

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

Louisa County

Audit Report No. 017-2024

September 26, 2024



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 Louisa County CSA Program. The Louisa County CSA Program provided services and funding to 100 eligible youth and families in fiscal year (FY) 2023. The audit included reviewing and evaluating management oversight and operational and fiscal practices. Based upon established statewide Children's Services Act (CSA) performance measures and outcomes data reported as of FY 2023, significant achievements for the Louisa County CSA Program were:

- Based on the 2019-2023 Child and Adolescent Needs Strength (CANS) assessments, behavioral and emotional needs improved for 53% of youth and families receiving funded service through CSA, which is 8% higher than the statewide average.
- Youth starting services between FY 2019 and FY 2023 improved their initial CANS assessment scores by 63% in the child strengths domain. This outcome measure represents the percentage of youth with a decreased score (indicating an increase in strengths) in the CANS instrument's child strengths domain from a baseline assessment to the most recent re-assessment.
- Seventy-eight percent (78%) of youth, among all youth receiving CSA-funded services in the year, received only community-based services.

The Louisa County Community Policy and Management Team also provided a summary highlighting the successes of its Strengthening Families Program (SFP). The SFP is an evidence-based parent training, youth life skills, and drug prevention program created by the National Institute of Drug Abuse. Over 30 families in Louisa County have participated in the program. The complete summary is included as an attachment to this report.

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that there were deficiencies in internal controls and compliance over fiscal governance and operational practices that affect the effective and efficient use of resources and statutory compliance. The following significant issues were identified:

- Data elements were omitted from the Individual and Family Services Plan (IFSP) of 45% (5/11) of client records examined. CSA Policy 3.5 Records Management requires child-specific documentation collected to demonstrate compliance, including desired outcomes and timeframes (i.e., goals/objectives), Family Assessment and Planning Team (FAPT) signatures, utilization review data (i.e., discharge planning), and parent/guardian participation.
- Formal performance measures and utilization review practices and procedures to assess overall program effectiveness have not been established per COV §2.2-5206 items 6 and 13. CPMT meeting minutes and accompanying reports did not evidence continuous quality improvement activities as directed by utilization management requirements.

The Office of Children's Services appreciates the cooperation and assistance provided by the CPMT and other CSA staff. Formal responses from the Louisa County CPMT to the reported audit observations are included in Attachment 2.

INTRODUCTION

The Office of Children’s Services has completed a financial/compliance audit of the Louisa County 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 to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on September 25, 2024, and covered the period from April 1, 2023, through March 31, 2024.

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.
- Assess the implementation of quality improvement plans addressing audit observations reported by OCS in the prior audit report dated April 10, 2019.

The audit scope included youth and their families who received CSA-funded services during the audit period. Audit procedures included reviews of relevant laws, policies, procedures, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other required audit procedures to meet the audit objectives.

BACKGROUND

Louisa County, located in central Virginia, was established in 1742. According to the US Census Bureau Quick Facts, the 2023 population was 41,037. The median household income from 2018-2022 was \$76,594.

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 a local interagency team, the Community Policy and Management Team (CPMT), that plans and oversees services to youth. The Louisa County CPMT is supported by a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to eligible children and families. Administrative services are managed through the local CSA office staffed by the CSA Coordinator. Expenditure demographics for fiscal years 2020 to 2023 are depicted below.

Source: CSA Data and Outcomes Dashboard
(Web link: [Data and Outcomes Dashboard \(CQI\)](#))

At-A-Glance

	2020	2021	2022	2023
Distinct Child Count	111	109	102	100
Net Expenditures	\$3.5M	\$4.1M	\$3.9M	\$4.0M
Local Net Match	\$1.5M	\$1.8M	\$1.7M	\$1.7M
Average Expenditure	\$31,743	\$37,874	\$38,170	\$40,243
Base Match Rate	0.4401	0.4401	0.4401	0.4401
Effective Match Rate	0.4362	0.4337	0.4286	0.4302

CQI dashboard data consists of information submitted by individual Virginia localities for youth receiving CSA-funded services in the reporting period. Statewide data was updated through 07/15 of the current program year.

OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM ACTIVITIES

Observation 1:

Criteria:

Compliance and Internal Control

Eleven (11) client files were examined to confirm that required documentation was maintained to support and validate FAPT referrals and CPMT funding decisions. At least one exception was observed in 45% (5/11) of the files reviewed. Exceptions noted in Table A below are significant as they are critical to evidencing the appropriateness of services and compliance with CSA funding requirements.

Table A: Client File Review Exceptions- No Fiscal Impact COV 2.2-5208 and CSA Policy 3.5 Records Management	
Rate	Description
45% (5/11)	Missing Individual and Family Services Plan (IFSP) Data Elements: (1) measurable goals/objectives, (2) FAPT signatures, (3) discharge planning, (4) parent/guardian signature consent, and (5) family input/strengths.

Recommendations:

1. During service planning, the FAPT and the CSA Coordinator should ensure that minimum documentation requirements are met and relevant documents are maintained in individual client case files. Ensure all data fields on the service plan are filled (no blanks).
2. Someone other than the CSA Coordinator should perform periodic case file reviews to establish quality control of client records and ensure compliance with CSA statutory requirements. Targeted areas should include, but are not limited to, eligibility verifications, collection and recording of required data, and document retention/file management.

B) CPMT GOVERNANCE

Observation 2:

Criteria:

Compliance and Internal Control

A formal process documenting continuous quality improvement (CQI) and utilization management (UM) has not been implemented by Louisa County CPMT following COV §2.2-5206 items 6 and 13. CPMT monthly meeting minutes and accompanying reports did not evidence CQI/UM activities to include:

1. Reviewing local and statewide data provided in the management reports on the number of children placed out of state, demographics, types of services provided, duration of services, services expenditures, child and family outcomes, and performance measures.

2. Tracking the utilization and performance of 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 settings, or their community.

The absence of this information undermines assurance that CPMT monitoring activities comprehensively address the minimum requirements established in COV §2.2-5206.

Recommendations:

The CPMT minutes should document the outcome of CQI activities, and supporting documentation should be maintained with the recorded minutes. Utilization management tools and resources are available on the CSA website to help local programs meet compliance requirements. Use the template below at least annually to document CQI activities. Source data is available through the Data and Outcome Dashboard and CSA Utilization Reports.

1. [Strategic Planning Tools \(CQI\) Documentation Template with Instructions \(Download\)](#)
2. Data and Outcomes Dashboard (<https://csa.virginia.gov/Resources/CQIDashboardReport>)
3. CSA Utilization Reports (<https://csa.virginia.gov/Resources/ContinuousQualityImprovement>)

Observation 3:

Criteria:

Compliance and Internal Control

The CPMT did not effectively implement internal controls established by CSA statutes to safeguard against conflicts of interest. OCS Administrative Memo #18-02 [Statement of Economic Interest Filings for FAPT and CPMT Members](#) guided local CSA programs regarding filing requirements. The guidance states that non-public members must complete the "long" form defined in COV §2.2-3117 upon appointment. Exceptions were noted as follows:

1. The CPMT private provider representative did not file the Statement of Economic Interest (SOEI) form on time. CPMT minutes document the private provider representative’s participation since March 2023. The SOEI form was not filed until April 2024.
2. The FAPT parent representative filed the Financial Disclosure Form instead of the required Statement of Economic Interest (long form) as directed by COV [§ 2.2-5207](#).

The increased opportunity for individuals to keep all personal and financial interests private reduces the effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds.

Recommendations:

The CPMT should ensure that the SOEI form is completed immediately upon appointment for all non-public participating members serving on the CPMT and FAPT. Completed disclosure forms should be maintained following Administration memo #18-02 guidance.

Observation 4:

Criteria:

Compliance and Internal Control

The Louisa County CPMT has not adopted a formal strategic plan with measurable goals/objectives, strategies, performance metrics/benchmarks, and target dates. CPMT minutes for the review period did not evidence any discussion of long-range planning activities or progress. The absence of formal planning, coordination, and program evaluation reflecting the current operating environment ultimately impacts CPMT efforts to maximize state and community resources better to serve the needs of eligible youth and families.

Recommendations:

1. The CPMT should develop and adopt a formal strategic plan that includes measurable goals/objectives, benchmarks/milestones, responsible parties, and target implementation dates. Consider using the SMART format (Specific, Measurable, Achievable, Relevant, and Time-bound).
2. The CPMT should periodically review and report on your strategic plan achievement progress. Use the strategic planning tools to document your actions:
 - [Strategic Planning Tools \(CQI\) Documentation Template with Instructions \(Download\)](#)
 - [Strategic Planning Tools \(CQI\) Terms and Definitions](#)
 - [Strategic Planning Tools \(CQI\) Training](#)

Observation 5:

Criteria:

Internal Control

Locally adopted CSA policies and procedures did not always align with statutory language or policies adopted by the State Executive Council. Noted areas where clarification of local policies is warranted were observed as follows:

1. **Services to Youth Over 18.** The local policy references the Child in Need of Services (CHINS) population and CSA Parental Agreements as eligible for CSA funding. However, Services provided to a “child in need of services” in the community or a child placed through a CSA parental agreement in a treatment program may not extend past the youth’s 18th birthday. There is no statutory provision to continue these services beyond that age limit.
2. **Parental Contributions.** The local policy states, “The special education director has the authority to waive parental co-pay when it would hinder cooperation with services required to prevent a more restrictive educational placement.” By law, parental contributions cannot be assessed on services specified in an IEP. However, parental contributions apply to special education wraparound services FAPT recommends. Clarification should be added if this exception applies to special education wraparound services.
3. **FAPT Exemptions.** The local policy states, “For children in DHS custody, clothing allowance does not require FAPT or CPMT approval.” While foster care maintenance services may be exempt from the FAPT process, all services funded by the State Pool require CPMT authorization per COV 2.2-5206.

Recommendations:

The CPMT should periodically (at least annually) review the local policy manual to ensure alignment with the COV Children’s Services Act, CSA Policy Manual, and applicable policies of partnering child-serving agencies.

C) Data Reporting and Integrity

Observation 6:

Criteria:

Compliance and Internal Control

Data irregularities were observed in the documentation of service planning and funding decisions for two (2) clients. These errors undermine the reliability and integrity of data supporting the appropriateness of services funded and the accuracy of reported expenditures. Specifically observed:

CLIENT B:

Service Planning. The CANS assessment was not closed within 60 days of starting the evaluation. Per CSA Policy 3.6.6.B CANVaS 2.0, which addresses the online data system and the validity of assessments, all users requesting access shall agree to the terms of the User Agreement. The agreement covers access, security, confidentiality, and closure (completion) of assessments within a specified timeframe. The agreement states, “In signing this agreement, the User acknowledges and agrees with the following: I will close CANS assessments within completed and not allow an assessment to remain open past the sixty-day mark. I understand that assessments that remain open after sixty days of the assessment date will be deleted from CANVaS 2.0 and cannot be retrieved.”

Financial Reporting. Expenditures reported as foster care maintenance-clothing included non-clothing items (watch, backpack, headphones, and water bottle). Funding for such incidentals, totaling \$53.17 (state share), is included in the monthly maintenance allotment separate from the annual supplemental clothing allocation. Recording the incidentals as clothing reduces funds available for that purpose while simultaneously exceeding the established maintenance rate. Per the Virginia Department of Social Services (VDSS) Foster Care Manual 18.1.6., exceeding the maintenance rates is prohibited.

CLIENT C:

Service Planning. The Virginia Enhanced Maintenance Assessment Tool (VEMAT) is used to assess the child’s behavioral, emotional, or physical/personal care needs to determine if an enhanced maintenance payment is necessary to ensure the safety and well-being of the child. The VEMAT provided for review did not indicate the “effective date” or the “approved date” of the assessment, suggesting that the assessment had not been adequately completed and saved. According to the VEMAT User Guide, the details of an open (i.e., not approved or closed) can be edited until the assessment is approved/saved. Approved assessments cannot be modified. Incomplete assessments may undermine assurance that enhanced maintenance rates funded by CSA, based on assessed needs, are consistent with established policies.

Financial Reporting. Care coordination services purchased from a private vendor were incorrectly labeled case support. Case support is a separate and distinct service that can only be purchased from a public child-serving agency. It includes basic case oversight for a child not otherwise open to a public child-serving agency, solely to bring cases to FAPT for service planning when no public agency is responsible for providing case management services.

Recommendations:

1. During service planning or utilization review, the FAPT and CSA Office should ensure that CANS assessments are completed following CSA policies and CANVaS 2.0 User Agreements. Exception reports should be documented and shared with CPMT periodically to promote stakeholder accountability and ensure established internal controls consistently work as intended.
2. The CSA Office should ensure that an adequately approved VEMAT, identifying “effective” and “approved” dates, is obtained before processing CSA-funded enhanced maintenance payments.
3. The CSA Office and fiscal staff should periodically review completed financial reports to ensure transactions are recorded using the correct service name descriptions. Identified discrepancies should be immediately corrected.

CONCLUSION

This audit concluded that there were deficiencies in internal controls that could affect compliance with statutory requirements. An exit conference was conducted virtually on August 21, 2024, to present the audit results to Louisa County CPMT. Persons in attendance representing Louisa County CPMT were as follows:

Toni Williams, Louisa County Board of Supervisors/CPMT Chair
Christian Goodwin, Louisa County Administrator
Raymond Crosen, Private Provider Representative
Chrissie McCotter, Parent Representative
Janice Shepherd, Department of Human Services
Alexandra Tisdale, 16th District Court Service Unit
Charlie Fawcett, Region Ten Community Services Board
Wanda Colvin, CPMT Fiscal Agent
Whitney Deane, CSA Coordinator

Stephanie Bacote, Program Audit Manager, represented the Office of Children's Services. We thank Louisa County CPMT and related staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director

Office of Children's Services

Christian Goodwin, Louisa County Administrator

Toni Williams, CPMT Chair

Louisa County Board of Supervisors

Wanda Colvin, CPMT Fiscal Agent

Whitney Deane, CSA Coordinator

Attachment 1 – Louisa County CPMT Highlight

Source: Louisa County Community Policy and Management Team

Under the direction of Whitney Deane, Louisa County has been awarded several grants to implement the Strengthening Families Program (SFP) as part of their prevention program. To date, over 30 families in Louisa County have participated in the program.

SFP is an evidence-based parent training and youth life skills and drug prevention program created by the National Institute of Drug Abuse. SFP teaches parenting skills of bonding, setting boundaries, monitoring teens' social activities, and is specifically designed to increase the protective factors in a child's life and decrease the risk factors that lead to aggression, delinquency, substance abuse, and depression. SFP lessons begin with skills to reduce hostility and create warm, loving relationships between parents and youth.

Parents begin by learning nurturing skills, including one-on-one playtime (allowing the youth to choose the activity), giving positive attention through daily looking for and complimenting the good and avoiding criticism; engaging in pleasant communication including active listening and validating each other's opinions; eliminating communication boulders (e.g., yelling, swearing, and sarcasm); and learning to have fun weekly family meetings.

Later, skills involving boundary setting are introduced, with each family making their family rules with input from their children. A reward system is set up for following house rules. This lays the foundation to introduce the skill of positive discipline, which involves teaching and rewarding the behaviors parents want, with each family (parents and their children) deciding on fair, mild negative consequences that will be delivered calmly and consistently for misbehavior.

Lesson material on problem-solving, stress reduction, thinking ahead to stay out of trouble, anger management, school success, substance use education, and parental monitoring follow. Finally, family traditions, values, and community service are introduced, encouraging children to become positive agents of change.

Repetitive skill practice is an essential component of the SFP curriculum, and families are routinely invited to practice the skills they just learned. Each week, parents and youth are given skills to practice and fun family goals to work toward. During the week, families practice the SFP skills and record their progress on handouts and tracking sheets. SFP thus offers a complete package of family relationship tools targeted to reduce risk factors and increase protective factors related to youth substance use, delinquency, and depression.

Using the Strengthening Families Program classes, families are able to achieve remarkable behavior change and learn new skills that strengthen their families and help their children avoid problem behaviors.

Attachment 2 – Client Comments
Source: Louisa County Community Policy and Management Team



COUNTY OF LOUISA
Finance Department

September 18, 2024

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

RE: County Of Louisa FY2024 Audit

Dear Ms. Bacote:

Thank you for your recent correspondence. This letter is in response to your August xx, 2024 Children's Services Act Program Audit of Louisa County (Report No. 017-2024).

Consistent with your audit recommendations, we have taken the following steps to address guidance provided by your office.

Specifically:

- A checklist has been created and a member of the finance department will review all case files each month to ensure that the files are complete and contain all required documentation and data elements.
- CPMT, at its October 2024 meeting, will complete the CSA CQI Documentation template in order to formally document the review of outcomes for the most recently completed fiscal year. This template will then be completed annually at the group's October meeting.
- The CSA Coordinator will work with the Parent Representative that completed the incorrect economic interest form and ask that they complete the proper one. During the case file review, finance will review the file to ensure that the proper economic interest form has been completed and in a timely manner for both CPMT private provider members and parent representatives.
- Following the annual review of outcomes, goals for the new year will be established for the new fiscal year. CPMT will complete a risk assessment and adopt a formal strategic plan including these goals and benchmarks by November 30, 2024.

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- The County's CSA policy will be updated to include clarification that services provided to a child in need of services in the community or placed through a parental agreement in a treatment program may not extend past the child's eighteenth birthday. Also, clarification on when parental contributions exceptions may apply (i.e. special education wrap around services). The policy will be reviewed and updated with any other changes that may be deemed necessary.
- The CSA Coordinator will print a copy of the CANS Assessment and place it in the case file. Finance will review the printout to ensure case files have been closed within the required 60-day time period. VEMAT effective and approval date fields will also be checked for completeness and financial reports will be reviewed for correct service name descriptions.

We appreciate your support and look forward to working with your office in the future. Should you have any additional questions, please do not hesitate to contact us.

Sincerely,



Wanda H. Colvin
Deputy County Administrator

CC: Toni Williams, CPMT Chairman, Louisa County
Christian Goodwin, County Administrator, Louisa County
Whitney Deane, CSA Coordinator, Louisa County

Enclosures