

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

Highland County

Audit Report No. 20-2019

August 8, 2019



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 Highland County Children's Services Act (CSA) Program. The Highland County CSA Program provided services and/or funding for approximately three (3) youth and families in Fiscal Year (FY) 2018. The audit included review and evaluation of management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2018, significant achievements for Highland County and the CSA Program were:

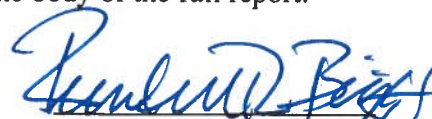
- One hundred percent (100%) of the youth showed a decrease in the Child and Adolescent Needs and Strengths Assessment (CANS) for behavioral/emotional needs domain, which exceeded the statewide average by 54.7% ;
- One hundred percent (100%) of the youth demonstrated improvement in the CANS strengths domain, which is 45.5% above the statewide average;
- One hundred percent (100%) of foster care children were placed in family based placements, exceeding the statewide target by 15% and the statewide average by 19.1%; and.
- One hundred percent (100%) of the children who exited from foster care to a permanent living arrangement exceeded the statewide target by 14% and the statewide average by 22.9%.

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. Additionally, these observations were also identified in the prior audit report dated April 3, 2017. The following significant issues were identified:

- Utilization Management (UM) activities documented by the Community Policy & Management Team (CPMT) for Highland County did not incorporate data elements that are sufficient and meaningful in monitoring accountability and assessment of the CSA Program's effectiveness and processes toward the achievement of its goals and objectives.
- The Highland County CPMT has documented formal local bylaws and policy manual (last revised 11/2017) to govern the local CSA program. However, local CSA policies and procedures have not been documented governing Intensive Care Coordination (ICC) and records management and data security procedures.
- The CPMT has not fully established and implemented measures to promote the local CSA program and share information regarding the program's philosophy, ethics, goals, performance, outcomes, and/or success stories. The CPMT has not fully established and implemented a formal orientation and/or continuing education program.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the Highland County CPMT and other CSA staff. Formal responses from the Highland 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 Highland 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 8, 2019** and covered the period June 1, 2018 through May 31, 2019.

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 and/or identified in the prior self-assessment evaluation completed by the Highland County CPMT. The CSA program audit self-assessment validation was completed April 3, 2017

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 1847, Highland County is located west of the Shenandoah Valley of the Commonwealth of Virginia. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Highland County has a population estimate of 2,265 as of January 28, 2019. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2013-2017 as \$45,094.

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. The Highland 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. Expenditure and demographics for fiscal years 2015 to 2018 are depicted below:

**CSA Pool & Census Data by Fiscal Year for Highland County
(2015-2018)**

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
2015	1	0	0%	\$3,749	\$-10,043	-73%	\$3,749	-73%
2016	1	0	0%	\$955	-\$2,794	-75%	\$955	-75%
2017	2	1	100%	\$55,925	\$54,971	5,756%	\$27,963	2,828%
2018	3	1	50%	\$76,795	\$20,870	37%	\$25,598	-8%

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

FY	Pool Expenditures
2015	\$3,749
2016	\$955
2017	\$55,925
2018	\$76,795

FY	Census
2015	1
2016	1
2017	2
2018	3

FY	Unit Cost
2015	\$3,749
2016	\$955
2017	\$27,963
2018	\$25,598

OBSERVATIONS AND RECOMMENDATIONS

A) GOVERNANCE ACTIVITIES:

Observation #1	Criteria	Compliance and Internal Control – Repeat Observation
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Adequate measures have not been established and/or implemented by the Highland County CPMT to evaluate and ensure accountability and effectiveness of the locally managed CSA Program. Opportunities for improvement were identified as follows:

1. The Highland County CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of the current risks, strengths, and needs of the existing program. While the CPMT has adopted the guiding principles of the Promoting Safe & Stable Families (PSSF) Grant, strategic standards and objectives have not been established to ensure the development of resources and services that reflect measures and outcomes needed by youth and families in its community.
2. Program oversight by the CPMT has not included a 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.
3. The CPMT has not instituted a formal process of tracking 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.

The ability and likelihood of the CPMT to adequately monitor and provide oversight for 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 impact the CPMT's efforts to better serve the needs of the youth and families in the community and to maximize the use of state and community resources.

The compliance observation referenced in this report was also identified in the prior audit report issued April 3, 2017. The CPMT, as the governing body, is responsible for on-going monitoring to ensure timely implementation of the quality improvement plan and the actions taken are continuously working as intended.

Recommendation

1. The CPMT should incorporate specific metrics that provide a framework for monitoring and evaluating the achievement of established strategic objectives. The recorded minutes of the

CPMT meeting should reflect a summary of CPMT's discussions and actions to be taken, if any. A copy of reports reviewed should be retained with the minutes.

2. The CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of UM/UR activities that includes local and statewide data provided in OCS management reports located on the CSA website; specifically but not limited to:
 - a. CSA Continuous Quality Improvement (CQI) Dashboard
 - b. OCS Reports to the General Assembly,

Periodic reporting should be documented in the CPMT meeting minutes. Any supplemental materials should be retained with the official meeting minutes.

Client Comment

"The CPMT agenda will include periodic reporting of data after implementation of a formal strategic plan as well as utilization activities."

Observation #2

Criteria

Compliance and Internal Control – Repeat Observation

The Highland County CPMT has documented formal local bylaws and policy manual (last revised 11/2017) to govern the local CSA program. However, the existing Highland County CSA policies and procedures are not consistent with established state CSA requirements to govern local CSA programs. A review of the Highland County CPMT bylaws and policies and procedures identified the following opportunities for improvement:

1. Local CSA policies and procedures have not been documented governing Intensive Care Coordination (ICC) in accordance with Code of Virginia 2.2-5206.
2. Policy verbiage has not been established governing records management and data security procedures; specifically, the retention and disposition of state and local public records in accordance with the Library of Virginia, COV 42.1-85.

The CPMT should established policies and procedures that are consistent with State statutes, established guidance for the CSA and/or best practices to the govern local CSA Program.

The compliance observation referenced in this report was also identified in the prior audit report issued April 3, 2017. The CPMT, as the governing body, is responsible for on-going monitoring to ensure timely implementation of the quality improvement plan and the actions taken are continuously working as intended.

Recommendation

1. The CPMT should review and revise local CPMT Bylaws and Policy/Procedure Manual to ensure alignment with current CSA statutes and polices adopted by the State Executive

Council for Children’s Services (SEC) specifically, but not limited to, ICC and Records Management. The CPMT should adopt a policy that will address the frequency of review of current policies.

2. The CPMT should designate a records officer and/or an approving official to authorize and maintain records destruction by signing each Certificate of Records Destruction (RM-3 Form).

Client Comment

“CPMT will review and adopt policy verbiage.”

Observation #3

Criteria

Internal Control – Repeat Observation

The CPMT has not fully established and implemented measures to promote the local CSA program and share information regarding the program’s philosophy, ethics, goals, performance, outcomes, and/or success stories. The CPMT has not fully established and implemented a formal orientation and/or continuing education program to ensure new and existing local CSA stakeholders are afforded awareness on the duties and responsibilities of CPMT, state requirements (e.g. legislative changes), and local policies and procedures governing CSA. The establishment of a formal training program will ensure stakeholders understand and can further articulate the purpose and the responsibilities of the CPMT and FAPT. In addition, continuing education programs promote consistent application of state requirements and local CSA policies and procedures, which lead to the achievement of stated performance measures/outcomes. The broader dissemination of information should be shared with all new team members, community stakeholders and families to promote consistency in awareness and understanding regarding accessibility to services and funding, and also to demonstrate high standards for sound fiscal accountability and responsible use of taxpayer funds.

The compliance observation referenced in this report was also identified in the prior audit report issued April 3, 2017. The CPMT, as the governing body, is responsible for on-going monitoring to ensure timely implementation of the quality improvement plan and the actions taken are continuously working as intended.

Recommendation

The CPMT should implement a process to enhance communications and periodically assess the training needs of new and existing CPMT, FAPT, and community stakeholders. Based upon assessment results, the CPMT should develop and implement a formal training agenda. At least annually, the CPMT should report on continuing education acquired/provided by CPMT and FAPT members as well as participation by community stakeholders (i.e. parent representatives, private providers, etc.)

Client Comment

“The CPMT established measures to promote the local CSA program and implement a formal orientation and continuing education program. “

B) DATA INTEGRITY AND SECURITY:

Observation #4

Criteria

Internal Control

Data integrity and information security practices and procedures pertaining to CSA client records have not been consistently applied to ensure the reliability and accuracy of service planning activities. The Code of Virginia, Children’s Services Act requires that consent to exchange information be obtained from the parent and/or legal guardian to share client information collected by partnering agencies and other providers with the local CSA representatives. The consent to exchange information for three out of three (100%) eligible cases files had expired. Failure to obtain current consent increases the likelihood of unauthorized exposure of protected information.

Recommendation

The FAPT and CSA Coordinator should ensure that all required documentation is maintained in client case files, including up to date consent to exchange information forms.

Client Comment

“CSA and DSS have adopted new consent forms with expiration at close of case or revoked and adopted the Library of Virginia Records Retention and Disposition Schedule.”

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Highland County CSA program. Conditions were identified that could impact the effectiveness and efficient use of resources as well as compliance with statutory requirements. An exit conference was conducted on August 8, 2019 to present the audit results to the Highland County CPMT. Persons in attendance representing Highland County CPMT were:

Dr. Thomas Schott, CPMT Chair, Highland County Superintendent of Schools
Ms. Beth Armstrong, CSA Coordinator/Fiscal Agent, Department of Social Services
Ms. Karen L. Devore, CSA Program Support, Department of Social Services

Representing the Office of Children's Services was: Rendell R. Briggs, Program Auditor. We would like to thank the Highland 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
Roberta Lambert, Highland County Administrator
Beth Armstrong, CSA Coordinator