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Name: Gloucester County CPMT

Affiliation: Gloucester CSA

Date Posted: 8/8/2017

The Gloucester County CPMT is appreciative of the proposed policy outlining the various levels, recognizing that compliance matters range from minor matters that can be fixed to severe situations. As the proposed policy is written, there is one specific comment:

Section 4.7.4.2 Noncompliance Level Two Finding, B.3. "CPMT did not approve services and expenditures in a timely manner but did so within a reasonable (e.g. 30 day) time period." This seems to be open to interpretation based on what timely manner may be to one person vs. another. It is suggested that guidance be provided on what is recommended in the user's guide if this timely manner statement remains. While vague can be good, it can also serve the opposite purpose.

RECEIVED
8/16/17

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VIRGINIA ASSOCIATION OF LOCAL HUMAN SERVICES OFFICIALS



VALHSO

The Honorable William A. Hazel, Jr. M.D., Chairman
State Executive Council
C/O Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229
Attention: Marsha Mucha

Dear Secretary Hazel and Members of the State Executive Council:

This letter contains the Virginia Association of Local Human Services Officials (VALHSO) comments related to the proposed SEC Policy 4.7. **Response to Audit Findings with Regards to the Children's Services Act.**

The State Executive Council (SEC) holds the authority to deny state funding *to a locality, in accordance with subdivision 19, where the CPMT fails to provide services that comply with the Children's Services Act, any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with 2.2-5211 "* (2.2-2648, D.20). The proposed policy's objective to further define audit finding parameters is a reasonable action. VALHSO's concern is not the intent of the proposed policy but more the potential unintended consequences. The Children's Services Act's framework should compel the SEC to ensure the audit process maintain a balance between the state's oversight function and a locality's authority to make program and funding decisions for the services for at-risk children, youth and families at the community level.

VALHSO concerns related to the proposed SEC Policy 4.7 are as follows:

- **The Children's Services Act is (CSA) a state-local partnership**
Community Policy and Management Teams are responsible for management and oversight of the use of CSA pool funds. CSA is a state monitored, locally implemented program. The state has oversight functions but localities have autonomy to manage the local process within the framework of CSA policy. State and local government have a shared responsibility in ensuring success within the CSA program. The language of the proposed policy has moved away from a collaborative, quality improvement process to a more punitive process that places localities in increased fiscal risk.
- **OCS audits should focus on compliance to CSA policy**
Audit findings should be based on objective code requirements and/or OCS policies.
Audit findings should be clearly defined and supported by OCS policy. Audit findings

based on code requirements such as CPMT membership, FAPT, CANS and emergency funding requirements are objective CSA requirements. Audit findings that include terms such as “inadequate documentation”, “inadequate fiscal controls”, “sufficient evidence”, “timely manner”, “obsolete” and “incomplete” (policies, financial information, CSA-related information security controls) are open to interpretation and could allow the audit to invade the purview of the local CPMT.

- **Duplication with other required local audits**

Localities are legally required to engage in external audits outside of the OCS audit process that review fiscal and administrative compliance within local programs such as CSA. This includes independent financial audits. These audit findings should be taken into consideration during an OCS audit.

- **Audit finding parameters should be specifically defined**

The proposed policy does not clearly define the fiscal parameters related to denial of funds and/or fund recovery, placing localities in jeopardy of financial deficits when overseeing mandated service provision under CSA. Further definition is required related to what is included in the fiscal sanction process. A due process for appealing fiscal sanctions as well as a graduated system of denial and withholding of funds should be included in this policy (see below chart).

- **No allowable threshold of error for audit findings**

The proposed policy should include an allowable threshold of error as is common with other audit processes. The audit process should take into consideration the complexity of a local CSA Program, the fact that it is a multi-agency process and reflect that in the definition of noncompliance. Willful or blatant health and safety violations should be sanctioned. Otherwise, there should be an accepted threshold of administrative errors that are inherent to a complex program such as CSA.

In conclusion, VALHSO understands that the audit process is a required part of OCS’s oversight function with the Children’s Service Act. We would like to propose the denial of funds process below to address VALHSO concerns, while demonstrating partnership between SEC / OCS oversight and local accountability:

CSA Audit Finding Level	Response to First Noncompliance Finding	Response to Second or Subsequent Finding
Level One - Not child specific but represents failure to meet statutory, regulatory, or policy requirements.	The CPMT will develop a plan to address the audit findings. No corrective action plan required.	Require the locality to submit a corrective action plan.

Example Level One Findings: 1) CPMT policies are incomplete, obsolete, or do not align with

applicable statutes, regulations, or policies; 2) Lack of evidence of long-range community planning and utilization management activities; 3) FAPT and CPMT membership does not meet statutory requirements, and meaningful efforts to correct this noncompliance are not provided; 4) Required Statement of Economic Interest submissions of designated FAPT and CPMT members are not completed in compliance with statutory requirements; 5) There are inadequate fiscal controls, e.g., separation of purchasing and payment authority; 6) There are inadequate CSA-related information technology security controls, e.g., users sharing accounts or passwords, and; 7) The locality failed to properly reconcile CSA reimbursement requests with other fiscal systems.

Level Two - Case specific and involves a violation of an applicable statute, regulation, or policy but, had the requirements been followed, would have been eligible for reimbursement through state pool funds. Findings may be mitigated by corrective action already implemented on a case-specific basis.

Require the locality to submit a corrective action plan.

Require a corrective action plan and, if the plan is not received by the due date, suspend state pool fund reimbursements until the corrective action plan is submitted.

Example Level Two Findings: 1) Assessments with the mandatory uniform assessment instrument (i.e., CANS) are not completed in accordance with established requirements, e.g., initial, annual, or discharge assessments; 2) FAPT did not adopt recommendations and/or an IFSP was not developed in a timely manner, e.g., an LDSS emergency placement was not heard by FAPT within 14 days of placement, but the requirements were completed within a reasonable (e.g., 30 day) time period, except where CPMT policy allows an exemption to the requirement; 3) CPMT did not approve services and expenditures in a timely manner but did so within a reasonable, e.g., 30 day, time period; 4) There was missing or inadequate documentation, e.g., utilization review, missing elements of an IFSP, parental contribution assessments, provider progress notes, CHINS eligibility determinations, parental participation in service planning, VEMAT documentation, or parental agreements, during the audit but enough information was available to determine the service was eligible for state pool fund reimbursement, and; 5) There was missing, incomplete, or inaccurate financial documentation, e.g., purchase orders, invoices, or vendor contracts, but enough documentation to determine that the service was eligible for state pool fund reimbursement.

Level Three - Case specific and occurs when CSA state pool funds have been reimbursed when the expenditure is not authorized by statute, regulation, or policy.

Require the locality to submit a corrective action plan.

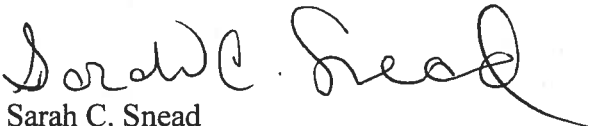
Require a corrective action plan and recover the state pool fund reimbursements for any uncorrected payment errors incurred during the audit period.

Example Level Three Findings: 1) The child and/or family are ineligible for CSA funding per §§ 2.2-5211 and 2.2-5212 of the Code of Virginia or documentation of eligibility, e.g., an Individualized Education Program [IEP] or a Child in Need of Services [CHINS] eligibility determination, was not available for review during the audit; 2) The CSA funding was reimbursed for services required to be paid through

an alternative funding source, e.g., failure to utilize Title IV-E or Medicaid funds in eligible cases; 3) Medicaid funding was not sought and/or denial of Medicaid funding was not documented despite the service being reimbursable by Medicaid and the child is covered under Medicaid; 4) Services were not recommended by a Family Assessment or Planning Team (FAPT) or Multidisciplinary Team (MDT) and/or an Individual and Family Service Plan (IFSP) was not developed, except where a local CPMT policy allows such expenditures to be exempt from FAPT or IFSP requirements, e.g., "maintenance only" foster care or IEP-mandated placements; 5) The funding was not approved by the CPMT; 6) Utilization of the state pool funds violated participating agency statutes, regulations, or policies, such as: a. Payment for Enhanced Foster Care Maintenance when the Virginia Department of Social Services' (VDSS) Virginia Enhanced Maintenance Assessment Tool (VEMAT) policy was not followed; b. Title IV-E funding was denied due to error; or c. The local DSS used an unapproved/unlicensed foster home placement; 7) Services were within the scope of responsibility of another agency, e.g., services to students with disabilities provided in the public school setting; administrative costs of a local DSS such as paternity testing, drug screening, or legal services related to prosecuting child abuse and neglect; case management by a local DSS for youth committed to the Department of Juvenile Justice (DJJ); 8) The service provider did not meet licensing requirements for the specific service, e.g., behavioral health providers or providers [LCPA, day care] requiring licensure by VDSS; 9) The use of a non-Medicaid provider, when the child and/or family were Medicaid eligible, and there is no substantiation that a Medicaid provider was unavailable or inappropriate; 10) Failure to refund to CSA recoveries made against previously claimed costs, e.g., child support collections, Title IV-E recoveries, or retroactive Medicaid payments for services; 11) Failure to correct erroneous expenditure reports that require adjustments to CSA match rate categories, and; 12) Expenditures claimed after September 30 which were incurred in the previous fiscal year.

VALSHO appreciates the opportunity to provide these comments related to the proposed denial of funds policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah C. Snead". The signature is fluid and cursive, with the first name "Sarah" and last name "Snead" clearly distinguishable.

Sarah C. Snead
VALSHO President



Virginia League of Social Services Executives

Catherine Pemberton, President
3908 Old Buckingham Road
Powhatan, VA 23139

August 17, 2017

The Honorable William A. Hazel, Jr. M.D., Chairman
State Executive Council
CIO Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229

Attention: Marsha Mucha

Dear Secretary Hazel and Members of the State Executive Council:

On behalf of the Virginia League of Social Services Executives, I offer the following comments related to the proposed SEC Policy 4.7 **Response to Audit Findings with Regard to the Children's Services Act.**

The State Executive Council (SEC) holds the authority to deny state funding *to a locality, in accordance with subdivision 19, where the CPMT fails to provide services that comply with the Children's Services Act, any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with 22-5211" (2.2-2648, D.20).* The proposed policy's objective to further define audit-finding parameters is a reasonable action. Our concern is not the intent of the proposed policy but more the potential unintended consequences. The Children's Services Act's framework should compel the SEC to ensure the audit process maintain a balance between the state's oversight function and a locality's authority to make program and funding decisions for the services for at-risk children, youth and families at the community level.

Our concerns related to the proposed SEC Policy 4.7 are as follows:

- **The Children's Services Act (CSA) is a state-local partnership**
Community Policy and Management Teams are responsible for management and oversight of the use of CSA pool funds. CSA is a state monitored, locally implemented program. The state has oversight functions but localities have autonomy to manage the local process within the framework of CSA policy. State and local government have a shared responsibility in ensuring success within the CSA program. The language of the proposed policy has moved away from a collaborative, quality improvement process to a more punitive process that places localities in increased fiscal risk.
- **OCS audits should focus on compliance to CSA policy**
Audit findings should be based on objective code requirements and/or OCS policies. Audit findings should be clearly defined and supported by OCS policy. Audit findings based on code requirements such as CPMT membership, FAPT, CANS and emergency funding requirements are objective CSA requirements.

Audit findings that include terms such as "inadequate documentation," "inadequate fiscal controls," "sufficient evidence," "timely manner," "obsolete" and "incomplete" (policies, financial information, CSA-related information security controls) are open to interpretation and could allow the audit to invade the purview of the local CPMT. OCS should provide ongoing and robust training to local staff to ensure correct understanding of these policies and requirements.

- **Duplication with other required local audits**

Localities are legally required to engage in external audits outside of the OCS audit process that review fiscal and administrative compliance within local programs such as CSA. This includes independent financial audits. These audit findings should be taken into consideration during an OCS audit.

- **Audit finding parameters should be specifically defined**

The proposed policy does not clearly define the fiscal parameter related to denial of funds and/or fund recovery, placing localities in jeopardy of financial deficits when overseeing mandated service provision under CSA. Further definition is required related to what is included in the fiscal sanction process. A due process for appealing fiscal sanctions as well as a graduated system of denial and withholding of funds should be included in this policy (see attached charts).

- **No allowable threshold of error for audit findings**

The proposed policy should include an allowable threshold of error as is common with other audit processes. The audit process should take into consideration the complexity of a local CSA program, the fact that it is a multi-agency process and reflect that in the definition of noncompliance. Willful or blatant health and safety violations should be sanctioned. Otherwise, there should be an accepted threshold of administrative errors that are inherent to a complex program such as CSA.

In conclusion, we understand that the audit process is a required part of OCS's oversight function with the Children's Service Act. We would like to propose the denial of funds process below to address our locality's concerns, while demonstrating partnership between SEC/OCS oversight and local accountability. The League appreciates the opportunity to provide these comments related to the proposed denial of funds policy.

Sincerely,

Catherine Pemberton

Catherine Pemberton

<u>CSA Audit Finding Level</u>	<u>Response to First Noncompliance Finding</u>	<u>Response to Second or Subsequent Finding</u>
Level One-Not child specific but represents failure to meet statutory, regulatory, or policy requirements.	The CPMT will develop a plan to address the audit findings. No corrective action plan required.	Require the locality to submit a corrective action plan.

Example of Level One Findings:

- CPMT policies are incomplete, obsolete, or do not align with applicable statutes, regulations, or policies;
- Lack of evidence of long-range community planning and utilization management activities;
- FAPT and CPMT membership does not meet statutory requirements, and meaningful efforts to correct this noncompliance are not provided;
- Required Statement of Economic Interest submissions of designated FAPT and CPMT members are not completed in compliance with statutory requirements;
- There are inadequate fiscal controls, e.g., separation of purchasing and payment authority;
- There are inadequate CSA-related information technology security controls, e.g., users sharing accounts or passwords, and,
- The locality failed to properly reconcile CSA reimbursement requests with other fiscal systems.

<u>CSA Audit Finding Level</u>	<u>Response to First Noncompliance Finding</u>	<u>Response to Second or Subsequent Finding</u>
Level Two- Case specific and involves a violation of an applicable statute, regulation, or policy but, had the requirements been followed, would have been eligible for reimbursement through state pool funds. Findings may be mitigated by corrective action already implemented on a case-specific basis.	Require the locality to submit a corrective action plan.	Require a corrective action plan and, if the plan is not received by the due date, suspend state pool fund reimbursements until the corrective action plan is submitted.

Example of Level 2 Findings:

- Assessments with the mandatory uniform assessment instrument (i.e., CANS) are not completed in accordance with established requirements, e.g., initial, annual, or discharge assessments;
- FAPT did not adopt recommendations and/or an IFSP was not developed in a timely manner, e.g., a LDSS emergency placement was not heard by FAPT within 14 days of placement, but the requirements were completed within a reasonable (e.g., 30 day) time period, except where CPMT policy allows an exemption to the requirement;
- There was missing or inadequate documentation, e.g., utilization review, missing elements of an IFSP, parental contribution assessments, provider quarterly reports, CHINS eligibility determinations, parental participation in service planning, VEMAT documentation, or parental agreements, during the audit but enough information was available to determine the service was eligible for state pool fund reimbursement; and,
- There was missing, incomplete, or inaccurate financial documentation, e.g., purchase orders, invoices, or vendor contracts, but enough documentation to determine that the service was eligible for state pool fund reimbursement.

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Level Three- Case specific and occurs when CSA state pool funds have been reimbursed when the expenditure is not authorized by statute, regulation, or policy.	Require the locality to submit a corrective action plan.	Require a corrective action plan and recover the state pool fund reimbursements for any uncorrected payment errors incurred during the audit period.

Example of Level 3 Findings:

- The child and/or family are ineligible for CSA funding per §§2.2-5211 and 2.2-5212 of the Code of Virginia or documentation of eligibility, e.g., an Individualized Education Program [IEP] or a Child in Need of Services [CHINS] eligibility determination, was not available for review during the audit;
- The CSA funding was reimbursed for services required to be paid through an alternative funding source, e.g. failure to utilize Title IVE or Medicaid funds in eligible cases;
- Medicaid funding was not sought and/or denial of Medicaid funding was not documented despite the service being reimbursable by Medicaid and the child is covered under Medicaid;
- Services were not recommended by a Family Assessment or Planning Team (FAPT) or Multidisciplinary Team (MDT) and/or an Individual and Family Service Plan (IFSP) was not developed, except where a local CPMT policy allows such expenditures to be exempt from FAPT or IFSP requirements, e.g., "maintenance only" foster care or IEP-mandated placements;

- Utilization of the state pool funds violated participating agency statutes, regulations, or policies, such as a payment for Enhanced Foster Care Maintenance when the Virginia Department of Social Services' (VDSS) Virginia Enhanced Maintenance Assessment Tool (VEMAT) policy was not followed, Title IV-E funding was denied or the local DSS used an unapproved/unlicensed foster home placement;
- Services were within the scope of responsibility of another agency, e.g., services to students with disabilities provided in the public school setting; administrative costs of a local DSS such as paternity testing, drug screening, or legal services related to prosecuting child abuse and neglect; case management by a local DSS for youth committed to the Department of Juvenile Justice;
- The service provider did not meet licensing requirements for the specific service, e.g., behavioral health providers or providers (LCPA, day care) requiring licensure by VDSS;
- The use of a non-Medicaid provider, when the child and/or family were Medicaid eligible, and there is no substantiation that a Medicaid provider was unavailable or inappropriate;
- Failure to refund to CSA recoveries made against previously claimed costs, e.g., child support collections, Title IV-E recoveries, or retroactive Medicaid payments for services;
- Failure to correct erroneous expenditure reports that require adjustments to CSA match rate categories; and
- Expenditures claimed after September 30 that were incurred in the previous fiscal year.



COUNTY OF YORK-CITY OF POQUOSON DEPARTMENT OF SOCIAL SERVICES

301 GOODWIN NECK ROAD
YORKTOWN, VIRGINIA 23692
(757) 890-3787
FAX (757) 890-3934



The Honorable William A. Hazel, Jr. M.D., Chairman
State Executive Council
C/O Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229
Attention: Marsha Mucha

Dear Secretary Hazel and Members of the State Executive Council:

This letter contains York-Poquoson Social Services (YPSS) comments related to the proposed SEC Policy 4.7. **Response to Audit Findings with Regards to the Children's Services Act.**

The State Executive Council (SEC) holds the authority to deny state funding *to a locality, in accordance with subdivision 19, where the CPMT fails to provide services that comply with the Children's Services Act, any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with 2.2-5211" (2.2-2648, D.20).* The proposed policy's objective to further define audit finding parameters is a reasonable action. YPSS concern is not the intent of the proposed policy but more the potential unintended consequences. The Children's Services Act's framework should compel the SEC to ensure the audit process maintain a balance between the state's oversight function and a locality's authority to make program and funding decisions for the services for at-risk children, youth and families at the community level.

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Statement of Economic Interest submissions of designated FAPT and CPMT members are not completed in compliance with statutory requirements; 5) There are inadequate fiscal controls, e.g., separation of purchasing and payment authority; 6) There are inadequate CSA-related information technology security controls, e.g., users sharing accounts or passwords, and; 7) The locality failed to properly reconcile CSA reimbursement requests with other fiscal systems.

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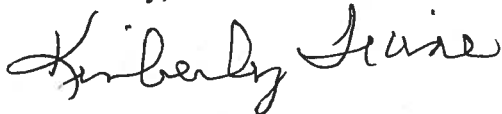
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I appreciate the opportunity to provide these comments related to the proposed denial of funds policy.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Irvine".

Kimberly Irvine,
Director



The Honorable William A. Hazel, Jr. M.D., Chairman
State Executive Council
CIO Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229

Attention: Marsha Mucha

Dear Secretary Hazel and Members of the State Executive Council:

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- **OCS audits should focus on compliance to CSA policy**

Audit findings should be based on objective code requirements and/or OCS policies.

CORE VALUES:

CONNECTED.
Young people thrive with caring adults and families

ENGAGED.
Families and young people are engaged in decisions about their care

PRODUCTIVE.
Services are meaningful and responsive to children's needs

LOCAL. Children are best served in their home communities

VISION:

Children live safely and productively with their families and in their schools and communities

Audit findings should be clearly defined and supported by OCS policy. Audit findings based on code requirements such as CPMT membership, FAPT, CANS and emergency funding requirements are objective CSA requirements. Audit findings that include terms such as "inadequate documentation," "inadequate fiscal controls," "sufficient evidence," "timely manner," "obsolete" and "incomplete" (policies, financial information, CSA-related information security controls) are open to interpretation and could allow the audit to invade the purview of the local CPMT. OCS should provide ongoing and robust training to local staff to ensure correct understanding of these policies and requirements.

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Localities are legally required to engage in external audits outside of the OCS audit process that review fiscal and administrative compliance within local programs such as CSA. This includes independent financial audits. These audit findings should be taken into consideration during an OCS audit.

- **Audit finding parameters should be specifically defined**

The proposed policy does not clearly define the fiscal parameter related to denial of funds and/or fund recovery, placing localities in jeopardy of financial deficits when overseeing mandated service provision under CSA. Further definition is required related to what is included in the fiscal sanction process. A due process for appealing fiscal sanctions as well as a graduated system of denial and withholding of funds should be included in this policy (see chart below).

- **No allowable threshold of error for audit findings**

The proposed policy should include an allowable threshold of error as is common with other audit processes. The audit process should take into consideration the complexity of a local CSA program, the fact that it is a multi-agency process and reflect that in the definition of noncompliance. Willful or blatant health and safety violations should be sanctioned. Otherwise, there should be an accepted threshold of administrative errors that are inherent to a complex program such as CSA.

In conclusion, we understand that the audit process is a required part of OCS's oversight function with the Children's Service Act. We would like to propose the denial of funds process below to address our locality's concerns, while demonstrating partnership between SEC/OCS oversight and local accountability.

		<u>or Subsequent Finding</u>
Level One-Not child specific but represents failure to meet statutory, regulatory, or policy requirements.	The CPMT will develop a plan to address the audit findings. No corrective action plan required.	Require the locality to submit a corrective action plan.

Example of Level One Findings:

- CPMT policies are incomplete, obsolete, or do not align with applicable statutes, regulations, or policies;
- Lack of evidence of long-range community planning and utilization management activities;
- FAPT and CPMT membership does not meet statutory requirements, and meaningful efforts to correct this noncompliance are not provided;
- Required Statement of Economic Interest submissions of designated FAPT and CPMT members are not completed in compliance with statutory requirements;
- There are inadequate fiscal controls, e.g., separation of purchasing and payment authority;
- There are inadequate CSA-related information technology security controls, e.g., users sharing accounts or passwords, and,
- The locality failed to properly reconcile CSA reimbursement requests with other fiscal systems.

<u>CSA Audit Finding Level</u>	<u>Response to First Noncompliance Finding</u>	<u>Response to Second or Subsequent Finding</u>
Level Two- Case specific and involves a violation of an applicable statute, regulation, or policy but, had the requirements been followed, would have been eligible for reimbursement through state pool funds. Findings may be mitigated by corrective action already implemented on a case-specific basis.	Require the locality to submit a corrective action plan.	Require a corrective action plan and, if the plan is not received by the due date, suspend state pool fund reimbursements until the corrective action plan is submitted.

Example of Level 2 Findings:

- Assessments with the mandatory uniform assessment instrument (i.e., CANS) are not completed in accordance with established requirements, e.g., initial, annual, or discharge assessments;
- FAPT did not adopt recommendations and/or an IFSP was not developed in a timely manner, e.g., a LDSS emergency placement was not heard by FAPT within 14 days of

- time period, except where CPMT policy allows an exemption to the requirement;
- There was missing or inadequate documentation, e.g., utilization review, missing elements of an IFSP, parental contribution assessments, provider quarterly reports, CHINS eligibility determinations, parental participation in service planning, VEMAT documentation, or parental agreements, during the audit but enough information was available to determine the service was eligible for state pool fund reimbursement; and,
- There was missing, incomplete, or inaccurate financial documentation, e.g., purchase orders, invoices, or vendor contracts, but enough documentation to determine that the service was eligible for state pool fund reimbursement.

<u>CSA Audit Finding Level</u>	<u>Response to First Noncompliance Finding</u>	<u>Response to Second or Subsequent Finding</u>
Level Three- Case specific and occurs when CSA state pool funds have been reimbursed when the expenditure is not authorized by statute, regulation, or policy.	Require the locality to submit a corrective action plan.	Require a corrective action plan and recover the state pool fund reimbursements for any uncorrected payment errors incurred during the audit period.

Example of Level 3 Findings:

- The child and/or family are ineligible for CSA funding per §§2.2-5211 and 2.2-5212 of the Code of Virginia or documentation of eligibility, e.g., an Individualized Education Program [IEP] or a Child in Need of Services [CHINS] eligibility determination, was not available for review during the audit;
- The CSA funding was reimbursed for services required to be paid through an alternative funding source, e.g. failure to utilize Title IVE or Medicaid funds in eligible cases;
- Medicaid funding was not sought and/or denial of Medicaid funding was not documented despite the service being reimbursable by Medicaid and the child is covered under Medicaid;
- Services were not recommended by a Family Assessment or Planning Team (FAPT) or Multidisciplinary Team (MDT) and/or an Individual and Family Service Plan (IFSP) was not developed, except where a local CPMT policy allows such expenditures to be exempt from FAPT or IFSP requirements, e.g., "maintenance only" foster care or IEP-mandated placements;
- Utilization of the state pool funds violated participating agency statutes, regulations, or policies, such as a payment for Enhanced Foster Care Maintenance when the Virginia Department of Social Services' (VDSS) Virginia Enhanced Maintenance Assessment Tool (VEMAT) policy was not followed, Title IV-E funding was denied or the local DSS used an unapproved/unlicensed foster home placement;
- Services were within the scope of responsibility of another agency, e.g., services to students with disabilities provided in the public school setting; administrative costs of a local DSS such as paternity testing, drug screening, or legal services related to prosecuting child abuse and neglect; case management by a local DSS for youth committed to the Department of Juvenile Justice;
- The service provider did not meet licensing requirements for the specific service, e.g., behavioral health providers or providers (LCPA, day care) requiring licensure by VDSS;

eligible, and there is no substantiation that a Medicaid provider was unavailable or inappropriate;

- Failure to refund to CSA recoveries made against previously claimed costs, e.g., child support collections, Title IV-E recoveries, or retroactive Medicaid payments for services;
- Failure to correct erroneous expenditure reports that require adjustments to CSA match rate categories; and
- Expenditures claimed after September 30 that were incurred in the previous fiscal year.

In conclusion, the Charlottesville and Albemarle Community Policy and Management Teams appreciate the opportunity to provide these comments related to the proposed denial of funds policy.

Sincerely,

Phyllis C. Savides, Chair
Albemarle CPMT

Kaki Dimock, Chair
Charlottesville CPMT

Virginia Association of Counties

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Dean A. Lynch, CAE

General Counsel
Phyllis A. Errico, Esq., CAE

August 12, 2017

The Honorable William A. Hazel, Jr., M.D.
Chair, State Executive Council for Children's Services
Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229

Re: Comments on Proposed Policy 4.7, Response to Audit Findings with
Regard to the Children's Services Act

Dear Secretary Hazel:

Thank you for the opportunity to provide comments regarding Proposed Policy 4.7 regarding the state's response to audit findings with regard to CSA. Localities recognize their responsibility to ensure children's safety and to be good stewards of state and local tax dollars, and VACo is supportive of establishing a formal policy that outlines how the Office of Children's Services (OCS) will respond to findings of non-compliance with policy or statute. However, we are concerned that some of the proposed examples of non-compliance are subjective and could result in a locality being penalized for failure to follow what an auditor believes to be best practices. We would urge that clawbacks of state funding be reserved to those instances of noncompliance that are clear violations of policy, regulation, or Code, or threats to children's well-being, and that lesser instances of non-compliance be treated as opportunities for improvement.

As you know, CSA is a partnership between the state and localities, and the braided funding structure that makes it so innovative also makes it a complex program to administer. The proposed policy does not set out an allowable threshold for administrative errors, and should take into consideration that some minor instances of non-compliance are inevitable in a program involving multiple state and local agencies.

We would suggest that Level Three findings, for which state pool reimbursements could be recouped, be limited to the most serious errors, such as clear violations of regulation or Code or errors which could jeopardize children's safety, such as placement with an unlicensed provider. We would also recommend that Item 5 in the list of examples in this category ("The funding was not approved by the CPMT") be deleted, as it seems to suggest that the CPMT approve individual expenditures at the case level, which is not required by Code. Similarly, Item 6 should be amended to limit Level Three findings only to the third example (use of

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an unapproved or unlicensed foster home placement and treat the other examples (which deal with errors in documentation) as Level Two findings. Item Seven ("Services were within the scope of responsibility of another agency") is broad and subject to interpretation.

Level Two findings, which appear to deal largely with errors of documentation, should be viewed as an opportunity for the locality to improve its practices, and we support the proposal to require a corrective action plan upon a first instance of non-compliance rather than recouping funds or suspending reimbursements. However, recovery of pool funds for a second instance of non-compliance is overly punitive, particularly considering that some of the examples of noncompliance would be determined by a subjective decision by an auditor, such as Item 4 ("inadequate" documentation).

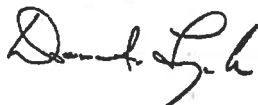
Similarly, Level One findings should also be viewed as an opportunity for improvement, and submission of a corrective action plan in the first instance is reasonable. We are concerned about the proposal to suspend state pool fund reimbursements for a second instance of a Level One finding; the draft appears to suggest that all reimbursements would be suspended, which is an unduly punitive approach for a violation that could also be determined in accordance with a subjective standard (for example, "lack of evidence of long-range community planning" may be in the eye of the beholder).

Localities take financial accountability seriously, recognizing that they administer CSA funds with a duty to both the state and local taxpayer in addition to their responsibilities to the children they serve. Additional oversight is provided in the annual audit process required by 15.2-2511, which mandates that localities must have all accounts and records audited by an independent certified public accountant each year in accordance with the specifications set forth by the Auditor of Public Accounts (APA). The APA's *Specifications for Audits of Counties, Cities, and Towns* details the requirements for auditors' examination of CSA expenditures, including reviews of sample case files.

Localities welcome OCS guidance and recommendations for program improvement, and we would suggest that in the absence of clear violations of policy, regulation, or statute, OCS's audit function should focus on making recommendations to localities on best practices rather than penalizing localities for errors.

Thank you for your consideration and we look forward to working with you to ensure that the administration of CSA is a continual focus of improvement.

Sincerely,



Dean A. Lynch, CAE
Executive Director

cc: Members, VACo Health and Human Resources Steering Committee
Members, VACo Finance Steering Committee



OFFICERS

August 17, 2017

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MAGAZINE

VIRGINIA TOWN & CITY

The Honorable William A. Hazel, Jr., M.D.
Chair, State Executive Council for Children's Services
Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, Virginia 23229

Dear Secretary Hazel:

Thank you for the opportunity to provide comments regarding Proposed Policy 4.7 concerning the state's response to audit findings with regard to the Children's Services Act (CSA).

VML would like to express its support for the comments submitted to you by the Virginia Association of Local Human Services Officials, the Virginia Association of Counties, and Comprehensive services of Chesterfield County/Colonial Heights.

To reiterate some of their points, VML believes that:

- Any state audit findings questioning a local government's compliance with CSA law or policy be confined to those two categories: law and policy. Findings of non-compliance must not be subjective or based on "best practices." Any corrective actions must be confined to clear violations of existing law or policy.
- There should be an allowable threshold for administrative errors, and any oversight of local programs should take into consideration that minor instances of "non-compliance" may be more a reflection of the complexity of the program and misunderstanding of various agency policies as they apply to a case. Technical assistance may be most useful in these cases.
- Level one findings should be used as an opportunity for technical assistance and instruction; suspending state pool fund reimbursement for a second instance is unduly punitive.
- Level two findings regarding errors of documentation should be used as an opportunity for technical assistance, instruction, and potentially corrective action plans rather than recouping funds or suspending reimbursements.
- Level three findings with state pool reimbursements should be limited to the most serious errors – clear violations of law or regulation that could jeopardize a child's safety, such as placement with an unlicensed provider. Any actions must be in line with the requirements of the *Code of Virginia*.

Once again, thank you for the opportunity to comment on the proposed CSA policy regarding audit findings and response.

Sincerely,

Janet C. Areson
Director of Policy Development

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Chesterfield County, Virginia Human Services Administration

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Sarah C. Snead
Deputy County Administrator

August 18, 2017

RECEIVED
8/23/17

The Honorable William A. Hazel, Jr., M.D., Chairman
State Executive Council
c/o Office of Children's Services
1604 Santa Rosa Rd., Suite 137
Henrico, VA 23229
Attn: Marsha Mucha

RE: Public comments on proposed Policy 4.7 *Response to Audit Findings with Regards to the Children's Services Act*

Dear Secretary Hazel and Members of the State Executive Council,

The Chesterfield/Colonial Heights Community Policy and Management Team ("CPMT") respectfully submits the following comments on draft Policy 4.7 *Response to Audit Findings with Regards to the Children's Services Act* ("draft policy") proposed by the State Executive Council for Children's Services ("Council").

Background

The Children's Services Act ("CSA") was built on state and local partnerships. Localities are expected and required to implement CSA through policy and procedures using their discretion and local knowledge. See Va. Code § 2.2-5200 ("This law shall be interpreted and construed so as to...[p]rovide communities flexibility in the use of funds and to authorize communities to make decisions and be accountable for providing services in concert with these purposes") and § 2.2-5211 (Providing CPMTs "authority for making program and funding decisions at the community level").

As a supervisory council, the Council, by definition, is responsible for the operations of the Office of Children's Services ("OCS") and ensuring that the OCS executive director complies with all board and statutory directives. Va. Code § 2.2-2648 (citing § 2.2-2100). By taking administrative action, the Council provides for the establishment of interagency fiscal policies to be developed by OCS, and the Council oversees the administration of state policies governing the use, distribution, and monitoring of moneys in the state pool of funds." Va. Code §§ 2.2-2649(D)(3), (5). The Virginia Code authorizes the director of OCS to develop and recommend to the Council fiscal policies and "state interagency policies governing the use, distribution, and monitoring of moneys in the state pool of funds..." Va. Code § 2.2-2649. The state and local advisory team may advise the Council on the effects of proposed policies. Va. Code § 2.2-5202(4). The Council adopts the policies developed and recommended by the Director, which are then implemented by the Director and the participating state agencies. Va. Code § 2.2-2649.

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The stated purpose of the draft policy is to provide guidance to OCS and to improve transparency for localities when the OCS director denies funds in response to OCS audit noncompliance findings by local CSA programs. Draft policy, p. 1.

General Comments

1. The draft policy unlawfully broadens the authority of the Council and OCS to deny funding to CPMTs.

The Council is authorized to deny funding to a CPMT in two instances only: (i) when a CPMT fails to comply with any provision of the CSA; and (ii) when the CPMT fails to provide services that comply with the CSA, any other state law or policy, or any federal law pertaining to the provision of any services funded under the CSA. Va. Code § 2.2-2648(D)(19), (20). Moreover, the 2017 Appropriation Act narrows the Council's ability to deny funding to instances of noncompliance with "federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § 2.2-5211, Code of Virginia." 2017 Appropriation Act, Item 285(B)(1)(e). The provisions of the budget shall prevail over any conflicting provision of any other law. 2017 Appropriation Act, Item 4-13. Accordingly, it is reasonable to conclude that there may be no denial of funding for failure to provide services in compliance with a state policy because policies are not requirements and do not have the force of law.

The use of examples throughout the policy is problematic and results in a draft policy that suggests funding will be denied in instances that are not, in fact, a basis for denial under the law. Specifically, the Council may not deny funding to a local CSA program for an operational or administrative action unless the CSA prescribes the requirements for that operational or administrative action. Examples of noncompliance with operational or administrative requirements should be removed from the draft policy unless such requirement is specifically provided for in the CSA. Where the requirement is specifically provided for in the CSA, the draft policy should give a citation to such requirement.

Additionally, some examples provided in the draft policy include subjective language, refer to best practices, and/or are not required by the Virginia Code. The examples should be reviewed and amended to focus on Code compliance and prevent ambiguity and subjective interpretation.

For example:

- *Funding was not approved by the CPMT*, p. 2 – CPMTs are not required by the CSA to approve funding, and thus, this example cannot be a basis for denial of funding.
- *Services were within the scope of responsibility of another agency*, p. 2 – Authority to determine which agency provides funding is a local decision made through local processes and procedures.
- *CPMT did not approve services and expenditures in a timely manner but did so within a reasonable (e.g. 30 day) time period*, p. 3 – There is no requirement in the CSA to approve services and expenditures in a "timely manner" or "reasonable time period", and thus, this example cannot be a basis for denial of funding.
- *There was missing or inadequate financial documentation, but enough documentation to determine that the service was eligible for state pool fund*

reimbursement, p. 3 – Although this is a best practice, there is no standard of “adequacy” for financial documentation in the CSA and thus, this example is not a lawful basis for a denial of funding.

2. Please define “participating agency”, which is used throughout the draft policy.

3. In many cases throughout the draft policy, attempts to restate the law have led to over-broadening or over-narrowing of the legal requirements. Rather than attempt to restate the law, we suggest amending the draft policy to make references to the CSA, specific policies, and/or specific state laws generally. This would eliminate confusion on the part of local CSAs on whether to try to comply with the provisions of the law itself or the law as it is restated in the policy.

4. It is unclear how the informal review and negotiation process implemented by OCS relates to noncompliance findings under the draft policy. See Va. Code § 2.2-2648(D)(19). The draft policy appears to skip this informal process, as well as the process for issuing formal written findings, and proceed straight to dispute resolution whereby the CPMT is required to submit a corrective action plan to OCS. Please clarify the general process OCS and the Council will use when noncompliance is suggested by audits.

5. The Virginia Code contemplates that, upon a formal written finding that a CPMT failed to comply with any provision of the CSA, the executive director or the Council will send formal notice to the CPMT and a dispute resolution process that shall include a plan of correction recommended by the Council and submitted to the CPMT. See Va. Code § 2.2-2648(D)(19). The draft policy does not follow this process. Rather, the draft policy contemplates that a CPMT will submit corrective action to the Council upon receiving a noncompliance finding. See, e.g., draft policy sections 4.7.6.1, 4.7.6.2, and 4.7.6.3. The draft policy should be revised to align with the requirements of the Virginia Code.

6. CPMTs make funding decisions on a child-specific basis, rather than a case-specific basis. We suggest replacing all references in the draft policy to “case-specific” with “child-specific”.

7. Before OCS takes further action on the draft policy, we suggest an alternative solution: to meet OCS’ training goals by proactively educating CPMTs on standard operating procedures before penalizing them through the audit process. One of OCS’s main purposes is to provide “Support and Assistance to Localities” per Section 2.2.2 of the Children’s Services Act Policy Manual. Per the policy, the Director of OCS shall... *“Provide for training and technical assistance in the provision of efficient and effective services that are responsive to the strengths and needs of at-risk youth and families, best practices and evidence-based practices related to CSA, and to help prioritize CSA coordinator responsibilities toward activities to maximize program effectiveness and minimize spending.”* OCS FY 2017’s Training Plan included three goals for training:

1. To increase knowledge, skills, and competencies of individuals holding CSA specific roles and responsibilities to ensure effective implementation of the CSA.
2. To increase knowledge, skills, and competencies of child service entities to maximize use of CSA processes and funding to effectively serve youth and families.
3. To enhance CSA outcomes for youth, families, and communities by adoption of effective, evidence -based models pertaining to the service need of the CSA population.

According to the OCS Training FY17 report, there were 42 training opportunities provided and only 10% focused on program audit and quality assurance to localities. Only one session was offered at the Annual OCS conference regarding program audits. In FY 2017, OCS provided 26% of training to outside partner agencies and 33% related to High Fidelity Wraparound – in other words, OCS concentrated nearly two-thirds (59%) of its training to non-audit/program compliance topics. With the recent increase in OCS auditing staff, there is a real opportunity for OCS and the Council to focus on training and technical assistance to localities rather than issuing disciplinary denials of funding as proposed in the draft policy. We respectfully urge the Council to consider withdrawing this draft policy and to instead utilize training as a proactive and collaborative approach to educate localities about compliance expectations.

Specific Comments

A. Section 4.7.3 Definitions

The definitions of “audit” and “noncompliance finding” are too broad. Funding may not be denied for failure to comply with the requirements of state and federal statutes, regulations, and policies unless the failure to comply relates to provision of the services funded in accordance with Va. Code § 2.2-5211. See Va. Code § 2.2-2648(D)(20). If the noncompliance is not related to the provision of services, funding may only be denied for noncompliance with the requirements of the CSA. See Va. Code § 2.2-2648(D)(19).

We also seek clarification in the draft policy on whether a “noncompliance finding” is the same as a “formal written finding” as described in Va. Code § 2.2-2648(D)(19).

B. Section 4.7.4.1 Noncompliance Level Three Findings

These findings relate to reimbursement of CSA state pool funds “when the expenditure is not authorized by statute, regulation or policy.” Draft policy, p. 2. The Virginia Code does not authorize denial of funding for expenditures that were in violation of a state law (other than the CSA), state policies, or federal law. We suggest that draft policy § 4.7.4.1(A) be revised to read: “General Parameters: Audit findings in this category are case-specific and occur when CSA state pool funds have been reimbursed when the expenditure is not authorized by the CSA.”

In Example 4, the draft policy attempts to restate the law, which leads to the unintentional consequence of over-narrowing what the law states. We suggest changing Example 4 to simply say “Services were not recommended in accordance with the requirements of the CSA.”

Example 5 must be removed because there is no lawful authority for a CPMT to approve funding.

Example 6 and subsections a, b, and c must be removed because there is no lawful authority to deny funds for the reasons stated in Example 6.

Example 7 should be amended to state simply “Services were within the scope of another agency”.

Example 10 should be removed because refunding of CSA recoveries is an administrative action that is not covered by the CSA and thus cannot be the basis for a denial of funding.

Example 11 should be removed because it is relevant to an administrative action that is not covered by the CSA and thus cannot be a basis for a denial of funding.

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C. Section 4.7.4.2 Noncompliance Level Two Finding

Level Two findings “involve a violation of an applicable statute, regulation, or policy”. Draft policy, p. 3. As discussed above, such a violation must stem from a failure to provide *services* that comply with the CSA, other state laws, state policies, or federal law. Va. Code § 2.2-2648(D)(20). In that context, examples of Level Two noncompliance may only relate to a CPMT’s provision of services. Examples 2, 3, 4 and 5 of this section do not relate to provision of services and may not serve as a basis for denial of funding. For that reason, they should be removed from the draft policy.

D. Section 4.7.4.3 Noncompliance Level One Finding

For the following reasons, these examples should be removed from the draft policy:

- Example 1 is not child-specific and not directly related to the provision of services.
- Example 3 is overly broad because funding cannot be denied for a failure to make meaningful efforts.
- Example 5 is not contemplated by the CSA, is not child-specific, and is not directly related to the provision of services and thus cannot serve as a basis for denial of funding.
- Example 6 is overly broad. CPMTs obligations to maintain confidentiality are defined in Va. Code § 2.2-5210.
- Example 7 is not contemplated by the CSA, is not child-specific, and is not directly related to the provision of services and thus cannot serve as a basis for denial of funding.

E. Section 4.7.6.3(B)

The Virginia Code grants the Council authority to deny funds. It does not grant the executive director of OCS authority to deny funds. See Va. Code §§ 2.2-2648(D)(19) and (20). This section should be amended to remove reference to suspension of funds by the OCS executive director.

F. Sections 4.7.6 and 4.7.7

These sections are misnumbered and should be renumbered to 4.7.7 and 4.7.8.

Conclusion

In conclusion, we ask that the Council and OCS reconsider issuing this draft policy until after training is provided to CPMTs on the issues raised by the most recent audit. This proactive approach will serve to prevent noncompliance and improve local operations. If the policy is issued, we ask that the Council consider our recommended revisions to ensure that both the State and localities understand that compliance with the law is expected but that funding will not be denied for reasons that are not lawful bases for such drastic action.

Thank you for the opportunity to provide feedback on the draft policy and for your consideration of our concerns and recommendations.

Sincerely,



Sarah Snead, Chair
Deputy County Administrator, Human Services
Chesterfield County



Emily C. Russell
Assistant County Attorney
Chesterfield County



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

August 18, 2017

The Honorable William A. Hazel, Jr. M.D., Chairman
State Executive Council
C/O Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229
Attention: Marsha Mucha

Dear Secretary Hazel and Members of the State Executive Council:

The Fairfax-Falls Church Community Policy and Management Team (CPMT) appreciates the opportunity to provide public comment on the proposed SEC Policy 4.7 **Response to Audit Findings with Regards to the Children's Services Act**. Development of policy for state audits and clarification about how the Office for Children's Services (OCS) will respond to audit findings is necessary and helpful to local administration of the program.

The design and intent of the Children's Services Act (CSA) was to create collaborative partnerships amongst stakeholders with shared responsibilities for provision of effective and efficient services to at-risk youth and their families. The shared responsibilities include joint financial obligations between the state and local government with localities shouldering the primary administrative functions for service planning and delivery, contracting with providers, provider reimbursement, data reporting to the state, and compliance with federal, state and local laws and policies. There is considerable complexity in the braided funding streams (i.e., Title IV-E, Medicaid) used to purchase services provided under the CSA that must be navigated by each locality in order to meet the administrative requirements.

In reviewing the proposed policy, our CPMT concurs with and endorses the public comments provided by the Virginia Association of Local Human Services Officials (VALHSO) and the Virginia Association of Counties (VACo). The critical points are summarized below:

- As written, the proposed policy creates a punitive process of financial sanctions that undermines the intent of CSA as a **state and local partnership with shared responsibilities** for positive youth outcomes. Instead of the audit leading to quality improvement, identification of training needs, and focus on technical assistance, the proposed financial penalties may incentivize the state to identify documentation issues that permit the state to abdicate their financial obligation for mandated services.
- OCS audit findings must be **based on objective criteria established in CSA policy**, derived from Code requirements and operationalized in written policies. Localities are charged with administration of the program and must develop their local policies with consideration to local
- program needs under the authority of the CPMT. Some examples of proposed findings extend beyond written policy and require subjective assessments by auditors.

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Page 2

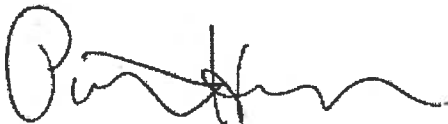
August 18, 2017

The Honorable William A. Hazel, Jr. M.D., Chairman

- **Financial penalties and appeal processes are not clearly defined.** The three categories of findings also are too broad, mixing findings of unequal weight and impact on youth outcomes. For example, missing one or two CANS re-assessments over the lifetime of an active case may have minimal real impact on a youth's outcomes. However, it is unclear what financial penalty would be imposed; and as written, the state might withhold all state funds for the services even if all other documentation is complete and the youth clearly was well served.
- Given the complexity of administration of CSA at the local level, the proposed audit findings and financial sanctions **allow no margin for error and offer no graduated sanctions.** Most audit processes recognize that minor documentation errors do occur and should be subject to corrective responses but not harsh financial penalties. The proposed findings should include an acceptable threshold of administrative errors. Conversely, our locality recognizes the need for immediate sanctions in the rare instances of fraudulent financial activity, blatant health and safety violations, and reimbursement claims that are clearly disallowed (e.g., missing the year-end deadline).

The Fairfax-Falls Church CPMT appreciates OCS and the State Executive Council for proposing written policy related to audit findings, but we cannot support the proposed policy in its current form. We offer additional specific comment and feedback in the attached table and respectfully request the SEC to revise the policy before seeking additional approval. Thank you.

Respectfully submitted,



Patricia Harrison
Deputy County Executive for Health and Human Services
Chair, Fairfax-Falls Church CPMT

Attachments:
Table of Specific Comments to Proposed Policy by section
VALHSO letter
VACo letter

Public Comment: Response to Audit Findings with Regard to Children's Services Act (CSA)

DRAFT Policy	Public Comment
<p>4.7.4.1 Noncompliance Level Three Finding</p> <p>2. The CSA funding was reimbursed for services required to be paid through an alternative funding source (e.g., failure to utilize Title IV-E or Medicaid funds in eligible cases);</p>	<p>Revise the words "required to be paid" replacing it with existing language from policy. The finding is more appropriately stated as "use of CSA funding without documenting why appropriate alternative funding such as Title IV-E or Medicaid funds were unavailable or inappropriate". Documentation of why federal funding was not accessible must be provided when CSA funding is used for an otherwise eligible expense. <u>See excerpt from state CSA User Manual below.</u></p> <p>"The FAPT and/or CPMT should determine if another source can be used to pay for the service before recommending or approving it for CSA state pool funding. These sources can include, but are not limited to Medicaid, Title IV-E, Adoption Assistance, Promoting Safe and Stable Families (PSSF), private insurance and Virginia Juvenile Community Crime Control Act (VJCCCA). The team should document all other sources explored and why that funding source is not available or appropriate for the service. "</p>
<p>5. The funding was not approved by the CPMT;</p>	<p>The Code of Virginia requires that CPMT "authorize and monitor" <u>funds</u> expended by FAPT or MDTs. The Code section itself is somewhat contradictory in that implies FAPT/MDTs expend funds rather than plan services. CPMT approval of child specific expenditures is not required by Code nor is a timeframe specified.</p> <p>CPMTs must create local policy to provide fiscal accountability while ensuring that youth and families have timely access to services. Local policy allowing for fiscal oversight through an alternative process should be permissible as long as it meets legal and fiscal oversight requirements (e.g., separation of duties). The</p>

	audit would test that localities have procedures for authorization and monitoring of funding under the authority of the CPMT but not assign predetermined timelines or additional requirements not specified in Code.
6. Utilization of the state pool funds violated participating agency statutes, regulations, or policies, such as: a. Payment for Enhanced Foster Care Maintenance when the Virginia Department of Social Services' (VDSS) Virginia Enhanced Maintenance Assessment Tool (VEMAT) policy was not followed; b. Title IV-E funding was denied due to error; or c. The local DSS used an unapproved/unlicensed foster home placement.	Only example c is a possible major <u>violation</u> of agency statutes, regulations, and policies and represents a class of finding where a youth's care may be jeopardized. Examples a and b should be moved to Level 2 findings as they demonstrate documentation errors for services to mandated youth that the youth would otherwise need and be entitled to receive. Documentation errors should not negate state support for provision of mandated services to children who have categorical eligibility based on being in foster care.
7. Services were within the scope of responsibility of another agency (e.g., services to students with disabilities provided in the public school setting; administrative costs of a local DSS such as paternity testing, drug screening, or legal services related to prosecuting child abuse and neglect; case management by a local DSS for youth committed to the Department of Juvenile Justice (DJJ));	A) There needs to be a specific state policy defining agency responsibility in order for this to be a finding that can be implemented objectively. Ex. Transportation to an IEP Service such as Private Day is not CSA reimbursable as per policy. Auditors cannot be placed in a position to determine what "should" or "should not" be a local agency responsibility as there is variation across localities in how roles and functions are defined. B) Delete "case management by a local DSS for youth committed to the Department of Juvenile Justice (DJJ)" as this example is not pertinent to a CSA program review. This example represents an issue between two agencies whose staff and their responsibilities are not under the direction of the local CSA program staff or OCS; while it may represent overlap in agency responsibility which is an issue, this situation does not require any CSA funding and is therefore not appropriate to be listed here.

11. Failure to correct erroneous expenditure reports that require adjustments to CSA match rate categories; and	OCS has introduced new reporting requirements (LEDRS) that require complex coding of services. Localities may inadvertently make errors and should be allowed corrective action before any penalties are imposed.
4.67.4.2 Noncompliance Level Two Finding	
2. FAPT did not adopt recommendations and/or an IFSP was not developed in a timely manner (e.g., an LDSS emergency placement was not heard by FAPT within 14 days of placement, but the requirements were completed within a reasonable [e.g., 30 day] time period), except where CPMT policy allows an exemption to the requirement;	Reword to be specific and clear that this issue is about the emergency placements timeframe for service plan development and review. "The emergency placement was not heard by FAPT within 14 days of placement, but the requirements were completed within a reasonable [e.g., 30 day] time period, except where CPMT policy allows an exemption to the requirement."
3. CPMT did not approve services and expenditures in a timely manner but did so within a reasonable (e.g., 30 day) time period;	The Code of Virginia does not specify that the CPMT approves "services" nor does it provide directive as to timing. Replace with language reflecting whether the locality followed their local procedures for fiscal oversight, authorization and monitoring.
4. There was missing or inadequate documentation (e.g., utilization review, missing elements of an IFSP, parental contribution assessments, provider progress notes , CHINS eligibility determinations, parental participation in service planning, VEMAT documentation, or parental agreements) during the audit but enough information was available to determine the service was eligible for state pool fund reimbursement;	There is a subjective quality to this finding that is problematic with the use of terms like "inadequate" documentation. Delete "provider progress notes" from the examples; provider progress notes are not required documentation. All other examples are required and provided as per local policy. (Contracts with providers generally require them to provide Reports rather than progress notes and these reports may be in the agency file not the CSA record, as per local procedures.)
4.7.4.3 Noncompliance Level One Finding	
5. There are inadequate fiscal controls (e.g., separation of purchasing and payment authority);	Each locality must comply with annual fiscal audits which are reported to the state Office of Public Accounts. OCS staff have access to the state reports but including this in their audit is duplicative of other processes provided by fiscal auditors. Recommend removing this provision as it is duplicative of other government entity's function.

7. The locality failed to properly reconcile CSA reimbursement requests with other fiscal systems.	Each locality must comply with annual fiscal audits which are reported to the state Office of Public Accounts. OCS staff have access to the state reports but including this in their audit is duplicative of other processes provided by local and state fiscal auditors. Recommend removing this provision as it is duplicative of other government functions.
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Penalty/Finding Proposed Structure	Recommended Changes
Level 3 findings –	Reserve for violations of regulations, policies and Code that could jeopardize youth safety and well-being or for when documentation of eligibility for CSA funds was not provided. Use of this category for documentation gaps such as CANS or VEMAT for youth who are otherwise eligible for state support to deny state funding is not appropriate. If denial of funds is approved, use a model of graduated sanctions similar to IV-E where there is an error threshold before funds are denied.
Level 2 finding –	This category is appropriate for documentation gaps and procedural issues and should be subject to corrective action rather than fiscal sanctions. For youth who would otherwise be eligible for state support, denial of state funds is based on technicality and represents the state not fulfilling a shared obligation to support mandated youth. Corrective action is the appropriate response.
Level 1 finding –	These system and program level findings are not tied to any child specific outcomes. Providing the CPMT with the opportunity to receive feedback and develop a response seems appropriate.



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OFFICE OF CHILDREN'S SERVICES

August 18, 2017

The Honorable William A. Hazel, Jr., M.D.
Chair, State Executive Council
c/o Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, VA 23229

Re: Comments on Proposed Policy 4.7, Response to Audit Findings with Regard to the Children's Services Act

Dear Secretary Hazel:

On behalf of Goochland County's Community Policy Management Team (CPMT), I would like to thank you for the opportunity to comment on the above-mentioned policy proposal. Goochland County recognizes our responsibility to ensure children's safety and to be good stewards of state and local tax dollars. However, we are concerned that some of the proposed examples of non-compliance are subjective and could result in a locality being penalized for failure to follow what an auditor believes to be best practices. In conversations with Office of Children's Services (OCS) staff, the continuous theme has been that the audit process is designed for program improvement, not financial recovery.

The Children's Services Act (CSA) is a state-local partnership

Community Policy and Management Teams are responsible for management and oversight of the use of CSA pool funds. CSA is a state monitored, locally implemented program. The state has oversight functions, but localities have autonomy to manage the local process within the framework of CSA policy. State and local government have a shared responsibility in ensuring success within the CSA program. The language of the proposed policy has moved away from a collaborative, quality improvement process to a more punitive process that places localities in increased fiscal risk.

Comments regarding Audit Findings, Levels and Responses:

Level I: General Parameters: *Audit findings in this category are not child specific but represent failure to meet statutory, regulatory, or policy requirements.*

Level One findings should be viewed as an opportunity for improvement, as such the CPMT shall develop a plan to address the audit findings. No corrective action plan should be required.. We are also concerned about the proposal to suspend state pool fund reimbursements for a second instance of a Level One finding; the draft appears to suggest that all reimbursements would be suspended, which is an unduly punitive approach for a violation that could also be determined in accordance with a subjective standard (for example, "lack of evidence of long-range community planning" may be in the eye of the beholder). We recommend that the policy focus solely on objective code requirements and/or OCS policies. Second instances of a Level One finding should require the locality to submit a corrective action plan.

Goochland County is also concerned that FAPT and CPMT membership issues may result in suspension of CSA funds. In a rural locality, where FAPT meets once per month, we have



OFFICE OF CHILDREN'S SERVICES

tremendous difficulty finding parent representatives to fill parent spots on CPMT and FAPT. This proposed policy would potentially penalize a locality for the inability to secure citizen "volunteers" to support a government program. The term "meaningful efforts" leaves too much leeway for interpretation which may lead to the suspension of CSA funds and leads to additional documentation and recordkeeping of those efforts to meet a vague standard.

Level II: Findings in this category are case specific and involve a violation of an applicable statute, regulation, or policy but, had the requirements been followed, would have been eligible for reimbursement through state pool funds. Findings may be mitigated by corrective action already implemented on a case specific basis (e.g., FAPT or CPMT action was not timely made but was taken in a reasonable time thereafter).

Level Two findings should be viewed as an opportunity for the locality to improve its practices, and we support the proposal to require a corrective action plan upon a first instance of non-compliance rather than recouping funds or suspending reimbursements. However, recovery of pool funds for a second instance of non-compliance is overly punitive, particularly considering that some of the examples of noncompliance would be determined by a subjective decision by an auditor, such as Item 4 ("inadequate" documentation). Instead for the second instance of non-compliance we recommend requiring a corrective action plan and, if the plan is not received by the due date, suspend state pool fund reimbursements until the corrective action plan is submitted.

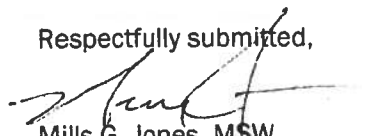
Level III: Findings in this category are case specific and occur when CSA state pool funds have been reimbursed when the expenditure is not authorized by statute, regulation, or policy.

We would suggest that Level Three findings, for which state pool reimbursements could be recouped, be limited to the most serious errors, such as clear violations of regulation or Code or errors which could jeopardize children's safety. Even then we would recommend the requirement that localities submit a corrective action plan for first instances of non-compliance. Second instances should require a corrective action plan and recover the state pool fund reimbursements for any uncorrected payment errors incurred during the audit period. We would also recommend that Item 5 in the list of examples in this category ("The funding was not approved by the CPMT") be deleted, as it seems to suggest that the CPMT approve individual expenditures at the case level, which is not required by Code.

Goochland County welcomes OCS guidance and has had a longstanding partnership with the Office of Children's Services. Working in partnership, instead of an adversarial process aimed at recovering or suspending funds, is the most effective way to encourage cooperation in the best interests of children and families.

Thank you for your consideration. We look forward to our continued partnership with you to serve our citizens.

Respectfully submitted,


Mills G. Jones, MSW
Goochland County
Office of Children's Services



ROANOKE COUNTY

DEPARTMENT OF SOCIAL SERVICES
OFFICE OF CHILDREN'S SERVICES
P.O. Box 1127
Salem, Virginia 24153-1127



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August 17, 2017

The Honorable William A. Hazel, Jr. M.D.
Secretary of Health and Human Resources
Chair of State Executive Council for Children's Services
Office of Children's Services for At-Risk Youth & Families
1604 Santa Rosa Road, Suite 137
Richmond, Virginia 23229

Re: Response to Audit Findings with Regard to Children's Services Act (CSA)

Dear Secretary Hazel:

The City of Salem Community Policy and Management Team (CPMT) has reviewed the proposed State Executive Council (SEC) Policy 4.7, Response to Audit Findings with Regard to Children's Services Act (CSA). The CPMT appreciates the efforts to standardize and objectify the Office of Children's Services (OCS) responses to audit findings to ensure an equitable approach to corrective actions and quality improvements; however, the current proposed policy appears to be punitive rather than collaborative in the approach to ensuring accountability. As you know, CSA is a partnership between the Commonwealth and its local governments and we believe that this collaborative relationship should be reinforced by the tone of the policy. Therefore we have some recommendations we would like to see incorporated into this policy.

The Commonwealth already has a Denial of Funds policy that allows the SEC to recoup misappropriated funds in the event that a locality is found to be out of compliance with state code requirements. The proposed new policy will permit the OCS Executive Director to make a decision related not only to the recoupment of pool funds, but also will allow for the Director to suspend pool fund reimbursement to localities, which is beyond what the Denial of Funds policy addresses as a response to noncompliance.

Given that each level of response to audit findings allows the OCS Executive Director to suspend or recoup funds, the examples of non-compliance within each of the levels should cite the policy or code that is related to the expenditure of state pool funds or area of compliance. Our CPMT is in agreement that in instances where funds are expended when a child is ineligible for CSA funds, the CPMT did not appropriate the funds, or other such code-related instances, it may be fair to consider sanctions that may include recovery of those funds. It is recommended, however, that the language in the response to findings cite the specific violation of code or policy.

The CPMT does have a significant concern that this policy would allow the recovery or suspension of state pool fund reimbursements to localities in the event of a program concern that is best practice related but not a requirement of code. The Level Two finding of "missing or inadequate documentation" may be based on the preference of the individual auditor or a best practice standard rather than a code requirement. For example, if a child's specific plan is reviewed and the auditor does not find the documentation in the file to include every element of a best practice and state guideline, that case could be subject to the recovery of funds even if eligibility and Family Assessment and Planning Team (FAPT) recommendation and CPMT approval is consistent with code requirement. Therefore it is recommended that each item in Level One be reviewed and taken out of the example list unless there is a code citation. For example, if the auditor determines that in their opinion, the locality's policy is not complete because they do not find a policy on something they would like to see or would be a best practice, the state could force the locality to implement or change a policy that should be within the purview of the local level. The audit findings that are related to program components of local implementation and discretion should not be subject to the state being able to suspend funding. This includes items related to internal controls of fiscal separation of authority, technology security, or fiscal reconciliation are not code related for CSA expenditures. Therefore they should not be included in a policy that relates to the denial or suspension of funds.

Some of the examples listed in Level One Findings do include items that are required by statute; however, it seems unfairly punitive to withhold state reimbursement for services for an issue related to statutory FAPT or CPMT membership if the process a case goes through to obtain funding is done appropriately and with a quorum of team membership. In particular, many localities, including the City of Salem, struggle to find a parent representative for our FAPT and CPMT despite numerous documented efforts to fill the vacancies. Withholding state pool fund reimbursement is not likely to impact the ability of localities to fill this position, and suspension of funds should only occur if efforts toward compliance are not being made.

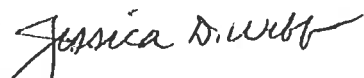
The Office of Children's Services currently has an audit plan that includes program audits every three years; however, localities have a requirement for an annual fiscal audit which includes CSA. The OCS audit is extremely comprehensive and does not focus solely on Code requirements. In fact, it has been our experience that the OCS audits place heavy emphasis on program improvement and best practice implementation within local policy, which is far beyond that of a fiscal review. If OCS were to provide more frequent, focused audits related to CSA program expenditures, this would reduce the potential liability for a local government and would ensure that fiscal accountability is the focus of the state audits. If OCS audits continue to be comprehensive of program elements, all elements related to program practice should be handled as recommendations, and responses to findings under this policy should be constrained to any fiscal findings found in the program audit.

The following table of responses is recommended as a modification to the current responses listed in section 4.7.6 of the proposed policy:

Level	First Noncompliance Finding (Per Issue)	Second or Subsequent Finding (Related to the Same Issue)
One	require the locality to submit a corrective action plan	suspend state pool fund reimbursements until the corrective action plan is in progress
Two	require the locality to submit a corrective action plan	require a corrective action plan and recover the noncompliant state pool fund reimbursements
Three	require a corrective action plan and recover the noncompliant state pool fund reimbursements	require a corrective action plan and recover the noncompliant state pool fund reimbursements

We appreciate your consideration of our recommendations.

Respectfully,



Jessica D. Webb, MBA
CSA Coordinator



Rosie Jordan
CPMT Chair



ROANOKE COUNTY

DEPARTMENT OF SOCIAL SERVICES
OFFICE OF CHILDREN'S SERVICES
P.O. Box 1127
Salem, Virginia 24153-1127



TEL: (540) 283-8803
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August 10, 2017

The Honorable William A. Hazel, Jr. M.D.
Secretary of Health and Human Resources
Chair of State Executive Council for Children's Services
Office of Children's Services for At-Risk Youth & Families
1604 Santa Rosa Road, Suite 137
Richmond, Virginia 23229

Re: Response to Audit Findings with Regard to Children's Services Act (CSA)

Dear Secretary Hazel:

The Roanoke County Community Policy and Management Team (CPMT) has reviewed the proposed State Executive Council (SEC) Policy 4.7, Response to Audit Findings with Regard to Children's Services Act (CSA). The CPMT appreciates the efforts to standardize and objectify the Office of Children's Services (OCS) responses to audit findings to ensure an equitable approach to corrective actions and quality improvements; however, the current proposed policy appears to be punitive rather than collaborative in the approach to ensuring accountability. As you know, CSA is a partnership between the Commonwealth and its local governments and we believe that this collaborative relationship should be reinforced by the tone of the policy. Therefore we have some recommendations we would like to see incorporated into this policy.

The Commonwealth already has a Denial of Funds policy that allows the SEC to recoup misappropriated funds in the event that a locality is found to be out of compliance with state code requirements. The proposed new policy will permit the OCS Executive Director to make a decision related not only to the recoupment of pool funds, but also will allow for the Director to suspend pool fund reimbursement to localities, which is beyond what the Denial of Funds policy addresses as a response to noncompliance.

Given that each level of response to audit findings allows the OCS Executive Director to suspend or recoup funds, the examples of non-compliance within each of the levels should cite the policy or code that is related to the expenditure of state pool funds or area of compliance. Our CPMT is in agreement that in instances where funds are expended when a child is ineligible for CSA funds, the CPMT did not appropriate the funds, or other such code-related instances, it may be fair to consider sanctions that may include recovery of those funds. It is recommended, however, that the language in the response to findings cite the specific violation of code or policy.

The CPMT does have a significant concern that this policy would allow the recovery or suspension of state pool fund reimbursements to localities in the event of a program concern that is best practice related but not a requirement of code. The Level Two finding of "missing or inadequate documentation" may be based on the preference of the individual auditor or a best practice standard rather than a code requirement. For example, if a child's specific plan is reviewed and the auditor does not find the documentation in the file to include every element of a best practice and state guideline, that case could be subject to the recovery of funds even if eligibility and Family Assessment and Planning Team (FAPT) recommendation and CPMT approval is consistent with code requirement. Therefore it is recommended that each item in Level One be reviewed and taken out of the example list unless there is a code citation. For example, if the auditor determines that in their opinion, the locality's policy is not complete because they do not find a policy on something they would like to see or would be a best practice, the state could force the locality to implement or change a policy that should be within the purview of the local level. The audit findings that are related to program components of local implementation and discretion should not be subject to the state being able to suspend funding. This includes items related to internal controls of fiscal separation of authority, technology security, or fiscal reconciliation are not code related for CSA expenditures. Therefore they should not be included in a policy that relates to the denial or suspension of funds.

Some of the examples listed in Level One Findings do include items that are required by statute; however, it seems unfairly punitive to withhold state reimbursement for services for an issue related to statutory FAPT or CPMT membership if the process a case goes through to obtain funding is done appropriately and with a quorum of team membership. In particular, many localities, including Roanoke County, struggle to find a parent representative for our FAPT and CPMT despite numerous documented efforts to fill the vacancies. Withholding state pool fund reimbursement is not likely to impact the ability of localities to fill this position, and suspension of funds should only occur if efforts toward compliance are not being made.

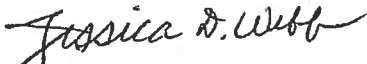
The Office of Children's Services currently has an audit plan that includes program audits every three years; however, localities have a requirement for an annual fiscal audit which includes CSA. The OCS audit is extremely comprehensive and does not focus solely on Code requirements. In fact, it has been our experience that the OCS audits place heavy emphasis on program improvement and best practice implementation within local policy, which is far beyond that of a fiscal review. If OCS were to provide more frequent, focused audits related to CSA program expenditures, this would reduce the potential liability for a local government and would ensure that fiscal accountability is the focus of the state audits. If OCS audits continue to be comprehensive of program elements, all elements related to program practice should be handled as recommendations, and responses to findings under this policy should be constrained to any fiscal findings found in the program audit.

The following table of responses is recommended as a modification to the current responses listed in section 4.7.6 of the proposed policy:

Level	First Noncompliance Finding (Per Issue)	Second or Subsequent Finding (Related to the Same Issue)
One	require the locality to submit a corrective action plan	suspend state pool fund reimbursements until the corrective action plan is in progress
Two	require the locality to submit a corrective action plan	require a corrective action plan and recover the noncompliant state pool fund reimbursements
Three	require a corrective action plan and recover the noncompliant state pool fund reimbursements	require a corrective action plan and recover the noncompliant state pool fund reimbursements

We appreciate your consideration of our recommendations.

Respectfully,


Jessica D. Webb, MBA
CSA Coordinator


Cheryl Austin
CPMT Chair



City of Roanoke
Children's Services Act Office
1510 Williamson Road NE
Roanoke, Virginia 24012
540.853.5635 fax: 540.853.2027

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August 18, 2017

The Honorable William A. Hazel, Jr. M.D.
Secretary of Health and Human Resources
Chair of State Executive Council for Children's Services
Office of Children's Services for At-Risk Youth & Families
1604 Santa Rosa Road, Suite 137
Richmond, Virginia 23229

Re: Response to Audit Findings with Regard to Children's Services Act (CSA)

Dear Secretary Hazel:

The Roanoke City Community Policy and Management Team (CPMT) has reviewed the proposed State Executive Council (SEC) Policy 4.7, Response to Audit Findings with Regard to Children's Services Act (CSA). The CPMT appreciates the efforts to standardize the Office of Children's Services (OCS) responses to audit findings to ensure an equitable approach to corrective actions and quality improvements. The City of Roanoke has historically been in support of the SEC following a more formalized audit finding process to ensure that the process is transparent, clear, consistent, and mindful of the impact on local governments, however, the current proposed policy appears to be punitive in the approach to ensuring accountability. Since its conception CSA has been a collaborative partnership between the Commonwealth and its local governments, and we believe that this collaborative relationship should be reinforced by the tone of the policy. In consideration of this we have some recommendations that we would like to see incorporated.

The Commonwealth has a Denial of Funds policy that permits the SEC to recover misappropriated funds in the event that a locality is out of compliance with state Code requirements. The proposed new policy will permit the OCS Executive Director to make a decision related not only to the recoupment of pool funds, but also will allow for the Director to suspend pool fund reimbursement to localities, which is beyond what the Denial of Funds policy addresses as a response to noncompliance. Given that each level of response to audit findings allows the OCS Executive Director to suspend or recoup funds, the examples of non-compliance within each of the levels should cite the policy or code that is related to the expenditure of state pool funds or area of compliance. Our CPMT is in agreement that in instances where funds are expended when a child is ineligible for CSA funds, the CPMT did not appropriate the funds, or other such code-related instances, it may be fair to consider sanctions that may include recovery of those funds. We do recommend that the language in the response to findings cite the specific violation of code or policy. Additionally, we would prefer the response to Level One and

Level Two findings be expanded to clarify if the subsequent penalty is for the same violation, or if a new violation would be treated as a 1st response.

The CPMT does have a significant concern that this policy would allow the recovery or suspension of state pool fund reimbursements to localities in the event of a program concern that is best practice related but not a requirement of code. The Level Two finding of "missing or inadequate documentation" is ambiguous and could be based on a best practice standard rather than a code requirement. For example, if a child's specific plan is reviewed and the auditor did not find the documentation in the file to include every element of a best practice and state guideline, that case could be subject to the recovery of funds even if CSA code eligibility and Family Assessment and Planning Team (FAPT) recommendation or CPMT approval is established. We do not find that to be fair and if that is not the intent of the policy as written then this should be clarified. We also recommend that each item in Level One be reviewed and taken out of the example list unless there is a code citation. As written, an auditor could determine the locality's policy is not complete because they do not find a policy on something they would like to see as a best practice. In such case, what would prevent the state from forcing the locality to implement or change a policy that should be directed at the local level? Historically, localities have had local decision making authority and the tone of this policy moves away from that flexibility. We strongly believe that the audit findings that are related to program components of local implementation and discretion should not be subject to the state being able to suspend funding. This includes items related to internal controls of fiscal separation of authority, technology security, or fiscal reconciliation that are not code related for CSA expenditures. Therefore, they should not be included in a policy that relates to the denial or suspension of funds.

Some of the examples listed in Level One findings do include items that are required by statute; however, it seems extraordinarily punitive to withhold state reimbursement for services for an issue related to statutory FAPT or CPMT membership if the process a case goes through to obtain funding is done appropriately. Many localities, including Roanoke City, struggle to find a parent representative for our FAP Team despite numerous documented efforts to fill the vacancies. The proposed policy does not outline "meaningful efforts" and we believe that this language should be expanded upon. Finally, it is improbable that withholding state pool fund reimbursement will have any impact on the localities ability to fill this position, and suspension of funds should only be considered if efforts toward compliance are not being made.

The Office of Children's Services currently has an audit plan that includes program audits every three years; however, localities have a requirement for an annual fiscal audit which includes CSA. The OCS audit is extremely comprehensive and does not focus solely on Code requirements. In fact, it has been our experience that the OCS audits place heavy emphases on program improvement and best practice implementation within local policy, which is far beyond that of a fiscal review. If OCS were to provide more frequent, focused audits related to CSA program expenditures, this would reduce the potential liability for a local government payback and would ensure that fiscal accountability is the focus of the state audits. If OCS audits continue to be comprehensive of program

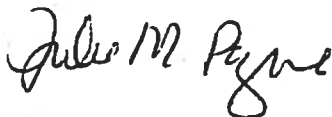
elements, all elements related to program practice should be handled as recommendations, and responses to findings under this policy should be constrained to any fiscal findings found in the program audit.

The following table of responses is recommended as a modification to the current responses listed in section 4.7.6 of the proposed policy:

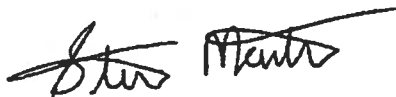
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Thank you in advance for consideration of our comments.

Respectfully,



Julie M. Payne, MA
CSA Coordinator



Steven Martin
CPMT Chair