



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Interim Executive Director

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

April 4, 2016

Mr. Byron M. Adkins, Sr, CPMT Chair  
Charles City County Children's Services Act (CSA) Program  
10600 Courthouse Road  
Charles City County, VA 23030

RE: Charles City County CSA Program Audit Self-Assessment Validation, File No. 21-2015

Dear Mr. Adkins,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Charles City County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA program by the established due date of March 31, 2015. On-site visits were scheduled and conducted by OCS Program Auditors on October 26, 2015 and December 22, 2015 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 Charles City County CSA program, our independent validation:

Concurs                       Partially Concurs                       Does Not Concur

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

***The Charles City County Community Policy and Management Team 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 major deficiencies<sup>1</sup> indicating non-compliance and internal control 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. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring 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 pertaining to the Charles City County CSA Program are detailed on pages two (2) through four (4).***

<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.

**NON-COMPLIANCE OBSERVATIONS**

1. Membership of the CPMT and the Family Assessment and Planning Team (FAPT) are not consistent with state and locally established requirements. The composition of the CPMT does not include a parent representative as required by the Children’s Services Act. Due the absence of a Department of Health representative, private provider representative, and named/designated alternates, FAPT membership is not aligned with established local policy adopted by the Charles City County CPMT.

Criteria: COV§2.2-5205, Paragraph 1; Charles City County CPMT Policies and Procedures, Appointment of Family Assessment and Planning Team (Section 2.2-5207)

2. A statement of economic interests was not filed in accordance with the Code of Virginia (COV), State and Local Government Conflict of Interest Act (§2.2-3117) by parent representatives, private providers, and other non-public agency representatives that serve as members of the CPMT and FAPT.

Criteria: COV§2.2-5205, Paragraph 4; COV §2.2-5207, Paragraph 2

3. Coordination of long-range, community-wide planning in the development of services and resources that explicitly addresses the Charles City County CSA program has not been formally documented. Strategic planning documents were developed by the county’s Board of Social Services (2012) and the Department of Social Services (2006). However, the documents were outdated and/or did not include specific goals, objectives, strategies that were explicit to CSA.

Criteria: COV§2.2-5206, Item 4; Charles City County CPMT Policies and Procedures, Community Needs Assessment and Planning Process Outline (Section 2.2-5205) and Procedures for coordinated long-range, community-wide planning which ensures the development of resources and services

4. The by-laws and policy/procedure manuals adopted by the CPMT and FAPT were last updated in 2009. As a result, documented policies were not aligned with current state statutes, policies, procedures and practices as noted by the following exceptions:

- o The existing policy manual references an assessment tool that has not been in use since 2009 (CAFAS) and outdated eligibility criteria (§2.2-5212). In addition, written policies and procedures have not been established to govern: (1) intensive care coordination, (2) records retention/file management (i.e. minimum documentation; active/inactive/closed status), and (3) parental co-pays.

Criteria: COV§2.2-5206, Items 1,3, and 17; Children’s Services Act Policy Manual - Section 3.5 Records Management, Section 3.6 Mandatory Uniform Assessment Instrument, Section 4.5.4 Parental Contributions for Services, and Section 6.1 Intensive Care Coordination

- o The local policy manual authorizes emergency funding approval without FAPT review/referral for up to 30 days provided that services have been authorized by a CPMT designee. The 30 day provision established by the local policy conflicts with established statutory requirements of CSA, which cites requirement of an assessment by the FAPT or an approved collaborative, multi-disciplinary team process with 14 days of admission.

Criteria: COV§2.2-5209, Paragraph 2

**NON-COMPLIANCE OBSERVATIONS**

5. The Charles City County CPMT has not established formal performance measures and utilization management practices and procedures to assess overall program effectiveness. Monthly meeting minutes and accompanying reports did not evidence utilization management/utilization review (UM/UR) activities to include:
- o “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.”
  - o “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 homes, family-like setting, or their community.”

Criteria: COV§2.2-5206, Items 6 and 13

6. Six (6) client case files were examined to confirm that required documentation was maintained in support of and to validate FAPT referrals and CPMT funding authorizations. Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key to coordination and planning by FAPT. Documentation that could not be verified from the client case files and/or were not available for review included:

Exception Description	Error Rate
Active consent to exchange information forms	83% (5 of 6)
Individual Family Service Plans (IFSP) data elements: measurable outcomes, strengths, needs, discharge planning, signatures of the full FAPT or parents, etc.	50% (3 of 6)
Child and Adolescent Needs and Strength (CANS) Assessments	33% (2 of 6)
Parental Co-pay assessments (3 eligible cases)	100% (3 of 3)
Evidence of client case specific utilization review	33% (2 of 6)
Vendor progress reports	50% (3 of 6)

Criteria: COV§2.2-5208; CSA Policy Manual Section 3.5, Records Management; Charles City County FAPT Bylaws, Article XI Procedures, Sections I, III, and IV

7. The Charles City County CSA Program expended \$41,311.16 and was reimbursed \$30,082.36 (state share) in Fiscal Years 2013-2016 where the mandatory CANS assessment required to access state pool funds was not completed for 2 (33%) of the 6 client cases examined. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements governing client eligibility, making it local government’s responsibility for funding the purchased services.

Criteria: COV§2.2-2648,Item D.20; COV§2.2-5212, Paragraph 1

Client	Fiscal Year	Questionable Costs** (State Share Only)
A-1737	13-14	\$ 21,413.56
B-2200	15-16	\$ 8,668.80
<b>ESTIMATED TOTAL</b>		<b>\$ 30,082.36</b>
**Figures were based on client payment history reports.		

### NON-COMPLIANCE OBSERVATIONS

**RECOMMENDATIONS:** The Charles City CPMT should take appropriate action to ensure that the non-compliance observations are addressed in the immediate future as follows:

1. The CPMT should ensure that composition of the CPMT and the FAPT meet the minimum requirements as established by the Children's Services Act as well as locally established policies and procedures. The CPMT should actively recruit to fill vacancies on the respective teams. In addition, alternates for CPMT and FAPT should be designated, in writing.
2. The CPMT should ensure that statement of economic interest forms are completed immediately for applicable individuals that are currently serving as members of the CPMT and FAPT. The required documents should then be completed in accordance with the filing requirement established in the State and Local Government Conflict of Interest Act. Refer to <http://ethics.dls.virginia.gov/> for filing requirements and training modules.
3. The CPMT should coordinate on the development and document a long-range plan that explicitly addresses the Charles City CSA Program. The plan should include, but not limited to, specific and measurable goals, objectives, strategies, target dates, and parties responsible for monitoring progress of accomplishments. Further, the CPMT should consider incorporating status updates on the progress of their long range plan as a standing agenda item for CPMT meetings.
4. The CPMT should review and revise local CPMT and FAPT bylaws and policy/procedure manuals to ensure: (a) alignment with current CSA statutes and policies adopted by the State Executive Council for Children's Services (SEC), (b) removal of outdated references, and (c) establishment of policies to govern intensive care coordination, records management, and parental copayments. In addition, the CPMT should adopt a policy that will address the frequency of review of current policies.
5. The CPMT should establish performance criteria to monitor and analyze overall effectiveness of the local CSA program. In addition the CPMT should adopt policies/procedures to govern utilization management activities. The CPMT could initiate the discussion using the [Utilization Management Guidelines](#) published on the CSA website.
6. Prior to service planning, the CSA Coordinator and the FAPT should ensure that minimum documentation requirements are met and correspondence is maintained in the client case file or readily accessible in order to substantiate services recommended to CPMT for funding authorization. Periodic case reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA policy and statutory requirements. As a component of the quality control process, the CPMT should consider adopting guidelines pertaining to [CSA Documentation Inventory](#) and [Utilization Review Guidelines](#), which are published on the CSA website.

**NON-COMPLIANCE OBSERVATIONS**

**RECOMMENDATIONS:** The Charles City CPMT should take appropriate action to ensure that the non-compliance observations are addressed in the immediate future as follows:

7. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding. Adequate documentation should be maintained as justification for CPMT funding decisions. The FAPT and CSA Coordinator should ensure that CANS assessments have been completed prior to submitting funding requests to CPMT for authorization.

The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, to address whether the funds will be restored. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director of whether the identified actions are acceptable or any additional actions that may be required.

**CLIENT COMMENT:**

1. "The CPMT will ensure that the CPMT and FAPT members comply with locally established policies and procedures, and meet the minimum requirements as established by CSA."
2. "The Economic Interest form has been completed on applicable individuals that are currently serving as members of CPMT and FAPT."
3. "The Charles City County Policy and Management Team believe that the family and home community provide the best environment for raising children. The Community Policy and Management Team shall pursue and encourage collaborative activities that will ensure the provision on child-centered, family-focused community based services. Our purpose is to preserve families and provide appropriate services while protecting the welfare of children and maintaining the safety of the public. For purposes of long range planning, the Policy and Management Team will review, on an annual basis, a directory of private and public providers, including individual programs and services."  
  
 "A focal point in this strategy will include: the methodology using the CSA Critical Gaps Survey, collaboration with the participants of the Charles City Multi-Disciplinary Team, Resource Council and Prevention Subcommittee. There will be a Community Needs Assessment that will be conducted Fall 2016."
4. "The CPMT and FAPT Bylaws will be reviewed and revised to ensure that all policies and procedures are in alignment with current CSA statutes. The target date is June 20, 2016. Policy will be reviewed annually to include the following:
  - a. Parental Co-pay Contribution for services
  - b. Intensive Care Coordination
  - c. CANS
  - d. Records Management
  - e. Emergency Funding Approval"
5. "The CPMT shall develop a Utilization Management process that will measure and track performance and effectiveness of the Local CSA Program using the reporting data on the CSA website."

<b>CLIENT COMMENT:</b>	<p>6. "Case managers meetings are held monthly for discussion and planning of services. A greater emphasis will be dedicated to proper case organization, compliance with forms, and review of policies and procedures. CSA Documentation Inventory form has been added to case records for review to ensure all documentation is in the file and up to date. The most significant aspect of this established management system will be a component of thoroughly monitoring of cases. All cases will be monitored to ensure compliance necessary for service provision and ongoing payment to vendors. Any areas that do not meet monitoring specifications will be identified for nonpayment."</p> <p>7. "Considerable efforts have been directed towards complying with the established standards of the statutory requirements of CSA. Staff attended a three (3) day CSA New Coordinator's Academy training. Staff will attend the CSA Conference in Roanoke on April 26-28, 2016. While there is no established CSA Coordinator, agency staff with CSA administrative coordination responsibilities have acquired a greater knowledge and understanding regarding statutory requirements. A conscious effort has always been directed towards the provision and monitoring the delivery of efficient /effect services to families and children. The CSA program has been administered through coordinated partner efforts."</p> <p>"A greater emphasis has been placed on shared responsibilities for FAPT and CPMT team members. There has been a joint meeting with team members to discuss procedures that must be complied with. Proper case preparation is mandated prior to funds being approved. During monthly case mangers meetings, time will be dedicated to case monitoring. Case activities found in noncompliance will result in discontinued funding. Contractual services will be limited to every six (6) months. This will encourage greater assurance of documentation and extensive record reviews before continuation of services. Training will be developed and provided on an ongoing basis to ensure proper document of forms, measure of goals and objectives. Case managers will provide clearly depicted progress of services which will be discussed at CPMT."</p> <p>"In order for service to begin, a Comprehensive CANS must be signed, dated and presented before services are to begin. There is a vested interest in the CANS process. Currently, we have six (6) team members certified in administering CANS."</p> <p>"The CPMT will submit a quality improvement plan, for review by the OCS Finance Office."</p>
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**SIGNIFICANT INTERNAL CONTROL WEAKNESS**

Criteria: Virginia Department of Accounts (DOA) Agency Risk Management and Internal Control Standards (ARMICS), Control Environment and Control Activities

1. The local CSA policy governing FAPT Team Reviews is not explicitly clear pertaining to: (1) frequency of FAPT reviews, (2) documentation of utilization reviews, and (3) parent co-pay assessments. Areas where clarifications are needed were noted as follows:
  - o CSA staff interviewed stated that FAPT reviews occur every three months. However, Article XI-Section IV.e of the FAPT procedures states that cases are reviewed based on the varying criteria established. Example: "Foster care placements will be reviewed as designated by CANS Assessment, not to exceed six months."
  - o Case managers are directed to complete the Charles City County FAPT IFSP Review Form. However, the referenced form was not included in the forms section of the policy manual or any of the client case files reviewed by audit staff.
  - o The local policy manual includes a parent co-pay assessment form. The referenced form does not include the sliding fee scale as required to be established by CSA statute nor was the form included in any of the eligible client case files examined.

The absence of clear guidance may lead to inconsistencies in applying local policies/procedures, and may also affect the reliability and integrity of CSA client information used in service planning and funding decisions.

2. Expenditure totals were not always accurately reported in the appropriate service placement categories. A comparison of the net expenditures reported on the Pool Fund Reimbursement Request and the CSA Data Set identified that expenditures were recorded in the Data Set as Congregate Educational Services and on the Pool Fund Reimbursement Requests as Special Education Private Day. There was no fiscal impact as the match rate for both categories are the same. However, the discrepancy distorts the accuracy of operational and/or financial and management reports used in critical decision making regarding CSA. This condition was observed for fiscal years 2014 and 2015.

**RECOMMENDATIONS: The Charles City CPMT should take appropriate action to ensure that the identified weaknesses in internal controls are addressed in the immediate future as follows:**

1. The CPMT should clarify policy and procedure language to reflect the actual practice (every three months for all cases) pertaining to the frequency of FAPT reviews. The CPMT should enforce locally adopted documentation requirements established to evidence utilization review activities and periodically assess local compliance. Lastly, the CPMT should ensure that the sliding fee scale is published in the local policy manual and/or along with parental co-pay assessment documents.
2. The CPMT and Fiscal Agent should periodically review financial and data management report to ensure accuracy and reliability of the information reported.

<b>CLIENT COMMENT:</b>	<ol style="list-style-type: none"><li>1. The CPMT is in the process of revising policy and procedures for consistency in the case review process. A target date is June 20, 2016. A training schedule is being developed for review of all necessary forms and documents relating to the identification of specific achievement of goals and outcomes. The objective is to provide consistency and uniformity in the implementation of local policies and procedures with continuity of CSA requirements and expenditures of funds.</li><li>2. The CPMT and Fiscal Agent will ensure that all current and future financial and data management information are accurate and reported correctly in the OCS Data Reporting System. A reconciliation process has been put in place to further enhance the accuracy in reporting financial management. Internal coordination has been developed; clear guidance relating to the delegation of CSA responsibilities has been established. The agency management team will devote dedicated time to CSA governance and compliance with required financial requirement.</li></ol>
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The Office of Children's Services respectfully requests that you submit a quality improvement plan to address the observation outlined on this page 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 Charles City County Community Policy and Management Team and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. The assistance and cooperation that was provided during the on-site visit enabled the audit staff to quickly resolve any questions/concerns that were observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,

  
Stephanie S. Bacote, CIGA  
Program Audit Manager

cc: Scott Reiner, Interim Executive Director  
Zach Trogon, Charles City County Administrator  
Regina Black Harris, CPMT Fiscal Agent  
LaToya Johnson-Davis, CSA Coordinator