

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

***Craig County  
Self-Assessment Validation***

***Audit Report No. 20-2022***

**January 25, 2024**



**Office of Children's Services**  
Empowering communities to serve youth

## **Report Disclaimer**

Due to the COVID-19 pandemic, onsite visits to validate management's conclusions were suspended. In lieu of onsite visits, self-assessment validation activities were conducted remotely.



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

January 25, 2024

Wendy St. Clair, CPMT Chair  
Craig County Children's Services Act (CSA) Program  
161 Main Street  
New Castle, VA 24127

RE: Craig County CSA Program Self-Assessment Validation (SAV)  
Final Report, File No. 06-2022

Dear Ms. St. Clair,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2022-2023, the Craig County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Services Act (CSA) program. Based on the review and examination of the self-assessment workbook and supporting documentation provided by the Craig County CSA program completed on March 18, 2022, and covering the period January 1, 2021 through December 31, 2021, our independent validation:

Concurs

Partially Concurs

Does Not Concur

with the conclusion reported by the Craig County CPMT that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted. The explanation for our assessment results are as follows:

***The Craig County CPMT noted only non-significant non-compliance and/or internal control weakness observations. A summary of internal control enhancements reported by the CPMT is included in Attachment A. However, validation procedures identified significant internal control weaknesses not identified by the CPMT. An adequate system of internal controls is contingent upon the consistent and proper application of established policies and procedures affecting CSA-funded activities and oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics are detailed on pages 2-3.***

**SIGNIFICANT INTERNAL CONTROL WEAKNESSES**

1. Expenditure reimbursements were requested and processed for payment of services where sufficient documentation did not exist to support payments disbursed. At least one (1) exception was observed in two (2 or 40%) of the five (5) client records examined, as detailed below:
  - A. **Receipts.** Actual receipts confirming the purchase of clothing for a foster care client were not maintained to support a payment of \$45.58. The locality provided documentation of the payment. However, the documents did not identify the purchased item as clothing. The state share of the questioned cost is \$38.97.
  - B. **Overpayments.** Service providers were overpaid \$519.80 (state share) for services rendered to two (2) eligible clients. The overpayments included (1) an additional hour more than the total invoiced by the service provider and (2) the enhanced maintenance paid exceeded the amount allowed based on the corresponding Virginia Enhance Maintenance Assessment Tool (VEMAT) score recorded by \$224/mo.

Client File Review Exceptions - Fiscal Impact					
Rate	Exception Code / Description (CSA Policy 4.5.2.f Pool Fund Reimbursement)				
20% (1/5)	1A: Missing confirming receipts.				
40% (2/5)	1B: Overpayments				
Code	Client	Service Description	Period	Total Cost	State Share
1A	A	Maintenance - Clothing	Jan 2021	\$45.58	\$38.97
1B (1)	A	Mentoring	Mar 2021	\$50.00	\$42.75
1B (2)	B	Enhance Maintenance	Jan – Mar 2021	\$672.00	\$477.05
<b>Total</b>					<b>\$558.76</b>

2. While pool fund supplemental allocation requests were submitted and approved electronically, signed “hard copies” of supplemental allocation requests submitted in FY 2021 were not maintained as directed by CSA Policy Manual 4.5.5, Supplemental Set-Aside. Craig County CPMT was verbally advised of the requirement during the prior audit completed in 2018. The quality improvement plan (QIP) submitted to OCS stated, “Maintain Supplemental Requests with signatures.” However, QIP tasks have not been implemented and/or continuously working as intended.

**RECOMMENDATIONS**

1. The CPMT and the CSA Office should establish and implement quality assurance policies and procedures. Periodic reviews of documentation maintained in client and fiscal records for accuracy and completeness are highly recommended. This would include verification that items purchased are clearly identified, payments disbursed are consistent with actual rates and/or charges incurred, and proper retention of applicable documents (where required).
2. The CPMT should submit a quality improvement plan for review by the OCS, including whether the CPMT agrees with the observations regarding the questioned cost. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director based on SEC Policy 4.7, *Response to Audit Findings*, of whether the identified actions are acceptable or any additional actions that may be required.

**CLIENT COMMENTS**

“The improvement plan from 2018 was created by previous management which had tight control on all aspects of Craig CSA. The year 2021 was his last year with the agency. Many of the CSA records were not past to the CSA coordinator or the new DSS Director. Beginning in 2022, CSA has made changes to how the CSA program is managed. We are continuously creating new checks/balances to ensure we are being good stewards of the money. One such example is we have written procedures on when and how we handle VEMATs for our foster children and how we process any changes to the VEMAT rates. We would like the Office of Children's Services to waive the over payment from the 2021 audit with the understanding that the Craig CSA of 2021 is not the same as the Craig CSA of 2023.”

The Office of Children’s Services respectfully requests that you submit a quality improvement plan (QIP) to address the observations outlined in this report no later than thirty (30) days from receipt of this report. In addition, we ask that you notify this office as QIP tasks identified to address significant observations are completed. OCS will conduct a follow-up validation to ensure the quality improvements have been implemented as reported.

We thank the Craig County Community Policy and Management Team, CSA staff, and partners for contributing to the CSA Self-Assessment Workbook. We also acknowledge the assistance and cooperation Kelie Smith, CSA Coordinator, provided during our review. Please feel free to contact us should you have any questions.

Sincerely,



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Stephanie S. Bacote, CIGA  
Program Audit Manager

cc: Scott Reiner, Executive Director  
Dan Collins, Craig County Administrator  
and CPMT Fiscal Agent  
Kelie Smith, CSA Coordinator

Attachment



**CSA Self-Assessment Validation  
Craig County CSA Program Audit- SAV  
Summary of Self-Reported Internal Control Enhancements**

<b>Observation</b>	<b>Criteria</b>	<b>Prior Audit Repeat Observation</b>	<b>Quality Improvement Plan Submitted</b>	<b>Quality Improvement Plan Action Date and Status</b>
1. Have CPMT representative report to County Board of Supervisors about CSA program/fiscal progress.	ARMICS <sup>1</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/31/2023 In Progress
2. Establish reconciliation process/ understand meaning better	ARMICS <sup>2</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/30/2024 In Progress
3. Determine how FAPT/CPMT are to report stats of residential placements to Behavioral Health	ARMICS <sup>2,3</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/01/2022 Completed
4. Acquire feedback from parents/guardians/foster parents and other stakeholders about the FAPT process and ensure they receive a Parent Guide when their case is referred to FAPT or there are changes to the Guide.	ARMICS <sup>2,3</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/01/2022 Completed
5. CSA Coordinator to participate in SEC open meetings to ensure Craig CSA Program is up to date with guidelines and recommendations.	ARMICS <sup>3</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	09/01/2022 Completed
6. Determine how Statement of Economic Interest Forms are currently submitted and ensure those over 5 years old are destroyed/recorded in accordance with RM-3.	ARMICS <sup>2</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	09/01/2022 Completed
7. Create new RM-3 Binder	ARMICS <sup>2</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/01/2022 Completed
8. Add to IFSP forms language that ensures 'full battery of casework being provided' to all prevention/ CPS cases – in order to determine if that is what is being provided	ARMICS <sup>2</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/01/2022 Completed

ARMICS (Department of Accounts, Agency Risk Management, and Internal Control Standards):

- <sup>1</sup>Control Environment
- <sup>2</sup>Control Activities
- <sup>3</sup>Information and Communication