

ORANGE COUNTY, VIRGINIA

OFFICE ON YOUTH

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To: Orange County Board of Supervisors

From: Alisha Vines, Office on Youth Director *AV*

Through: Glenda Bradley, Asst. Co. Administrator for Management Services

Date: November 20, 2020

Subject: CSA Monthly Report

Please find attached the CSA report for expenses through September 30, 2020. As Mrs. Douthit's report reflects, we are showing our expenses and projections within our budget; however, it is early in the year and these numbers may fluctuate. The number of families we have serviced this fiscal year remains in line with the same reporting period of FY2020 at 96 at-risk youth and families.

Last month I reported that our governance audit was almost complete, and the exit interview was conducted at the October CPMT meeting. Attached is the final interim report form the Office of Children's Services (OCS). There were several areas in which we had governance weaknesses that CPMT will need to address. They are as follows:

1. Ensuring the correct Conflicts of Interest forms are being utilized by all required parties;
2. Regularly reporting CPMT member absences to the Board of Supervisors;
3. Ensuring effective and efficient use of financial resources are used to off-set the costs to CSA, specifically Child Support Enforcement funds collected by DSS.

The next step in this process is for the team to discuss the issues and develop a Quality Improvement plan that will need to be submitted to OCS by December 31, 2020. We anticipate the changes that need to be made can be done quickly and not be an issue moving forward. OCS is still working on developing a plan to audit case files and we hope to have that part of the process done soon.

The last document attached is Administrative Memo #20-11 from Executive Director of OCS, Scott Reiner. This memo was sent to all CPMT Chairs and CSA Coordinators to provide information on upcoming changes to how congregate care placements for children in foster care are funded. This is all the information we have at this time and are waiting for further guidance, however, we felt it was important to share it with you as it may influence our budget. As we receive more information, we will be sure to share it with each of you.

As always, we thank you for your continued support and please let our office know if you have any questions after reading the attached reports.

Cc: Letitia Douthit
File

November 20, 2020

CHILDRENS SERVICES ACT FOR AT-RISK YOUTH AND FAMILIES
ORANGE COUNTY COMMUNITY POLICY & MANAGEMENT TEAM
ORANGE COUNTY FAMILY ASSESSMENT & PLANNING TEAM

Letitia Douthit
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Orange County Children's Services Act Program Report

Thank-you for your continued support in serving our At- Risk Youth and families. As of October 31, 2020, CSA expenses are projecting within budget, however we are still very early in the Fiscal Year. We have provided multiple services to 96 At -Risk Youth/Families compared to approximately 96 Youth/Families in 2019.

The COVID 19 restrictions are continuing to make it difficult to have Treatment Team meetings and provide the needed services. Most of our private providers have started to meet with clients face to face. The agencies and private providers involved with CSA are continuing to serve our youth and families to the best of our abilities during these difficult times. We are continuing to adapt.

We have received a partially completed CSA Program onsite Audit Interim report. We are currently working with the State CSA auditors on plans to complete the onsite case file reviews due to continuing COVID 19 restrictions.

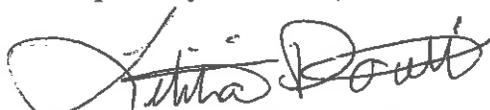
Going forward into FY21, we will do our best to stay within our budget while continuing to provide the much-needed services to our At-Risk families and Youth of Orange County.

FY 21 County Budget: Original \$3,000,133

FY 21 YTD Expenses as of 10/31/2020 (which are expenses thru Jul – Sept. 2020)

	YTD Expenses	Projections	Total Projected	FY20 Budget
43270 Residential Congregate Care	16,083.94	283,916.06	300,000.00	300,000
43275 Foster Care	49,111.99	550,888.01	600,000.00	600,000
43276 Congregate Care ED Services	33,871.68	316,128.32	350,000.00	350,000
43277 SpEd (IBP) Priv Day Placement	105,282.13	1,094,717.87	1,200,000.00	1,200,000
43280 Community Based Services	123,928.65	376,071.35	500,000.00	500,000
43285 Special ED Wrap - CBS	5,544.75	16,311.25	21,856.00	21,856
43290 Non-Mandated - CBS	0.00	28,277.00	28,277.00	28,277
	\$333,823.14	\$2,666,309.86	\$3,000,133.00	3,000,133

Respectfully Submitted,


Orange County CSA Coordinator



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

OFFICE OF CHILDREN'S SERVICES
Administering the Children's Services Act

Administrative Memorandum #20-11

TO: CSA Coordinators and CPMT Chairs
FROM: Scott Reiner, Executive Director *Scott Reiner/mm*
DATE: November 20, 2020
RE: Upcoming Changes to Congregate Care Funding for Children in Foster Care

I am writing to make you aware of some significant upcoming changes to how congregate care placements for children in foster care are funded. These changes are due to two developments: 1) recent guidance from Medicaid; and 2) the upcoming implementation of the Family First Prevention Services Act (FFPSA). Additional detailed guidance is forthcoming, but I wanted to give you as much early notice as possible. OCS is aware that these changes will impact local CSA funding.

The changes are as follows:

1. For Psychiatric Residential Treatment Facilities (PRTFs, formerly referred to as Level C).

A determination by DMAS will result in Medicaid becoming the sole payer of non-educational costs at the facility's approved Medicaid rate. Title IV-E will no longer be a payer for room and board and daily supervision. This change will be effective for billable days beginning July 1, 2021, for all children in foster care in a PRTF. This change is likely to increase the local Medicaid match for this specific group of children.

2. For therapeutic group homes (TGH, formerly referred to as Level B) and DSS licensed group homes (CRF, formerly referred to as Level A)

With the implementation of the FFPSA (with the earliest date of July 1, 2021, and the latest date of September 30, 2021), title IV-E funds will no longer be available to pay the room and board and daily supervision costs in facilities not designated as a Qualified Residential Treatment Program (QRTP). This change applies only to children in foster care placed after the FFPSA implementation date (those already in placement will be "grandfathered") and title IV-E will continue to be an available payment source. The non-Medicaid costs in a TGH and almost all costs in a CRF will shift to CSA. We continue to work with VDSS in encouraging placement of children with relatives and in the least restrictive environment possible. With the implementation of the FFPSA, VDSS is considering policy about the future use and funding of these non-QRTP facilities. At present, such placements will remain an option. This change is likely to result in

increases to the local CSA costs for this group of children as title IV-E funds become unavailable.

A notification conveying this information is also being distributed concurrently to local directors of social services.

OCS and VDSS are appreciative of your patience as more detailed guidance on these changes is developed and disseminated in the near future.

Please feel free to direct any questions to my office.



COMMONWEALTH of VIRGINIA

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

Scott Reiner, M.S.
Executive Director

November 16, 2020

Ms. Susan Aylor, CPMT Chair
Orange County School System
Taylor Education Adm. Complex
200 Dailey Drive
Orange, VA 22960

Dear Ms. Aylor

Please find enclosed the final interim report for the audit completed of the Orange County Children's Services Act (CSA) Program. A quality improvement plan (QIP) addressing the observations outlined in this report is required. You will receive, via email, a QIP template that can be used to facilitate this process. The completed quality improvement plan must be received by this office no later than Thursday, December 31, 2020.

On behalf of the Office of Children's Services, we would like to express our sincere appreciation to the Orange County CSA Office and the CPMT for their patience, cooperation, and assistance throughout the audit process. Please feel free to contact our office if you have any questions, concerns, and/or require additional information pertaining to this audit.

Respectfully,

A handwritten signature in cursive script that reads "Annette E. Larkin".

Annette E. Larkin, MBA
Program Auditor

Cc: Scott Reiner, Executive Director
Theodore L. Voorhees, County Administrator
Dawn W. Herndon, CPMT Fiscal Agent
Letitia Douthit, CSA Coordinator

CHILDREN'S SERVICES ACT

PROGRAM AUDIT

INTERIM REPORT

Orange County

Audit Report No. 13-2020

November 16, 2020



Office of Children's Services

Empowering communities to serve youth

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Interim Report Disclaimer

Due to the COVID -19 pandemic, CSA audits are temporarily limited to remote desk reviews of CPMT governance activities. These measures were taken to ensure OCS fulfills its responsibility for program oversight and to provide CPMT with relevant and timely information for program improvement, where applicable. Governance activities include, but are not limited to, CPMT policy/procedure development, CPMT actions as evidenced by 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). This interim report does not address compliance pertaining to child/family referrals for service planning and funding as the confidential nature of such reviews would necessitate an on-site review of client case files and accompanying financial records, which cannot be accomplished at this time. A full and final report will be issued at a later date, once on-site visits and/or related audit validation procedures can be resumed.

EXECUTIVE SUMMARY

The Office of Children's Services has completed a partial audit of the Orange County Children's Services Act (CSA) program. The Orange County CSA program provided services and/or funding to 96 eligible youth and families in fiscal year (FY) 2019. The audit included review and evaluation of management oversight, operational, and fiscal practices. Based upon established statewide CSA performance measures reported as of FY 2019, significant achievements for the Orange County CSA program were:

- Approximately 85% of youth served received community-based services out of all the youth served in Orange County.
- Approximately 94% of children that exited foster care were placed in a permanent living arrangement, which is approximately 8% above the target and 18% above the statewide average.
- Approximately 71% of youth had a decrease in the Child and Adolescent Needs and Strengths (CANS) Assessment school domain, which is approximately 25% above the statewide average. Decreases in CANS score are indicative of improved functioning.

There are opportunities to effect quality improvement in other areas of the CSA program. The audit concluded that there were deficiencies in compliance and internal controls, particularly in reference to CPMT governance. Conditions were identified that could adversely affect the effective and efficient use of resources and compliance with statutory requirements. The following issues were identified:

- Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against potential conflicts of interest in the referral for services and approval of CSA pool funds for eligible youth and their families. Statement of Economic Interest (SOEI) forms were not completed by non-public serving members of the CPMT and FAPT as required per the Code of Virginia (COV) § 2.2-5205 and § 2.2-5207.
- Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services and/or to meet the needs of the children and families. Orange County has not ensured child support collections from the Department of Social Services are reported as refunds to CSA for CSA eligible clients.

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 completed a financial/compliance audit of the Orange County 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 November 16, 2020 and covered the period March 1, 2019 through February 29, 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 Orange County. The audit report dates were May 19, 2014 and August 3, 2017.

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

BACKGROUND

Orange County, located in the north central piedmont region of Virginia and founded 1734, was named after Prince William IV of Orange. Orange County borders the counties of Madison (northwest), Culpeper (north), Spotsylvania (east), Louisa (south) Albemarle (southwest) and Greene (west). According to the US Census Bureau Quick Facts, the estimated population in 2019 was 37,051 and the median household income from 2014-2018 was \$68,481.

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 a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to eligible children and families, an Account Clerk, a FAPT Coordinator and a CSA Coordinator. Expenditure demographics for fiscal 2017 to 2019 are depicted below.

Source: CSA Continuous Quality Improvement (ICQ) Dashboard

At-A-Glance

<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
131	128	96
Distinct Child Count	Distinct Child Count	Distinct Child Count
3.1M	3.4M	3.0M
Gross Expenditures	Gross Expenditures	Gross Expenditures
2.9M	3.3M	3.0M
Net Expenditures	Net Expenditures	Net Expenditures
\$22,508	\$25,712	\$31,315
Average Expenditure	Average Expenditure	Average Expenditure
0.4083	0.4083	0.4083
Base Match Rate	Base Match Rates	Base Match Rates
0.3836	0.3861	0.3737
Effective Match Rate	Effective Match Rate	Effective Match Rate

OBSERVATIONS AND RECOMMENDATIONS

A) CPMT GOVERNANCE

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

Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflicts of interest. The non-public members serving on both the CPMT and FAPT did not complete the statement of economic interest (SOEI) form in accordance with the requirements set forth in COV §2.2-5205 and §2.2-5207. Non-public members completed the Financial Disclosure (“short form”) form in lieu of the Statement of Economic Interest (“long form”). The Financial Disclosure form is less comprehensive than the SOEI, and thus may not reflect full disclosure of all financial interest. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are reduced based on the increased opportunity for individuals to not disclose all personal and financial interest.

OCS Administrative Memo #18-02 dated January 16, 2018 provided guidance to local CSA programs regarding filing requirements. The guidance states that upon appointment non-public members must complete the “long” form as prescribed in (COV) §2.2-3117. This audit observation was reported in the audit report dated August 3, 2017. A quality improvement plan had been submitted and indicated as completed in the spring of 2019. The CPMT started including the SOEI form in the application to join CPMT and FAPT. However, the wrong form was provided.

Recommendations:

1. The CSA Office should ensure the appropriate form is included with the materials provided to individuals interested in serving as non-public officials of CPMT and FAPT.
2. The CPMT should ensure all of the CPMT and FAPT members not representing a public agency complete the SOEI forms (long form) upon appointment and maintain the filing in accordance with the OCS Administrative Memo 18-02 dated January 16, 2018.

Client Comment:

No Comment

Observation #2:**Criteria:****Internal Control - Repeat Observation**

Orange County CPMT By-Laws adopted December 19, 2017, state: “a member of the CPMT who fails to personally attend at least 75% of the regular meetings within a calendar year shall be

reported to Orange County Board of Supervisors (BOS).” The designated Community Services Board (CSB) representative was not present for 58% of the meetings during the review period and 50% of the meetings during a calendar year, as determined through member attendance documented in CPMT minutes. Nor was there an alternate/designee in attendance on their behalf. Local representatives attributed the absences to staffing changes (retirement/new hire). The absence of the CSB representative of the governing body responsible for the administration and implementation of the local CSA program represents a material weaknesses in oversight and governance of the program, which may ultimately impede the intent of CSA to create a collaborative system of services that is contingent upon the participation of the member agencies to provide the expertise in their respective areas. This internal control weakness was identified in the August 3, 2017 audit report.

Recommendations:

1. The CPMT should name an alternate for each public serving member of the team to ensure each agency is represented at the regularly scheduled CPMT meeting.
2. All matters with absenteeism should be reported to the Orange County BOS as stated in the CPMT By-laws.

Client Comment:

No Comment

B) FISCAL ACTIVITIES

Observation #3:

Criteria:

Compliance and Internal Control

Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services and/or to meet the needs of the children and families. SEC Policy 4.5.2 Pool Fund Reimbursement requires localities to report at least quarterly all CSA eligible expenditures and applicable refunds in accordance with appropriate expenditure-reporting categories and refund classification. A review of the Local Expenditure, Data and Reimbursement System (LEDRS) Refund Reports for FY17 – FY20 indicates that Orange County has not reported any Child Support Enforcement recoveries (Refer to Exhibit A). However, other data collected by OCS for Orange County denotes CSA funded services on behalf of 23-49 foster care clients. Upon inquiry, the Orange County CSA Office advised that they had not received any child support funds from the Department of Social Services.

Exhibit A

CSA Expenditure Refunds Orange County FY 2017-2020

2017

<u>Fips</u>	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
137	Orange	57,712.40	3,015.00	-	-	98,973.66	3,420.00	163,121.06

2018 Refunds

<u>Fips</u>	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
137	Orange	47,373.81	8,694.00	13,000.00	-	21,032.40	-	90,100.21

2019 Refunds

<u>Fips</u>	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
137.00	Orange	4,824.41	5,888.00	-	-	-	-	10,712.41

2020 (Pending year-end final close)

<u>Fips</u>	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
137	Orange	819.00	672.00	-	-	-	-	1,491.00

Recommendations:

In accordance with SEC Policy 4.5.2, the CPMT should determine if there were any child support collections for the current and previous fiscal years and report the refund in LEDRS with their next pool reimbursement.

Client Comment:

No Comment

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Orange County CSA program, particularly in reference to CPMT governance. Conditions were identified that could adversely affect accountability and oversight, as well as compliance with statutory requirements. An exit conference was conducted on October 27, 2020, to present the interim audit results to the Orange County CPMT. Persons in attendance representing the Orange County CPMT were as follows:

Susan Aylor, CPMT Chair, Director of Special Education
Marc Moore, Former CPMT Chair, Court Services Unit Supervisor
Taisha Chavez, Program Manager, Community Service Board
Alisha Vines, Director Office on Youth, Local Government Representative
Crystal Hall, Director of Social Services
Wade Kartchner, MD, Department of Health
Joseph Nagle, Private Provider
Letitia Douthit, CSA Coordinator

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

REPORT DISTRIBUTION

Scott Reiner, Executive Director

Office of Children's Services

Theodore L. Voorhees, Orange County Administrator

Susan Aylor, CPMT Chair, Director of Special Education

Dawn Watson, CPMT Fiscal Agent

Letitia Douthit, CSA Coordinator