

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

Stafford County

***Audit Report No. 18-2024
July 2, 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 Stafford County CSA Program. The Stafford County CSA Program provided services and funding to 151 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 reported for FY 2023, significant achievements for the Stafford County CSA Program were:

- Eighty-seven (87%) percent of youth in foster care are in a family-based foster care setting, an increase of 12% from FY 2022. In addition, Stafford County exceeds the statewide target by 2% and the statewide average by 14%.
- Eighty-one (81%) percent of children exiting foster care achieved permanency, 3% more than the statewide average. This outcome measure represents the percentage of children who exit from foster care to a permanent living arrangement either through adoption, reunification with their biological family, or placement with a relative.
- Eighty-nine percent (89%) of youth and families served by Stafford received only community-based services, surpassing the statewide average by 2%.

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that internal controls regarding fiscal practices were deficient. The Stafford County Human Services Office identified a duplicate payment for which the state share was not promptly refunded to CSA pool funds, and at least eight (8) months lapsed from discovery until the funds were recovered.

The Office of Children's Services appreciates the cooperation and assistance provided by the CPMT and other CSA staff. The body of the full report includes formal responses from the CPMT to the reported audit observations.



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 Stafford County CSA Program. The audit conformed to the International Standards for the Professional Practice of Internal Auditing (Standards). The standards require planning and performance of the audit under stated audit objectives to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on June 28, 2024, and covered the period from March 1, 2022, through February 29, 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 prior audit observations reported by OCS or identified in the prior self-assessment evaluation completed by the Stafford County CPMT. The audit report date was February 7, 2019.

The audit scope included all 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; multiple tests and examination of records; and other required audit procedures to meet the audit objectives.

BACKGROUND

Stafford County was established in 1664 and named for Staffordshire, England. Stafford County is located in the northeastern area of the Commonwealth, approximately 40 south of our nation's capital and 55 miles north of Richmond, Virginia. According to the US Census Bureau Quick Facts 2023, the estimated population was 165,428. The median household income from 2018-2022 was \$128,036.

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. Stafford CPMT is supported by two Family Assessment and Planning Teams (FAPT). Administrative services are managed through the local CSA office staffed by the Deputy County Administrator/CPMT Fiscal Agent, a Human Services Manager/CSA Coordinator, and a Human Services Specialist. 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	153	137	154	151
Net Expenditures	\$5.5M	\$5.9M	\$5.7M	\$6.0M
Local Net Match	\$2.5M	\$2.6M	\$2.5M	\$2.7M
Average Expenditure	\$36,177	\$43,101	\$36,701	\$39,711
Base Match Rate	0.4439	0.4439	0.4439	0.4439
Effective Match Rate	0.4442	0.4465	0.4436	0.4425

CQI dashboard data consists of information submitted by individual Virginia localities for youth receiving CSA-funded services in the reporting period.

OBSERVATION AND RECOMMENDATION

FISCAL ACTIVITIES

Observation:

Criteria:

Internal Control

Stafford County Human Services Office (HSO) immediately identified a duplicate payment funded by CSA and Title IV-E for an IV-E-eligible youth. The expenditure transactions were processed in June 2023. The following month, the error was detected, and the Stafford County Department of Social Services (SCDSS) requested a refund. SCDSS issued the refund in March 2024, eight (8) months after the error was detected. The HSO recorded the refund promptly upon receipt.

The Title IV-E Share Fiscal Accountability and Management Plan (May 2023) directs the local Department of Social Services (LDSS) to correct IV-E payment errors within 45 days of notification of the error using the appropriate funding source. It is reasonable the same repayment action would occur when state pool funds are affected. Under these circumstances, local-only funds are the proper funding source. There is no evidence of efforts by the CSA office to address the delayed repayment during the review period.

Payment Date	IV-E	CSA	Questioned Cost	State Share
Initial Payment (6/30/23)	\$521.00	\$521.00	\$521.00	\$289.73
Refund (3/31/24)		(\$521.00)	(\$521.00)	(\$289.73)
Net Due to CSA				\$0

Recommendations:

1. The CSA Office and CPMT should ensure timely refunds to the state pool fund when payment errors are detected.
2. The CPMT should develop and implement a policy that addresses the timely receipt and reporting of refunds, particularly those resulting from payment errors. These may include, but are not limited to, duplicate payments, the availability of alternative funding sources, the responsibility of another agency, and violation of statutes, regulations, and policies relevant to providing CSA services and funding.

Client Comment:

See Attachment A for Management Response

CONCLUSION

This audit concluded that there were deficiencies in internal controls over fiscal practices regarding duplicate payments and refund reporting. An exit conference was conducted on June XX, 2024, to present the audit results to the Stafford County CPMT. Persons in attendance representing the Stafford County CPMT were as follows:

Joseph Wickens, CPMT Chair, Community Service Board
Anne Bueche, Vice Chair, Stafford County Public School
Ronald Lynch, Court Service Unit
Micheal Muse, Department of Social Services
Monica Gray, Stafford County Board of Supervisor
Julia Dorsey, Health Department
Charles Scercy, Private Provider
Donna Krauss, CPMT Fiscal Agent
Stephanie Ball, CSA Coordinator/Human Services Manager

Annette Larkin, Program Auditor, represented the Office of Children's Services. We thank Stafford County CPMT and related staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
F. Craig Meadows, Interim Stafford County Administrator
Donna Krauss, CPMT Fiscal Agent
Stephanie Ball, CSA Coordinator

ATTACHMENT A- MANAGEMENT RESPONSE



Human Services Office

June 28, 2024

Annette Larkin
Office of Children's Services
1604 Santa Rosa Road, Ste 137
Richmond, VA 23229

Dear Ms. Larkin,

The Stafford CPMT has received and reviewed the observations and recommendations of the Stafford County Children's Services Act (CSA) Program Audit Report No. 18-2024. Thank you for this thoughtful and thorough review of our program and feedback on the program's performance.

The Stafford CPMT has discussed the identified internal control observation and considered the recommendation outlined in the report. Stafford CPMT agrees that a timelier refund needs to occur when state pool funds are involved. The policy section "Policy for Authorizing Expenditure of Pool Funds" will be adjusted, subsection Human Services Staff Responsibilities.

Human Services staff, working in conjunction with Social Services to reclaim the funds from the foster family. Moving forward 45 days as recommended will be stipulated for reclaiming funds as a result of payment errors; after such time has elapsed the Social Services agency will reimburse CSA with local funds.

Thank you again for your engagement with Stafford CSA and we look forward to completing our quality improvement plan.

Sincerely,

Donna S. Krauss
Fiscal Agent Stafford CSA