

**OFFICE OF COMPREHENSIVE SERVICES
FOR AT-RISK YOUTH AND FAMILIES
RICHMOND, VIRGINIA**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2000**



AUDIT SUMMARY

We audited the Office of Comprehensive Services for At-Risk Youth and Families (the Office) for the year ended June 30, 2000. The Department of Education is the designated fiscal agent for the Office. Our audit found:

- proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving the internal control and its operation that we consider material weaknesses; and
- no instances of noncompliance that are required to be reported.

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October 18, 2000

The Honorable James S. Gilmore, III
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Vincent F. Callahan, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the financial records and operations of the **Office of Comprehensive Services for At-Risk Youth and Families** for the year ended June 30, 2000. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objective, Scope, and Methodology

Our audit's primary objectives were to evaluate the accuracy of recording financial transactions on the Commonwealth Accounting and Reporting System and in the Department's accounting records, review the adequacy of the Department's internal control, and test compliance with applicable laws and regulations.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Department's operations. We also tested transactions and performed such other auditing procedures as we considered necessary to achieve our objectives. We reviewed the overall internal accounting controls, including controls for administering compliance with applicable laws and regulations. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances:

Expenditures
Revenues

We obtained an understanding of the relevant internal control components sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the Department's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations.

The Department's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide

reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal control or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal control, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal control to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

Audit Conclusions

We found that the Department properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System and in the Department's accounting records. The Department records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted no matters involving internal control and its operation that we consider to be material weaknesses. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to financial operations may occur and not be detected promptly by employees in the normal course of performing their duties.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

EXIT CONFERENCE

We discussed this report with management at an exit conference held on November 28, 2000.

AUDITOR OF PUBLIC ACCOUNTS

AGENCY INFORMATION

Background Information

The Office of Comprehensive Services (Office) administers the Comprehensive Services Act for At-Risk Youth and Families (CSA). CSA is a child-centered, family-focused, and community-based system providing treatment services for children who exhibit serious emotional and behavioral problems. The State Executive Council (Council) governs the Office and establishes interagency program and fiscal policies, identifies and establishes goals for comprehensive services, and advises the Governor on proposed policy changes. The Department of Social Services pays the Office's employees; however, the fiscal agent is the Department of Education. Education provides two additional staff, who monitor and process all CSA payments.

CSA uses three teams that work together to manage collective efforts among state and local agencies and the respective families. These teams are the State Management Team, Community Policy and Management Team and the Family Assessment and Planning Team.

State Management Team

The State Management Team (SMT) develops and makes recommendations to the Council on interagency programs and fiscal policies. They also manage cooperative efforts and training programs between the state and local levels. The SMT includes a representative from the following state agencies: Department of Health, Department of Juvenile Justice, Department of Social Services, Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Education. The SMT also includes a parent representative, a representative of a private provider organization for children or family services, a juvenile and domestic relations district court judge; and an individual from each of the five different geographical areas of the Commonwealth who is also on their community policy and management team.

Community Policy and Management Team

The Community Policy and Management Team (CPMT) is the community's liaison to the state management team. There are over 130 teams across the state, usually one in each locality. The CPMTs develop long-range community-wide policies to maximize the use of state and community funding and staff resources. The CPMT includes a representative from the following community agencies: Community Services Board Establishment, Juvenile Court Services Unit, Department of Health, Department of Social Services, and the local school division. The team also includes a parent representative and a representative of a private provider organization for children or family services (if such organizations or associations exist within the locality)

Each CPMT establishes one or more Family Assessment and Planning Teams based on regional needs. The CPMT recommends individuals and families to a Family Assessment and Planning team. The CPMT also authorizes and monitors expenses for each Family Assessment and Planning Team.

Family Assessment and Planning Team

The Family Assessment and Planning Team (FAPT) assesses the strengths and needs of each at-risk youth and develops individual family service plans to ensure the most appropriate services are provided. The FAPT recommends expenditures for the services to the CPMT. The FAPT includes the local agency

representatives from the following community agencies: Community Services Board Establishment, Juvenile Court Services Unit, Department of Health, Department of Social Services, local school division, and a parent representative.

Financial Information

The Office receives funding from the Commonwealth's General Fund and federal grants. In fiscal year 2000, the Office had total revenues of over \$152 million, of which over 80 percent came from the Commonwealth's General Fund. Appropriations increased approximately 21 percent from last fiscal year. The Office separates the state and federal revenues into three funds: state pool, state trust, and administrative. The Office allocates the funds based on Appropriation Act requirements. The following table summarizes the Office's expenses by fund over the last three years.

Fiscal Year	State Pool Expenses	State Trust Fund Expenses	Administrative Fund Expenses	Total Expenses
1998	\$107,619,672	\$ 484,090	\$ 626,444	\$108,730,206
1999	115,079,089	642,931	621,791	116,343,811
2000	125,661,788	1,096,331	1,376,834	128,134,953

Source: Commonwealth Accounting and Reporting System transaction listing for the year ended June 30, 2000

State Pool Funds

The Office classifies the majority of its funds as state pool funds. The Office uses these funds to reimburse localities for costs of providing private special education, day care, foster care, and foster care prevention for eligible children and their families.

State Trust Fund

The Office classifies some of its funds as State Trust Funds. The Office gives these funds to localities for the costs associated with new programs and early intervention services for at-risk young children.

Administrative Fund

The Office classifies its remaining funds as Administrative Funds. These funds offset the additional cost localities incur in implementing the CSA. The localities may use these funds for administrative and coordinating expenses, or even direct services to eligible youth and families.