017 (FY17). The audit included review and evaluation of management oversight, operational and fiscal practices. Greene County Community and Policy Management Team (CPMT) demonstrated the following efforts were made to ensure that services were provided to eligible youth and families:

- In FY16, 77.8% of youth exiting foster care were placed in a permanent living arrangement which is a 27.8% increase from FY 15.
- In FY16, 51.2% of the youth received community based services out all youth served by Greene County, exceeding the statewide target by 2.1%.
- In FY17, Greene County had a 25% decrease in expenditures and a 21% decrease in the number of clients served from FY16.

However, there are additional opportunities to effect quality improvement in other areas of the CSA program. The audit concluded that there were major deficiencies¹ in compliance and internal controls particularly in reference to operational and governance practices. Conditions were identified that could adversely impact the effectiveness and efficient use of resources, as well as compliance with statutory requirements. The following significant issues were identified:

- Adequate measures have not been established and/or implemented by the Greene CPMT to evaluate and ensure the accountability and effectiveness of the locally managed CSA program. The CPMT has not documented a formal plan to substantiate coordination of long-range plan. A formal process documentation of utilization management (UM) activity has not been implemented.
- Documentation of utilization review (UR) in service planning activities requires strengthening to ensure compliance with program requirements and best practices.

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



Stephanie S. Bacote, CIGA
Program Audit Manager



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Program Auditor

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 of Children's Services has completed a financial/compliance audit of the Greene County Children's Services Act 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 5, 2017 and covered the period October 1, 2016 through September 30, 2017.

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.

The scope of the audit included youth and their families who received CSA funded services during the last nine months of FY17 and the first three months of FY18. Audit procedures performed included reviews of relevant laws, policies, procedure, 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.

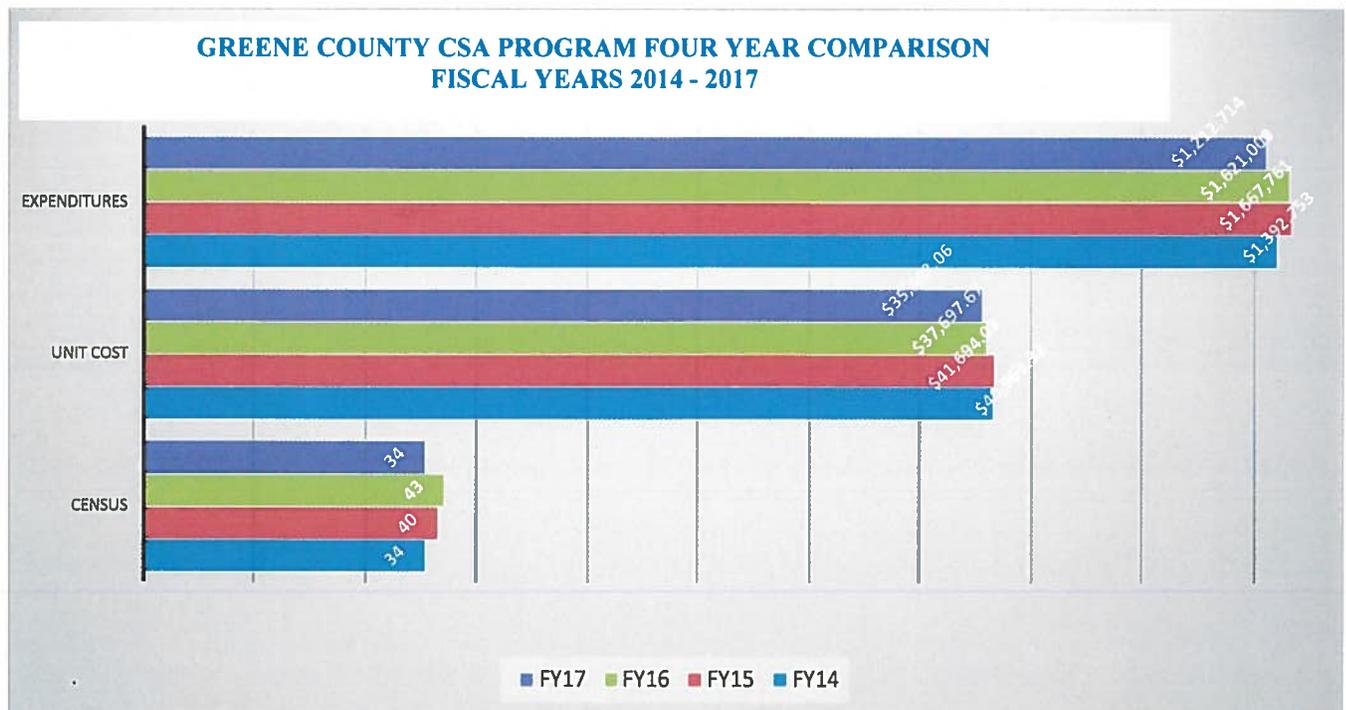
BACKGROUND

Greene County was established in 1836 from Orange County and was named after Nathanael Greene, a respected Revolutionary War General. The County seat is Stanardsville. According to the U.S. Census Bureau, State and County Quick Facts report, the estimated population in 2016 was 19,371 and the median household income from 2011-2015 was \$61,550. Greene County contributed 14,619 acres of land for the formation of Shenandoah National Park located in the Blue Ridge Mountains.

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 the Community Policy and Management Teams (CPMT) which plans and oversees services to youth. Greene County CPMT has established a Family Assessment and Planning Team (FAPT) that are responsible for recommending appropriate services to at risk children and families. The CPMT is supported administratively by a CSA Coordinator. Expenditure demographics for fiscal 2014 to 2017 are depicted below.

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2014	34	-5	-13%	\$1,392,752	\$65,739	-5%	\$40,963	10%
2015	40	6	18%	\$1,667,761	\$275,008	20%	\$41,694	2%
2016	43	3	7%	\$1,621,000	-\$46,761	-3%	\$37,698	-10%
2017	34	-9	-21%	\$1,212,714	-\$408,286	-25%	\$35,668	-5%

Note: Changes recorded for FY 14 are based on difference from fiscal year 2013 to 2014



**MAJOR DEFICIENCIES
OBSERVATIONS AND RECOMMENDATIONS**

A) CPMT GOVERNANCE

Observation #1:

Criteria:

Compliance and Internal Control - Repeat Observation

Adequate measures have not been established and/or implemented by Greene County CPMT to evaluate and ensure the accountability and effectiveness of the locally managed CSA program. Opportunities for improvement were noted based on instances of non-compliance with CSA statutory requirements identified as follows:

- The CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of current risks, strengths and needs of the existing system, as well as establishing and documenting measurable criteria for evaluating the effectiveness of the local CSA program.
- A formal process documenting utilization management (UM) activity has not been implemented by Greene CPMT. Program oversight by the CPMT has not included review and/or assessment of specific reports that summarize, in aggregate, program outcomes to demonstrate accomplishment of local program goals and objectives and effectiveness of the services provided correlated with the funds expended. Specifically, the CPMT has not reviewed 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, child and family outcomes, and performance measures. The CPMT had not tracked 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. Moreover, the CPMT has not identified goals and objectives for its locality to assess overall program performance.

The ability and likelihood of the CPMT to adequately monitor and provide oversight of the local CSA program is an essential component of the organizational governance. The absence of a formal planning, coordination and program evaluation to ensure that the goals and objectives of the program are met ultimately impacts the CPMT efforts to better serve the needs of the youth and families in the community to maximize the use of state and community resources.

The non-compliance observations referenced in this report were also identified by the CPMT in the completion of their self-assessment workbook in March 2015. Greene County CPMT submitted a quality improvement plan (QIP) to establish performance measures and to set aside time to review management reports quarterly with a target dates of completion of March 31, 2015 and June 10, 2015 respectively; however, to date of this report, little to no effort has been dedicated to completing these task. The CPMT, as the governing body, is responsible for on-going monitoring of the QIP plan to ensure timely implementation of the plan and the actions taken are continuously working as intended. The CPMT has provided an updated QIP with a new target of February 7, 2018.

Recommendations:

- As required by CSA statute, Greene County CPMT should coordinate a long-range planning that ensures the development of resources and services needed by children and families in their community. The strategic plan should incorporate S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, Timely) goals and objectives to facilitate effective and meaningful overall evaluations of the Greene County CSA program.
- In accordance with their QIP, the CPMT should track and report on their progress in meeting their strategic goals and objectives to all stakeholders at least quarterly, to bring about further awareness of the CSA program and to evidence a formal program evaluation activity.
- 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:
 - [CSA Performance Measures for FY 2015 and FY 2016](#) (web link)
 - [Performance Dashboard](#) (web link)
 - [Data Set Reports](#) (web link)
 - OCS Reports to the General Assembly (web link: <http://www.csa.virginia.gov/OCSData/ReportsPublications>)

Client Comment:

“Greene County CPMT has established new dates in the QIP for completion of noted deficiencies.”

B) PROGRAM ACTIVITIES

Observation #2:

Criteria:

Compliance and Internal Control – Repeat Observation

Documentation of utilization review (UR) in service planning activities requires strengthening to ensure compliance with program requirements and best practices. Two (2) out of the five (5) client cases files examined were congregate care placements. Greene County has an agreement with the Office of Children’s Services to perform state sponsored UR all non-educational residential placements. However, the Greene County CSA Office did not submit those cases for review in FY 17. Upon inquiry of OCS program staff, the last request for UR services was in FY15 and that was only for one of the two cases examined. Per review of data set reports for FY 16 and FY 17, Greene County had 8 clients and 4 clients respectively in congregate care. Greene County current policy states cases will be reviewed quarterly or at least every six months.

The CPMT acknowledged through the completion of the self-assessment workbook in March 2015 that their Utilization Management/Utilization Review policy and procedure need to be revised to incorporate current best practices. However, to date of this report, little to no effort has been dedicated to completing this task. The CPMT has submitted an updated QIP with a new target date of completion of March 7, 2018.

The CPMT is tasked with ensuring services provided are not in excess of the level of need. Ineffective UR results continued funding services that are not appropriate and/or ineffective.

Recommendations:

- FAPT UR activities should be enhanced by tracking and documenting client progress based on measurable treatment goals that align to the client needs.
- The CPMT should re-evaluate whether they intend to pursue State sponsored utilization reviews for their residential.
- The CPMT should follow through with their QIP regarding updating their UM/UR policy to align with state best practices.

Client Comment:

“Greene County CPMT has established new dates in the QIP for completion of noted deficiencies.”

CONCLUSION

Our audit concluded that there were major deficiencies in compliance and internal controls over the Greene County CSA program, particularly in reference to operational and governance practices and fiscal activities. Conditions were identified pertaining to programmatic/statutory compliance, operating, and fiscal practices of the locally administered program that could adversely impact the effective and efficient use of resources, as well as compliance with statutory requirements. An exit conference was conducted on Wednesday, November 8, 2017, to present the audit results to the Greene County CPMT. Persons in attendance representing the Greene County CPMT were as follows:

James Howard, CPMT Chair, Social Services
Shannon Wright, Vice Chair, Community Service Board
Wendy Mitchem, Greene County Public Schools
Sandra Fisher, Health Department
Amy L. Haynes, Private Provider Representative
Amanda Long, CSA Coordinator

Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank Green County Community Policy and Management Team and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services

John Barkley, County Administrator
Greene County

James Howard, CPMT Chair

Tracy Morris, Deputy County Administrator
Director of Finance and CPMT Fiscal Agent

Amanda Long, CSA Manager

SEC Finance and Audit Committee