



COMMONWEALTH of VIRGINIA

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

SCOTT REINER, M.S.
Executive Director

March 6, 2017

Mrs. Jackie Clayton, CPMT Chair and Fiscal Agent
Northumberland Dept. of Social Services
P.O. Box 399
Heathsville, VA 22473

RE: Northumberland County CSA Program Self-Assessment Validation, File No. 49-2015

Dear Mrs. Clayton,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Northumberland 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 by the established due date of June 1, 2016, An on-site visit was scheduled and conducted by OCS Program Auditors on June 10, 2016 to perform the independent validation phase of the process.

Based on the review and examination of the self- assessment workbook and supporting documentation provided by the Northumberland CSA program, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Northumberland 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 on behalf of the Northumberland County CSA program. The explanation for our assessment results are as follows:

Validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies indicating non-compliance in the local CSA program. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the Commonwealth. Specifics pertaining to the Northumberland County CSA Program are detailed following pages.

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

1. Internal controls established by CSA statutes policy were not effectively implemented by the CPMT in order to safeguard against conflicts of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Non-public members serving on the Family Assessment and Planning Team (FAPT) did not complete the Statement of Economic Interest (SOEI) form as required by statute. The Code of Virginia requires an annual disclosure of economic interest for non-public members serving on the CPMT and FAPT. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds may have been significantly reduced since the required parties did not appropriately disclose personal interests.

CRITERIA COV Sections: § 2.2-3100; § 2.2-3101; § 2.2-3115; § 2.2-3117; § 2.2-5205;
§ 2.2-5206; § 2.2-5207;

2. Adequate measures have not been established and/or implemented by the Northumberland CPMT to evaluate and ensure accountability and effectiveness of the locally managed CSA program. Opportunities for improvement were noted based on instances of non-compliance with CSA statutory requirements and internal control weaknesses identified as follows:

- The CPMT has established ongoing key performance goals and documented coordination of long-range planning. However, measurable criteria for evaluating the achievements of stated goals and target dates were not documented.
- A formal process of documenting utilization management/utilization review (UM/UR) activity has not been developed and/or implemented by Northumberland CPMT. Program oversight by the CPMT has not included review and/or assessment of specific reports that summarize, in aggregate, program outcomes to demonstrate accomplishment of local program goals objectives and effectiveness of the services provided correlated with the funds expended.

The ability and likelihood of the CPMT to adequately monitor and provide oversight of the local CSA program is an essential component of organizational governance. The absence of a formal planning, coordination and program evaluation to ensure that the goals and objectives of the program are met ultimately impacts the CPMT efforts to better serve the needs of the youth and families in the community to maximize the use of state and community resources.

CRITERIA: COV § 2.2-5206, Items 4, 6, and 13; (ARMICS), Control Environment, Control Activities

RECOMMENDATIONS

- The CPMT should ensure that the SOEI form is completed immediately for all non-public participating members serving on the FAPT.
- The CPMT should develop measurable criteria for evaluating the achievement of its stated goals and objectives and report progress to all stakeholders at least annually.
- The CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of utilization review/utilization management activities.

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

We would like to thank the Northumberland County Community Policy and Management Team and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. We also would like to acknowledge the excellent assistance and cooperation that was provided by Karen Adams, CSA Coordinator during our on-site visit. Ms. Adams efforts enabled the audit staff to quickly resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin
Program Auditor

cc: Scott Reiner, Executive Director
E. Luttrell Tadlock, Northumberland County Administrator
Karen Adams, CSA Coordinator
Stephanie Bacote, OCS Program Audit Manager
SEC Finance and Audit Committee