

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 7, 2025

TO: JAMES PARAJON, CITY MANAGER

FROM: ROBERT SNYDER, CHIEF INTERNAL AUDITOR 

SUBJECT: DCHS CSA OCS AUDIT (FS25-05)

Background

On April 1, 2024, the Virginia Office of Children's Services (OCS) contacted the Department of Community and Human Services (DCHS) and informed them that they would be conducting an audit of the City of Alexandria's Children's Services Act (CSA) program which is officiated by the Alexandria Community Policy and Management Team (CPMT). The period of the audit was April 1, 2023, through March 31, 2024. The audit had the following objectives:

- Determine whether adequate internal controls have been established and implemented over CSA expenditures.
- Determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- 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.
- Evaluate the local CSA program's operational and utilization review practices to assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance.
- Assess the implementation of quality improvements addressing prior audit observations reported by OCS in the final report dated September 4, 2019.

Discussion

On August 12, 2024, OCS issued their final report which began by listing program accomplishments. The OCS auditors identified areas of internal control weaknesses, significant non-compliance with CSA statutes or State Executive Council for Children's Services (SEC) policies which are summarized below and on the following pages:

Internal Control Weaknesses

- Invoices for services were not processed within a 45-day window per local policy.
- Incorrect service names were recorded in the CSA Local Expenditure Data and Reimbursement System (LEDRS).

Non-compliance with CSA Statutes

- The CSA program identified refunds due to the state from parental co-payments, child support, reclaimed IV-E program funds, or other federal benefits for foster children while reporting no amounts for FY22 and FY23

Non-compliance with SEC Policies

- Required assessments with the Child and Adolescent Needs and Strengths (CANS) instrument were not completed or closed.
- The required Appropriateness Determination form for funding of community-based behavioral health services was not signed by a licensed mental health professional in one (1) case.
- There was missing or expired documentation in case files and missing elements in Individual and Family Service Plans (IFSPs).
- CSA funds were reimbursed for foster care maintenance on behalf of youth who were eligible for reimbursement under the Title IV-E program administered by DCHS. The City must reimburse the Commonwealth \$7,714.92 which will be offset from amounts due to the City.
- Non-public members on the Community Policy and Management Team (CPMT) and the Family Assessment and Planning Team (FAPT) did not complete the correct Statement of Economic Interest Forms as required by the Code of Virginia.

DCHS responded to OCS with a corrective action plan. The corrective action plan was received and accepted by OCS, and they included the City's response in their final communication of November 8, 2024.

OIA Analysis of OCS and Other Audits

OIA has assessed the OCS audit report and the department's response as well as our records of other engagements which provide information regarding DCHS's overall operations.

Prior Audit Engagements With Potential Impact on CSA Program		
Date	Engagement Name	Notes
11/30/22	FS22-05 DCHS LRT Compliance Review	VDSS Local Review Team (LRT) issued a finalized review of reimbursements claimed by DCHS. <u>No findings but did identify areas of concern requiring DCHS to submit a QIP.</u>
09/04/19	FS20-02 CPMT Review CSA Program	The Virginia Office of Children's Services conducted a workbook validation audit of Alexandria's CSA program. <u>No findings identified and this was the last audit of this program.</u>

Conclusion

OIA requested additional information from DCHS and noted that the overall program budget was over \$8 Million and served a total of 194 clients in FY24. The program is complex with over 200 providers engaged in supporting the clients. Extensive documentation for each client is handled by multiple staff members, increasing the potential for error. Regarding delay of payment, OIA interviews indicated that the payment process has similar complexities where multiple DCHS and City Finance staff members must follow City payment disbursement requirements in addition to the operational staff members who service the clients.

The QIP was submitted to OCS on September 30, 2024, and contained responses to the observations which address the findings made by OCS. OIA reviewed the QIP and noted that for the four (4) observations DCHS can provide substantial evidence that two (2) have been fully implemented. For the remaining observations and findings DCHS has taken corrective action. We anticipate that OCS will include our program in subsequent engagements to ensure that the corrective action steps are effective.

Departmental Response

No response is required to this memorandum. Please contact us at internalaudit@alexandriava.gov should you have any questions.



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COMMONWEALTH of VIRGINIA

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

SCOTT REINER, M.S.
Executive Director

November 8, 2024

James Parajon, City Manager
City of Alexandria, Virginia
301 King Street, Room 3500
Alexandria, Virginia 22314

Re: Alexandria Children's Services Act (CSA) Audit Findings

Dear Mr. Parajon,

On August 12, 2024, the Office of Children's Services (OCS) issued the final audit report regarding the City of Alexandria Children's Services Act (CSA) program (Audit Report 07-2024).

The audit identified nine (9) areas of significant non-compliance with CSA statutes, State Executive Council for Children's Services (SEC) policies, or internal control weaknesses. Specifically:

1. Required assessments with the Child and Adolescent Needs and Strengths (CANS) instrument were not completed or closed timely in two (2) of ten (10) cases sampled.

This finding falls into Level Two under State Executive Council for Children's Services (SEC) Policy 4.7 (Response to Audit Findings with Regard to the Children's Services Act) and is not subject to denial of funds in the current audit cycle. Repeat findings on this area in future audits would result in partial denial of funds under Policy 4.7.

2. The required Appropriateness Determination form for funding community-based behavioral health services was not signed by a licensed mental health professional in one (1) case.

This finding falls into Level Two under SEC Policy 4.7 and is not subject to denial of funds in the current audit cycle. Repeat findings on this area in future audits would result in partial denial of funds under Policy 4.7.

3. Invoices for services were not processed for payment within the 45-day window established in local policy. This is an internal control weakness and not subject to further action.
4. There was missing or expired documentation in five (5) of ten (10) case files reviewed and missing elements in Individual and Family Services Plans (IFSPs) in four (4) of ten (10) case files reviewed.

This finding falls into Level Two under SEC Policy 4.7 and is not subject to denial of funds in the current audit cycle. Repeat findings on this area in future audits would result in partial denial of funds under Policy 4.7.

5. Incorrect service names were recorded in the CSA Local Expenditure, Data, and Reimbursement System (LEDERS) for three (3) of the ten (10) cases reviewed. This finding represents a weakness in data integrity/internal controls and is not subject to further action.
6. CSA state funds were reimbursed for foster care maintenance on behalf of seven (7) youth who were eligible for reimbursement through the title IV-E program administered by the local department of social services.

This finding falls into Level Three under SEC Policy 4.7 and is subject to denial of funds. The state share of this finding is \$7,714.92.

7. For the fiscal years 2022 and 2023, the Alexandria CSA program reported \$0 in refunds for parental co-payments, child support recovered through the Division of Child Support Enforcement, funds reclaimed through title IV-E, or any federal benefits collected on behalf of children in foster care. The CSA program has identified at least one such refund due to the state in the amount of \$426.74. The CSA program has indicated that efforts are currently underway to more fully account for these funds and to report them through LEDERS. OCS will monitor these refunds as a component of the follow-up to this audit.
8. Non-public members on the Community Policy and Management Team (CPMT) and the Family Assessment and Planning Team (FAPT) did not complete the correct Statement of Economic Interest form.

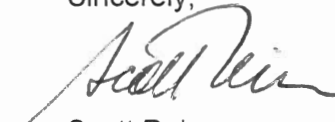
This finding falls into Level One under SEC Policy 4.7 and is not subject to denial of funds in the current audit cycle. Repeat findings on this area in future audits would result in partial denial of funds under Policy 4.7.

The denial by the Office of Children's Services of financial reimbursement may be appealed through the CSA Dispute Resolution process established in SEC Policy 3.4, which may be located at the following web address: https://www.csa.virginia.gov/content/doc/CSA_Policy_Manual.pdf. A copy of the policy is attached to this letter. To initiate the appeal process, this office must receive notice within 45 calendar days of receipt of this letter (no later than January 1, 2025).

The Alexandria CPMT has responded to the audit findings and provided a Quality Improvement Plan. Office of Children's Services audit staff will monitor the successful implementation of that plan.

Should you have any questions about this communication, please call me at [REDACTED] or e-mail me at [REDACTED].

Sincerely,



Scott Reiner
Executive Director

cc: [REDACTED] Alexandria CSA Coordinator
[REDACTED] Alexandria CPMT Chair
[REDACTED] Alexandria CSA Fiscal Agent
[REDACTED] Chief Financial Officer, Office of Children's Services
[REDACTED] Audit Manager, Office of Children's Services