

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

Roanoke County

Audit Report No. 15-2019

August 27, 2019



Office of Children's Services
Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

Introduction 1

Background 2

Observations and Recommendations

CPMT Governance 3-4
(Community Policy and Management Team)

Conclusion 5

Report Distribution 6

EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the Roanoke County Children's Services Act (CSA) program. The Roanoke County CSA program provided services and/or funding to 232 eligible 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 fiscal year (FY) 2018, significant achievements for the Roanoke County CSA program included:

- One hundred (100%) of youth in a residential placement received Intensive Care Coordination (ICC) services, which is 59% above the statewide average and exceeds the established state target by 25%.
- Sixty-two (62%) of the youth and families received community-based services which is 9% above the statewide average and 13% above the state established targets.
- The percent of foster care children in a family-based placement is 2% higher than the statewide average.

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

- The composition of members serving on Roanoke County Family Assessment and Planning Team (FAPT) Number One does not meet the membership requirements established by CSA statute. The team does not include an active participating parent representative.
- Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflict of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Specifically, non-public members serving on FAPT did not complete the SOEI forms.

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


Annette E. Larkin, MBA
Program Auditor

INTRODUCTION

The Office of Children's Services has completed a financial/compliance audit of the Roanoke 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 August 27, 2019 and covered the period March 1, 2018 through February 28, 2019.

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 Roanoke County. The prior CSA program audit self-assessment validation was completed February 12, 2014.

The scope of the audit included youth and their families who received CSA funded services during the last four months of FY18 and the first eight months of FY19. 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

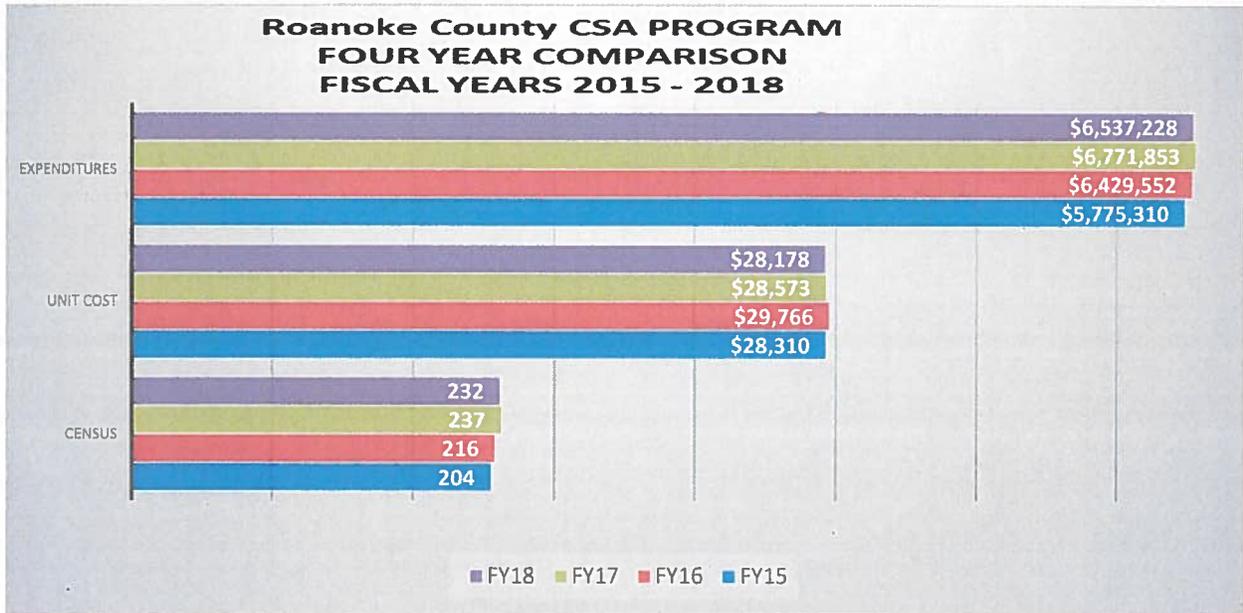
Roanoke County, named after the Roanoke River was founded in 1838. It borders the counties of Bedford, Botetourt, Craig, Floyd, Franklin and Montgomery and the cities of Roanoke and Salem. According to the US Census Bureau Quick Facts, the estimated population in 2018 was 94,073 and the median household income from 2013-2017 was \$62,134.

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, referred to as the Community Policy and Management Team (CPMT) that plans and oversees services to youth. The CPMT is supported by two Family Assessment and Planning Teams (FAPT) responsible for recommending appropriate services to eligible children and families, a CSA Coordinator, a Utilization Management Specialist and Program Support Specialist. Expenditure demographics for fiscal years 2015 to 2018 are depicted below.

CSA Pool & Census Data by FY for the Roanoke County (2015-2018)

FY	Census	Census Change	Census % Change	Pool Expenditures	Expenditures \$ Change	Expenditures % Change	Unit Cost	Unit Cost % Change
15	204	2	1	\$ 5,775,310	\$ 969,148	20	\$ 28,310	19
16	216	12	6	\$ 6,429,552	\$ 654,243	11	\$ 29,766	5
17	237	21	10	\$ 6,771,853	\$ 342,301	5	\$ 28,573	-4
18	232	-5	-2	\$ 6,537,228	\$ -234,625	-3	\$ 28,178	-1

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



OBSERVATIONS AND RECOMMENDATIONS

CPMT GOVERNANCE

Observation #1:

Criteria:

Compliance and Internal Control

The composition of members serving on Roanoke County FAPT Number One does not meet the membership requirements established by CSA statute and local policy. The team is missing the parent representative. The parent representative officially resigned the position January 2019, although the individual's last participation in a FAPT meeting was in August 2018. There was no indication in CPMT minutes of efforts to recruit a replacement or address absenteeism of the appointed official. 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.

Recommendations:

The CPMT should obtain a replacement for the parent representative that resigned. A resource tool available on the OCS website titled [Recruitment and Retaining Parent Members on Interagency Teams](#) may be useful to the CPMT.

Client Comment:

"The CSA Office, FAPT members and their agencies, and CPMT members and their agencies make ongoing efforts to recruit parent representatives to serve on both FAPT and CPMT. The CPMT also promotes the recruitment and retention of parent representatives by providing a stipend based on attendance. In an effort to ensure documentation of such efforts, the CPMT will ensure that "Parent Representative Recruitment" is a standing agenda item for the CPMT at least once per month. As recommended by OCS, the CPMT has also reviewed the resource tool "Recruitment and Retaining Parent Members on Interagency Teams"."

Observation #2:

Criteria:

Compliance and Internal Control

Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflict of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Non-public members (private provider alternate and the parent representative) serving on FAPT did not complete the Statement of Economic Interest (S/O/E/I) forms. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are significantly reduced, based on the increased opportunity that personal interest were potentially not appropriately disclosed by required parties.

Recommendations:

The CPMT should ensure all parties not representing a public agency complete the SOEI forms upon appointment and maintain filing in accordance with the Administrative Memo 18-02 dated January 16, 2018.

Client Comment:

“The CPMT has a process in place to ensure that every non-public member serving on FAPT receives the Statement of Economic Interest form annually, however in this case, a member did not return the completed form. The CPMT has determined that from this time forward, the CPMT will require FAPT members to submit the completed Statement of Economic Interest prior to beginning their term of service on the FAPT. The CPMT will thus reduce its risk by ensuring that non-public members will not begin serving on the FAPT until the Statement of Economic Interest is completed and returned.”

CONCLUSION

This audit concluded that there were deficiencies in compliance and internal controls over the Roanoke County CSA program, particularly in reference to governance practices. Conditions were identified that could adversely affect the effective and efficient use of resources, as well as compliance with statutory requirements. An exit conference was conducted on Thursday, July 25, 2019 to present the audit results to the Roanoke County CPMT. Persons in attendance representing the Roanoke County CPMT were as follows:

Cheryl Austin, CPMT Chair, Roanoke County Public Schools
Rebecca Owens, Assistant County Administrator
Cheryl Wilkinson, Blue Ridge Behavior Healthcare Community Service Board
Laurie Gearheart, CPMT Fiscal Agent
Renee Brown, Private Provider
Rosemary Walker, 23rd Court Service Unit
Grace McCown, CSA Coordinator

Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the Roanoke 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
Dan O'Donnell, County Administrator
Roanoke County
Cheryl Austin, CPMT Chair
Laurie Gearheart, CPMT Fiscal Agent
Grace McCown, CSA Coordinator