

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
ST. LOUIS, MISSOURI**

**CONSULTING ENGAGEMENT**

**JANUARY 1, 2015 THROUGH DECEMBER 31, 2016**

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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## INDEPENDENT ACCOUNTANT'S REPORT ON CONSULTING PROCEDURES

Board of Directors  
St. Louis County Children's Service Fund  
St. Louis, Missouri

We have performed consulting procedures to document, review, and analyze nine key processes of the Children's Service Fund during the period from January 1, 2015 through December 31, 2016, identified as:

- A. Agency Request for Proposal Process
- B. Agency Proposal Review and Award Process
- C. Funding Allocation Methodologies and Alignment with St. Louis County Needs
- D. Funding Allocation Methodologies and Alignment with State Statutes
- E. Agency Contract Appeal Process
- F. Agency Invoice Review, Approval, Payment, and Reporting Processes
- G. Agency Review and Compliance Process
- H. Agency Outcome Measurement and Reporting
- I. Contracted Administrative Expenditures in Excess of \$15,000

Management has indicated that it has taken remedial action on a number of recommendations identified in our current report as "RESPONSES"; however, we have not observed and reported on those actions taken by management. However, we have identified whether management's responses from the prior year's 2014 consulting engagement report were implemented based on our current year's consulting engagement.

This report is intended solely for the information and use of management and the Board of Directors of St. Louis County Children's Service Fund and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
July 13, 2017

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
CONSULTING ENGAGEMENT – JANUARY 1, 2015 THROUGH DECEMBER 31, 2016  
INDEPENDENT ACCOUNTANT'S REPORT ON CONSULTING PROCEDURES**

**EXECUTIVE SUMMARY**

Board of Directors  
St. Louis County Children's Service Fund  
St. Louis, Missouri

We have performed consulting procedures to document, review and analyze nine key processes of the Children's Service Fund identified as:

- A. Agency Request for Proposal Process
- B. Agency Proposal Review and Award Process
- C. Funding Allocation Methodologies and Alignment with St. Louis County Needs
- D. Funding Allocation Methodologies and Alignment with State Statutes
- E. Agency Contract Appeal Process
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- G. Agency Review and Compliance Process
- H. Agency Outcome Measurement and Reporting
- I. Contracted Administrative Expenditures in Excess of \$15,000

This Executive Summary provides an overview of the observations and recommendations resulting from our consulting engagement and the status of the implementation of our recommendations as provided to us by the Children's Service Fund management.

Although management has indicated that it has taken remedial action on a number of recommendations identified in our current report; we have not observed and reported on those actions taken by management. We have, however, reviewed management's responses to our recommendations in the 2014 consulting engagement report to identify whether actions were implemented effectively in the Prior Year's Recommendations Repeated section of this report.

This report is intended solely for the information and use of management and the Board of Directors of St. Louis County Children's Service Fund and is not intended to be and should not be used by anyone other than these specified parties.

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**Overview**

The consulting procedures employed to document, review and analyze nine key processes of the Children's Service Fund (CSF) (Fund) identified specific areas for improvement and we provided recommendations associated with each of the nine review areas. The review period covered January 1, 2015 through December 31, 2016, with inclusion of additional information, when pertinent to evaluating the entire process being reviewed. Key staff at CSF includes the Director of Administration, Director of Operations and Accountant.

The executive summary serves to consolidate the findings and recommendations across all procedural areas reviewed into the following four action areas.

1. Children's Service Fund Board Responsibilities and Opportunities
2. Children's Service Fund Staff Responsibilities and Opportunities
3. Audit of Agency Service Delivery and Billing Activity
4. Segregation of Duties and Responsibilities

After each summary, the specific recommendation is referenced along with the implementation status as provided by the staff.

**Children's Service Fund Board Responsibilities and Opportunities**

The appointed Children's Service Fund Board is responsible for the awarding and allocation of taxpayer funds collected to ten service areas as listed in Missouri State Statute 210.861. This list broadly defines the service areas but leaves the specific definition, of the service area and how the funds are to be allocated to best serve the needs of the community, open to Board determination. Lack of clearly defined clinical parameters can lead to interpretation by CSF staff and the community and result in funding outside of intended community needs.

The following recommendations serve to strengthen the specific definition of the service areas and define the relationship between the actual community need and funding allocations.

- B-1-13
- C-1-10
- D-1-5

**Children's Service Fund Staff Responsibilities and Opportunities**

The Children's Service Fund operates as a department of St. Louis County. The staff of St. Louis County are obligated to perform their duties under both the direction of the CSF Board and use practices consistent with St Louis County Policies and Procedures. Information and recommendations from staff provided to the CSF Board and County Management should be developed based on established facts and presented without bias.

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**Children's Service Fund Staff Responsibilities and Opportunities (Continued)**

The following recommendations serve to strengthen compliance with St Louis County Policies and Procedures, while ensuring transparent and unbiased information to the CSF Board to assist in the performance of their duties.

- A-1-9
- B-1-13
- E-1-4
- F-1-7
- I-1-4

**Audit of Agency Service Delivery and Billing Activity**

The Children's Service Fund is responsible for ensuring that all reimbursements to providers for services allowed under the Missouri State Statute are accurate and properly supported. Appropriate steps must be employed to provide reasonable assurance that an inappropriate or unsupported request for reimbursement by a provider will be detected.

Provider Agencies contractually commit to obtaining specific outcomes associated with the funded proposal that benefit the individuals served. Provider agencies report their results bi-annually; however steps were not taken by CSF staff to ensure the provided results accurately reflect program performance.

The following recommendations serve to strengthen the compliance auditing of provider billing transactions and the reporting of provider community results.

- F-1-7
- G-1-2
- H-1-3

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**A. AGENCY REQUEST FOR PROPOSAL PROCESS**

**1. How does the Fund obtain assurance their request for proposals is seen and considered by mental health service providers serving St. Louis County?**

The Fund maintains a mailing list of all agency inquiries made via the Fund's website, community meetings, or by phone to the Fund's office. An email announcing the availability of the request for proposals is sent to this mailing list as well as to all agencies previously funded by the Fund. In addition, the solicitation is posted on the county's website and is provided to major newspapers (i.e. St. Louis Post-Dispatch, St. Louis American and St. Louis Business Journal).

Observation

CLA viewed the Fund's active agency contact list used to announce the requests for proposals. CLA also obtained a copy of the email announcement for the Expanding Opportunities funding cycle. The email distributed to the various agencies was sent with the recipients being Bcc'd; it was not possible to provide the email in a manner that would allow CLA to view the recipients. As a result, CLA was not able to verify that the communication was sent to everyone or anyone on the mailing list. Additionally, the Fund was unable to provide CLA with a copy of the email announcement for the CORE 2016-2017 funding cycle.

**2. Is the request for proposals directed to potential providers?**

St. Louis County Revised Ordinances Chapter 107 – Purchasing states: "Notice inviting bids shall be published at least once in at least one (1) official newspaper in the County with a circulation of at least five hundred (500) copies per issue, which notice shall be published at least five (5) days preceding the last day set for receipt of proposals. The newspaper notice required herein shall include a general description of the articles to be purchased or sold, shall state where bid blanks and specifications may be secured and the time and place for opening bids. The Agent shall also solicit sealed bids from all responsible prospective suppliers or purchasers who have requested their names to be added to a "Bidders' List", which the Agent shall maintain, by sending them a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale."

As noted above, an email announcing the availability of the request for proposals is sent to a mailing list of inquiring and past funded agencies. The announcement is published in a newspaper.

Observation

CLA obtained evidence to verify that the availability of the CORE funding cycle RFP was announced in one (1) newspaper meeting the requirements of the applicable St. Louis County Revised Ordinances. The Fund was unable to provide evidence to verify that the availability of the Expanding Opportunities funding cycle was announced in a newspaper.

**3. Is the request for proposals published?**

The request for proposals is published on the Fund's website. All interested applicants are directed to the Fund's website to obtain the request for proposals. CSF publishes the RFP in local news outlets consistent with purchasing policies stated in St. Louis County Ordinances Chapter 107.

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**A. AGENCY REQUEST FOR PROPOSAL PROCESS (CONTINUED)**

Observation

CLA noted that the availability of the CORE funding was announced in a local newspaper; however, no such evidence could be provided for the Expanding Opportunities funding. CLA obtained copies of the CORE and Expanding Opportunities RFP's and applications. At the time of testing in May 2017, these materials were not posted on the Fund's website as the funding awards had already been made; therefore, CLA was not able to confirm nor deny that these materials were posted on the Fund's website.

**4. Are the minimum criteria for acceptance described in the request for proposals consistent with the Fund's documented policy?**

The Fund's policies and procedures published on the Fund's website and the request for proposal specified the following minimum criteria for acceptance:

- Be a 501(c)(3) not-for-profit or governmental entity
- Be in good standing with the State of Missouri
- Conduct an annual independent financial audit
- File a Federal 990 annually
- Be certified, accredited, or licensed in the services for which it is requesting funding (or be in the process of doing so)
- Require that employees and volunteers be screened for child abuse and neglect
- Require that employment and services be provided regardless of race, religion, national origin, gender, sexual orientation, or age
- Require that employees and volunteers maintain confidentiality of protected client information.

Observation

At the time of CLA's testing in May 2017, the funding policy was not published on the Fund's website. Fund personnel stated that the funding policy was recently removed as it was not relevant to the upcoming funding cycle and a revised version was in progress. CLA noted that the CORE RFP included the minimum acceptance criteria listed above. CLA noted that the Expanding Opportunities FAQ document contained some, but not all, of the above listed minimum acceptance criteria.

**5. Are the minimum criteria for acceptance described in the request for proposals consistent with the definition of fundable entities in the State Statute?**

Missouri Statute 210.861 states, "The Board may contract with public or not-for-profit agencies licensed or certified where appropriate to provide qualified services and may place conditions on the use of such funds. The board shall reserve the right to audit the expenditure of any and all funds. The board and any agency with which the board contracts may establish eligibility standards for the use of such funds and the receipt of services." The minimum criteria documented in the Fund's published policies and procedures are consistent with the Statute.

Observation

CLA noted the minimum criteria documented in the Fund's policies and procedures are consistent with the Statute.

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**A. AGENCY REQUEST FOR PROPOSAL PROCESS (CONTINUED)**

**6. What supporting documentation is required of the provider with their application?**

The Fund's published policies and procedures list the following as required from all applicants:

Agency and Project Information

- Application for Funding
- Project Budget Spreadsheet
- Signed Agency Assurance
- Signed Board of Directors Resolution
- Signed Letters of Support and/or Memorandums of Understanding (school-based services only)

Supplemental Documentation

- Current Proof of 501(c)(3) Status
- 2 most current years of Federal Form 990, sections I-XII only
- 2 most current years of Audit Reports
- 2 most current years of Management Letters prepared by independent auditor
- 2 years Budget vs. Actual
- Audited Unit Cost Analysis
- Certificate of Corporate Good Standing
- Certificate of Accreditation/Licensure/Certification
- Agency policy for staff screening of past child abuse and neglect
- Agency policy of non-discrimination practices
- Agency confidentiality policy
- Agency Bylaws
- Board of Directors Roster
- Most current Strategic Plan
- Most current Annual Report

Observation:

CLA tested a sample of 41 applications processed by the Fund for the CORE and Expanding Opportunities funding cycles. There was:

- One (1) instance of a CORE application being disqualified by the Fund for not including all the required information.
- 11 instances in which a CORE application was considered, despite the application not including all the required documents as defined in the RFP.
- It was also noted that a required documents list was not communicated with the Expanding Opportunities RFP. As such, CLA was unable to test the Expanding Opportunities applications' adherence to a required documentation attribute. CLA did note that none of the Expanding Opportunities applications tested were disqualified on the basis of not providing the required documentation.

**7. Are providers allowed to “repair” a proposal if documentation is missing?**

Agencies are not allowed to submit any missing documents after the close of the application period. They are allowed to submit any missing documents prior to the closing of the RFP.

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**A. AGENCY REQUEST FOR PROPOSAL PROCESS (CONTINUED)**

**8. Does the Fund monitor whether pre-application technical assistance training sessions are appropriate and effective?**

The technical assistance training sessions allow for participants to ask questions and receive answers from the Fund. These questions are considered for inclusion in application materials to provide assistance to other applying agencies. The questions raised are considered to be evidence of the appropriateness and effectiveness of the training sessions.

**9. Are applications accepted beyond the documented due date?**

No, applications are not accepted beyond the document due date. All applications are time/date stamped signed in by agency representatives to ensure timeliness and equity. Agencies are asked to submit a hard and an electronic copy.

Observation:

CLA tested a sample of 41 applications processed by the Fund for the CORE and Expanding Opportunities funding cycles. In line with the Fund's process, we noted that:

- One (1) of the 41 applications was disqualified due to not providing the required documentation prior to the deadline.
- 36 of the 41 applications did not include a date and time stamp verifying that they had been received by hand prior to the deadline as required.

**RECOMMENDATIONS**

- We recommend the Fund maintain emails communicating their request for proposals. This includes maintaining evidence of who the emails were sent to and on what date.
- We recommend the Fund follow the required processes related to publishing of funding RFP's in local newspapers. Additionally, we recommend the Fund maintain copies of the invoices and newspapers as evidence of the publications.
- We recommend that revisions to the Fund's funding policy be made in a timely manner and that the most current version of the funding policy be published on the Fund's website.
- We recommend the Fund include all of the eligibility criteria in the RFP's to avoid receiving applications from agencies that are not eligible to receive funding.
- We recommend the Fund ensure that each RFP and application include the list of required documentation to avoid receiving incomplete applications.
- We recommend the Fund enhance controls to ensure that all applications be stamped with a time and date to ensure they were received prior to the deadline.

**RESPONSES:**

We recommend the Fund maintain emails communicating their request for proposals. This includes maintaining evidence of who the emails were sent to and on what date.

- *Staff will save original emails announcing request for proposals in both an electronic and paper form.*

We recommend the Fund follow the required processes related to publishing of funding RFP's in local newspapers. Additionally, we recommend the Fund maintain copies of the invoices and newspapers as evidence of the publications.

- *Staff will save copies of the invoices and newspaper announcements both in electronic and paper form.*

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**A. AGENCY REQUEST FOR PROPOSAL PROCESS (CONTINUED)**

We recommend that revisions to the Fund's funding policy be made in a timely manner and that the most current version of the funding policy be published on the Fund's website.

- *Staff will ensure all information regarding funding policies be reflected in a timely manner on CSF's website.*

We recommend the Fund include all of the eligibility criteria in the RFP's to avoid receiving applications from agencies that are not eligible to receive funding.

- *Staff will ensure proper documentation of eligibility is included in all materials.*

We recommend the Fund ensure that each RFP and application include the list of required documentation to avoid receiving incomplete applications.

- *Staff will ensure proper documentation of required materials be reflected in the RFP and any supporting documents.*

We recommend the Fund enhance controls to ensure that all applications be stamped with a time and date to ensure they were received prior to the deadline.

- *CSF staff will document clear policies surrounding the application stamp and date of received materials.*

**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS**

**1. Are goals for funding by type of service set in advance by total amount or percentage?**

No. Children's Service Fund does not implement a total amount or percentage goal related to funding by service area.

**2. What criteria are used to qualify/disqualify a mental health service provider?**

Program staff and external reviewers rank applications based upon the following:

- Ability to deliver the proposed program and/or service. The project approach must have the potential to impact the outcomes of young people with behavioral health and substance abuse issues. Proposals must also identify anticipated outcomes with appropriate measurement tools;
- Have appropriate understanding and/or previous contact with targeted communities;
- Have the capacity to complete the funded approach within the specified timeframe.

In addition, three financial outcomes are defined with related measures established for assessing each agency's ability to identify issues, potential risks, promote corrective action, improve financial stability, and fulfill the project mission.

- Internal Control: Financial Capability, Administrative Expenses.
- Project Mission Alignment: Project Narrative (as it pertains to the budget).

Agencies can be disqualified if submissions are late, they are a for-profit company or if the intervention does not meet a specific behavioral health community need.

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**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS (CONTINUED)**

**3. Are all qualification criteria for evaluation defined?**

Yes, evaluated based on program level performance and financial level performance.

- Program Level Performance: Each criterion has a definition/description that explains what is important in the response. Criteria are grounded in cycle objectives. For example, in the Discovery cycle: Clarity, Innovation, Collaborative Structure, Deliverables, Budget, Evaluation Plan, Feasibility, and Staff Qualification, were each rated on a 5 point Likert scale. In addition, reviewers receive written explanation of the cycle, its purpose and focus. Finally, prior to actual review and scoring, an orientation is held by CSF with reviewers to provide the framework and answer scoring questions.
- Financial Level Performance
  - Internal Control:
    - Financial Capacity: The measure of the agency's depth and internal ability to complete all necessary tasks in support of the organization's financial responsibilities. Sufficient staff and resources are allocated for managing the financial and management functions of the organization as assessed through an independent audit, management letter, and federal 990.
    - Applying Agency Budget: The agency develops annual operating budgets at the agency and program level and by funding source. The agency prepares and maintains periodic budget vs. actual reports, re-forecasts, and/or backup plans for use in evaluating the operation and promoting continuous improvement in policies, processes, and control.

**4. Are all qualification criteria for evaluation appropriate?**

Yes. It is consistent with grant making standards and best practices.

**5. Does a standardized scale exist for ranking providers?**

Yes. A five point Likert scale is used. The scoring sheet provides instructions for the overall process. There is a set of standards that is scored by each reviewer using 1-5 grades. The standards (criteria) are explained and highlight important consideration for each criterion. Each proposal is given an aggregate score by a reviewer and there are thresholds for approval or rejection.

**6. Is the standardized scale applied consistently?**

Observation

There were a total of 203 agency applications received in 2015. We selected 41 to test for consistent application of the standardized ranking scale. Exceptions are as follows:

- Of the 41 tested, there were three (3) instances in which an agency was listed on the Discussion Worksheet, but the related reviewer scores were not included.
- Of the 41 tested, there were three (3) instances in which an external reviewer's score was calculated incorrectly and omitted from the Discussion Worksheet.
- Of the 41 tested, there were seven (7) instances in which CSF could not locate a reviewer's scorecard to support a score listed on the Discussion Worksheet.

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**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS (CONTINUED)**

**7. Is the resultant scoring accurately reflected in staff recommendations in all applications?**

A ranking is produced internally and is used as the framework for discussion of recommendations. CSF staff prepares an application summary review that highlights the recommended award for external entities.

**8. Does the staff summary to the Board accurately reflect application information and analysis?**

Yes. All Board members receive Investment Recommendation Summaries (IRS) for all applicants as well as performance results (performance indicators, utilization results, and financial results) for currently funded partners.

Observation

There were a total of 203 agency applications received in 2015. We selected 41 to test for the accuracy of application information and analysis in staff recommendation summaries. Exceptions are as follows:

- Of the 41 tested, there were 36 instances in which the applications did not include a date and time stamp. The Fund was unable to provide alternate evidence to support that the application was received before the deadline.
- Of the 41 tested, there were three (3) instances in which an agency was listed on the Discussion Worksheet, but the related reviewer scores were not included.
- Of the 41 tested, there were three (3) instances in which an external reviewer's score was calculated incorrectly and omitted from the Discussion Worksheet.
- Of the 41 tested, there were 11 instances in which an application was considered, despite the application not including all the required documents as defined in the RFP.

**9. Are rankings or ratings retained?**

Agency reviews and scoring sheets are maintained on SharePoint and summarized on the Discussion Worksheet.

Observation

There were a total of 203 agency applications received in 2015. We selected 41 to test for proper storing of agency scoring sheets on SharePoint. Exceptions are as follows:

- Of the 41 tested, there were seven (7) instances in which CSF could not locate a reviewer's scorecard to support a score listed on the Discussion Worksheet.

**10. Do Children's Service Fund Board Members receive and review proposals received, in their entirety?**

No. All Board members are provided the opportunity to receive a complete set of all applications packets. All Board members receive Investment Recommendation Summaries (IRS) for all applicants as well as performance results (performance indicators, utilization results, and financial results) for currently funded partners.

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**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS (CONTINUED)**

**11. If Children's Service Fund Board Members receive any summarized proposals or summaries, are there controls in place to ensure the summarized proposals are accurate?**

Investment Recommendation Summaries contain direct quotes from applicant's proposals. Proposals are proofed and reviewed by both the Program Specialist/Associate assigned as well as by the Executive Director.

Observation

There were a total of 203 agency applications received in 2015. We selected 41 to test for consistency with the Discussion Worksheet. Exceptions were as follows:

- Of the 41 tested, we noted nine (9) instances in which we were not provided evidence in the form of a date and signature to substantiate the Chief Program Director's review of the Discussion Worksheet. While the Chief Program Director's signature is not a required part of the Fund's process, we noted inconsistencies in the performance of the Chief Program Director's review.

**12. Are agencies provided a score card or feedback on their proposal (whether funded or not funded)?**

Yes. The agency can request the Agency Summary Review which includes comments and recommendations from the review team. Technical assistance is provided to agencies, both funded and unfunded, if required or requested from the Board of Directors.

Agencies may also submit a Missouri Sunshine request to receive a copy of their score card. Per review of St. Louis County website, St. Louis County, Missouri is subject to the Missouri Sunshine Law (RSMo. 610.010 to 610.200), which governs public records of governmental bodies. Any information acquired through the use of St. Louis County's web site may be subject to public disclosure pursuant to the Missouri Sunshine Law; and the Sunshine Law may limit any provisions of this Privacy Statement. St. Louis County, Missouri reserves the right to change any provisions of this Privacy Statement at any time without notice.

**13. Have any service providers been awarded funding, who subsequently backed out? If so, why?**

Yes. There were such instances in prior years, but no such instances exist for the current 2016-2017 cycle.

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**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS (CONTINUED)**

**RECOMMENDATIONS**

- Formalize policies and more strictly follow such policies to ensure that applications are stamped with the date and time received to provide evidence that it was or was not received by the deadline.
- Formalize policies and more strictly follow such policies to include required documentation of the Chief Program Director's review of Discussion Worksheet.
- Consider implementing more extensive training of the external reviewers to ensure these external reviewers are scoring the agencies in a manner that is consistent with the Fund's defined methodology.
- It was noted that a required documents list was not communicated with the Expanding Opportunities RFP. As such, CLA was unable to test the Expanding Opportunities applications' adherence to a required documentation attribute. CLA did note that none of the Expanding Opportunities applications tested were disqualified on the basis of not providing the required documentation. We recommend the Fund include a required documentation list in each application's RFP.
- During CLA's testing of the agency proposals, we noted inconsistencies in the storage of related documentation. In some instances, all of the applicable documents were filed in paper form; at other times, a combination of paper and electronic documents had to be reviewed. We recommend the Fund develop a more standard documentation practice to ensure files are reliably stored and readily available.

**RESPONSES:**

Formalize policies and more strictly follow such policies to ensure that applications are stamped with the date and time received to provide evidence that it was or was not received by the deadline.

- *CSF will develop clear policies surrounding the application acknowledgement of receipt.*

Formalize policies and more strictly follow such policies to include required documentation of the Chief Program Director's review of Discussion Worksheet.

- *CSF policies and procedures will include required documentation of the Program Director's review of the Discussion worksheet.*

It was noted that a required documents list was not communicated with the Expanding Opportunities RFP. As such, CLA was unable to test the Expanding Opportunities applications' adherence to a required documentation attribute. CLA did note that none of the Expanding Opportunities applications tested were disqualified on the basis of not providing the required documentation. We recommend the Fund include a required documentation list in each application's RFP.

- *CSF will update the control narrative to include required documentation is communicated across all funding cycles.*

During CLA's testing of the agency proposals, we noted inconsistencies in the storage of related documentation. In some instances, all of the applicable documents were filed in paper form; at other times, a combination of paper and electronic documents had to be reviewed. We recommend the Fund develop a more standard documentation practice to ensure files are reliably stored and readily available.

- *CSF will develop policies and processes for consistent storage and record retention.*

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**C. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH ST. LOUIS COUNTY NEEDS**

**1. How are behavioral health services needs determined?**

Service needs are determined by evaluating evidence obtained through Kids Count data, community meetings, and needs assessments funded by St. Louis County, the Fund and funding partners. A needs assessment, funded by the Fund, was started in 2016 and completed in March 2017. The results of this needs assessment will be considered for future service needs.

**2. Was a needs assessment performed?**

A needs assessment was conducted in 2007 by St. Charles County for the benefit of the St. Louis County tax passage. A second needs assessment was conducted in 2010 by the Fund, using information obtained from service providers. A third needs assessment was conducted in 2012 and presented to the public in 2013. The Fund began a needs assessment in 2016, which was completed in March 2017.

**3. Does the Fund perform a gap analysis between county need, agency capabilities and funded programs?**

A gap analysis is reviewed, but not considered to be a major factor in the determination of need.

**4. Does the Fund know where gaps in service exist?**

A gap analysis is planned as a function of the needs assessment started in 2016 and information collected from agency demographic data on clients served. The analysis is expected to provide gaps in the areas of emerging needs, trending needs, preventative services, zip codes, specific populations.

**5. Has the Fund documented where gaps in service exist?**

Yes, documented in needs assessments and in RFP's for each funding cycle.

**6. How are gaps in service further defined (type of service, geographic area, age)?**

Gaps are defined through RFP priority areas (i.e. early childhood education, priority zip codes, human trafficking).

**7. Are providers notified where gaps in services exist so they might "move into" that space to provide additional services?**

Yes, the gap areas are identified in the request for proposals.

**8. What constitutes a shortfall? What is the threshold?**

Indicators that the funds have not been used on a population of youth, zip code, or service area.

**9. What is the frequency of the funding cycle?**

The State Statutes and County Ordinance the Fund was created under do not specify a minimum or maximum funding cycle. The length of the funding cycle is defined by the Fund. The 2016-2017 CORE funding cycle is 24 months from January 1, 2016 through December 31, 2017. Other funding cycles such as Discovery, Innovation, and Expanding Opportunities can last for varying lengths of time or can be grant based rather by unit of service.

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**C. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH ST. LOUIS COUNTY NEEDS (CONTINUED)**

**10. How are supplementary appropriations handled?**

Grantees may submit an application for supplemental appropriations where units have been fully utilized or are nearing full utilization before the end of the funding cycle and the agency has no other underutilized funds to transfer. Supplemental applications are reviewed and summarized by Fund staff and presented to the Board for approval. If approved, existing contracts and purchase orders are amended. For the 2016-2017 CORE funding cycle, the Fund's Board has voted to eliminate supplemental allocations response to funding limitations.

Observation

CLA selected seven (7) of 33 supplemental appropriations requests for testing, which were made by seven (7) separate agencies filing supplemental requests for the 2014-2015 CORE funding cycle, from January 1, 2014 through December 31, 2015. These funds were paid to the agencies during calendar year 2015. All seven (7) requests were received before the deadline, appropriately reviewed, summarized for Board approval and documented as approved by the Board in meeting minutes. CLA agreed the unit rates of the supplemental allocations to the Fund's "List of Approved Units of Service - Schedule B" dated January 1, 2015.

**RECOMMENDATIONS**

- Continue development of gap assessments based on results of previous and recent needs assessments.
- Maintain Board input and transparency in service needs and funding decisions to ensure the appropriate and fair allocation of funds. Additionally, the Fund should remain objective and ensure that agencies' feedback does not create a self-interest threat for the Fund.

**RESPONSES:**

Continue development of gap assessments based on results of previous and future needs assessments.

- *CSF conducted a needs assessment in 2016 with release of information in 2017 to define need and areas where gaps occur across the County. CSF will continue to assess future need every 2-3 years.*

Maintain board input and transparency in service needs and funding decisions to ensure the appropriate and fair allocation of funds. Additionally, the Fund should remain objective and ensure that agencies' feedback does not create a self-interest threat for the Fund.

- *CSF currently provides the Board with results from application evaluations by an external review panel, results of staff reviews, and any additionally requested information in order to assist Board members with the decision-making process. CSF evaluates applications based upon objective criteria.*

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
RESULTS OF CONSULTING PROCEDURES  
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**D. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH STATE STATUTES**

**1. Is the definition used by the Fund for mental health and substance services consistent with industry practice and state statute?**

CSF's decisions regarding program selection are consistent with both best practices in the field and the identified gaps in service needs. All allocations adhere to the tenants of the State statute that governs CSF.

Missouri Statute 210.861 states "funds may be expended for the purchase of the following services:

- (1) Up to thirty days of temporary shelter for abused, neglected, runaway, homeless or emotionally disturbed youth; respite care services; and services to unwed mothers;
- (2) Outpatient chemical dependency and psychiatric treatment programs; counseling and related services as a part of transitional living programs; home-based and community-based family intervention programs; unmarried parent services; crisis intervention services, inclusive of telephone hotlines; and prevention programs which promote healthy lifestyles among children and youth and strengthen families;
- (3) Individual, group, or family professional counseling and therapy services; psychological evaluations; and mental health screenings.

Revenues collected and deposited in the community children's services fund may not be expended for inpatient medical, psychiatric, and chemical dependency services, or for transportation services."

**2. Are age and demographics selection consistent with state statute?**

Age requirements adhere to the minimum required by the Missouri State Statutes. Demographic are reflective of benchmarks established within the field and are influenced by need.

Children and youth who are nineteen years of age or younger and are residents of St. Louis County in Missouri are eligible to receive services in the following categories:

- (1) Temporary Shelter Services
- (2) Transitional Living Services
- (3) Services to Teen Parents
- (4) Respite Care Services
- (5) Crisis Intervention Services
- (6) Prevention Services
- (7) Home and Community-Based Intervention Services
- (8) Individual, Group, and Family Counseling Services
- (9) Outpatient Substance Abuse Treatment
- (10) Outpatient Psychiatric Services

These categories are all listed as eligible services in Missouri Statute 210.861, and have been further defined by the Fund.

Missouri Statute 67.1775 states the purpose of establishing a community children's service fund is to provide services to protect the well-being and safety of children and youth nineteen years of age or less and to strengthen families.

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**D. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH STATE STATUTES  
(CONTINUED)**

**2. Are age and demographics selection consistent with state statute? (Continued)**

Missouri Statute 210.860 states the purpose of establishing a community children's service fund is to provide counseling, family support, and temporary residential services to persons eighteen years of age or less.

The Fund states in its funding policy the purpose of establishing the Fund is to provide mental health and substance abuse services for children and youth ages nineteen and under in St. Louis County.

**3. What methodology is used to determine the allocation of funding by service area?**

The Fund determines allocations based upon: community need, community assessment, and emerging needs. The allocation by service area is monitored in light of those criteria and proposals received per service area.

Selection strategy for the CORE funding cycle as defined in the RFP:

The Children's Service Fund seeks to invest in organizations that possess characteristics that align with the following core values and guiding principles:

- 1) Capacity and commitment to deliver evidence-based practices with fidelity. CSF accepts models of delivery of research informed or promising practices if evidence-based practices are not available.
- 2) Capacity and commitment to track and utilize model or intervention defined outcomes and measures.
- 3) Capacity and commitment to performance excellence and continuous quality improvement.
- 4) Commitment to the participation in an integrated system of care.

In addition, within the ten service areas, the following priorities are:

- 1) Underserved Populations Mental Health and Substance Abuse Prevention
- 2) Early Childhood intervention and prevention
- 3) Prevention of Child Abuse and Neglect
- 4) Suicide Prevention
- 5) Human Trafficking
- 6) Teen violence prevention toward self and/or others
- 7) Target and weighted zip codes: 63088, 63125
- 8) Priority zip codes: 63114, 63133, 63121, 63135, 63136, 63137, 63138

Selection strategy for the Expanding Opportunities funding cycle as defined in the RFP:

Applications will be accepted for proposals that fall into one of the three following categories:

- 1) Single Project Funding- Applicants may apply for a one time funding award that can be billed over a 12 month period for single program or project. Proposed projects must be evidence based or research informed and provide direct services for children and youth.
- 2) Collaboration- Applicants may apply for funding which is available for two or more agencies who are working collaboratively on a specific project that has the potential to improve mental health and substance abuse services for children, youth, and families. Memorandums of Understanding (MOUs) demonstrating the collaborative relationships must be included with the application materials.

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**D. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH STATE STATUTES  
(CONTINUED)**

**3. What methodology is used to determine the allocation of funding by service area?  
(Continued)**

3) County Priorities- Applicants may apply for funding for programs or projects that are responsive to the emergent needs and identified county priorities set by the County Executive.

**4. How are each purchased service related and verified to the state statute?**

As stated above, the categories of purchased services specified in the Fund's funding policy are all listed as eligible services in Missouri Statute 210.861. They are further defined in CSF's funding policy.

**5. How is the funding process monitored to ensure the services funded fit within the service areas specifically mentioned by state statute?**

Projects submitted in agency applications are reviewed by CSF's staff and/or external reviewers as appropriate, appropriate Board committee, and Board of Directors for alignment to state statute and in accordance with periodic community needs assessment.

The definition of each service area was expanded as part of the revised funding policies dated September 17, 2014; however, due to the qualitative nature of the services, interpretations by staff and Board members can still vary. It was noted that during the time of CLA's testing in May 2017, the revised funding policies were not available on the Fund's website as they were being revised and revisions were not yet complete.

**E. AGENCY CONTRACT APPEAL PROCESS**

**1. How can an agency appeal their awards and/or rates?**

Prior to July 2016, agencies can appeal their awards and rates in writing within 30 days of the Children's Service Fund's decision. Due to time and funding limitations, the Board made a decision in July 2016 to not allow agencies to appeal Children's Service Fund's decisions.

**2. Is the appeals process documented?**

The appeals process was formerly included in the Funding Policies and Procedures document, maintained on the Children's Service Fund's website, [www.keepingkidsfirst.org](http://www.keepingkidsfirst.org). The Funding Policies and Procedures document is being revised to reflect Children's Service Fund's updated practices. All appeals that were heard are documented and saved on St. Louis County's internal shared drive.

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**E. AGENCY CONTRACT APPEAL PROCESS (CONTINUED)**

**2. Is the appeals process documented? (continued)**

Observation

CLA was provided with a copy of the previous Funding Policies and Procedures document. At the time of CLA's testing in May 2017, this document was not available on Children's Service Fund's website due to the revisions that were in process. It was noted that the minutes of the board meetings maintained on Children's Service Fund's website do include reference to the board's discussion and adoption of the decision to not allow agencies to appeal funding decisions. The Fund was not able to provide evidence that direct communication was sent to the agencies informing them of the change in the appeals process.

**3. Who hears appeals?**

The Children's Service Fund Board of Directors heard and responded to previous appeals.

**4. What can be appealed?**

Prior to July 2016, appeals were granted for funding decisions, unit rates, and number of units awarded. Due to time and funding limitations, the Board made a decision in July 2016 to not allow agencies to appeal funding decisions.

Observation

The Fund received 16 appeals from agencies during 2015 related to the 2016-2017 funding cycle. We selected three (3) appeals for testing of the following attributes: adherence to timeline as documented in the Fund's policies and procedures, only authorized matters (as described under E-2) are considered under appeal, and board considerations and decisions are properly documented and implemented. In all three (3) instances tested, the Fund's response to the agency appeal was dated more than 30 days after the date of the initial appeal. While the Fund's formal response was not provided to the agency within 30 days, CLA was provided with email communication from Connie Cunningham on November 24, 2015 (within the 30 day window) to "agency partners" notifying them that their appeal had been received by CSF and that special board meeting was to be held on December 2, 2015 to hear the agencies' appeals. The agency recipients were Bcc'd in the email and CLA could not substantiate that the email communication was sent to the agencies being tested. CSF's response to the appeals was provided to the agencies within 30 days of the special board meeting.

**RECOMMENDATIONS**

- CLA recommends the Fund make it a priority to publish the revised Funding Policies and Procedures document on the website so that agencies are aware of the current policies and procedures. Additionally, the Fund should consider the need to send direct communication to the agencies informing them of recent changes in the funding policies and procedures.

**RESPONSES**

- *CSF will ensure all information regarding funding policies be reflected in a timely manner on CSF's website and develop a process for communication to agencies regarding any updates to policies or procedures.*

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
RESULTS OF CONSULTING PROCEDURES  
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**F. AGENCY INVOICE REVIEW, APPROVAL, PAYMENT AND REPORTING PROCESSES**

**1. What invoice templates are provided to providers?**

Each Agency is provided with a unique invoice template manually prepared with the specific rates agreed upon at the completion of the Agency Contract Review, and Approval Process. The invoice template is a multi-tab Excel file with a lead invoice sheet followed by the detail tab for recording the detail service transactions the agency provided. The invoice is entry protected to allow entry in only date, quantity, client and agency identifying fields. Rates and formulas are locked and password protected.

- The Invoice Tab summarizes the quantity of units transferred from the detail sheets. The Quantities are multiplied by the contract rate to arrive at the billable amount per Unit of Service line item. Agency remit to address is preset to match the MUNIS Vendor Record. The agency will uniquely identify the invoice by Invoice period, invoice date prior to submitting. A Narrative box provides for recording additional details as necessary.
- A detail tab contains the billing is created for each unit of service that was contracted between the Fund and the agency.
- Upload files are created in CSV and PDF format for upload into CRM for prepayment audit review and payment processing

Observation

The Fund funded 113 agencies during 2015 and 2016 under the CORE, Expanding Opportunities, Discovery, and Innovation funding cycles. We selected a sample of 52 invoices to test for proper payment processing, evenly spread over the 24 month period January 1, 2015 through December 31, 2016. From the 52 invoices tested, all were formatted in accordance with the Fund's standards. We noted no instances of an invoice containing a service rate not supported by a contract.

**2. How does CSF acknowledge timely receipt of invoices?**

No specific due date is required. Agencies must invoice the County within 90 days of the service transaction date unless special situation is approved.

Observation

Agencies have 90 days to bill for service (from the date the service was provided), unless approved otherwise by the Fund. Submitted invoices are processed automatically by CRM and IDEA. Transactions submitted outside the 90 day window will be flagged, by IDEA, as an exception after being submitted.

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
RESULTS OF CONSULTING PROCEDURES  
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**F. AGENCY INVOICE REVIEW, APPROVAL, PAYMENT AND REPORTING PROCESSES  
(CONTINUED)**

**3. Are invoices received reviewed for integrity?**

The Provider invoice is reviewed for accuracy by the clinical staff member best suited to attest to the accuracy and completeness of the detail information provided. These checks include:

- Verify quantities billed are reasonable for the unit of service.
- Verify quantities are reasonable for the staff performing the service, billable hours per client in the period as defined in the service protocol.
- Identify duplicates detail transactions from within the month, and prior invoices by manually sorting scanning.
- Verify detail services billed match the deliverable and conditions of the contract between provider and the Fund.
- Verify the sum of detailed activity properly reflected in the invoice.
- Verify completeness and accuracy of the invoice specific information provided by Provider.
- Select sample of detail records for field testing.
- Sign off approval for processing of the invoice.

Observation

Invoices are submitted by the agencies to the Fund's portal. The invoices are automatically checked for integrity and exceptions by IDEA. The Fund and the agency receive an automatically generated submission email after an invoice has been submitted. The submission report details held transactions and exceptions. After the invoice is received, it is printed and passes through the following stages, with each stage requiring a physical signature and date.

- Portfolio manager – review for obvious errors or duplicates, approval for entry into MUNIS
- Administrative staff – enter invoice data into MUNIS
- Portfolio manager – review to ensure CRM and MUNIS data agree
- Director – final review and approval for payment

The MUNIS software used by the Fund also contains an electronic approval and sign off feature. The stages are similar those outlined above and the system will not allow an invoice to be processed without the necessary electronic reviews and sign offs.

The Fund funded 113 agencies during the 2015 and 2016 funding cycles. We selected a sample of 52 invoices to test for proper payment processing, evenly spread over the 24 month period January 1, 2015 through December 31, 2016. Of the 52 invoices tested:

- There were seven (7) instances in which the physical copy of the invoice was missing a signature and date from the first portfolio manager's review.
- There were 18 instances in which the physical copy of the invoice was missing a signature and date from the second portfolio manager's review.
- There were 12 instances in which the physical copy of the invoice included a signature, but was missing a date from the second portfolio manager's review.
- There were nine (9) instances in which the physical copy of the invoice was missing a signature and date from the director's review.

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**F. AGENCY INVOICE REVIEW, APPROVAL, PAYMENT AND REPORTING PROCESSES  
(CONTINUED)**

**4. How are invoices recorded and approved for payment?**

Administrative staff performing accounts payable entry activity upon approved invoice performs invoice entry integrity tests to ensure agency invoices are properly paid by the following checks:

- Checks of Vendor name, remit-to, Purchase Order, Invoice Number, Invoice Date, etc. is accurately entered into on PO to MUNIS.
- Block stamps the invoice and records batch, entry date, and initials.
- Releases for approval cycle to Director of Administration for approval.

Director of Administration completes accuracy check of paper invoice to MUNIS AP Record. Approves or rejects invoice.

Observation

The Fund funded 113 agencies during the 2015 and 2016 funding cycles. We selected a sample of 52 invoices to test for proper payment processing, evenly spread over the 24 month period January 1, 2015 through December 31, 2016. From the 52 invoices tested:

- Seven (7) instances in which a physical invoice was missing a signature and date from the portfolio manager as approved for entry into MUNIS.

**5. Does payment of invoices occur within two weeks of receipt of invoice?**

Distribution of payments for all agency invoices is processed as Checks or EFT payments within 2 weeks of receipt of invoice from the agency.

Observation

The Fund funded 113 agencies during the 2015 and 2016 funding cycles. We selected a sample of 30 invoices to test for timeliness of payment, evenly spread over the 24 month period January 1, 2015 through December 31, 2016. From the 30 invoices tested:

- Two (2) instances in which the payment was made more than 14 days (the time period specified in the contract) after the invoice receipt and processing.

**6. How are billed services tracked against budgets?**

Units of service are automatically entered into CRM upon the invoice being submitted. During 2015, an electronic copy of the excel invoice is stored in SharePoint under the agency folder by year. Monthly summary reports are prepared which calculate total amounts based on stored rate and uploaded quantities. Financial totals are cross-tied to financial reports.

**7. Is there a cross check between MUNIS and CRM?**

Financial totals by agency are cross-checked between MUNIS and CRM on a monthly basis. Additionally, an agency scorecard is maintained which displays each agencies utilization.

Observation:

CLA selected one (1) month's reconciliation between MUNIS and CRM, verifying the process was carried out as described. Noted a difference of \$26.01 between MUNIS and CRM for the month tested and that this difference was reconciled by the Fund's staff.

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**F. AGENCY INVOICE REVIEW, APPROVAL, PAYMENT AND REPORTING PROCESSES  
(CONTINUED)**

**RECOMMENDATIONS**

- We recommend the Fund more strictly follow their invoice review and approval process and ensure that each stage is evidenced by a signature and date.
- We recommend the Fund print the automatically generated submission report and attach it to the physical invoice to substantiate the date submitted.
- Given the exceptions noted in connection with the physical sign offs on invoices, we recommend the Fund review their process and procedures to ensure that the current level of review and sign off is feasible and effective. The Fund should consider the availability and duties of the personnel able to perform these reviews and potential back-ups should certain personnel be absent.

**RESPONSES:**

We recommend the Fund more strictly follow their invoice review and approval process and ensure that each stage is evidenced by a signature and date.

- *CSF will update the control narrative to streamline processes for timely review and approval.*

We recommend the Fund print the automatically generated submission report and attach it to the physical invoice to substantiate the date submitted.

- *CSF will adhere to internal controls and processes.*

We recommend the Fund review their process and procedures to ensure that the current level of review and sign-off is feasible and effective. The Fund should consider the availability and duties of the personnel able to perform these reviews and potential back-ups should certain personnel be absent.

- *CSF will update the control narrative to streamline our processes to ensure timely review and approval.*

**G. AGENCY REVIEW AND COMPLIANCE PROCESS**

**1. What is the purpose of the fidelity review?**

The fidelity review was designed to evaluate programs' effectiveness and to ensure that any evidence-based programs and research-informed practices were being implemented according to original program design, as this can significantly impact programs' ability to demonstrate impact. Fidelity reviews will answer these questions:

- Is the program being delivered as designed?
- Is the program being delivered to an appropriate population in the appropriate setting as recommended by research?
- Are core components being implemented in the proper order?
- Are program recipients receiving the proper "dose" of the program?
- Are all sessions implemented?
- Is each session of the length specified?
- Is the fidelity of program delivery adequate?
- How is the agency maintaining fidelity?
- Are providers trained and skilled in delivery of the program?

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**G. AGENCY REVIEW AND COMPLIANCE PROCESS (CONTINUED)**

**1. What is the purpose of the fidelity review?**

- What is the impact of the program? Is it achieving anticipated outcomes as prescribed by the model?
- How are outcomes and program impact being measured and tracked?

Observation

A scoring rubric is completed by the CSF reviewer for each fidelity review. The scoring rubric contains 8 categories that serve as the base for the fidelity review (delivery, dosage, setting, materials, target population, staff qualifications, staff training, and outcomes of model). Each category can receive a score of between 1 and 4 points. The completed scoring rubric is used by the CSF reviewer to create the fidelity review report.

**2. What is the format of the fidelity review?**

The fidelity review operates off of one core concept: Alignment should exist between the original program model given to CSF and what is revealed in observation, documentation, and during interviews. The fidelity review consists of three phases:

- Phase 1. Pre-Visit/Preparation: CSF notifies agency of the date and time of the site visit. CSF provides agencies with the overview of the Fidelity Review process and the fidelity questionnaire that agencies will complete 5 days in advance of the site visit.
- Phase 2. On-site Visit: An introductory meeting is held with key personnel involved in the program, to review the site visit process. The review's agenda and schedule for appointments will be finalized during the introductory meeting. CSF staff(s) conducts the on-site review, in which they review client documentation, personnel files, program materials, and policies/procedures; observe the funded program; and interview program administrators, staff, and/or clients. There will be an exit meeting with key personnel, in which CSF staff reviews the findings of the Fidelity Review.
- Phase 3. Follow Up: The agency will receive a written summary of the review. Depending on the findings, further action could be requested from the agency, such as a written plan of action or participation in a follow-up visit at a later date. Results from this review are taken into consideration for future funding cycles.

Observation

CLA reviewed the format of the pre-visit fidelity questionnaire and noted that questionnaire asks for a description and/or specific questions for each of the 8 categories listed above. The results of the questionnaire, scoring rubric, and site visit are used to prepare the fidelity review report. If follow-up items are required, they will be detailed in the fidelity review report.

CLA selected 23 agencies that received funding in 2015 and 2016 to test the Fund's compliance with the fidelity review process. Of those 23 selected:

- One (1) instance in which a fidelity review and related documents could not be provided for the selected agency.
- Five (5) instances in which a completed pre-visit fidelity questionnaire could not be provided by the Fund.
- Two (2) instances in which documentation or other evidence could not be provided in support of a fidelity review's required follow-up submission / visit.
- One (1) instance in which the score on the fidelity review report differed from the related scoring rubric.

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**G. AGENCY REVIEW AND COMPLIANCE PROCESS (CONTINUED)**

**RECOMMENDATIONS**

- Ensure documentation is maintained as evidence that each step of the fidelity review process was carried out.
- Ensure that all agencies and programs required to undergo a fidelity review, receive such a review in a timely manner.
- It was noted that the Fund's control narrative still includes the post payment field review cycle, in which individual transactions are sampled and tested, even though this practice was not performed in 2016. It is our understanding that Fund management has no plans to restart this process. We recommend the Fund update their control narrative to reflect current policies and practices.
- The nature of the fidelity review criteria is highly subjective. The Fund should train staff to ensure that fidelity reviews are conducted in a consistent manner regardless of who is performing the review. Additionally, the Fund should be mindful of the subjective nature of the criteria and, when possible, evaluate agencies and programs on the basis of criteria that is less susceptible to interpretation by the reviewer.

**RESPONSES:**

Ensure documentation is maintained as evidence that each step of the fidelity review process was carried out.

- *CSF is currently evaluating the program review process. Staff are assessing effectiveness of the fidelity review process and working to develop a process beneficial to both CSF and agencies.*

Ensure that all agencies and programs required to undergo a fidelity review, receive such a review in a timely manner.

- *CSF is currently evaluating the program review process. Staff are assessing effectiveness of the fidelity review process and working to develop a process beneficial to both CSF and agencies.*

It was noted that the Fund's control narrative still includes the post payment field review cycle, in which individual transactions are sampled and tested, even though this practice was not performed in 2016. It is our understanding that Fund management has no plans to restart this process. We recommend the Fund update their control narrative to reflect current policies and practices.

- *CSF will update the control narrative.*

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**H. AGENCY OUTCOME MEASUREMENT AND REPORTING**

**1. Are the metrics that are monitored appropriate as a measure of success?**

Yes, this is used in combination with additional data such as utilization, case record audit results, and fidelity review results.

Observation

Agencies are allowed to select their own outcomes. There is no list of preset outcomes to choose from, there is an infinite number and combination of possible outcomes. Agencies submit their completed Demographic and Outcome (DO) Reports via email prior to the submission deadline.

**2. Are the selected measurements standard in the sector?**

No. Agencies are required to use the measure(s) that support the intervention outlined in their application to best determine impact.

**3. Are the selected measurements applied consistently across funded agencies?**

Yes. All agencies are given the option of selecting the most appropriate measurement tool for their outlined intervention.

Observation

CLA selected 23 agencies that received funding during 2015 and 2016. Of those 23 agencies selected:

- One (1) instance in which the Fund was unable to provide a copy of that agency's submitted DO Report.
- The Fund was unable to provide CLA with evidence in support of the DO Reports submission dates. As a result, CLA was unable to test the timeliness of the DO Report submissions for all 23 agencies selected to test.

**RECOMMENDATIONS**

- We recommend the Fund maintain copies of emails or other evidence to support the time and date that the DO Reports are received. The Fund should consider requiring agency signature and date on the DO Report as additional evidence of the date that agency submitted the DO Report that is stored by the Fund.
- We recommend the Fund standardize and more strictly follow their documentation standards to ensure that all received DO Reports can be requested and viewed in an efficient manner.

**RESPONSES:**

We recommend the Fund maintain copies of emails or other evidence to support the time and date that the DO Reports are received.

- *CSF will develop processes to document the time and date DO reports are received.*

We recommend the Fund standardize and more strictly follow their documentation standards to ensure that all received DO Reports can be requested and viewed in an efficient manner.

- *CSF will enhance documentation standards related to demographic and outcomes report.*

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
RESULTS OF CONSULTING PROCEDURES  
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**I. CONTRACTED ADMINISTRATIVE EXPENDITURES IN EXCESS OF \$15,000**

**1. What type of expenditures would the Fund expect to exceed \$15,000 annually?**

The Fund incurs the following types of expenditures which may at times exceed \$15,000 annually:

- Rent
- Consulting services
- Professional services
- Software license fees
- Software implementation and customization
- Advertising

Observation

CLA selected eight vendors for a total of eight contracted expenditures to which the Fund paid an excess of \$15,000 during the period January 1, 2015 to December 31, 2016. The expenditures were for rent, consulting services, professional services, and office furniture, all of which were supported by an approved invoice and/or contract.

**2. Are all expenditures budgeted?**

The Fund prepares an annual budget that is entered and monitored in the Munis software.

Observation

CLA selected eight vendors for a total of eight contracted expenditures to which the Fund paid an excess of \$15,000 during the period January 1, 2015 to December 31, 2016. All eight tested expenditures were all included in the Fund's 2015 and/or 2016 budget.

**3. Are all contracted expenditures processed in accordance with St. Louis County purchasing ordinances and procedures?**

Observation:

CLA selected eight (8) vendors for a total of eight expenditures to which the Fund paid an excess of \$15,000 during the period January 1, 2015 to December 31, 2016.

- Two (2) of the eight (8) expenditures were required to be bid during the period January 1, 2015 through December 31, 2016. For these two (2) contracted expenditures, the Fund was unable to provide CLA with evidence in support of requests for proposals being posted in a newspaper.
- Six (6) of the eight (8) expenditures tested were required to be supported by executed contracts. Two (2) of the six (6) contracts examined did not contain a nondiscrimination in employment clause as required by County ordinance.
- Six (6) of the eight (8) expenditures tested were required to be supported by executed contracts. Although not a County requirement, but it is recommended by the Fund Board, it was noted that five (5) of the six (6) contracts examined did not contain a clause regarding conflict of interest.

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**I. CONTRACTED ADMINISTRATIVE EXPENDITURES IN EXCESS OF \$15,000 (CONTINUED)**

**4. Were the services provided in line with the requirements of the State statute and any additional local ordinance?**

Observation:

CLA selected eight vendors for a total of eight contracted expenditures to which the Fund paid an excess of \$15,000 during the period January 1, 2015 to December 31, 2016. The expenditures were for rent, consulting services, professional services, and office furniture. CLA reviewed the services provided to acknowledge they are in line with services used by the Fund.

**RECOMMENDATION**

- We recommend CSF develop procedures to ensure compliance with St. Louis County purchasing ordinance.

**RESPONSE:**

We recommend CSF develop procedures to ensure compliance with St Louis County purchasing ordinance.

- *CSF will follow the guidelines set forth in the purchasing ordinance, rather than internal guidelines set forth by the Purchasing Department.*

**ST. LOUIS COUNTY CHILDREN'S SERVICE FUND  
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**PRIOR YEAR'S RECOMMENDATIONS REPEATED**

The following recommendations were communicated in our consulting engagement report for the year ended December 31, 2014. The results of our consulting procedures for the period from January 1, 2015 through December 31, 2016 indicate that the following 2014 recommendations were not fully implemented or need to be reconsidered by the Fund.

**A. AGENCY REQUEST FOR PROPOSAL PROCESS**

- Maintain emails communicating their announcement of requests for proposals. This includes maintaining evidence of who the emails were sent to and on what date. (See A-1)
- Enhance controls to ensure that all Concept Papers, Letters of Intent, Applications, and Proposals are stamped with a time and date to ensure and maintain evidence they were received prior to the deadline. (See A-9)

**B. AGENCY PROPOSAL REVIEW AND AWARD PROCESS**

- Formalize policies to ensure that applications are stamped with the date and time received to provide evidence that it was or was not received by the deadline. (See B-8)
- Formalize policies and procedures to include required documentation of the Chief Program Director's review of Discussion Worksheet. (See B-11)
- Formalize policies to ensure consistency between Discussion Worksheets, agency score sheets, and applications. (See B-8)

**C. FUNDING ALLOCATION METHODOLOGIES AND ALIGNMENT WITH ST. LOUIS COUNTY NEEDS**

- Continue development of gap assessments based on results of previous and future needs assessments. (See C Recommendations)

**E. AGENCY CONTRACT APPEAL PROCESS**

- The Fund should adhere to the appeal timeline requirements set forth in policy by Fund management and its Board. (See E-4)

**F. AGENCY INVOICE REVIEW, APPROVAL, PAYMENT AND REPORTING PROCESSES**

- We recommend the Fund follow its policy to pay agencies within two weeks of receipt of an invoice. If an invoice is not paid within this timeframe, we recommend the Fund maintain documentation as to why it was not paid within this timeframe. (See F-5)

**G. AGENCY REVIEW AND COMPLIANCE PROCESS**

- Ensure documentation is maintained to verify procedures were performed to identify potential exceptions as noted in the Organization's policies and procedures. (See G-2)

**I. CONTRACTED ADMINISTRATIVE EXPENDITURES IN EXCESS OF \$15,000**

- We recommend CSF develop procedures to ensure compliance with St. Louis County purchasing ordinance. (See I Recommendations)