

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

Greene County

***Audit Report No. 12-2024
April 15, 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 Greene County CSA Program. The Greene County CSA Program provided services and/or funding to 103 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 Greene County CSA Program were:

- Eighty-eight (88%) of youth and families served by Greene County received only community-based services, exceeding the statewide target by 1.4%.
- Seventy-two (72%) of youth in foster care are in a family-based foster care setting, consistent with the statewide average.

However, additional opportunities exist to improve quality in other CSA program areas. The audit concluded that there were major deficiencies¹ in internal controls and compliance over fiscal governance, as well as operational practices that affect the effective and efficient use of resources and statutory compliance. 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, (B) missing documentation, including required assessments, invoices, and evidence of utilization review, and (C) duplicate vendor payment. The total cost of questioned expenses is \$47,229.40, of which \$33,427.53 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.
- Membership of the Greene County Community Policy and Management Team (CPMT) was inconsistent with state and locally established requirements. The CPMT did not include a parent representative as required by the Code of Virginia [§ 2.2-5205](#) and local policy.

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 Greene County CPMT to the reported audit observations are included as an attachment to the 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 Greene 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 15, 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 Greene County CPMT. The audit report date was May 11, 2020.

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

Established in 1838 from Orange County, Greene County is a fast-growing gateway between dynamic Northern Virginia and Charlottesville. According to the US Census Bureau Quick Facts, the 2022 population was 21,107. The median household income from 2018-2022 was \$81,338.

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 Greene 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	50	59	85	103
Net Expenditures	\$1.2M	\$1.5M	\$1.9M	\$3.0M
Local Net Match	\$0.4M	\$0.5M	\$0.6M	\$0.9M
Average Expenditure	\$24,792	\$26,019	\$22,250	\$29,014
Base Match Rate	0.3471	0.3471	0.3471	0.3471
Effective Match Rate	0.3404	0.3433	0.3077	0.3043

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 02/2020 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 \$33,427.53 (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. Eleven (11) 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 11/11). 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 and CSA Policy 4.5 Fiscal Procedures					
Rate	Description (Code)				
(1/11) 9%	1. Missing Documentation: Services funded were not documented in an IFSP for verification. (COV 2.2-5208)				
(4/11) 36%	2. Missing Documentation: Required assessments to include (A) Virginia Enhanced Maintenance Tool (VEMAT) and (B) Community-Based Behavioral Health Services Appropriateness Determination Form (CSA Policy Manual Sections: 3.5 Records Management, 6.3 Community-based Behavioral Health Services				
(1/11) 9%	3. Ineligible Expense: Duplicate vendor payment (CSA Policy 4.5.2 Pool Fund Reimbursement)				
Code	Client	Service Description	Service Period	Total Cost	State Share
1	A	Assessment/Evaluation	Feb '23	\$3,000.00	\$2,479.50
2(A)	A	Foster Care (FC) Maintenance	Nov '22 – Jul '23	\$18,144.00	\$11,846.22
	D	FC Maintenance	Apr – Aug '23	\$5,376.00	\$3,509.99
	E	FC Maintenance	Oct '22 – Jan '23	\$3,540.65	\$2,311.69
2(B)	B	Intensive In-Home	Oct '22 – Jun '23	\$11,927.75	\$9,858.29
3	D	FC Support & Administration	Jun '23	\$5,241.00	\$3,421.85
Total				\$47,229.40	\$33,247.53
Reimbursement Due to CSA					\$33,247.53

Table B
Client File Review Exceptions- No Fiscal Impact
COV 2.2-5208, CSA Policy 3.5 Records Management

Rate	Description
(11/11) 100%	Missing evidence of utilization review
(5/11) 45%	Missing IFSP Data Elements- Discharge planning and parent/ guardian signature
(3/11) 27%	Missing Parental Copay Assessment
(7/11) 63%	Service Names were incorrectly recorded in the Local Expenditure and Data Reporting System (LEDRS) (Internal Control/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.
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 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:

See Attachment

B) CPMT GOVERNANCE

Observation 2:

Criteria:

Compliance and Internal Control

A formal process documenting continuous quality improvement (CQI) and utilization management (UM) has not been implemented by Greene 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:

1. 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.
2. 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.

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:

See Attachment

OTHER DEFICIENCIES

C) CPMT GOVERNANCE

Observation 3:

Criteria:

Compliance and Internal Control

The composition of members on the Greene County CPMT does not meet the membership requirements established by CSA statute and local policy. The Greene County CPMT does not have a parent representative as required by COV § 2.2-5205. While the vacancy is advertised on the county website, CPMT minutes or other available documentation was insufficient in evidencing active recruiting efforts to fill vacant roles during the review period. The absence of the parent

representative impedes the intent of CSA to create a collaborative system of services and funding that includes a representative of the community.

Recommendations:

The CPMT should ensure that the composition of the CPMT meets the minimum requirements established by CSA statute and local policy. The CPMT should actively recruit to fill the vacancies. Documentation of recruitment efforts should be maintained and/or documented in the CPMT minutes.

Client Comment:

See Attachment

Observation 4

Criteria:

Internal Control

The CPMT strategic/long-range plan has not been updated since 2020. 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. Greene 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 Greene 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:

See Attachment

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 26, 2024, to present the audit results to Greene County CPMT. Persons in attendance representing Greene County CPMT were as follows:

James Howard, CPMT Chair, Greene Department of Social Services
Cathy Schafrik, Greene County Administrator and CPMT Fiscal Agent
Wendy Mitchem, Greene Department of Social Services
Sandra Fisher, Thomas Jefferson Health District
Sue Traber, Region Ten Community Services Board
Megan Hood, 16th District Court Services Unit
Valerie Payton, CSA Coordinator

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

REPORT DISTRIBUTION

Scott Reiner, Executive Director

Office of Children's Services

Cathy Schafrik, Greene County Administrator and CPMT Fiscal Agent

James Howard, CPMT Chair

Valerie Payton, CSA Coordinator

**Response to CSA Audit Findings
Greene County
April 10, 2024**

General Response

The Greene County Community Policy and Management Team (CPMT) is committed to and invested in ensuring that planning and implementation of services to children and families in the community are efficient, effective, and responsible. The Greene CPMT has a long history of striving to fulfill its mandates and program requirements set forth in both Code and policy guidance as witnessed by three previous audits (2015, 2017 and 2020) with no or minimal fiscal deficits.

Beginning in 2020, Greene began experiencing precipitous increases in caseloads, not only in quantity but also in “quality”. Challenges confronting our families are now more complex than ever. In fact, parental placements of children requiring residential treatment are now at an all-time high in Greene. Foster care caseloads that ranged in the mid to low teens and at times as low as 3 or 4 increased during this period to 44, a number that rivals or exceeds many mid-sized to large DSS’. Requisitely, the CSA caseload rose from 50 in FY 20 to 103 in FY 23 and is on track to be even higher this year. Even under ideal circumstances managing such sudden volume would have been insurmountable.

But Greene was not under ideal circumstances. As caseloads grew in numbers and complexity, equally troubling decreases to workforce stability. Also became the norm. Combined with COVID, these factors created an environment of chaos and struggle, Essentially, Greene’s full time CSA Coordinator was constrained to “just trying to pay the bills.” Ensuring program compliance was barely possible, though the coordinator worked tirelessly in making an effort and it is amazing “what got done, got done.” Though as the DSS director I speak directly to that specific department, all Greene agencies, including the CSB, the CSU and the schools

experienced similar difficulties. At DSS long periods of time occurred whereby service staffing ranged between 33 and 66 percent with no actual supervisor in place. These 2 to 3 workers were having to shift between adult protective services, adult services, child protective services, in home prevention, foster care adoption home studies, and, for some of that timeframe, childcare subsidies, not to mention managing IV-E and CSA, it was an overwhelmingly impossible task to throw on workers that were often new and inexperienced.

Specific Response to Deficiencies

Program and Fiscal Activities

Observation 1:

The Greene County CPMT is requesting all noted fiscal deficiencies resulting in ineligible expenditures be forgiven for the following reasons:

1. As indicated above, factors contributing to the issues of compliance and internal controls overwhelmed the Greene CSA system meeting all requirements consistently proved undoable.
2. All expenditures cited would have been eligible had the appropriate documentation been completed in compliance with CSA requirements. All expenditures related to legitimate and necessary services for eligible children. The expenditures themselves were not questioned, only the process to expend the funds.
3. Greene County has a decade long history of minimal to no deficiencies for ineligible expenditures as reflected in previous audit findings. This history clearly demonstrates Greene's commitment to the values of CSA and program integrity.

Case A: IFSP service funding deficiency.

The youth was approved for a parental evaluation on August 10, 2022, by CPMT based on the August 3, 2022, FAPT approved recommendation. Unfortunately, the provider had a full schedule, through the holidays and

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the appointment could not begin until after the new year in February 2023. The case was not brought back to FAPT and CPMT after the services did not happen within the 90-day approval from 8-10-22. We were deficient in allowing the 8-10-22 approved service to happen without an additional 90-day review once it was known that the assessment could not happen until after the new year even though the service was still required. (IFSP and purchase order's Attachments A)

Case B: Intensive In Home

Greene County is a small locality and as such there are times when certain situations only occur few and far between. In this case, the FAPT and subsequently the CPMT, failed to recognize that because Medicaid would not be available to fund intensive in-home services for a family in crisis that a Community Based Behavioral Health Services Appropriateness Determination Form would be necessary to legitimate the needed and recommended services. However, the family was already being served by the local community services board which brought the case to FAPT and as such the services for them were already recognized as Medicaid eligible had the family been Medicaid eligible. As in other instances, the services in and of themselves were not ineligible had the form been filled out correctly. The process was flawed but not the need or the service.

Case D: duplicate payment (attachments D).

Short response: In a good faith effort to ensure a vendor was paid for services rendered in FY 23, a lump sum payment was made from this youth's purchase order on the last eligible day designated by OCS for previous fiscal year payments. Accomplishing this task required multiple email communications with the provider to reach an agreement on what could be paid from remaining supplemental pool funds prior to the close of the fiscal year. Though the process was flawed, the intent was to pay the vendor an amount that could be allocated between the services provided.

Note: Pursuant to Code of Virginia § 2.2-3703, documents accompanying the client response were excluded from the audit report because the contents included sensitive, confidential information exempt from public disclosure.

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It was nothing more than an effort to assist a vendor that would not have been otherwise paid for services rendered to specific children served by Greene CSA.

Detailed response: While the payment is seen as a duplicate, and on paper and for accounting purposes, it is a duplicate payment, the payment was an attempt to provide funds for a list of unpaid invoices received from the provider as fiscal year funds access was ending. Being one CSA Coordinator with a workload that has more than tripled, working with relatively new CSB and DSS case managers who understandably needed guidance on policy and procedures, proper procedure/processes fell through the cracks. Some of which were communication and the VEMAT process. I relied on the provider for the correct VEMATs and rates for youth in Foster Care.

Secondly the provider had a staffing issue and billing was not accurate at all times. As a standard practice, as the end of the fiscal year approaches, I send the providers a request for all unpaid invoices, but the last 2 end of fiscal years have been a large whirlwind. I am providing emails containing conversations with the provider. The 9-28-2023 email directly mentions the \$5,241.00 amount. The 9-27-2023 email lists the provider's unpaid amounts, however, I had sent checks on 9-13-2023 that they had not received yet, so I knew their figures were incorrect. There are additional emails with discussions about incorrect rates, VEMAT rate of April and forward, hourly rate adjustments and revised invoices.

This single, one-time practice had never and will never happen again. Part of the quality improvement plan has already been enacted by adding a clause in the annual agreement that all previous year payments shall be submitted by August 15th stated as:

*August 15 of each year is the **final** day invoices for any and all services rendered in the previous fiscal year shall be received for payment. Invoices submitted after August 15 will not be processed for payment.*

Note: Pursuant to Code of Virginia [§ 2.2-3703](#), documents accompanying the client response were excluded from the audit report because their contents included sensitive, confidential information exempt from public disclosure.

Cases A, D, and E: Foster Care Maintenance (VEMAT)

Greene County Social Services recognizes and respects the need for the timely completion of VEMATs. The simple reality is, during the period of the audit sufficient staff was not available to complete all tasks required. Staff completed VEMATs to the best of their abilities, but this just did not happen in all cases; not as a failure of intent or understanding, but as a limitation of capacity.

CPMT Governance
Observation 2

Greene CPMT recognizes the critical role both continuous quality improvement and utilization review play in providing efficient and effective service planning, implementation, and evaluation. Greene CPMT is actively seeking strategies for better incorporating cqi and ur into its processes. This will be more fully detailed in the quality improvement planning process.

Observation 3

Greene County has historically struggled with finding and maintaining a parent representative on its CPMT. This was exacerbated by COVID though Greene has been able to maintain a parent representative on its FAPT. Greene will more actively recruit for a parent rep on its CPMT and will more fully detail its plan in the quality improvement planning process.

Observation 4

At the risk of sounding redundant, Greene's failure to update its strategic plan and the incorporation of long-range planning was a direct result of the factors evidenced throughout this response. A process for more fully

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detailing strategic and long-range planning will be included in the quality improvement plan.

As a final note and evidence of Greene County's efforts to remediate the deficiencies that occurred during the audit period an additional .5 FTE has been assigned to assist the full time CSA Coordinator and significant improvements are already being recognized.