

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

Cumberland County

***Audit Report No. 04-2024
April 9, 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 Cumberland County CSA Program. Cumberland County CSA Program provided services and/or funding to 20 eligible youth and families in fiscal year (FY) 2023. The audit included reviewing and evaluating management oversight, operational, and fiscal practices. Based upon established statewide Children's Services Act (CSA) performance measures reported as of FY 2023, significant achievements for the Cumberland County CSA Program were:

- Eighty (80%) of youth and families served by Cumberland County received only community-based services.
- One hundred (100%) percent of children exiting foster care achieved permanency. (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).

However, there are additional opportunities to improve quality in other CSA program areas. The audit concluded that there were major deficiencies¹ in internal controls and compliance over fiscal, governance, and operational practices that affect the effective and efficient use of resources and statutory compliance. One observation was also identified in the prior audit report dated August 15, 2019 (repeat observation). The following significant issues were identified:

- Expenditure reimbursements were requested and processed for payment of services where CSA compliance requirements were not met. Specific non-compliance items identified were: (A) services were not documented in an approved service plan and (B) missing documentation including invoices, purchase orders, placement agreements, and evidence of utilization review. At least one exception was noted in each of the five (5) cases examined. The total cost of questioned expenses is \$19,761.16, of which \$14,289.92 represents the state share.
- Formal performance measures and utilization review practices and procedures to assess overall program effectiveness have not been established in accordance with COV §2.2-5206 items 6 and 13. CPMT meeting minutes and accompanying reports did not evidence continuous quality improvement activities in accordance with CSA statutes about utilization management. This observation was reported in the prior audit report.
- The Statement of Economic Interest (SOEI) form was not completed by the Family Assessment and Planning Team (FAPT) and the Community Policy and Management Team (CPMT) parent representatives, as required by Code of Virginia (COV) [§2.2-5205](#) and [§ 2.2-5207](#).

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. While offered the opportunity, the CPMT did not provide formal responses to the reported audit observations for inclusion in this report.



Stephanie S. Bacote, CIGA
Program Audit Manager

¹ Major deficiency is defined as "an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its objectives." Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework. May 2013.

INTRODUCTION

The Office of Children’s Services has completed a financial/compliance audit of the Cumberland 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 April 8, 2024, and covered the period from December 1, 2022, through November 30, 2023.

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 and/or identified in the prior self-assessment evaluation completed by the Cumberland County CPMT. The audit report date was August 15, 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 audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Cumberland County was established from Goochland County in 1749. “A close neighbor to Virginia's state capitol, Cumberland offers the perfect blend of a peaceful, rural setting with easy accessibility to Virginia's nearby metropolitan areas” (*excerpt from Cumberland County website*). According to the U.S. Census Bureau Quick Facts 2022, the population was 9,746. The median household income from 2018-2022 was \$56,497.

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 Cumberland 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	31	16	12	20
Net Expenditures	\$1.1M	\$0.4M	\$0.3M	\$0.4M
Local Net Match	\$0.3M	\$0.1M	\$0.1M	\$0.1M
Average Expenditure	\$34,865	\$27,201	\$28,641	\$20,351
Base Match Rate	0.3040	0.3040	0.3040	0.3040
Effective Match Rate	0.2818	0.2858	0.3117	0.2793

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 02/20 of the current program year.

**MAJOR DEFICIENCIES
OBSERVATIONS AND RECOMMENDATIONS**

A) PROGRAM AND FISCAL ACTIVITIES

Observation 1:

Criteria:

Compliance and Internal Control

Expenditure reimbursements totaling \$14,289.92 (state share) were requested and processed for payment of services where the requirements for compliance with state statutes and local CSA policies and procedures were unmet. Five (5) 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 noted in each client file reviewed (100% or 5/5). Exceptions noted in Tables A and B 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- Fiscal Impact					
COV §2.2-5206, §2.2-5208, §2.2-5211					
CSA Policy Manual Sections 3.5 Records Management and 4.5 Fiscal Procedures					
Rate	Description (Code)				
(3/5) 60%	1. Missing Documentation: Service Plan				
(2/5) 40%	2. Missing Documentation: Invoices and Purchase Order				
(1/5) 20%	3. Financial Reporting Error. The refund received from SSI was not reported in the Local Expenditure Data Reimbursement System (LEDRS)				
Code	Client	Service Description	Service Period	Total Cost	State Share
1	A	Mentoring	Apr '23-Jun '23	\$4,200.00	\$2,923.20
	B	Mentoring	Nov '22 ^{Note1}	\$1,260.00	\$1,068.48
	C	Case Support	Jul '23 – Nov '23	\$867.31	\$735.48
2	D	Special Ed. Private Day	Jul '22 ^{Note2}	\$3,527.40	\$2,455.07
	B	Mentoring	Dec '22	\$1,400.00	\$1,187.20
	C	Residential Education	Feb '23	\$2,869.00	\$1,996.82
4	E	SSI Refund	Apr '23	\$5,637.45	\$3,923.67
Total				\$19,761.16	\$14,289.92
Reimbursement Due to CSA					\$14,289.92
Note¹: Actual payment for services occurred during the review period.					
Note²: Also missing invoices for the applicable payments					

Table B	
Client File Review Exceptions-No Fiscal Impact	
COV §2.2-5207 and CSA Policy Manual Section 3.5 Records Management	
Rate	Description
(5/5) 100%	Missing evidence of utilization review
(5/5) 100%	Missing IFSP Data Elements- Discharge planning; quantity and duration of services; objectives; FAPT signatures; parent/ guardian signature
(1/5) 40%	Missing provider placement agreements
(3/5) 60%	Service Names were incorrectly recorded in LEDRS (Data Integrity)

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.
2. Before authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding or other appropriate funding source.
3. FAPT and CPMT should ensure that utilization review activities are recorded for all clients. In accordance with the established utilization review schedule and guidelines, documentation should capture progress or lack of progress with the recommended interventions.
4. Periodic case file reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA statutory requirements.
5. The CSA Coordinator and Fiscal Agent should ensure that expenditure transactions (payments and refunds) are recorded accurately and supporting documentation is maintained accordingly.
6. The CPMT should submit a quality improvement plan for review by the OCS Finance Office, including whether the CPMT agrees with the observations regarding questioned costs. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director based on SEC-approved policy 4.7 Response to Audit Findings of whether the identified actions are acceptable or any additional actions that may be required.

Client Comment:

None.

B) CPMT GOVERNANCE

Observation 2:

Criteria:

Internal Control – Repeat Observation

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

- a) 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.
- b) 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.

This observation was reported in the prior audit of the Cumberland County CSA program dated August 15, 2019. A quality improvement plan to complete annual reviews was submitted, with a target date of December 31, 2020. The CPMT, as the governing body, is responsible for ongoing monitoring of the QIP to ensure timely implementation of the plan and that the actions taken are continuously working as intended.

Recommendations:

The CPMT minutes should document the outcome of CQI activities and supporting documentation should be maintained with the recorded minutes. To support local program efforts to meet compliance requirements, utilization management tools and resources are available on the CSA website (<https://csa.virginia.gov/Resources/ContinuousQualityImprovement>).

Client Comment:

None.

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. The parent representatives serving on FAPT and CPMT did not complete the statement of economic interest (SOEI) form in accordance with the requirements set forth in COV [§2.2-5207](#) and COV [§ 2.2-5205](#). OCS Administrative Memo #18-02, dated January 16, 2018, provided guidance to local CSA programs regarding filing requirements. The guidance states that non-public members must complete the “long” form as defined in (COV) §2.2-3117 upon appointment.

Recommendations:

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

Client Comment:

None.

OTHER DEFICIENCIES

C) CPMT GOVERNANCE

Observation 4:

Criteria:

Internal Control

The CPMT strategic/long-range plan has not been updated since 2019. The ability and likelihood of the CPMT to adequately monitor and provide oversight of the local CSA program is an essential component of organizational governance. 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. Cumberland County CPMT should review and update its long-range plan. The strategic plan should incorporate SMART (Specific, Measurable, Attainable, Relevant, Timely) goals and objectives to facilitate effective and meaningful overall evaluations of the Cumberland County CSA.
2. Strategic planning resources are available on the CSA website (see links below). The CPMT should consider using the CQI Documentation Template to record progress monitoring of the strategic plan.
 - a. [Strategic Planning Tools \(CQI\) Documentation Template with Instructions \(Download\)](#)
 - b. [Strategic Planning Tools \(CQI\) Terms and Definitions](#)
 - c. [Strategic Planning Tools \(CQI\) Training](#)

Client Comment:

None.

Observation 5:

Criteria:

Internal Control

Cumberland County CSA policies and procedures (last revised February 2019) are inconsistent with established state CSA requirements and/or best practices to govern local CSA programs. Clear policies are necessary to facilitate and communicate the CPMT's expectations in implementing CSA and ensure the program is administered per state and local requirements. Opportunities for policy alignment and to clarify inconsistencies were noted as follows:

1. CPMT Authorization. Current policy does not explicitly state that authorizations granted by CPMT via email must be confirmed by a vote in a public meeting, as required by COV §2.2-3710, which states “no public body shall vote by telephone or other electronic communication means.”

2. FAPT Exemptions. Current policy grants exemption of basic costs not covered by maintenance, such as a) transportation to public school while in foster care outside of locality, b) immediate medical needs for foster children that Medicaid does not cover, c) required documents, such as birth certificates, for youth in foster care, d) and special education costs associated with the non-educational placement of a student with a disability into a private residential program from FAPT referral and assessment. Per COV §2.2-5209, all services funded by CSA that do not meet the maintenance definition must be referred to FAPT. Further, acquiring birth certificates and similar documents for youth in foster care is an administrative responsibility of the local Department of Social Services. Pursuant to COV § 2.2-5211 Item D, "... the community services board, the local school division, local social services agency, court service unit or Department of Juvenile Justice shall continue to be responsible for providing services identified in individual family service plans that are within the agency's scope of responsibility and that are funded separately from the state pool."

Before concluding the FY 2019 audit, the CPMT was verbally advised to address this concern. To date, the CPMT has not acted on that advice.

Recommendations:

1. The CPMT should immediately review and revise local policies and procedures to ensure alignment with the Code of Virginia and policies promulgated by state child-serving agencies that apply to youth accessing state pool funds.
2. The CPMT should establish a process whereby local policies are periodically reviewed and updated. As a best practice, policy/procedure reviews should occur annually but not less than every three years.

Client Comment:

None.

CONCLUSION

This audit concluded that there were major deficiencies in internal controls that could affect compliance with statutory requirements. An exit conference was conducted on March 22, 2024, to present the audit results to Cumberland County CPMT. Persons in attendance representing Cumberland County CPMT were as follows:

Jessica Ownby, CPMT Chair, Cumberland Department of Social Services
Jennifer Crews, CPMT Fiscal Agent
Tiana Branch, CSA Coordinator

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

REPORT DISTRIBUTION

Scott Reiner, Executive Director

Office of Children's Services

Derek L Stamey, Cumberland County Administrator

Jessica Ownby, CPMT Chair

Jennifer Crews, CPMT Fiscal Agent

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