

CHILDREN'S SERVICES ACT

PROGRAM AUDIT

Manassas Park

Audit Report No. 01-2019

November 08, 2018



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 City of Manassas Park Children's Services Act (CSA) program. Manassas Park CSA program provided services and/or funding to 23 at-risk youth and families in fiscal year (FY) 2018. 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 2017, significant achievements for the City of Manassas Park CSA program included:

- One hundred percent (100%) of youth exiting foster care were placed in a permanent living arrangement, which is 17.6% above the statewide average and exceeds the established state target by 14%.
- Seventy-five percent (75%) of youth had a decrease in the Child and Adolescent Needs and Strengths (CANS) scores within the school domain, which is 26.6% above the statewide average.

However, there are additional opportunities to effect quality improvement in the CSA program. The audit concluded that there were deficiencies in compliance and internal controls particularly in reference to governance activities. Conditions were identified that could adversely affect the effective and efficient use of resources and compliance with statutory requirements. The following significant issues were identified:

- Formal performance measures and utilization management practices and procedures to assess overall program effectiveness have not been established in accordance with § COV 2.2-5206.
- Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflicts of interest and separation of duties pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families.
- Written policies and procedures are not consistent with State statutes, established state CSA guidance, and/or best practices nor do they reflect the current practices of the CSA operations, which could lead to inconsistent application and enforcement of internal controls governing the activities of the local CSA program.

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.



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Program Audit Manager



Annette E. Larkin, MBA
Program Auditor

INTRODUCTION

The Office of Children's Services has completed a financial/compliance audit of the City of Manassas Park 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 November 7, 2018 and covered the period September 1, 2017 through August 31, 2018.

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 implementation of quality improvements addressing prior audit observations reported by OCS and/or identified in the prior self-assessment evaluation completed by the City of Manassas Park CPMT. The CSA program audit self-assessment validation was completed June 3, 2015.

The scope of the audit included youth and their families who received CSA funded services during the first ten (10) months of FY2018 and the first two (2) months of FY2019. 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 audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Manassas Park was established as an independent City in 1975. Located approximately 35 miles southwest of Washington, DC, it borders the City of Manassas and Prince William County in Northern Virginia. According to the US Census Bureau Quick Facts, Manassas Park’s estimated population in 2017 was 16,591 and median household income from 2012-2016 was \$75,027.

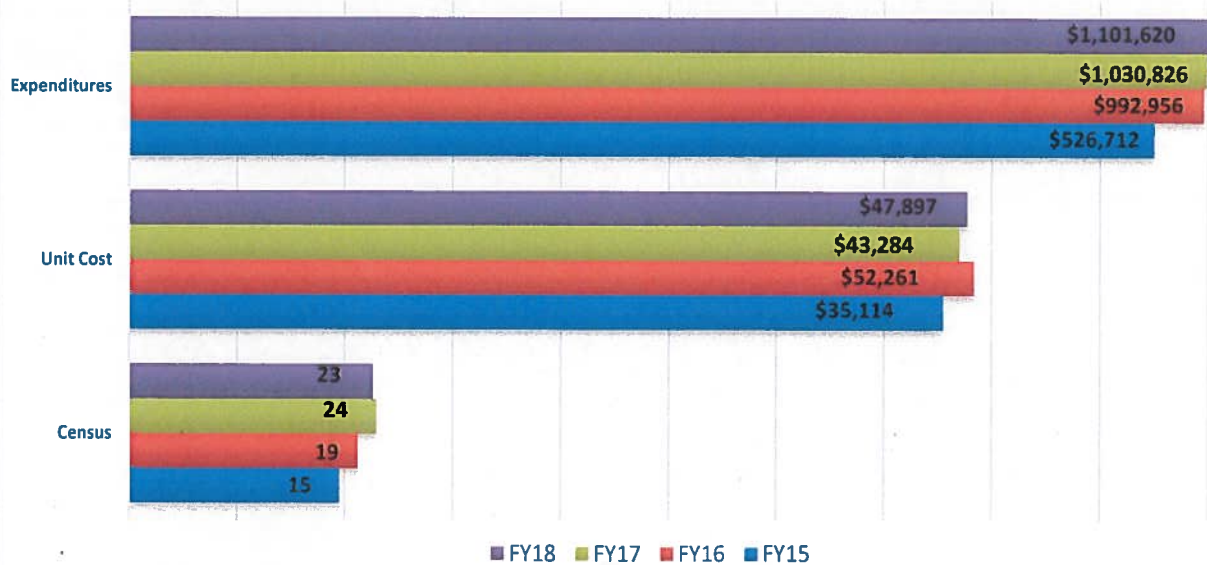
The Children’s Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. The state funds, combined with local community funds, are managed by a local interagency team, referred to as the Community Policy and Management Team (CPMT) that plans and oversees services to youth. The CPMT is supported by a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to at-risk children and families, a CSA Coordinator, and Human Services Assistant. Expenditure demographics for fiscal 2015 to 2018 are depicted below.

CSA Pool & Census Data by FY for the City of Manassas Park (2015-2018)

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
15	15	-10	-40%	\$ 526,712	\$ -308,313	-37%	\$ 35,114	5%
16	19	4	27%	\$ 992,965	\$ 466,253	89%	\$ 52,261	49%
17	24	5	26%	\$ 1,038,826	\$ 45,861	5%	\$ 43,284	-17%
18	23	-1	-4%	\$ 1,101,620	\$ 62,794	6%	\$ 47,897	11%

Note: Changes recorded for FY 15 are based on difference from fiscal year 2014 to 2015

**CITY OF MANASSAS PARK CSA PROGRAM
FOUR YEAR COMPARISON
FISCAL YEARS 2015 - 2018**



OBSERVATIONS AND RECOMMENDATIONS

CPMT GOVERNANCE

Observation #1:

Criteria:

Compliance and Internal Controls

Formal performance measures and utilization management practices and procedures to assess overall program effectiveness have not been established in accordance with § COV 2.2-5206, items 6 and 13. CPMT monthly meeting minutes and accompanying reports did not evidence utilization management/utilization review (UM/UR) activities to include:

- a. reviewing local and statewide data provided in the management reports on the number of children placed out of state, demographic, types of services provided, duration of services, services expenditures, child and family outcomes, and performance measures.
- b. 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 settings, or their community.

Utilization management is a key element in the Community Policy and Management Team's (CPMT) monitoring activities and assessing the appropriateness and effectiveness of services purchased, which is critical to ensure the CPMT is well informed when carrying out its decision-making responsibilities.

Recommendations:

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 Performance Measures FY2017](#)
- [CSA Utilization Reports](#)
- [OCS Reports to the General Assembly](#)

The CPMT should track and report on their progress in meeting their strategic goals and objectives to all stakeholders at least annually to bring about further awareness of the CSA program and to evidence a formal program evaluation activity. The CPMT should consider incorporating UM as a standing agenda item and documenting the results of UM activities in the meeting minutes.

Client Comment:

“UR management practices and procedures are currently in process. A questionnaire has been developed, and this process will be managed regularly.”

Observation #2:

Criteria: Compliance and Internal Control – Repeat Observation

Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflicts of interest and provide separation of duties pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Two (2) instances were observed that demonstrated that the established controls were not working as intended.

- a. The private provider serving on the FAPT did not complete the statement of economic interest (SOEI) form as required in the Code of Virginia (COV). This audit observation was identified in the audit report dated June 2015 and corrective action was taken at the time. However, the control implemented by the CPMT to ensure compliance is not working as intended.
- b. The Community Service Board (CSB) representative serving on CPMT also serves as the FAPT representative. Client records examined in October 2017 and August 2018 evidenced the CSB representative's participation in service planning activities. Consequently, the corresponding CPMT minutes did not indicate that the CSB representative abstained from voting to authorize expenditures for the services recommended by the FAPT. Further, the Court Services Unit (CSU) FAPT representative who serves as the CSU alternate for CPMT did not abstain from the funding authorization vote at the August 2018 meeting. Thus, the segregation of duties control did not function as intended because the same individual participated in the planning, review, and authorization processes. Immediate action was taken at the September 2018 CPMT meeting to remediate the segregation of duties concern. Affected agencies were asked to send new representatives to the October 2018 meeting.

The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are reduced based on the increased opportunity for a single individual to not disclose personal interest and/or engage in the service planning activities and funding authorization for CSA funded services.

Recommendations:

- a. The CPMT should ensure that the Statement of Economic Interests Form is completed immediately for all non-public participating members of the FAPT and maintain filing in accordance with OCS Administrative Memo 18-02 dated January 16, 2018.
- b. The CPMT should ensure that different individuals are assigned in roles on the CPMT and FAPT, as it provides greater accountability and control. Otherwise, individuals serving dual roles should be required to abstain from funding decisions involving cases for which they participated as a FAPT member.

Client Comment:

“The (SOEI) was completed by the private provider, and is attached to this document. Greater accountability and control are now in place. Google calendar reminders have been set for yearly reminders as to when and who needs to complete the SOEI. Effective with the October 2018 CPMT/FAPT meetings, there are no longer individual serving in dual roles on CPMT or FAPT.”

Observation #3:

Criteria: Compliance and Internal Control – Repeat Observation

The composition of members serving on Manassas Park CPMT and FAPT does not meet the membership requirements established by CSA statute and local policy. Both teams are missing the parent representative. The absence of the parent representative from the teams could potentially impede the achievement of the highest degree of multi-disciplinary collaboration ensuring family advocacy.

This audit observation was identified in the June 2015 audit report. Manassas Park submitted a quality improvement plan with a target date of completion of September 1, 2015. Manassas Park advertised the vacancies for parent representatives on the City website on May 27, 2015. However, the CPMT minutes do not evidence and no documentation was provided of any recruitment efforts during the audit period. The vacancy recruitment posted on the local government’s website was updated on September 4, 2018.

Recommendations:

Since recruitment efforts via the City’s website have not been successful, the CPMT should consider collaborating with other stakeholders such as local community and professional organizations. A helpful resource tool available on the OCS website titled [Recruitment and Retaining Parent Members on Interagency Teams](#) may be useful to the CPMT.

Client Comment:

“We currently have two individuals we are considering for the positions, and a parent representative should be appointed by the next CPMT meeting.”

Observation #4

Criteria: Compliance and Internal Control

Written policies and procedures are not consistent with State statutes, established state CSA guidance, and/or best practices nor do they reflect the current practices of the CSA operations, which could lead to inconsistent application and enforcement of internal controls governing the activities of the local CSA program. Significant examples are as follows:

- a. Policies have not been established to govern records management/retention per CSA Policy Manual Section 3.5 Records Management. This audit observation was identified in the June 2015 audit report. A quality improvement plan (QIP) was submitted with a target date of completion of September 30, 2015. Upon notification during the course of this audit, corrective action was immediately taken and a records management/ retention policy has been added to a revise draft of the *Manassas Park Children's Services Act Policy Manual* dated Oct 2018.
- b. Manassas Park CSA program has three operating manuals: *Manassas Park Children's Services Act Policy Manual* dated January 2018; *City of Manassas Park CSA Utilization Management Process* dated July 1, 2015 and revised January 2018 and; *Manassas Park Family Assessment and Planning Team Manual* dated September 2017. The written policies contradict actual practice in that:
 1. Each manual references the duties and responsibilities for the following roles that do not exist in their local program: a trained FAPT facilitator, utilization review analyst and/or team, and wraparound coordinator. In addition, CSA Staff and the CPMT Chair also indicated that the City of Manassas Park CSA does not follow the Utilization Management Process established.
 2. Local policy manuals states "FAPT is required anytime CSA funding is requested for a CSA eligible child, other than in the case of foster care maintenance or IEP driven private day and residential placements". However, the actual local practice dictates all cases are evaluated by FAPT.

Obsolete local policies and procedures increase the likelihood of non-compliance with state and local policies, as well as statutory requirements governing CSA. As a best practice, policies and procedures should be reviewed at least annually and updated as needed. Moreover, policy and procedure manuals should reflect the actual practices of the organization.

Recommendations:

- a. The CPMT should conduct an immediate review of all policies and procedures to ensure compliance with State statutes, established state CSA guidance, and/or best practices. Manual(s) should reflect a revision and adopted/approved date to reflect CPMT approval.
- b. The CPMT should ensure that approved polices reflects the current practices of the CSA operations, and written in a clear and concise manner.
- c. The revised, approved policy should be distributed to all CSA stakeholders.

Client Comment:

"CPMT is currently conducting a review of all policies and procedures to make sure they reflect current practices of CSA operations. We have combined our CPMT and FAPT manuals. We are still in the process of making updates to both manuals."

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Manassas Park CSA program, particularly in reference to governance. Conditions were identified that could affect the effective and efficient use of resources, as well as compliance with statutory requirements. An exit conference was conducted on Monday, October 22, 2018, to present the audit results to the Manassas Park CPMT. Persons in attendance representing the Manassas Park CPMT were as follows:

Randi Knights, CPMT Chair and Fiscal Agent
Alexandra Carraso, Social Services, Recorder
Linda Woods, Health Department
Jenifer Braswell, Public School Alternate
Trudy Bondura, Community Service Board Alternate
Delinda Wigington, Public Official Alternate
Samuel Wilson, Social Services,

Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the Manassas Park CPMT and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services

Laszlo Palko, City Manager

Randi Knights, CPMT Chair and Fiscal Agent

Jacqueline Prescod, CSA Coordinator
Elba Valasquez, CSA Coordinator

SEC Finance and Audit Committee