

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

FINAL REPORT

City of Roanoke

Audit Report No. 08-2020

April 15, 2021



Office of Children's Services
Empowering communities to serve youth

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Report Disclaimer

Due to the COVID-19 pandemic, onsite visits to validate management's conclusions have been suspended until further notice. In lieu of onsite visits, audit procedures were conducted remotely. Audit procedures were divided into two phases (Governance and Client Record Reviews). An interim report addressing governance activities was issued on October 20, 2020. The interim report did not include the results of an evaluation of compliance and internal controls pertaining to child/family referrals for service planning and funding as determined through client record reviews. Client record reviews were completed on March 16, 2021. This final report represents the full and completed evaluation of both phases of the audit engagement.

EXECUTIVE SUMMARY

The Office of Children's Services has conducted an audit of the City of Roanoke Children's Services Act (CSA) program. The Roanoke City CSA program provided services and/or funding to 390 eligible youth and families in fiscal year (FY) 2019 and 425 eligible youth and families in FY 2020. The audit included review and evaluation of management oversight of the CSA program. Based upon established statewide CSA performance measures reported as of FY 2019, significant achievements for the City of Roanoke CSA program were:

- Eighty-eight (88%) of youth served received community-based services out of all the youth served in the City of Roanoke, which exceeds the statewide average by 3.2%.
- Eighty (80%) percent of children that exited foster care were placed in a permanent living arrangement, approximately 4% above the statewide average.
- Eighty-three (83%) of youth are in a family-based placement, which is 2.1% above the statewide average.

However, there is an opportunity to effect quality improvement in other areas of the CSA program. The audit concluded that there was a deficiency in compliance and internal controls particularly in reference to CPMT governance. The conditions identified affects compliance with statutory requirements are as follows:

- Statement of Economic Interest (SOEI) forms were not completed by non-public serving members FAPT as required per the Code of Virginia (COV) § 2.2-5207 and in accordance with OCS Administrative Memo 18-02 dated January 16, 2018.

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 conducted a financial/compliance audit of the City of Roanoke 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 April 14, 2021 and covered the period May 1, 2019 through April 30, 2020. 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 improvement plans addressing prior audit observations reported by OCS on and/or identified in the prior self-assessment evaluation completed by the City of Roanoke. The audit report dates were December 20, 2012 and September 6, 2017.

The scope of the audit included a review CPMT policy/procedure, CPMT meeting minutes, continuous quality improvement, and monitoring of fiscal management and program outcomes, strategic planning, adherence to established federal, state, and local compliance criteria pertaining to CSA (where validations may be completed remotely).

BACKGROUND

Nestled in the Blue Ridge Mountains, the City of Roanoke is located in the southwest region of the Commonwealth of Virginia. Founded 1884 as an independent city, Roanoke is the largest municipality in the region. According to the United States Census Bureau Quick Facts, the estimated population in 2019 was 99,143 and the median household income from 2014-2018 was \$43,028.

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 (2) Family Assessment and Planning Teams (FAPT) responsible for recommending appropriate services to eligible children and families, a CSA Administrative Assistant, a CSA Specialist, a CSA Utilization Management Coordinator and a CSA Coordinator. Expenditure demographics for fiscal years 2017 to 2019 are depicted below.

Source: CSA Continuous Quality Improvement (CQI) Dashboard

At-A-Glance

<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
432	401	390	431
Distinct Child Count	Distinct Child Count	Distinct Child Count	Distinct Child Count
12.0M	12.0M	11.0M	11.9M
Gross Expenditures	Gross Expenditures	Gross Expenditures	Gross Expenditures
11.6M	11.5M	10.7M	11.7M
Net Expenditures	Net Expenditures	Net Expenditures	Net Expenditures
\$26,925	\$28,740	\$27,545	\$27,095
Average Expenditure	Average Expenditure	Average Expenditure	Average Expenditure
0.3072	0.3072	0.3072	0.3072
Base Match Rates	Base Match Rates	Base Match Rates	Base Match Rate
0.3053	0.3059	0.3078	0.3058
Effective Match Rate	Effective Match Rate	Effective Match Rate	Effective Match Rate

OBSERVATIONS AND RECOMMENDATIONS

CPMT GOVERNANCE

Observation #1:**Criteria:****Compliance and Internal Control**

Code of Virginia (COV) §2.2-5207 requires completion of the Statement of Economic Interest (SOEI) filing by non-public officials designated as members of the FAPT. Guidance provided in OCS Administrative Memo #18-02 [Statement of Economic Interest Filings for FAPT and CPMT Members](#) directs that the forms be completed upon appointment and filed with the clerk of the local governing body, who is responsible for maintaining these filings as public records for five years. This internal control established by CSA statutes and operating guidance was not effectively implemented by the CPMT in order to safeguard against conflicts of interest. The statement of economic interest (SOEI) form for the parent representative serving on Family Assessment and Planning Team (FAPT) was not available for inspection upon request. The Local CSA representatives advised that the SOEI had been misplaced. Corrective action has been taken and the parent representative completed the SOEI form on 7/21/2020.

Recommendation:

The CPMT should ensure all required member of the CPMT and FAPT complete SOEI form in accordance with the COV §2.2-5205 and §2.2-5207, and maintain filings in accordance with OCS Administrative Memo #18-02 dated January 16, 2018.

Client Comment:

No Comment

CONCLUSION

The audit concluded that there was a deficiency in compliance and internal controls relating to governance of the City of Roanoke CSA program condition were identified that affects compliance with statutory requirements. An exit conference was conducted on September 23, 2020, and April 14, 2021, to present the audit results to the City of Roanoke CPMT. Persons in attendance representing the CPMT were:

Steven Martin, CPMT Chair, Director of Social Services
James M. O'Hare, Assistant City Manager, Local Government Representative
Cathy Brown, Division Director, Blue Ridge Behavioral Healthcare
Jamay Gray, K-5 Coordinator Special Education, Roanoke Public Schools
Robert Haakmeester, Department of Health (April 14, 2021 only)
Trista Noel, Roanoke City Police Department (April 14, 2021 only)

Sue Vail, Parent Representative
Renee Brown, Private Provider

CSA Staff

Julie Payne, CSA Coordinator
Alex Sakalas, CSA Liaison (September 23, 2020 only)
Stephanie Everett, CSA Administrative Assistant
Carolyn Aker, CSA Utilization Management Coordinator (September 23, 2020 only)
Katie Van Patten, CSA Utilization Management Coordinator (April 14, 2021 only)

Others Attendees

Meredith Burger, DSS Business Administrator (September 23, 2020 only)
Paul Workman, City of Roanoke Budget Business Analyst (September 23, 2020 only)
Loren Fennell, Office of Management and Budget (April 14, 2021 only)

Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the City of Roanoke CPMT and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services
Bob Cowell, Roanoke City Manager
Steven Martin, CPMT Chair
Mary Talley, CPMT Fiscal Agent
Julie Payne, CSA Coordinator