



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

August 30, 2018

Ms. Glenda Collins, CPMB Chair  
Wise County CSA Program  
5612 N. Bear Creek Road  
Wise, VA 23230

RE: Wise County Children's Services Act (CSA) Program  
Audit Self-Assessment Validation, File No. 30-2018

Dear Ms. Collins,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Year 2018, the Wise County Community Policy and Management Board (CPMB) has completed and submitted the results of the self-assessment audit of your local CSA Program. An on-site visit was scheduled and conducted by an OCS Program Auditor on June 20, 2018 to perform the independent validation phase of the process, which covered the period May 1, 2017 through April 30, 2018.

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

Concur                       Partially Concur                       Does Not Concur

with the conclusion reported by the Wise County CPMB that no significant observations of non-compliance and/or internal control weaknesses were identified in the design or operation of the processes or services conducted on behalf of the Wise County CSA. The explanation for our assessment results are as follows:

***The Wise County CPMB concluded that there were only non-significant compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified deficiencies<sup>1</sup> indicating non-compliance weaknesses 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 Wise County CSA Program are detailed on pages two (2) through three (3).***

---

<sup>1</sup> Major deficiency is defined as an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its' objectives." Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework, May 2013.

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS**

1. The Wise County CSA CPMB has not established formal performance measures and utilization management practices and procedures to assess overall program effectiveness. Monthly meeting minutes, utilization review accompanying reports and client case files review did not evidence utilization management/utilization review (UR/UM) activities to include:
  - a. “Review of “local and statewide data provided in the management reports on the number of children served, children placed out of state, demographics, types of services provided, duration of services, service expenditures, child and family outcomes, and performance measures.”
  - b. “Track the utilization and performance of residential placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative’s home, family-like setting of their community.”
  - c. Client specific utilization review was not adequately evidenced in four (4) of five (5) (80%) client files reviewed.

**CRITERIA:** Code of Virginia (COV) § 2.2-5206, items 6 and 13; § 2.2-5208, item 5; CSA Policy Manual, Section 3.5 Records management

2. The Wise County CSA Program expended \$8,944.00 and was reimbursed \$7,464.37 (state share) in Fiscal Years 2017-2018 where the:
  - a. Youth did not meet the criteria for “sum sufficient” (i.e. “mandated funding”).
  - b. Extended School Year services (ESY) eligible as special education (SPED) wraparound (i.e. summer program) was incorrectly recorded as SPED Private Day.
  - c. Services (attorney fees) that were the responsibility of another agency were inappropriately funded by CSA. The error was corrected immediately upon notice.

Use of State pool funds under these circumstances constitutes non-compliance with CSA statutory requirements regarding access to funds. Detailed exceptions are depicted below.

**CRITERIA:** COV § 2.2-5211; CSA Policy Manual, Section 4, State Pool Funds

CLIENT	SERVICE DESCRIPTION	PERIOD	QUESTIONABLE COSTS *	ALLOWABLE COSTS/ADJUSTMENTS	NET FISCAL IMPACT	STATE SHARE	ERROR TYPE/COMMENTS
1	Community-Based	4/2017 - 6/2017	\$6,160	\$0	\$6,160.00	\$5,312.00	a. Did not meet mandated criteria funding criteria; expenditure reporting category switched from SPED Wrap to mandated community-based once SPED Wrap funds had been exhausted.
2	SPED Private Day	6/2017- 7/2017	\$1,800	\$0	\$0.00	\$0.00	b. IFSP recommended summer program to maintain behavioral and academic progress (SPED Wrap services). However, expenditures were recorded as SPED Private Day. The IEP did not require extended school year (ESY) services.
	SPED Wrap		\$0	(\$1,800)			
4	Community-Based	3/2017- 5/2018	\$984	(\$984)	\$0.00	\$0.00	c. CSA funded attorney fees that were responsibility of other agency. Upon being made aware by the auditor, the error was immediately corrected.
<b>TOTALS</b>			<b>\$8,944</b>	<b>(\$2,784)</b>	<b>\$6,160.00</b>	<b>\$5,312.00</b>	

\* Figures based client payment history reports; transactions processed during the audit period.

### RECOMMENDATIONS

1. The Wise County CPMB should immediately initiate a periodic review of OCS financial and performance report containing aggregated data available on the CSA website in the tab labeled "Statistics and Publications" to include, but not limited to:
  - o CSA Performance Measures for FY 2016 and FY 2017 (web link)
  - o CSA Pool Expenditure Reports (web link)
  - o CSA Utilization Reports (web link)
  - o OCS Reports to the General Assembly  
(Web link <http://www.ocs.csa.virginia.gov/publicstats/index.cfm>)

The CPMB should incorporate specific metrics that provide a framework for monitoring and evaluating the achievement of established objectives. The recorded minutes of the CPMB meetings should reflect a summary of CPMB's discussions and actions to be taken, if any. A copy of reports reviewed should be retained with the minutes.

The Wise County CSA personnel and FAPT members should become familiar with Sections 3.5.2 and 3.6.2 of the Wise County Community Policy and Management Board Policy and Procedure Manual. A Utilization Review form should be developed, completed at the recommended intervals and included in the client files. The Wise County CPMB should consider adopting the model IFSP and the IFSP UR addendum available on the OCS website.

2. The Wise County CSA program should ensure proper funding categories and service placement types are used when authorizing services and recording expenditures. The Wise County CSA Coordinator, a CPMB member and/or fiscal agent should review all CSA financial reports to ensure only appropriate, authorized expenditures are paid with CSA funds and expenditures are accurately recorded in the proper categories for the services provided.

The Wise County CPMB and FAPT members should consider taking the on-line course "CSA001 - Can CSA Pay?" The Office of Children's Services has recently updated the course in the Virginia Learning Center. Access to the Virginia Learning Center can be obtained through the Office of Children's Services.

### CLIENT COMMENTS

See Attachment: Client Response

See Attachment: Auditor Response to Client Comment 2a

The Office of Children's Services respectfully requests that you submit a quality improvement plan to address the observations outlined in this report 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.

Ms. Glenda Collins, CPMB Chair

August 30, 2018

Page 4

We would like to thank the Wise County CPMB 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 Dakota Peters, CSA Coordinator, during our on-site visit. Their efforts enabled the audit staff to resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Donald Barcomb

Program Auditor

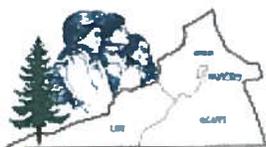


Stephanie S. Bacote, CIGA

Program Audit Manager

cc: Scott Reiner, Executive Director  
David L. Cox, Wise County Interim Administrator  
Delores Smith, CPMT Fiscal Agent  
Dakota Peters, CSA Coordinator  
SEC Finance and Audit Committee

ATTACHMENT: CLIENT COMMENT



# Lonesome Pine Office on Youth

Providing Delinquency Prevention and Youth Development Services in Southwest Virginia since 1980.

**PO Box 568  
219 Wood Ave. East  
Big Stone Gap VA 24219**

**Phone 276-523-5064  
Fax 276-523-5066**

August 14, 2018

Office of Children's Services  
ATTN: Donald Barcomb, Program Auditor  
1604 Santa Rosa Road, Suite 137  
Richmond, VA 23229

RE: Wise County Children's Services Act (CSA)  
Program Audit Self-Assessment Validation, File No. 30-2018

Dear Mr. Barcomb,

This letter is in response to your observations during the CSA program audit for Wise County. We appreciate the opportunity to look closely at our policies and procedures. During the validation process, you have stated that major deficiencies were identified indicating non-compliance weaknesses in our local program. Below are our comments on each concern:

1. Wise County Community Policy and Management Board has not established formal performance measures and utilization management practices and procedures...evidence was not found....
  - a. Review of local and statewide data ...
  - b. Track the utilization and performance of residential placements...
  - c. Client specific utilization review ...

**Response – While evidence was not found in minutes and in files, we do constantly review and analyze the placements and services we provide our children and families. There is always lengthy discussions at the Community Policy and Management Board level as well as the Family Assessment and Planning Team level to ensure the families are getting the best available services at the lowest cost and for the shortest time possible. We understand that the absence of documentation is a problem. This issue has been discussed at both levels and new practices to fit our policies are now being followed. We will have a UR team at each Family Assessment and Planning Team and a UM team at each Community Policy and Management Board. These teams will be reviewing the case files for eligibility and appropriate documentation. State and local data is reviewed at each Community Policy and Management Board meeting but now we will ensure it is documented in the minutes as well as keeping a hard copy with the official minutes.**

2. Wise County expended \$8,944.00 and was reimbursed ....
  - a. Youth did not meet the criteria for "sum sufficient" i.e. "Mandated funding".

- b. Extended School Year services eligible as special education wraparound (summer program) was incorrectly recorded as SPED Private Day.
- c. Services (attorney fees) that were the responsibility of another agency were inappropriately funded through CSA.

**Response – a. We have been made aware that the only way to serve a child over age 18 is through the use of Wraparound funds for Students with Disabilities. We will adhere to this policy from this point on. However, we were acting on the belief that this child was mandated (B. For purposes of determining eligibility for the state pool of funds, "child" or "youth" means (i) a person younger than 18 years of age or (ii) any individual through 21 years of age who is otherwise eligible for mandated services of the participating state agencies including special education and foster care services.)**

**and as such did not see an issue with providing his family with the services he needed after he turned 18. I was personally told by the former financial manager at OCS some years ago concerning the wraparound funds that when those funds ran out we should not stop services but change the funding source to mandated until new wrap funds were available. Only this year have we been told that wrap funds can be requested when needed and that we don't have to wait until midyear to request these funds.**

**b. This youth did not require an IEP for the summer program because this program was not academic. It was a program to ensure the student did not lose the social skills he had developed over the summer break. This was a simple mistake in the coding. Our CSA coordinator is part-time and sometimes that leaves room for error. We have made a request to the Wise County Board of Supervisors for an increase in funding in order to provide more time on task. This should help prevent errors of this type.**

**c. This error was corrected immediately. Steps have been taken to prevent this from occurring again. Local CSA policy is in place to have an IFSP, Family Assessment and Planning Team and Community Policy and Management Board approval, signed purchase order and invoice. We have instructed all parties Family Assessment and Planning Team, Community Policy and Management Board, CSA Coordinator and Wise County DSS financial staff that this policy must be followed. Community Policy and Management Board will also be reviewing all expenditures in detail monthly in order to correct any errors should they occur.**

**Concerning your recommendations:**

- 1. The Wise County Community Policy and Management Board will continue to review state and local statistics and publications at each Community Policy and Management Board meeting and will ensure the discussion is included in our minutes and retained with the official minutes. Trainings are being planned with Family Assessment and Planning Team and Community Policy and Management Board members to review the Policy and Procedures manual and a new Utilization review form is being developed. We will forward a copy of the new form as soon as it is complete. We have reached**

out to our neighbors in Russell County to see if the form they use may fit our needs. Our next meeting is scheduled for August 28, 2018. We will review and consider the model IFSP and IFSP UR addendum on the OCS website on that date.

2. The addition of extra work time for the CSA coordinator and the monthly in-depth review of expenditures should alleviate errors in funding sources and ensure only authorized expenditures are paid through CSA funds.

Wise County Family Assessment and Planning Team and Community Policy and Management Board members have been given the links to the online trainings provided by the Office of Children's Services. We will continue to encourage our members to utilize this free training and will have those who do, report back to the teams.

**Quality Improvement Plan:**

All the above issues have been addressed and have been corrected. Wise County CSA takes pride in always using the least restrictive placements for youth at risk and is always looking for more community-based services for our children and families. We work hard to be sure the children and families in our locality have the services they need when they need it. Unfortunately, we have let our guard down for just a moment and have had errors. We believe we now have practices in place to match our policies and that we will be able to manage our program better. Concerning the questionable costs, we respectfully request that we not be required to restore those funds to OCS as we feel we acted in good faith and without malicious intent believing the child was mandated.

Respectfully,



Glenda Collins, Community Policy and Management Board Chairperson

## **ATTACHMENT: AUDITOR RESPONSE TO CLIENT COMMENT 2a**

The audit observation pertained to funding of community-based services for a youth over age 18 that did not meet the criteria for mandated funding. In accordance with Code of Virginia § 2.2-5211 B1 and C, the youth did not require foster care services and the services provided were not special education services identified in the students Individualized Education Program (IEP). The Office of Children's Services (OCS) published the CSA User Guide (July 2016) providing written guidance to localities identifying sum sufficient (mandated) populations (see Sections 6.3.1 and 9.1) and regarding the use of Special Education Wraparound funding (See Section 9.1.3). Since June 2013, OCS has issued Administrative Memos annually pertaining to the Special Education Wraparound Allocation indicating that unspent allocations will be reviewed for possible reallocation. The declaration of intent to utilize Special Education Wraparound funds form accompanying the Administrative Memo also included a reference stating that localities not declaring intent to use funds "may apply for funds during the fiscal year, but the availability of funds is not guaranteed." The lack of availability is due to the recouplement of the unused funds and reallocation to localities that request additional funds. Therefore, it is implied that any locality may apply for additional funds during the fiscal year. In prior communication via email with the CPMT Chair in October 2015, the former OCS business manager advised that non-mandated funds could be considered where Wraparound allocations had been exhausted. However, Wise County did not record the expenditure referenced in the audit observation as non-mandated.