

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

King George County

Audit Report No. 03-2015

October 21, 2015

(Amended – Observation 4)



Office of Children's Services
Empowering communities to serve youth

OBSERVATIONS AND RECOMMENDATIONS

Based on additional information provided by the audit client per the audit recommendation and that was received following the issuance of the final audit report, Observation 4 of the audit report has been amended to reflect the actual total amount expended by King George County's CSA Program for educational services included in the Individualized Education Program (IEP) of students in public school placements. As noted in the audit observation, financial responsibility rests with the local school division where IEP services are provided to students with disabilities whose educational placement is public school. Thus, the expenditures incurred were not eligible for CSA funding. Whereas initially the reported totals represented costs for fiscal year 2014, the revised totals include cumulative costs incurred for fiscal years 2013, 2014, and 2015.

The CPMT response below states that "The services that were provided and at the core of the discussion of Section 3.2 were in fact provided in the home, outside of the school setting and are not normally provided by our school system." Educational consult services represented a substantial portion of the costs incurred, for which the IEPs documented the location for where the service would be provided as the classroom. Wrap-Around funding could have been used to purchase community-based services on behalf of students with disabilities in public school placements that were not otherwise included in an IEP. However, King George County CPMT did not pursue or expend any wrap-around funds in fiscal years 2013 and 2014. Wrap-around funds were available to King George County's CSA Program in fiscal year 2015, but no funds were used.

B) FISCAL ACTIVITIES (AMENDED)

Observation 4: CSA pool funds were used to fund IEP related services to children in the public school setting. Services identified in the IEP are services that are necessary to meet the educational needs of the child. Services provided in the public school setting are the responsibility of the local public school system. For fiscal years 2013 through 2015, a total of 26 children were identified where CPMT authorized funding for services that were identified in the IEP to be provided to students in public school placements. The actual costs of those services totaled \$277,458.50 of which the state share reimbursed to the locality was \$176,824.30. Based upon the conditions cited, the potential that CSA pool funds could be mismanaged is significantly increased.

Criteria:

- COV [§ 2.2-5206](#), Community policy and management teams; powers and duties. Items 6, 8, and 9
- [COV § 2.2-5211 D](#). State pool of funds for community policy and management teams.
- CSA Policy Manual Section 3.1.5 Duties and Responsibilities

- CSA Policy Manual Section 4.3.2, Responsibilities of CPMT Member Agencies
- CSA Policy Manual Appendix B – Dept. of Education, Local School Division Responsibility, Item 1
- DOA ARMICS, Control Environment, Control Activities: Monitoring

Recommendation:

- Prior to authorizing funding, the CPMT should ensure that the funding requested is an appropriate use of CSA funds. A careful review of services identified in the IEP, placement decision, and setting in which services are to be delivered should be performed.
- The CPMT should review IEP services funded for fiscal years 2013 and 2015 and identify funds expended for IEP services provided in the public school. Upon completion of the review, the CPMT should report results to the Office of Children’s Services for determination of the extent of non-compliant practices and identification of expenditures that could be subject to denial of funds policy in accordance with COV §2.2-2648(D) (20).
- The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, to address whether the funds will be restored. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment:

“King George CPMT ensures in all cases that CSA funds are used in an appropriate manner. The services that were provided and at the core of the discussion of Section 3.2 were in fact provided in the home, outside of the school setting and are not normally provided by our school system. We will concur that the IEP states that the services are to be provided in the school setting, however it should have stated that the services were to be provided in the home, and would allow for an assessment of the in home services in the school setting.

Auditor Comment:

Eligibility for funding of services through the state pool of funds, under these circumstances, requires placement of the youth for purposes of special education in an approved private day school educational program. The special education youth identified were placed in a public school educational program, for which the public school system holds financial responsibility for educating students. Therefore, the questioned costs identified are not eligible for CSA state pool funding because the costs are the responsibility of another agency. As an alternative, the school system could have referred the youth to FAPT for consideration of wrap around services for students with disabilities. Upon recommendation from FAPT, funds earmarked for “Wrap Around Services for Students with Disabilities” could have been considered for authorization by the CPMT.

REPORT DISTRIBUTION

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