

**State Executive Council for Children's Services
Finance and Audit Committee**

**Wednesday, October 5, 2016
1:00 PM – 3:00 PM**

1604 Santa Rosa Rd., Henrico Room

AGENDA

1. Introductions
2. Brief report on final FY2016 CSA expenditures
3. Review of:
 - Risk Assessment and Audit Planning Methodology for FY2017-FY2019
 - FY2017-2019 Audit Plan
4. Recommendations to the SEC for a policy concerning objective and transparent decision making regarding denial of funds based on audit findings
 - Category/severity of finding
 - First time versus repeat findings

Materials:

Final FY2016 CSA Expenditure Report
Proposed Risk Assessment and Audit Planning Methodology
Proposed FY2017-2019 Audit Plan
Proposed FY2017-2019 Risk Assessment Matrix and Resource Allocation
Materials for Denial of Funds Policy Discussion
Recent Audit Reports



Empowering communities to serve youth

[CSA Statistics Home](#) > [CSA Pool Reporting](#)

Contact Us

CSA POOL REIMBURSEMENT REQUEST REPORT COMPARISON (FY13 -FY16)

Today's Date: October 03, 2016

Net Total Expenditures of each Fiscal Year.

Net Total Expenditures include all reports with a status of 1 or greater (All non-pended reports)

EXPENDITURE DESCRIPTION	NET TOTAL EXPENDS FY13	NET TOTAL EXPENDS FY14	NET TOTAL EXPENDS FY15	NET TOTAL EXPENDS FY16	\$ CHG	% CHG
NUMBER OF REPORTS	1,695	1,717	1,734	1,743	9	
1. MANDATED SERVICES / RESIDENTIAL / CONGREGATE CARE						
1a. Foster Care - IV-E children in Licensed Residential Congregate Care ; pool expenditures for costs not covered by IV-E (i.e., non room-and-board)	3,509,463	3,246,376	3,805,530	3,392,778	-412,752	-10.8%
1b. Foster Care - all others in Licensed Residential Congregate Care	23,558,094	20,040,000	21,419,027	19,104,767	-2,314,261	-10.8%
1c. Residential Congregate Care - CSA Parental Agreements ; DSS Noncustodial Agreements	9,332,523	9,763,362	10,669,211	12,647,161	1,977,951	18.5%
1d. Non-Mandated Services/Residential/Congregate	1,739,063	1,521,471	1,340,429	1,209,506	-130,923	-9.8%
1e. Educational Services - Congregate Care	39,449,842	37,871,391	41,774,825	44,284,041	2,509,216	6.0%
- School Referred Residential - Non-Educational Services	0	0	0	0	0	0%
2. OTHER MANDATED SERVICES						
2a. Therapeutic (Treatment) Foster Care - IV-E	24,215,084	25,986,824	30,106,299	32,909,781	2,803,482	9.3%
2a.1 Therapeutic (Treatment) Foster Care	52,864,935	48,168,850	47,227,862	43,411,091	-3,816,772	-8.1%
2a.2 Therapeutic (Treatment) Foster Care - CSA Parental Agreements ; DSS Noncustodial Agreements	1,099,493	708,844	490,285	602,707	112,422	22.9%
2b. Specialized Foster Care - IV-E ; Community Based Services	1,242,643	1,707,905	1,900,441	1,206,536	-693,905	-36.5%
2b.1 Specialized Foster Care	4,822,541	4,131,403	4,557,335	2,806,802	-1,750,533	-38.4%
2c. Family Foster Care - IV-E ; Community Based Services	1,093,154	1,106,593	1,470,653	2,090,784	620,131	42.2%

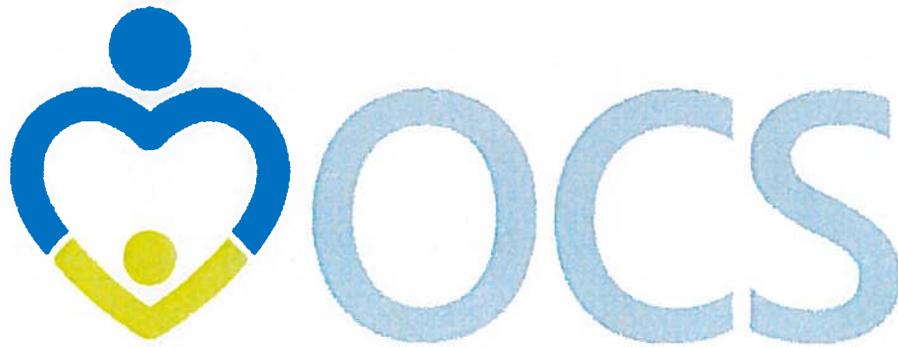
2d.	Family Foster Care Maintenance only	4,099,832	3,360,272	4,094,621	2,881,520	-1,213,102	-29.6%
2e.	Family Foster Care – Children receiving maintenance and basic activities payments; independent living Stipend/Arrangements	10,525,392	10,316,408	9,709,417	14,713,155	5,003,738	51.5%
2f.	Community - Based Services	27,743,069	29,975,068	32,711,435	36,207,932	3,496,497	10.7%
2f.1	Community Transition Services – Direct Family Services to Transition from Residential to Community	1,749,681	2,038,561	1,452,156	1,388,406	-63,750	-4.4%
2g.	Alternative Day Placement/ SPED Private Day	101,418,074	111,187,273	124,202,901	138,777,659	14,574,757	11.7%
2h.	Wrap Services for Students with Disabilities	2,024,874	1,849,308	1,885,811	2,061,120	175,309	9.3%
2i.	Psychiatric Hospitals/Crisis Stabilization Units	106,202	19,400	334,811	208,371	-126,440	-37.8%
3.	Non-Mandated Services/Community-Based	3,620,106	3,880,867	4,147,482	4,091,946	-55,536	-1.3%
	GRAND TOTALS:	314,214,068	316,880,177	343,300,533	363,996,063	20,695,530	6.0%

The Office of Children's Services © 2016

1504 Santa Rosa Road, Ste 137 Richmond, VA 23229

Phone (804) 662-9815 Fax (804) 662-9831

Please direct questions and comments concerning this website to csa.office@csa.virginia.gov © Children's Services Acl. Commonwealth of Virginia [Web Policy](#)



Office of Children's Services
Empowering communities to serve youth

Audit Plan

Fiscal Years 2017 - 2019

October 5, 2016



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

October 3, 2016

MEMORANDUM

TO: Scott Reiner, Executive Director
FROM: Stephanie S. Bacote, Program Audit Manager
SUBJECT: Fiscal Years 2017 – 2019 Audit Work Plan

The Fiscal Years 2017-2019 Audit Work Plan for the Office of Children's Services (OCS) Program Audit Activity is enclosed. The workload is divided into three audit categories:

- On-Site Audits
- Self-Assessment Audits
- Special Projects

The scope of these audits is to conduct an independent, objective evaluation of the locally administered Children's Services Act (CSA) programs in order to provide reasonable assurance that the mission and vision of CSA and OCS are accomplished. The basis for the audit selections included risk assessment, management input, and the established audit cycle (every 3 years).

In addition, due consideration was given to the availability of resources to successfully execute this plan. The availability of resources in fiscal year 2017 is much more limited than the available resources anticipated for fiscal years 2018-2019. Therefore, fewer audits are planned for fiscal year 2017. However, we anticipate that audits of all local CSA programs will be conducted by the end of the audit plan cycle.

In accordance with the Institute of Internal Auditors, Standards for the Professional Practice of Internal Auditing, we are submitting this plan for your approval.

Approved

Scott Reiner

Scott Reiner, Executive Director



INTRODUCTION

The Program Audit Activity of the Office of Children's Services (OCS) is responsible for evaluating the adequacy and effectiveness of the systems of internal control and quality of performance in meeting mission requirements established by the State Executive Council (SEC) and the locally administered programs of the Children's Services Act (CSA). To accomplish our objective of promoting effective controls, high standards for sound fiscal accountability, and responsible use of taxpayer funds, our audits provide analyses, appraisals, recommendations, counsel, and information concerning various activities of CSA to assist CSA employees, partners, and other stakeholders to effectively administer CSA.

We will add value to OCS goals by:

- Reviewing the adequacy of CSA risk management, governance, and control processes.
- Determining whether the established goals and objectives of CSA are accomplished.
- Determining the extent of compliance with CSA laws, statutes, policies and procedures, etc.
- Reviewing the reliability and integrity of CSA program and financial information.
- Evaluating the controls governing the safeguarding of CSA assets and/or data.
- Appraising whether CSA resources are used effectively and efficiently; recommend operational improvement.

Program Audit personnel possess the training, expertise, and experience to effectively evaluate locally administered CSA programs. Auditors are required to comply with the continuing professional education criteria established by the Institute of Internal Auditors and the Department of State Internal Auditor. Personnel are encouraged to pursue professional certification as Certified Internal Auditors.

We will continue to look for ways to improve our audit programs to ensure that we consistently add value to the Office of Children's Services.

Stephanie S. Bacote, CIGA
Program Audit Manager

AUDIT WORK PLAN SUMMARY 2017 - 2019

FISCAL YEAR 2017	FISCAL YEAR 2018	FISCAL YEAR 2019
Alleghany/Covington	Albemarle	Accomack/Northampton
Arlington	Augusta/Staunton/Waynesboro	Alexandria
Buchanan	Bedford County	Amelia
Chesapeake	Campbell	Amherst
Danville	Caroline	Appomattox
Fluvanna	Charles City	Bath
Franklin County	Charlotte	Bland
Henrico	Chesterfield/Colonial Heights	Botetourt
Hopewell	Clarke	Brunswick
Lancaster	Craig	Buckingham
Lynchburg	Fairfax/Falls Church	Carroll
Montgomery	Fauquier	Charlottesville
Nottoway	Frederick	Culpeper
Orange	Fredericksburg	Cumberland
Pittsylvania	Giles	Dickenson
Portsmouth	Gloucester	Dinwiddie
Richmond City	Goochland	Essex
Roanoke City	Grayson	Floyd
Sussex	Greene	Franklin City
Virginia Beach	Halifax	Galax
	Hanover	Greensville/Emporia
	Henry/Martinsville	Hampton
	King George	Highland
	King William	Isle of Wight
	Lee	James City
	Lunenburg	King & Queen
	Madison	Loudoun
	Manassas Park	Louisa
	Mecklenburg	Manassas City
	Newport News	Mathews
	Norfolk	Middlesex
	Petersburg	Nelson
	Powhatan	New Kent
	Prince George	Northumberland
	Pulaski	Norton
	Radford	Page
	Rappahannock	Patrick
	Roanoke County	Poquoson
	Rockbridge/Lexington/Buena Vista	Prince Edward
	Rockingham/Harrisonburg	Prince William
	Russell	Richmond County
	Salem	Scott
	Shenandoah	Smyth
	Spotsylvania	Southampton
	Tazewell	Stafford
	Warren	Suffolk
	Washington/Bristol	Surry
	Winchester	Westmoreland
	Wise	Williamsburg
	Wythe	York



Office of Children's Services
Empowering communities to serve youth

FY 2017 AUDIT WORK PLAN HOURS

Locality Audits, Projects & Reviews	Work Hours
On-site Audits	
Buchanan	250
Hopewell	300
Lancaster	250
Nottoway	250
Pittsylvania	125
Portsmouth	250
Sussex	125
Virginia Beach	300
On-site Work Plan Hours	1,850
Self-Assessment Validations	
Allegheny/Covington	50
Arlington	50
Chesapeake	50
Danville	50
Fluvanna	50
Franklin County	50
Henrico	50
Lynchburg	50
Montgomery	50
Orange	50
Richmond City	50
Roanoke City	50
Self-Assessment Validation Work Plan Hours	600
Special Projects	
To Be Determined	225
Total Work Plan Hours	2675

Refer to the Audit Work Plan Summary for the listing of planned audits for fiscal years 2018 – 2019. Classifications of audits as either on-site or self-assessment validation engagement for fiscal years 2018 – 2019 will be scheduled in accordance with the results of the annual risk assessment. Pending the results of the annual risk assessment, the Audit Work Plan Hours for fiscal years 2018 – 2019 will be updated and published accordingly.



Program Audit Activity

Audit Risk Assessment and Annual Audit Planning

The objective of the risk model is to optimize the assignment of audit resources through a comprehensive understanding of the audit universe and the risks associated with each universe item. We will make every effort to assign audit resources to programs which pose the greatest risks to the achievement of the goals, objectives, and intent of the Children's Services Act. The anticipated audit cycle is every three years, though subject to change based on annual risk assessment results.

An audit risk model is used to quantify the risk rating of each auditable unit. Audits are scheduled by priority in conjunction with input from key stakeholders.

The risk model is based on the following six (6) risk factors:

1. Degree of Financial Materiality
2. Local Agency Performance Indicator – Composite Score
3. Local Agency Control Environment – Management of Inherent Risk
4. Local Agency Control Environment – Management of Control Risk
5. Time Since Last Audit
6. Management Priority/Stakeholder Input

Each item in the audit universe will be rated on these six (6) risk factors using a numeric rating of 1 through 5.

While the risk model still requires judgments, the individual ratings are documented and subject to critical review and challenge. The model also promotes uniform definitions of the audit universe. Thus, audit risks for each auditable unit can be compared with audit risks for other auditable units on a **subjective** basis.

Defining the audit universe is the first prerequisite to risk ranking. The Program Audit Manager and the audit staff will determine the audit universe to which this risk assessment will be applied. Their determination of the audit universe will be based on their knowledge of the CSA strategic plan, OCS and local CSA program operations, and discussions with responsible state and local CSA stakeholders.

Guidelines for the six (6) risk factors are as follows:

Degree of Financial Materiality – Large dollar amounts either flowing through a system, or committed to an activity or project will increase audit risk. It could be risk connected with loss or impairment of assets, risk connected with undetected errors or theft, risk connected with liability not recognized or not accurately quantified, or risk of legal liability.

Local Agency Performance Indicator – Under the direction of the State Executive Council (SEC), OCS has developed a set of performance/outcome measures to be used to evaluate the CSA program. The composite measure represents the average of all indicators for which a valid score could be determined.

Control Environment - The control environment sets the tone of an agency, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values and competence of the entity's people; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people; and the attention and direction provided by the senior/executive management.

- **Inherent risk** represents the degree of exposure if management takes no action to reduce either the likelihood or impact of an adverse event. Management should not take risks that would knowingly jeopardize their ability to meet obligations for financial management, financial reporting, or compliance with laws, regulations, policies, and procedures. They include activities such as changes in operations, pressure to meet objectives, inaccurate data, and threat of fraud.
- **Control risk** represents the degree in which control activities are implemented and working as intended. They provide reasonable assurance that management's objectives are met. Control activities are policies and procedures implemented to help ensure risk responses are effectively completed. They include a range of activities such as approvals, authorizations, verifications, reconciliations, security over assets, and segregation of duties.

Time Since Last Audit – This risk factor refers to the time (in years) since a previous audit or review of the auditable unit has been conducted, and the results of the prior audit. Findings in previous audits are one indication of the internal control discipline within an organization. Problems are often characterized by significant control deficiencies, large adjustments, a greater than normal number of findings, and repetitive findings not fixed. Conversely, the lack of findings or timely correction of previous findings indicates control discipline.

Executive Management Priority/Stakeholder Input – This risk factor takes in to consideration the priorities of executive management on the auditable units. In addition, the OCS Audit Program will annually send a risk assessment questionnaire to the local CSA governing bodies (see Attachment A) and OCS' executive management and staff (see Attachment B) to identify concerns that should be considered when determining the upcoming audit plan.



**OFFICE OF CHILDREN'S SERVICES
PROGRAM AUDIT ACTIVITY
Three Year Audit Plan - Risk Assessment Matrix
Fiscal Years 2017 - 2019**

Auditable Universe	Risk Factors						Risk Score
	Degree of Financial Materiality Criteria 5	CSA Performance Measures - Composite Criteria 2	Control Risk Criteria 3	Inherent Risk Criteria 4	Management Priority Criteria 1	Time Since Last Audit Criteria 6	
	Rating 12.40%	Ratings 21.10%	Ratings 17.20%	Ratings 14.30%	Ratings 25.00%	Ratings 10.00%	
1 Virginia Beach	5	4	2	3	5	4	64.783
2 Hopewell	4	3	3	3	5	4	62.067
3 Lancaster	3	4	4	3	2	1	48.883
4 Portsmouth	4	3	3	3	1	4	45.400
5 Nottoway	3	3	3	2	3	1	44.283
6 Buchanan	4	3	4	3	1	1	43.267
7 Arlington	4	3	3	2	1	4	43.017
8 Danville	4	3	3	2	1	4	43.017
9 Lynchburg	4	4	2	2	1	3	42.000
10 Montgomery	4	3	4	1	1	3	41.833
11 Orange	4	3	4	1	1	3	41.833
12 Roanoke City	4	3	2	2	1	5	41.817
13 Pittsylvania	4	2	2	1	4	1	41.750
14 Fluvanna	4	2	2	2	3	2	41.633
15 Richmond City	4	4	2	3	1	1	41.050
16 Sussex	3	1	2	1	5	1	40.333
17 Franklin County	4	2	3	3	1	3	40.217
18 Alleghany/Covington	4	3	2	2	1	4	40.150
19 Chesapeake	4	3	2	2	1	4	40.150
20 Henrico	5	3	2	1	1	4	39.833
21 Manassas Park	4	2	3	3	1	2	38.550
22 Spotsylvania	4	3	2	2	1	3	38.483
23 Frederick	4	3	2	1	1	4	37.767
24 Mecklenburg	4	3	2	1	1	4	37.767
25 Craig	3	2	3	2	1	4	37.433
26 King George	4	3	3	1	1	2	37.300
27 Petersburg	3	3	1	2	1	5	36.883
28 Norfolk	3	3	2	2	1	3	36.417
29 Tazewell	4	4	2	1	1	1	36.283
30 Clarke	3	3	3	2	1	1	35.950
31 Lunenburg	3	3	3	2	1	1	35.950
32 Campbell	4	3	2	2	1	1	35.150
33 Fauquier	4	3	2	2	1	1	35.150
34 Greene	4	3	2	2	1	1	35.150
35 Halifax	4	3	2	2	1	1	35.150
36 Lee	4	3	2	2	1	1	35.150
37 Madison	4	3	2	2	1	1	35.150
38 Pulaski	4	3	2	2	1	1	35.150
39 Rockbridge/Lexington/Buena Vista	4	3	2	2	1	1	35.150
40 Caroline	4	4	1	1	1	2	35.083
41 Albemarle	4	3	1	1	1	4	34.900
42 Shenandoah	4	3	1	1	1	4	34.900
43 Newport News	4	3	1	1	1	4	34.900

100.00%

44	Winchester	4	3	1	1	1	4	34.900
45	Giles	4	2	3	2	1	1	34.500
46	Prince George	4	3	2	1	1	2	34.433
47	Rockingham/Harrisonburg	4	3	2	1	1	2	34.433
48	Gloucester	3	3	2	1	1	3	34.033
49	Chesterfield/Colonial Heights	5	2	2	2	1	1	33.700
50	Henry/Martinsville	3	3	3	1	1	1	33.567
51	Goochland	4	4	1	1	1	1	33.417
52	Rappahannock	4	4	1	1	1	1	33.417
53	Warren	4	4	1	1	1	1	33.417
54	Hanover	4	3	1	1	1	3	33.233
55	Charles City	3	3	2	2	1	1	33.083
56	King William	3	3	2	2	1	1	33.083
57	Augusta/Staunton/Waynesboro	4	3	2	1	1	1	32.767
58	Bedford County	4	3	2	1	1	1	32.767
59	Charlotte	4	3	2	1	1	1	32.767
60	Powhatan	4	3	2	1	1	1	32.767
61	Roanoke County	4	3	2	1	1	1	32.767
62	Russell	4	3	2	1	1	1	32.767
63	Washington/Bristol	4	3	2	1	1	1	32.767
64	Wise	4	3	2	1	1	1	32.767
65	Wythe	4	3	2	1	1	1	32.767
66	Salem	4	3	2	1	1	1	32.767
67	Fredericksburg	4	2	2	1	1	3	32.583
68	Radford	5	3	1	1	1	1	31.967
69	Grayson	3	2	2	3	1	1	31.950
70	Fairfax/Falls Church	5	2	1	1	1	3	31.783
71	Prince Edward	4	2	2	2	1	1	31.633
72	Smyth	4	2	2	2	1	1	31.633
73	Norton	4	2	2	2	1	1	31.633
74	Prince William	4	3	1	1	1	2	31.567
75	Hampton	4	2	1	1	1	4	31.383
76	Suffolk	3	4	1	1	1	1	31.350
77	Accomack/Northampton	3	3	2	1	1	1	30.700
78	Amherst	3	3	2	1	1	1	30.700
79	Essex	3	3	2	1	1	1	30.700
80	Greensville/Emporia	3	3	2	1	1	1	30.700
81	Amelia	3	2	2	1	1	3	30.517
82	Scott	3	3	1	2	1	1	30.217
83	Floyd	3	2	3	1	1	1	30.050
84	King & Queen	3	2	3	1	1	1	30.050
85	Culpeper	4	3	1	1	1	1	29.900
86	Dickenson	4	3	1	1	1	1	29.900
87	Dinwiddie	4	3	1	1	1	1	29.900
88	Page	4	3	1	1	1	1	29.900
89	Alexandria	4	3	1	1	1	1	29.900
90	Charlottesville	4	3	1	1	1	1	29.900
91	Poquoson	4	3	1	1	1	1	29.900
92	Carroll	4	2	1	1	1	3	29.717
93	Isle of Wight	3	2	2	2	1	1	29.567
94	Mathews	3	2	2	2	1	1	29.567
95	Appomattox	4	2	2	1	1	1	29.250
96	Buckingham	4	2	2	1	1	1	29.250
97	Louisa	4	2	2	1	1	1	29.250
98	Richmond County	3	2	1	3	1	1	29.083
99	Brunswick	3	3	1	1	1	1	27.833

100	Middlesex	3	3	1	1	1	1	27.833
101	Southampton	3	3	1	1	1	1	27.833
102	York	3	3	1	1	1	1	27.833
103	Manassas City	3	3	1	1	1	1	27.833
104	Williamsburg	3	3	1	1	1	1	27.833
105	Surry	2	3	1	1	1	2	27.433
106	Highland	1	4	1	1	1	1	27.217
107	Cumberland	3	2	2	1	1	1	27.183
108	Nelson	3	2	2	1	1	1	27.183
109	Patrick	3	2	2	1	1	1	27.183
110	Bath	3	2	1	2	1	1	26.700
111	Botetourt	4	2	1	1	1	1	26.383
112	Loudoun	4	2	1	1	1	1	26.383
113	New Kent	4	2	1	1	1	1	26.383
114	Stafford	4	2	1	1	1	1	26.383
115	Westmoreland	4	2	1	1	1	1	26.383
116	James City	3	2	1	1	1	2	25.983
117	Bland	3	2	1	1	1	1	24.317
118	Franklin City	3	2	1	1	1	1	24.317
119	Galax	3	2	1	1	1	1	24.317
120	Northumberland	3	1	2	1	1	1	23.667

**Office of Children's Services
Program Audit Activity
Audit Plan Resource Allocation
Fiscal Year 2017 - 2019**

Total Work Hours	2017	2018	2019
260 work days X 8 hrs/day X 3 Auditors Total Work Hours	4160	8320	8320
<i>(Note: Audit staff anticipated to increase to 4 in FY 2018)</i>			
Administrative Hours	2017	2018	2019
Anticipated Leave (All)	505	984	984
Holidays (14 holidays X 8 hrs/day X3 Auditors)	272	448	448
Continuous Professional Education (CPE) Training	100	160	160
Administration (5% X 2080 hrs/yr X 3)	208	416	416
Less: Total Administrative Hours	1085	2008	2008
Remaining Available Work Hours	3075	6312	6312
<i>(Note: Audit staff anticipated to increase to 4 in FY 2018)</i>			
Recurring Responsibilities	2017	2018	2019
Annual Stakeholder Training (Conference & Coordinator's Academy)	100	100	100
Less: Total Recurring Responsibilities Hours	100	100	100
Remaining Audit, Project & Review Hours	2975	6212	6212
Locality Audits, Projects & Reviews	2017	2018	2019
Buchanan	250	To Be Determined After Annual Risk Assessment	To Be Determined After Annual Risk Assessment
Hopewell	300		
Lancaster	250		
Nottoway	250		
Pittsylvania	125		
Portsmouth	250		
Sussex	125		
Virginia Beach	300		
Allegheny/Covington	50		
Arlington	50		
Chesapeake	50		
Danville	50		
Fluvanna	50		
Franklin County	50		
Henrico	50		
Lynchburg	50		
Montgomery	50		
Orange	50		
Richmond City	50		
Roanoke City	50		
Special Projects	225		
Program Audit Activity Projects & Reviews			
Quality Assurance Peer Review	100		
Audit Follow-up/Quality improvement Plan Database	100		
Annual Audit Planning & Risk Assessment	100		
Less: Total Audit, Project & Review Hours	2975	0	0
Remaining Hours	0	6212	6212

Note 1: Special project represent just over 7.5% of total available review hours.

Note 2: Available work hours adjusted for fiscal year 2017 to reflect delayed start of audit cycle.

Note 3: Lighter workload scheduled for fiscal year 2017 to compensate for delayed start of audit cycle and training of new audit staff requiring increased supervision/adjustment period.

Relevant Statutory and Policy re: CSA Denial of Funds

§ 2.2-2648. State Executive Council for Children's Services; membership; meetings; powers and duties.

20. 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 (§ 2.2-5200 et seq.), any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § 2.2-5211;

Chapter 780, Item 285 (Appropriation Act).

B.1.e. The Office of Children's Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance 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.

State Executive Council Policy

4.6 Denial of Funds (Adopted June 23, 2011)

All of the requirements specific to the CSA are outlined in the Code of Virginia and the Appropriation Act. The statutory requirements and authority of the Council (§ 2.2.-2648), the State and Local Advisory Team (§ 2.2-5202), the OCS (§ 2.2-2649), the local Community Policy and Management Team (§ 2.2-5206), and the local Family Assessment and Planning Team (§ 2.2-5208) are described. Additional requirements are found in the CSA (§ 2.2-5200 et. seq.), the Appropriation Act and Council policy. Violations of any state or federal law or policy may result in denial of funds.

Denials of CSA state matching funds are based on a locality's failure to comply with, or violations of, statutory requirements and policy, whether they are specific to the CSA or are those promulgated by the participating agencies.

Any service which requires licensure can only be rendered by a provider licensed to provide that service in Virginia. State law requiring licensure of providers may be found at § 37.2-405. *(NOTE: This citation is specific to services licensed by the Virginia Department of Behavioral Health and Developmental Services. § 16.1-309.9 authorizes the Department of Juvenile Justice to regulate community-based facilities and services; §§ 63.2-217, 63.2-1732, 63.2-1733, 63.2-1734 authorize the State Board of Social Services and Child Day-Care Council to regulate facilities and agencies serving adults and children; § 22.1-323 authorizes the Board of Education to license private schools for students with disabilities.)*

Any state or local agency, or CPMT, that has cause to believe that the statutory requirements of CSA, including those relating to licensure, are not being met by a locality shall contact the Director of the OCS. State agencies are responsible for notifying the OCS when a provider loses a license, even if that provider is not currently billing for services. OCS will make reasonable efforts to notify localities.

Copies of local audits which include review of CSA funding must be provided to the OCS within three business days from presentation to the local governing body. If the local audit determines that services provided which affect CSA, for example Title IV-E, were inappropriate, the locality must inform the OCS.

Steps A-F outline the procedures followed to investigate suspected or determined non-compliance by a locality.

A. The OCS will investigate the complaint by reviewing available data, including but not limited to, documentation submitted by the complainant, CSA data set and fiscal pool fund reporting reimbursement, local financial and program records, including CPMT and FAPT minutes, other information supplied by the locality and interviewing appropriate individuals, if necessary. The OCS may consult with the Office of the Attorney General and any other parties it deems appropriate.

B. State and local agencies, including the one reporting the alleged inappropriate use of funds, shall supply any necessary and/or requested supporting documentation relevant to the allegation.

C. If the OCS is unable to determine the validity of the report or determines there was no violation, the incident is closed with notification to the reporting state agency and the CPMT in question.

D. If the OCS suspects non compliance but has not yet made a determination of such, the OCS shall communicate with the Chief Administrative Officer of the locality and the CPMT Chair as appropriate to resolve the issue.

E. If the OCS determines that a violation of state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § 2.2-5211 has occurred, the OCS will notify the chief administrative officer of the local government and the CPMT chair within five business days. The OCS will request the locality immediately discontinue that practice and the locality should notify any affected providers. The OCS will also describe the actions it intends to take, if any. Such action may include but is not limited to, a corrective action plan developed in consultation with the locality and/or denial of state funding. Failure of the OCS to meet the timeline does not preclude the OCS from denying funds or recovering payments.

F. If another state agency learns during the course of its work (routine reviews, audits, complaint investigations, etc.) of a violation of state law affecting the provision of services under the CSA, the agency shall contact the OCS.

If another agency discovers or learns of what it believes to be a possible violation of the CSA, the responsible agency staff person should contact the Executive Director of the OCS and explain what agency policy or federal or state law is involved, how the other agency believes the violation has occurred and the impact of, or relationship to, the CSA.

If the OCS becomes aware of a violation of another agency's laws, policies or requirements that affects the provision of services funded by the CSA, the Executive Director (or designee) will contact the appropriate staff person at the other agency. The OCS will provide any supporting documentation requested by the other agency.

The OCS may review payments and conduct audits for a period of time, three years before or after the date of the alleged noncompliance (not to exceed a total of three years), regardless of the date of discovery of the alleged noncompliance.

Should the OCS discover noncompliance, the OCS may request that the Auditor of Public Accounts (APA) determine whether to pursue an audit of a locality. This policy should not be construed to put any limitations on the APA or other parties that have responsibilities regarding the Commonwealth's or federal funds and their investigation of the use of those funds.

This policy takes effect July 1, 2011. Pursuant to § 2.2-2648, the OCS may deny funding to local governments not in compliance with the provisions of the CSA and federal and state law.

Policies Regarding Denial of Funding to Local Governments (Adopted June 2011) – Excerpts

"All of the requirements specific to the Comprehensive Services Act are outlined in the Code of Virginia and the Appropriations Act (Item 274). The statutory requirements and authority of the State Executive Council (§ 2.2.-2648) the State and Local Advisory Team (§ 2.2-5202), the Office of Comprehensive Services (§ 2.2-2649), the local Community Policy and Management Team (§ 2.2-5206), and the local Family Assessment and Planning Team (§ 2.2-5208) are described. Additional requirements are found in the Comprehensive Services Act (§ 2.2-5200 et. seq.), the Appropriations Act and State Executive Council policy. **Violations of any state or federal law or policy may result in denial of funds.**"

"Denials of the CSA state match funding are based on a locality's failure to comply with, or violations of, statutory requirements and policy, whether they are specific to the CSA or are those promulgated by the participating agencies."

"If the Office of Comprehensive Services determines that a violation of state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § 2.2-5211 has occurred, the Office of Comprehensive Services will notify the chief administrative officer of the local government and the CPMT chair within five business days. The Office of Comprehensive Services will request the locality immediately discontinue that practice and the locality should notify any affected providers. The Office of Comprehensive Services will also describe the actions it intends to take, if any. Such action may include but is not limited to, a corrective action plan developed in consultation with the locality and/or denial of state funding. Failure of the Office of Comprehensive Services to meet the timeline does not preclude the Office of Comprehensive Services from denying funds or recovering payments."

From the CSA Website

(Note: Audit observations were added to demonstrate applicability of criteria, where not self-explanatory)

Examples of non-compliance/violation in the provision of services may include, but are not limited to:

- Services/provider did not meet licensing requirements of governing agency,
- Services did not meet policy/regulatory requirements of governing agency,

Audit Observations	
§ 2.2-5205 § 2.2-5207	CPMT and FAPT membership does not meet statutory requirements. Representatives most frequently absent from teams include parent, private provider, and Department of Health. Non-public serving members of CPMT/FAPT (e.g. parent and private provider representatives) have not completed conflict of interest disclosure forms.
§ 2.2-5206	Policies and procedures are not documented, obsolete, and/or do not align with CSA statutes and State policies/procedures.
§ 2.2-5209	Expenditures for emergency placements where the youth are not subsequently assessed by the family assessment and planning team or an approved collaborative, multidisciplinary team process within 14 days of admission.
CSA Policy Manual 3.5 Records Management	CSA records do not contain child-specific documentation to demonstrate compliance with the CSA in accordance with the minimum requirements adopted per SEC policy. Examples would include omitted documents such as, but not limited to: consent to release information, parental copay assessment, and utilization review data.
VDSS Child and Family Services Manual E. Foster Care	Expenditures for enhanced maintenance where the Virginia Enhanced Maintenance Assessment Tool (VEMAT) was not documented in accordance with the established procedure.

- Services were provided to a child/youth not eligible for funding,

Audit Observations	
§ 2.2-5212 CSA Policy Manual 3.6 MUAI CANS Frequency of Administration - Updated 2013	Expenditures for services where eligibility determination did not include use of the mandatory uniform assessment instrument (MUAI) and at least annually thereafter. Per SEC Policy, the Child and Adolescent Needs and Strengths (CANS) instrument is the approved MUAI.
	Expenditures for special education private day school for a youth that does not have a documented Individualized Education Program (IEP) indicating private day.

- Services were not included in IFSP developed by a FAPT/MDT,
- Services were not authorized by CPMT (in accordance with statutory requirement/local policy),
- Services were within the scope of responsibility of a CSA participating agency,

Audit Observations	
Social Services	Expenditures for services such as, but not limited to, background checks, fingerprinting, drug screening, paternity testing, and legal services related to managing foster care cases.
Public School	Expenditures for special education services documented in an Individualized Education Program (IEP) for students with disabilities who are served in the public school.

- Services were eligible for payment through another funding source (e.g., Title IV-E, Medicaid) yet those funds were not sought/utilized.

NOTE: OCS may, outside of the denial of funds policies, recover funds inappropriately reimbursed to a locality when the reason/cause for inappropriate use of funds is not related to non-compliance/violation in the provision of services. Examples of inappropriate uses of funds that are not related to the provision of services may include:

- Error in Title IV-E eligibility determination which requires adjustment to Title IV-E and CSA funds,
- Error in reporting of expenditures by service category which requires adjustment to match rate calculation, or
- Medicaid retroactive payments which require adjustment to CSA funds reimbursed.

Examples of non-compliance/ violation in the provision of services	Priority/Severity	Frequency of Occurrence					
		1 st		2 nd		3 rd	
		Non-Client Specific	Client Specific	Non-Client Specific	Client Specific	Non-Client Specific	Client Specific
<ul style="list-style-type: none"> Services/provider did not meet licensing requirements of governing agency Services did not meet policy/regulatory requirements of governing agency Services were provided to a child/youth not eligible for funding Services were not included in IFSP developed by a FAPT/MDT Services were not authorized by CPMT (in accordance with statutory requirement/local policy) Services were within the scope of responsibility of a CSA participating agency Services were eligible for payment through another funding source (e.g., Title IV-E, Medicaid) yet those funds were not sought/utilized 							



COMMONWEALTH of VIRGINIA

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

SCOTT REINER, M.S.
Executive Director

July 26, 2016

Jeffrey Homan, CPMT Chair
31st Court Services Unit
9540 Center Street
Manassas, VA 20110

RE: City of Manassas CSA Program Self-Assessment Validation, File No. 27-2015

Dear Mr. Homan,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the City of Manassas Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Service Act (CSA) Program by the established due date of December 31, 2014. An on-site visit was scheduled and conducted by OCS Program Auditors on March 30, 2016 to perform the independent validation phase of the process.

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

Concurs Partially Concurs Does Not Concur

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

The City of Manassas Community Policy and Management Team concluded that there were no significant non-compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies¹ indicating non-compliance and internal control weaknesses in the local CSA program. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the

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

Commonwealth. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics pertaining to the City of Manassas CSA Program are detailed below.

SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES	
<p>Internal controls established by CSA statutes and local policy were not effectively implemented by the CPMT in order to safeguard against conflicts of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Non-public members serving on the CPMT and FAPT did not complete the Statement of Economic Interest (SOEI) form as required by statute. Exceptions were noted as follows:</p> <ul style="list-style-type: none"> • Manassas CSA requires only the private providers serving on the CPMT and the Family Assessment and Planning Team (FAPT) to complete SOEI disclosures once during the year of appointment. However, and in lieu of the appropriate required form, an internally developed form is completed upon appointment. Annual updates have not been completed as required in statute. • Parent representatives were not required to disclose their economic interest per local practices. <p>The Code of Virginia requires an annual disclosure of economic interest for non-public members serving on the CPMT and FAPT. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds may have been significantly reduced since the required parties did not appropriately disclosed personal interests.</p>	
<p>CRITERIA: COV Sections: <u>§ 2.2-3100</u>; <u>§ 2.2-3101</u>; <u>§ 2.2-3115</u>; <u>§ 2.2-3117</u>; <u>§ 2.2-5205</u>; <u>§ 2.2-5206</u>; <u>§ 2.2-5207</u>; DOA Agency Risk Management and Internal Control Standards, Control Activities</p>	
RECOMMENDATION:	<p>The CPMT for the City of Manassas should ensure that the SOEI form is completed in accordance with the Code of Virginia immediately for all non-public participating members serving on the CPMT and the FAPT.</p>
CLIENT COMMENT:	<p>See Appendix attached for CPMT response</p>

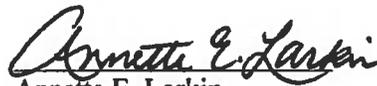
SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES	
<p>Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Four (4) of twenty-two (22) case files (18%) reviewed by the City of Manassas CSA office were examined to confirm that required documentation was maintained in support of and to validate FAPT and/or multi-disciplinary team (MDT) referral, and CPMT funding decisions. The results of the examination, identified opportunities for improvements. Three (3) of the four (4) client case files reviewed omitted documentation to demonstrate compliance with CSA requirements key to the coordination and service planning by FAPT. Data omitted from case files reviewed were consent to exchange information (2 cases), family and child strengths (3 cases), and discharge Child and Adolescent Needs and Strengths assessments (CANS) (1 case).</p> <p>Insufficient data collection and poor document management in service planning may affect efficiency and effectiveness of the local program. Further, this condition fosters an environment that makes the program more susceptible to potential loss of accessibility to State funding in support of local programs as a result of non-compliance with CSA statutes regarding service planning and access to pool funds.</p>	
<p>CRITERIA: COV § 2.2-5208; CSA Manual section 3.6 Mandatory Uniform Assessment Instrument (Adopted December 18, 2007, Updated May 12, 2008); § 2.2-5210. Information sharing; confidentiality; Local Policy VII D.3 and XI.A</p>	
<p>RECOMMENDATION:</p>	<ul style="list-style-type: none"> • The CPMT should ensure that all required documentation is maintained in client case files. • The CPMT should ensure that the required data elements to evident service planning are included on the Individual Family Service Plan. • CANS assessments (initial, re-assessment and discharge) should be completed in CANVaS and maintained in client records in accordance with City of Manassas Utilization Review Policy.
<p>CLIENT COMMENT:</p>	<p>See Appendix attached for CPMT response</p>

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

Jeffrey Homan, CPMT Chair
City of Manassas CSA Program Self-Assessment Validation
July 26, 2016
Page 4

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

Sincerely,



Annette E. Larkin
Program Auditor

cc: Scott Reiner, Executive Director
William Patrick Pate, City Manager
Dr. Rebecca Stone, Former CPMT Chair
LaTanya Bell, Fiscal Agent
Sharon Minter, CSA Coordinator
Stephanie Bacote, Program Audit Manager
SEC Finance and Audit Committee

Enclosure: Appendix City of Manassas CPMT Response

The Children's Services Act in Manassas

Lauren Nutt, Chair
Family Assessment & Services Team

9324 West Street, Manassas, VA 20110
Phone (703) 361-8277 x2333
Fax (703) 361-9506

Jeffrey Homan, Chair
Community Policy & Mgmt Team

July 25, 2016

Ms. Annette E. Larkin
Program Auditor
Office of Children's Services
1604 Santa Rosa Rd., Suite 137
Richmond, VA 23229

Dear Ms. Larkin:

Thank you for your visit to our CSA office on March 30, 2016 to perform the independent validation of our local CSA program's self-assessment. The members of the Manassas City CPMT have been apprised of your observations.

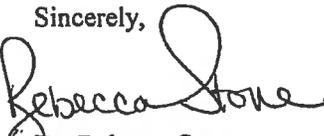
As per our exit discussion and your follow-up report of July 18, 2016, we note the following areas that must be addressed in order to bring our CSA program into full compliance:

1. Completion of the official Statement of Economic Interest document by all non-public members of our CPMT and FAST on an annual basis.
2. Strengthened documentation in the CSA case files to include:
 - a. incorporation of comprehensive Utilization Management & Review principles in the coordination and development of service plans for each CSA case and documented evidence of such;
 - b. signed and dated Consent to Exchange Information forms for foster care clients in addition to all others currently required and
 - c. Completion of a Discharge CANS assessment at each case closure.

We have already begun to address the above-stated deficiencies to be in effect as of July 1, 2016. A quality improvement plan detailing our actions in this regard will be submitted to OCS within the stated time period as per your request.

The Manassas City CPMT appreciates your assistance in identifying these areas of weakness that must be strengthened in order to improve the quality of our CSA program and its service delivery to our community. We welcome the opportunity to effectively collaborate with the state Office of Children's Services in this regard.

Sincerely,



Dr. Rebecca Stone
Former Chair, CPMT

Cc: J. Homan, Chair
S. Minter, CSA Coordinator



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Interim Executive Director

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

September 29, 2016

Kathy Johnson, CPMT Chair
Bristol City Department of Social Services
621 Washington St
Bristol, VA 24201-4644

RE: Highland Interagency Consortium CSA Program Self-Assessment Validation, File No. 23-2014

Dear Ms. Johnson,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Highland Interagency Consortium Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Service Act (CSA) Program by the established due date of November 30, 2013. An on-site visit was scheduled and conducted by OCS Program Auditors on November 19-20, 2015 to perform the independent validation phase of the process.

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

Concurs Partially Concurs Does Not Concur

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

The Highland Interagency Consortium Community Policy and Management Team concluded that there were no significant non-compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies¹ indicating non-compliance and internal control weaknesses in the local CSA program. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the Commonwealth. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's

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

internal control structure are considered significant. Specifics pertaining to the Highland Interagency Consortium CSA Program are detailed below.

SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES 1

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Nine (9) of forty-six case files (20%) reviewed by Highland Interagency Consortium were examined to confirm that required documentation was maintained in support of and to validate Family Assessment and Planning Team (FAPT) and/or multi-disciplinary team (MDT) referral and CPMT funding decisions. The results of the examination, identified opportunities for improvements. Eight (8) of the nine (9) client case files reviewed omitted documentation to demonstrate compliance with CSA requirements key to coordination and service planning by FAPT. Data omitted from the case files reviewed are included in the table below:

Description	# of Cases	Error Rate
Client and family strengths	5	56%
Individual Family Service Plan (IFSP)	1	11%
Measurable goals/ objectives and client needs	1	11%
Evidence of parental participation and consent to service planning activities	1	11%
Certificate of Need (CON)	1	11%
30 day Intensive Care Coordination (ICC) assessment plan	1	11%
Treatment plan(s) and progress notes for ICC services	2	40%

Insufficient data collection and poor document management in service planning may affect efficiency and effectiveness of the local program. Further, this condition fosters an environment that makes the program more susceptible to potential loss of accessibility to State funding in support of local programs as a result of non-compliance with CSA statutes regarding service planning and access to pool funds.

CRITERIA: COV Section §2.2-5209; §2.2-5208 and CSA Manual 3.5 Records Management; §2.2-2648(D)(20).

RECOMMENDATION:	<ul style="list-style-type: none"> The CPMT and FAPT should perform periodic case reviews to establish quality controls of client records and compliance with CSA policy in order to ensure that all required documentation is maintained to attest to the service planning activities and funds expended. The CPMT should ensure that the required data elements to evident services planning are included on the IFSP, such as child and family's strengths and needs and parental consent to the services plan.
------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

CLIENT COMMENT	See attachment for client comment.
-----------------------	------------------------------------

SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES 2

Expenditure reimbursements were requested and processed for payment of services where the requirement for compliance with State CSA policies and procedures were not met. To access CSA state pool funds, an IFSP must be developed for youths and families and an Individualized Education Program (IEP) must require the student to be placed in an approved private day school or residential program for educational purposes.

- The Code of Virginia and State Executive Council (SEC) policy state that the FAPT or approved MDT is responsible for assessing the child and family strengths and needs and recommending services to address their needs and documenting the services on the IFSP. One of the nine cases examined did not have an IFSP. The associated questioned cost is shown in the table below.
- The placement decision in the IEP of two special education cases reviewed was public day school (separate school facility). The Highland Consortium CSA Program accessed CSA pool funds for private day special education inappropriately. Special education costs incurred in a public school setting are the responsibility of the local school division under the federal requirement of Free Appropriate Public Education (FAPE). The table below documents these exceptions and the associated questioned cost.

Client ID	Error	State Share
BR 13042	No IFSP	\$864.60
WA 13003	SPED Services in a Public School Setting	\$13,314.86
WA 13038	SPED Services in a Public School Setting	\$ 1,189.53
Total		\$14,504.39

The CSA Coordinator advised the OCS auditor that the CPMT consulted with OCS regarding the appropriateness of using pool funds for the separate public day facility. The Coordinator stated that the former OCS Executive Director informed them that this was not an appropriate uses of CSA state pool funds thus, the CPMT discontinued this practice and local school division are covering these cost and/or utilizing other funding sources where appropriate

CRITERIA: § 2.2-5212. Eligibility for state pool of funds. § 2.2-5211.D State pool of funds for community policy and management teams. 2 § 2.2-5208 Family assessment and planning team; powers and duties

RECOMMENDATION:

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

CLIENT COMMENT: See attachment for client comment.

SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES 3	
<p>The CPMT has not documented a formal plan to substantiate coordination of long-range planning. While the CPMT has formally adopted guiding principles; formal goals have not been established. The ability of the CPMT to adequately monitor and provide oversight of the local CSA program is an essential component of organizational governance. The absence of formal planning, coordination, and program evaluation to ensure that the goals and objectives of the program are met ultimately impacts the CPMT efforts to better serve the needs of youth and families in the community and to maximize the use of state and community resources.</p>	
<p>CRITERIA: COV § 2.2-5206, Items 4, 6, and 13, Highland Interagency Consortium Service Philosophy and Guiding Principles; COV DOA Agency Risk Management and Internal Control Standards, Control Environment, Risk Assessment, and Control Activities</p>	
RECOMMENDATION:	<p>As required by CSA statute the Highland Interagency Consortium should develop, document, and implement a long range plan to guide the locally administered CSA program. The process should include development of formal risk assessment process and measurable criteria to be used for evaluating program accountability and effectiveness.</p>
CLIENT COMMENT:	<p>See attachment for client comment.</p>

The CPMT has submitted a complete and satisfactory quality improvement plan addressing all observations which included tasks, responsible parties, and target completion dates. OCS Program Auditors conducted a follow-up of the quality improvement plan and determined that tasks identified have been implemented.

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

Sincerely,


 Annette E. Larkin
 Program Auditor

- cc: Scott Reiner, Interim Executive Director
 Tabitha Crowder, Bristol City Manager
 Jason Berry, Washington County Administrator
 Allen Anderson, Fiscal Agent
 Andre Richmond, CSA Coordinator
 Stephanie S. Bacote, Audit Manager
 SEC Finance and Audit Committee

HIGHLANDS INTERAGENCY CONSORTIUM QUALITY IMPROVEMENT PLAN

September 14, 2016

Weakness Area I: Documentation of Service Planning Activities

The self-assessment and subsequent validation process has provided clarity into the program requirements in this area. We are in the final stages of revising our documentation instruments into a format that more clearly and explicitly identifies client and family strengths, consolidates evidence of participation of the family and FAPT members. The information and expectations for documentation of ICC activities gained from this review will be transferred into practice as follows: require monthly submission (to the CSA record) of ICC program documentation prior to payment of service invoices – the CSA Coordinator will work with the CSB Program Director (of ICC) to develop and implement an effective process; documentation will be submitted along with monthly invoice. Also, the local practice regarding Community Respite will be corrected to comply with CSA requirements – require completion of an IFSP and documentation of FAPT participation; CPMT participation is already in effect and documented by action upon new purchase orders. The CPMT commissioned a standing committee to perform periodic case reviews and issue a report of results and recommended actions thereafter.

Weakness Area II: Expenditure Reimbursements for Non-Compliant Services

We've identified the problem regarding the case with no IFSP as it lies with a previous practice for community respite services. As mentioned above, this practice will be corrected and administered in compliance with CSA requirements going forward; our local policy (re: Community Respite) will be reviewed to ensure that it properly supports and aligns with CSA standards.

With regard to the two SPED cases:

- We've maintained 100% compliance with this standard from our point of knowledge of our inappropriate use of CSA funds.
- We implemented an alternative funding process to avoid service disruptions.
- As noted in the validation report, (in September 2013) we worked closely with the previous OCS Director, OCS staff, and the Department of Education (Pat Haynes) to investigate and ultimately ameliorate this issue as soon as a final determination of its appropriateness was arrived upon. At that time, we were advised to submit a plan to OCS (which we did verbally) outlining our actions to discontinue use of CSA funds; this plan was to use alternative funding sources to avoid service disruption of existing cases and to use a combination of school system funds and/or public funding to purchase services going forward. We continue to follow this plan of action without exception.

Weakness Area III: No Formal Document to Indicate Long-Range Planning

Though we have the basis for long-range planning within our current policy, we did not have a formal stand-alone document that outlines our long-range plan for the community. The CSA Coordinator is in the process of drafting such a document to present at the next CPMT meeting (9-14-16) for action. This document was reviewed and accepted by the CPMT on 9-14-16.

APPROVAL AND AUTHORITY TO PROCEED

We approve the plan as described above, and authorize the recommended actions to proceed.

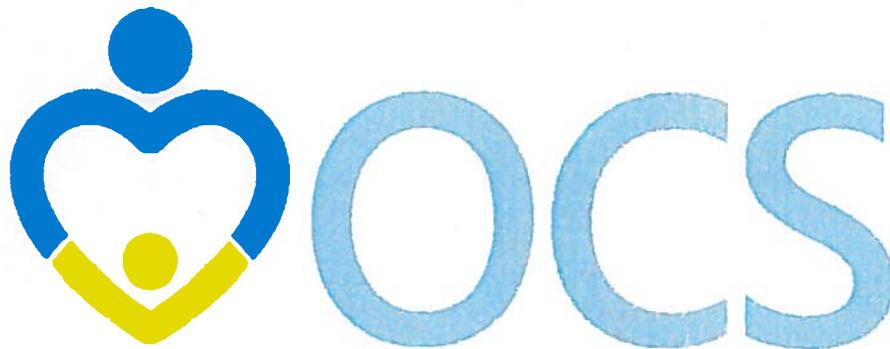
Name	Title	Date
Kathy M. Johnson	CPMT, Chairwoman	9/29/16

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

Pittsylvania County

Audit Report No. 02-2016

July 15, 2016



Office of Children's Services
Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

Introduction 1

Background 2 - 3

Observations and Recommendations

A) Fiscal Activities 4

B) CPMT Governance Activities 4 - 5
(Community Policy and Management Team)

Conclusion 6

Report Distribution 7

EXECUTIVE SUMMARY

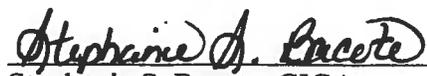
The Office of Children's Services (OCS) has completed an audit of the Pittsylvania County Children's Services Act (CSA) program. The Pittsylvania County CSA Program provided services and/or funding for 128 youth and families during fiscal year 2015 and 121 through 2nd quarter ending fiscal year 2016. The audit included review and evaluation of management oversight, operational, and fiscal practices. Evidenced by the following achievements, the Community Policy and Management Team (CPMT) responsible for oversight of the CSA program demonstrated that efforts were made to ensure that services were provided to eligible youths and families:

- Reduction in the average length of stay per child in residential setting from 179 to 115 days, as reported for third quarter fiscal years (FY) 2014 and 2015.
- Percentage of youth receiving community based services out of youth receiving all CSA funded services exceeds the statewide target by 25%.
- Percentage of youth with a decrease in the child behavior/emotional needs domain as reported via the Child and Adolescent Needs Strengths (CANS) exceeds the statewide target by 5.1%. Decreases in CANS scores are generally indicative of improved functioning.
- As reported by the CSA Coordinator, there has been 100% parent attendance/participation in Family Assessment and Planning Team (FAPT) meetings over the last year.
- Implementation of quarterly utilization reviews of all CSA funded cases in accordance with the locally adopted utilization review frequency chart.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were deficiencies in internal controls that could adversely impact the effective and efficient use of resources and accomplishment of program objectives. The following significant issues were identified:

- Wrap-around funds for students with disabilities allocated in FY 2015 and FY 2016 totaling \$41,986 (state and local share) were not effectively utilized.
- Annual training of local CSA stakeholders has not been provided in accordance with locally established policies and procedures.

OCS appreciates the cooperation and assistance provided on behalf of the Pittsylvania County CPMT and other CSA staff. Formal responses from the Pittsylvania County CPMT to the reported audit observations are included in the body of the full report.


Stephanie S. Bacote, CIGA
Program Audit Manager

INTRODUCTION

The Office Children's Services (OCS) has completed a financial/compliance audit of the Pittsylvania County Children's Services Act (CSA) program. The audit was conducted in accordance with generally accepted government auditing standards. The standards require planning and performance of the audit pursuant to stated objectives in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on July 6, 2016 and covered the period January 1, 2015 through December 31, 2015.

The objectives of the audit were to:

- To determine whether adequate internal controls have been established and implemented over CSA expenditures.
- To determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- To assess whether operations have maintained high standards for sound fiscal accountability and ensured responsible use of taxpayer funds by evaluating fiscal activities of local CSA programs.
- To assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating local CSA program's operational and utilization review practices.
- To determine satisfactory implementation of quality improvement plans adopted to address observations reported in prior audits performed by the Auditor of Public Accounts (November, 2010) and the Office of Children's Services (2013-2015)

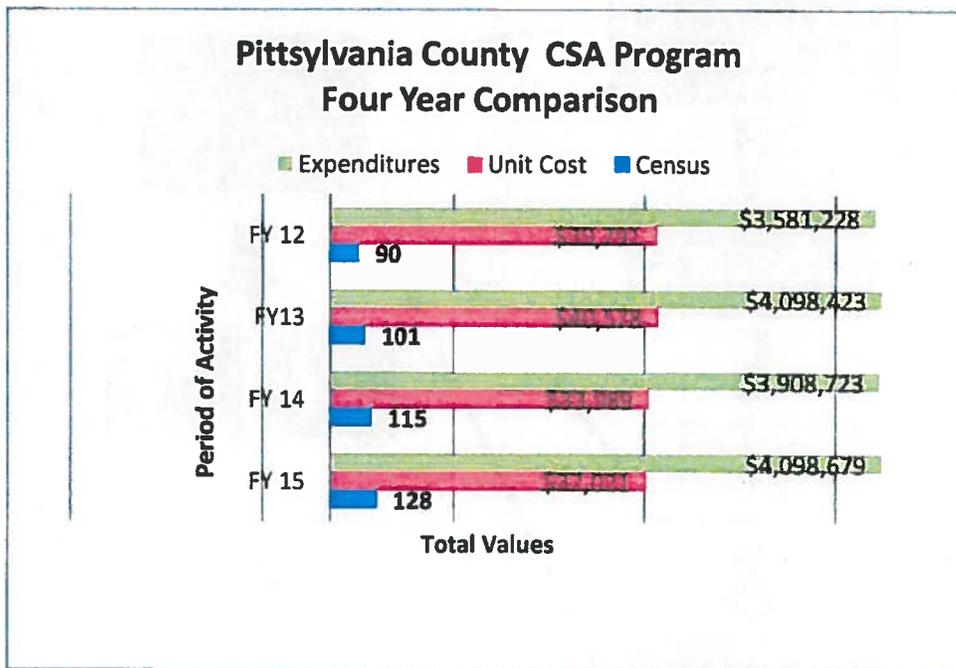
The scope of our audit included all youth and their families who received CSA funded services during the audit period. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Pittsylvania County is situated in Virginia's south-central Piedmont plateau region. The county encompasses 982 square miles, making it the largest county in the state. According to published estimates by the Weldon Cooper Center for Public Service-University of Virginia, Pittsylvania County has a population estimate of 63,255 as of July 1, 2015. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2010 -2014 as \$42,311.

The Children's Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. Of the approximate \$270 million appropriated annually by the Virginia General Assembly and local governments to fund CSA, total allocations (state and local funds) for the Pittsylvania County were \$4.33 million for fiscal year 2015 and \$4.29 million for fiscal year 2016. Actual net expenditures for fiscal year 2015-2016 (reported to date) combined totaled \$7.09 million. Based on reported expenditures for fiscal year 2015, the estimated average per capita cost of CSA in the Pittsylvania County is \$65.

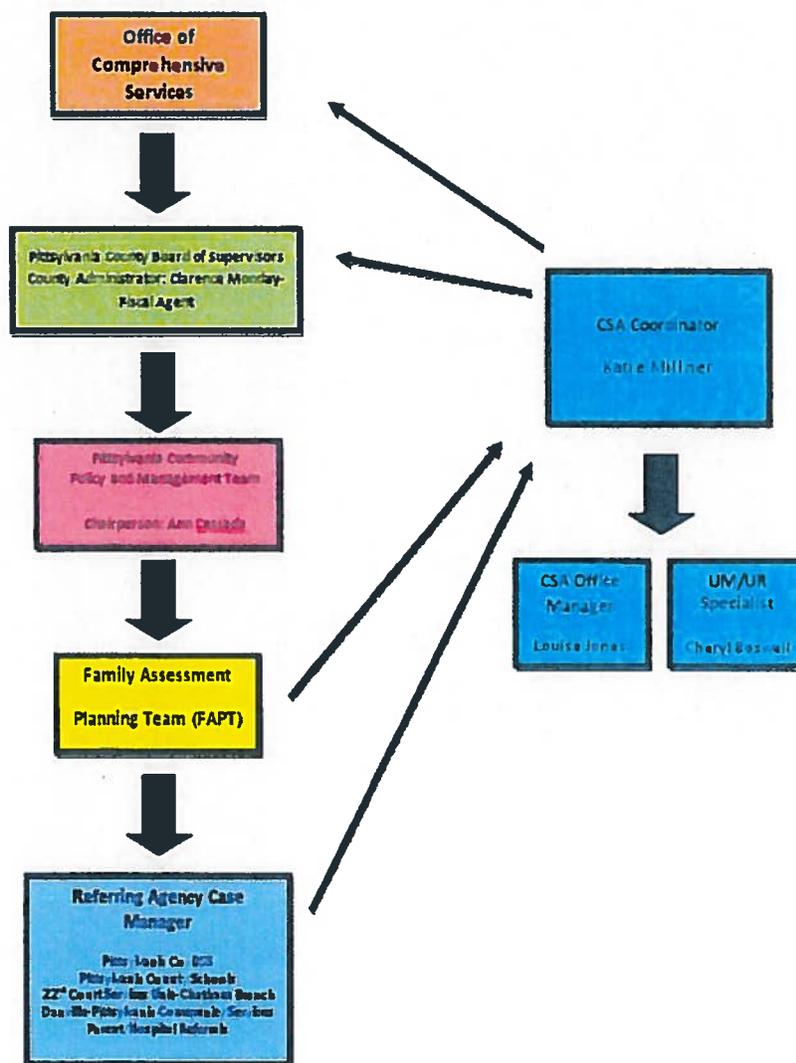
An analysis of Pittsylvania County CSA expenditures, population, and cost per child ("unit cost") indicated expenditures, population, and unit cost are relatively stable. The chart below depicts a comparison for fiscal years 2012 through 2015.



Source: CSA Website, Statewide Statistics, Pool Expenditure Reports (<http://www.csa.virginia.gov/publicstats/pool/localitybyyear.cfm>)

The state funds, combined with local community funds, are managed by local interagency teams, referred to as "Community Policy and Management Teams (CPMT) who plan and oversee services to youth. The Pittsylvania County CPMT was established to comply with this statute. The CPMT is supported in this initiative by the Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services. Administrative services are managed through the local CSA office staffed by the CSA Coordinator, Utilization Management/Utilization Review (UM/UR) Specialist, and an Office Manager. The local management structure for the Pittsylvania County CSA Program is as follows:

*FY 2015-2016 Pittsylvania County CSA
Program Organizational Chart*



Source: Pittsylvania County CSA Office

OBSERVATIONS AND RECOMMENDATIONS

A) FISCAL ACTIVITIES

Observation 1:

Criteria

Internal Control

Pittsylvania County's CSA program did not fully take advantage available fiscal resources that could be utilized to provide non-educational treatment services to students with disabilities. Pittsylvania County's CSA Program received a total allocation of \$41,986 for fiscal years 2015 and 2016 for "wrap-around" funding to provide community-based services to students with educational disabilities for the purpose of reducing the risk of a more restrictive educational placement. However, none of the funds allocated were expended. Not utilizing the available funding creates a lost opportunity to address the needs and improve overall treatment outcomes for the at-risk youth and families of Pittsylvania County.

Recommendation

The CPMT should optimize every opportunity available to increase and utilize funding to support the provision of services to at-risk youth and families in the Pittsylvania County community, to include but not limited to utilizing special education "wrap-around" funding.

Client Comment

Concur. "Pittsylvania County agrees that the CSA program did not take full advantage of all available fiscal resources. Going forward, Pittsylvania County CSA intends to utilize all available resources in accordance with compliance and eligibility requirements to best serve the children in Pittsylvania County."

B) CPMT Governance Activities

Observation 2:

Criteria

Compliance and Internal Control

Annual training of local CSA stakeholders has not been provided in accordance with locally established policies and procedures. The Pittsylvania County CSA Policy and Procedures Manual states "local staff (including but not limited to agency directors, superintendents, supervisors, and case managers) having any interaction with local CSA must have an annual training provided by the CSA Coordinator." At the time of the on-site review, annual trainings have not been provided.

Recommendation

The CPMT should ensure that annual training of applicable stakeholders is conducted in accordance with the requirements established by the locally adopted policies and procedures.

Client Comment

Concur. "Twelve CSA stakeholders attend the annual CSA conference. However, Pittsylvania County CSA recognizes and agrees additional training is required to be in compliance with local policy. Training will be scheduled accordingly in the future."

CONCLUSION

Our audit concluded that there were deficiencies in compliance and internal controls over the Pittsylvania County CSA program. Conditions were identified that could adversely impact the effectiveness and efficient use of resources and accomplishment of program objectives. An exit conference was conducted on June 23, 2016 to present the audit results to the Pittsylvania County CPMT. Persons in attendance representing Pittsylvania CPMT were:

Ann Cassada, CPMT Chair/Assistant Superintendent for Support Services, Pittsylvania County Schools;

Kim Van Der Hyde, Parent Representative/Finance Director, Pittsylvania County

Jennifer Cooper, Parent Representative

Sherry Flanagan, Director, Pittsylvania County Department of Social Services

Joyce Green, Director, Twenty-Second District Court Service Unit

James F. Bebeau, Executive Director, Pittsylvania-Danville Community Services

Tonya Milling, Private Provider Representative/Executive Director, The Arc of Southside

Mike Taylor, Sheriff, Pittsylvania County

Katie Millner, CSA Coordinator

Louise Jones, CSA Office Manager

Cheryl Boswell, UM/UR Specialist

Representing the Office of Children's Services was: Stephanie Bacote, Program Audit Manager

We would like to thank the Pittsylvania County CPMT and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Executive Director
Office of Children's Services

Clarence Monday, Pittsylvania County Administrator
&CPMT Fiscal Agent

Anne Cassada, CPMT Chair

Katie Millner, CSA Coordinator

SEC Finance and Audit Committee



COMMONWEALTH of VIRGINIA

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

March 4, 2016

Larry Clark CPMT Chair
New Kent County Financial Services
12007 Courthouse Cir. Room 203
P.O. Box 150
New Kent, VA 23124

Dear Mr. Clark,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Years 2013-2015, the New Kent County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA Program by the established due date of May 31, 2015. An on-site visit was scheduled and conducted by OCS Program Auditors on February 11, 2016 to perform the independent validation phase of the process.

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

Concur

Partially Concur

Does Not Concur

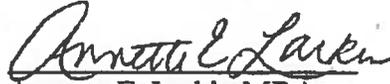
with the conclusion reported by the New Kent County CPMT. We agree that there are no significant observations of non-compliance and/or weakness found in the design or operation of the internal controls applicable to the processes or services conducted on behalf of New Kent County CPMT. The New Kent County CPMT has submitted a complete and satisfactory quality improvement plan addressing all non-significant observations that were identified by the CPMT, which included task, responsible parties and targeted completion dates. OCS Program Auditors conducted a follow-up of the quality improvement plan and determined that tasks identified have been implemented

We would like to thank the New Kent County Community Policy and Management Team and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. We

Larry Clark CPMT Chair
New Kent County CSA Self-Assessment Validation
March 4, 2015
Page 2

also would like to acknowledge the excellent assistance and cooperation that was provided by DeDreama Harrod, CSA Coordinator during our on-site visit. Ms. Harrod's efforts enabled the audit staff to quickly resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin MBA
Program Auditor

cc: Scott Reiner, Interim Executive Director
Rodney A. Hathaway, New Kent County Administrator
Mary F. Altemus, CPMT Fiscal Agent
DeDreama Harrod, CSA Coordinator
SEC Finance and Audit Committee



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Interim Executive Director

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

April 4, 2016

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

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

Dear Mr. Adkins,

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

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

Concurs Partially Concurs Does Not Concur

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

The Charles City County Community Policy and Management Team concluded that there were only non-significant compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies¹ indicating non-compliance and internal control weaknesses in the local CSA program. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the Commonwealth. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics pertaining to the Charles City County CSA Program are detailed on pages two (2) through four (4).

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

NON-COMPLIANCE OBSERVATIONS

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

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

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

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

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

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

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

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

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

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

Criteria: COV§2.2-5209, Paragraph 2

NON-COMPLIANCE OBSERVATIONS

5. The Charles City County CPMT has not established formal performance measures and utilization management practices and procedures to assess overall program effectiveness. Monthly meeting minutes and accompanying reports did not evidence utilization management/utilization review (UM/UR) activities to include:
- o "review of "local and statewide data provided in the management reports on the number of children served, children placed out of state, demographics, types of services provided, duration of services, service expenditures, child and family outcomes, and performance measures."
 - o "track the utilization and performance of residential placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative's homes, family-like setting, or their community."

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

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

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

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

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

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

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

NON-COMPLIANCE OBSERVATIONS

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

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

NON-COMPLIANCE OBSERVATIONS

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

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

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

CLIENT COMMENT:

1. "The CPMT will ensure that the CPMT and FAPT members comply with locally established policies and procedures, and meet the minimum requirements as established by CSA."
2. "The Economic Interest form has been completed on applicable individuals that are currently serving as members of CPMT and FAPT."
3. "The Charles City County Policy and Management Team believe that the family and home community provide the best environment for raising children. The Community Policy and Management Team shall pursue and encourage collaborative activities that will ensure the provision on child-centered, family-focused community based services. Our purpose is to preserve families and provide appropriate services while protecting the welfare of children and maintaining the safety of the public. For purposes of long range planning, the Policy and Management Team will review, on an annual basis, a directory of private and public providers, including individual programs and services."

 "A focal point in this strategy will include: the methodology using the CSA Critical Gaps Survey, collaboration with the participants of the Charles City Multi-Disciplinary Team, Resource Council and Prevention Subcommittee. There will be a Community Needs Assessment that will be conducted Fall 2016."
4. "The CPMT and FAPT Bylaws will be reviewed and revised to ensure that all policies and procedures are in alignment with current CSA statutes. The target date is June 20, 2016. Policy will be reviewed annually to include the following:
 - a. Parental Co-pay Contribution for services
 - b. Intensive Care Coordination
 - c. CANS
 - d. Records Management
 - e. Emergency Funding Approval"
5. "The CPMT shall develop a Utilization Management process that will measure and track performance and effectiveness of the Local CSA Program using the reporting data on the CSA website."

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

SIGNIFICANT INTERNAL CONTROL WEAKNESS

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

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

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

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

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

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

CLIENT COMMENT:	<ol style="list-style-type: none">1. The CPMT is in the process of revising policy and procedures for consistency in the case review process. A target date is June 20, 2016. A training schedule is being developed for review of all necessary forms and documents relating to the identification of specific achievement of goals and outcomes. The objective is to provide consistency and uniformity in the implementation of local policies and procedures with continuity of CSA requirements and expenditures of funds.2. The CPMT and Fiscal Agent will ensure that all current and future financial and data management information are accurate and reported correctly in the OCS Data Reporting System. A reconciliation process has been put in place to further enhance the accuracy in reporting financial management. Internal coordination has been developed; clear guidance relating to the delegation of CSA responsibilities has been established. The agency management team will devote dedicated time to CSA governance and compliance with required financial requirement.
------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

We would like to thank the Charles City County Community Policy and Management Team and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. The assistance and cooperation that was provided during the on-site visit enabled the audit staff to quickly resolve any questions/concerns that were observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,


Stephanie S. Bacote, CIGA
Program Audit Manager

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



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Interim Executive Director

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

April 4, 2016

Mr. Michael A. Traylor, CPMT Chair
200 N. Sycamore Street, Suite 100
Petersburg, VA 23803

RE: Powhatan County Children's Services Act (CSA) Program Audit Self-Assessment
Validation, File No. 46-2014

Dear Mr. Traylor,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Years 2013-2015, the Powhatan County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA Program by the established due date of March 31, 2014. An on-site visit was scheduled and conducted by OCS Program Auditors on March 1, 2016 to perform the independent validation phase of the process.

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

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Powhatan County CPMT that no significant observations of non-compliance and/or internal control weaknesses were identified in the design or operation of the processes or services conducted on behalf of Powhatan County CSA. The Powhatan County CPMT has submitted a complete and satisfactory quality improvement plan addressing all non-significant observations that were identified by the CPMT, which included tasks, responsible parties, and target completion dates. OCS Program Auditors conducted a follow-up of the quality improvement plan and determined that tasks identified have been implemented and/or are currently in progress. We respectfully request that you periodically update our office once quality improvement tasks have been fully completed.

Mr. Michael A. Traylor, CPMT Chair
Powhatan County CSA Program Audit Self-Assessment Validation
April 4, 2016
Page 2

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

Sincerely,


Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Interim Executive Director
Patricia A. Weiler, Powhatan County Administrator
Charla Schubert, CPMT Fiscal Agent
Audra Morris, CSA Coordinator



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Interim Executive Director

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

March 28, 2016

Ms. Marli Laudun, CPMT Chair
Isle of Wight Health Department
919 South Church Street
Smithfield, VA 23430

RE: Isle of Wight County Children's Services Act (CSA) Program Audit Self-Assessment
Validation, File No. 44- 2014

Dear Ms. Laudun,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Isle of Wight Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA Program by the established due date of March 31, 2014. An on-site visit was scheduled and conducted by OCS Program Auditors on March 18, 2016 to perform the independent validation phase of the process.

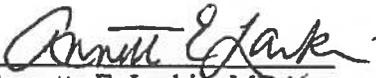
Based on the review and examination of the self-assessment workbook and supporting documentation provided by the Isle of Wight County CSA program, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Isle Wight County CPMT that no significant observations of non-compliance and/or weaknesses were found in the design or operation of the internal control applicable to the processes or services conducted on behalf of Isle of Wight County CSA. The Isle of Wight County CPMT has submitted and completed a satisfactory quality improvement plan addressing all non-significant observations that were identified by the CPMT, which included tasks, responsible parties, and target completion dates. OCS Program Auditors conducted a follow-up of the quality improvement plan and determined that tasks identified have been implemented.

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

Sincerely,


Annette E. Larkin, MBA
Program Auditor

cc: Scott Reiner, Interim Executive Director
Sanford Wanner, Interim County Administrator
Nancy Mayo, CPMT Fiscal Agent
Rachel Lewis, CSA Coordinator
SEC Finance and Audit Committee



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Interim Executive Director

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

March 28, 2016

Ms. Anita Morris, CPMT Chair
Western Tidewater Community Service Board
1000 Commercial Lane
Suffolk, VA 23434

RE: City of Franklin Children's Services Act (CSA) Program Audit Self-Assessment
Validation, File No. 23-2015

Dear Ms. Morris,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the City of Franklin Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA Program by the established due date of December 31, 2014. An on-site visit was scheduled and conducted by OCS Program Auditors on March 17, 2016 to perform the independent validation phase of the process.

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

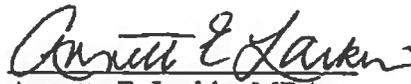
Concurs Partially Concurs Does Not Concur

with the conclusion reported by the City of Franklin CPMT that no significant observations of non-compliance and/or internal control weaknesses were identified in the design or operation of the processes or services conducted on behalf of the City of Franklin CSA. The City of Franklin CPMT has submitted a complete and satisfactory quality improvement plan addressing all non-significant observations that were identified by the CPMT, which included tasks, responsible parties, and target completion dates. OCS Program Auditors conducted a follow-up of the quality improvement plan and determined that tasks identified have been implemented.

Ms. Anita Morris, CPMT Chair
City of Franklin CSA Program Audit Self-Assessment Validation
March 28, 2016
Page 2

We would like to thank the City of Franklin CPMT and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. We also would like to acknowledge the excellent assistance and cooperation that was provided by Rachel Lewis, CSA Coordinator during our on-site visit. Ms. Lewis' efforts enabled the audit staff to quickly resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin, MBA
Program Auditor

cc: Scott Reiner, Interim Executive Director
R. Randy Martin, City Manager
Melissa Rollins, CPMT Fiscal Agent
Rachel Lewis, CSA Coordinator
SEC Finance and Audit Committee

CHILDREN'S SERVICES ACT

PROGRAM AUDIT

Middlesex County

Audit Report No. 06-2015

March 28, 2016



Office of Children's Services

Empowering communities to serve youth

TABLE OF CONTENTS

Executive Summary

<i>Introduction</i>	<i>1</i>
<i>Background</i>	<i>2-3</i>
<i>Observations and Recommendations</i>	
<i>A) Program Activities</i>	<i>4-6</i>
<i>B) Fiscal Activities</i>	<i>6</i>
<i>Conclusion</i>	<i>7</i>
<i>Report Distribution</i>	<i>8</i>

EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the Middlesex County Children's Services Act (CSA) program. The Middlesex County CSA program provided services and/or funding for 16 at-risk youth and families in fiscal year 2015. The audit included review and evaluation of management oversight, operational and fiscal practices. Middlesex Community Policy Management Team (CPMT) demonstrated that efforts were made to ensure that services were provided to eligible youth and families as evidenced by the following achievement.

- One of the strategic goals of the Middlesex CPMT is to ensure the safety of all children served. Thus an objective was "after Family Planning and Assessment Team (FAPT) service approved, no CPS valid reports are received on families within one year of service approval." In FY 15, Middlesex saw an 11 percent reduction in the number of valid CPS complaints within one year of CSA services commencing for families referred in that period.
- OCS performance measures percentage of youth receiving community based services out of youth receiving all CSA funded services increased approximately 10 percent over the same period last fiscal year. Middlesex exceeds the statewide target by 21 percent, by having 71 percent of their youth receiving community based services.

However, there are additional opportunities to effect quality improvement in other areas of the CSA program. The audit concluded that there was a deficiency in compliance and internal controls that could adversely impact the reliability and integrity of information pertaining to CSA client referrals. The following issue was identified;

- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Client files examined were missing Individual Family Service Plan (IFSP) elements necessary for service planning. Two out of the five (5) cases examined contained at least one exception. Omissions from client case files included, measurable goals and objectives, consent to exchange information form, and discharge child and adolescent needs and strength assessments (CANS).

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the CPMT and other CSA staff. Formal responses from the CPMT to the reported audit observations are included in the body of the full report.



Stephanie S. Bacote, CIGA
Program Audit Manager



Annette E. Larkin, MBA
Program Auditor

INTRODUCTION

The Office of Children's Services has completed a financial/compliance audit of the Middlesex County Children's Services Act program. The audit was conducted in accordance with generally accepted government auditing standards. The standards require planning and performance of the audit pursuant to stated audit objectives in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on March 24, 2016 and covered the period January 1, 2015 – December 31, 2015.

The objectives of the audit were:

- To determine whether adequate internal controls have been established and implemented over CSA expenditures.
- To determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- To assess whether operations have maintained high standards for sound fiscal accountability and ensured responsible use of taxpayer funds by evaluating fiscal activities of the local CSA program.
- To assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating the local CSA program's operational and utilization review practices.

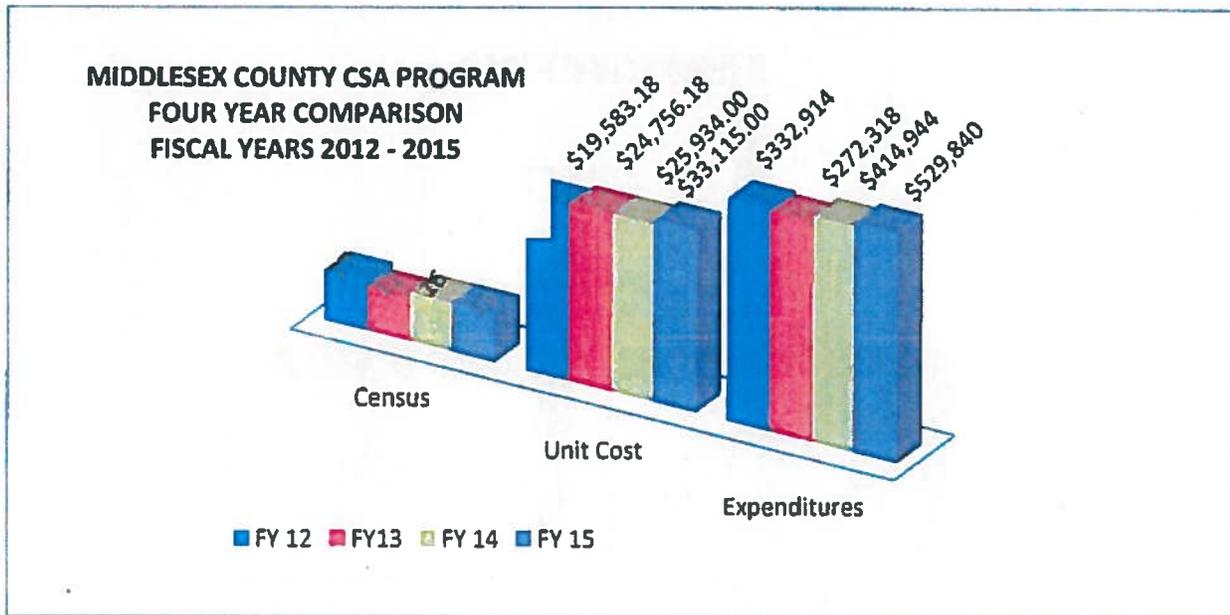
The scope of the audit included youth and their families who received CSA funded services during the last two quarters of FY15 and the first two quarters of FY16. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

Middlesex County, founded in 1669, is located on the Middle Peninsula of Virginia nestled around the Rappahannock River, Chesapeake Bay and Piankatank River. Middlesex is a popular tourist attraction for its seafood as evident by its annual Urbanna Oyster Festival. The County is approximately 132 square miles in land area mass and borders the counties of Lancaster, Essex, King and Queen, and Mathews. According to the US Census Bureau, State and County Quick Facts report, the estimated population in FY14 was 10,696 and the median household income from 2010-2014 was \$54,452.

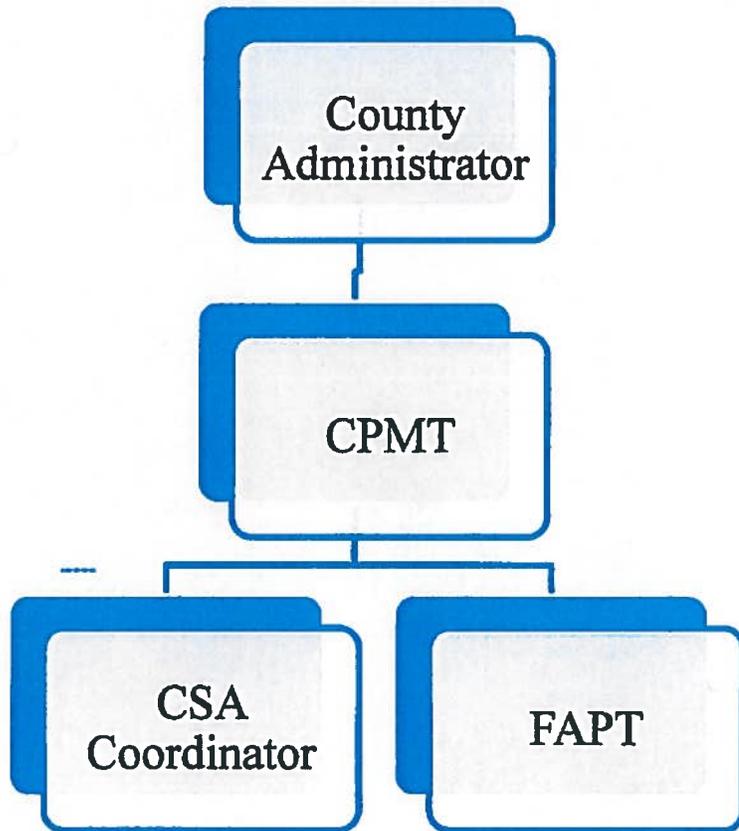
The Children's Services Act (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. Middlesex County's net CSA expenditures for fiscal year FY15 totaled \$529,840, which was used to provide services to 16 at-risk youth and families. Based on reported figures for FY14, the average per capita cost for CSA was \$38.79.

An analysis of Middlesex County CSA's FY15 expenditures and cost per child (unit cost) indicates an increase of 22% compared to FY14 data. The number of youth and families (census) served is stable compared to last fiscal year.



CSA state funds, combined with local community funds, are managed by local interagency teams, referred to as the Community Policy and Management Team (CPMT) which plan and oversee services to youth. Middlesex County CPMT was established to comply with this statute. The CPMT is supported in this initiative administratively by a CSA Coordinator and a Family Assessment and Planning Team (FAPT) responsible for recommending appropriate services to at risk children and families. The local management structure for the Middlesex County CPMT is as follows:

Middlesex County CSA Organizational Structure



OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM ACTIVITIES

Observation #1:

Criteria:

Compliance and Internal Control

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Five (5) out of 16 case files were examined to confirm that required documentation was maintained in support of and to validate FAPT referral and CPMT funding decisions. Exceptions were noted for two (2) of the five (5) selected cases (40%). The results of the examination identified opportunities for improvements based on client case files that did not always contain sufficient information demonstrating compliance with CSA requirements key to the coordination and service planning by FAPT. Data omitted from case files reviewed is depicted in the table below.

Description	# of Cases	Error Rate
Consent to exchange information *	1	20%
Measurable goals, objectives, and strategies identified to achieve goals	1	20%
Missing Discharge CANS	2	40%

*A consent form was provided by Middlesex CSA Office, but the form did not contain the client's name, therefore, the auditor could not attest to the applicable client record examined.

The design of the Individual Family Service Plan (IFSP) used by Middlesex County CSA Office does not afford the FAPT an opportunity to document client's strengths, measurable goals and objectives, strategies and discharge planning on the service plan. In addition, the template does not have a designated space to evidence family participation and/or consent to the service plan. Middlesex has been documenting FAPT and family participation and consent in the FAPT minutes. In June 2014, the CPMT adopted new policies and procedures that have an updated IFSP template that includes required data elements. However, the reference document was not utilized as intended.

Insufficient data collection and poor document management in service planning may lead to operational and fiscal inefficiencies and ineffectiveness of the local program. Further, this condition fosters an environment that makes the program more susceptible to potential loss of accessibility to State funding in support of local programs as a result of non-compliance with CSA statutes regarding service planning and access to pool funds.

Recommendations

- The CPMT should ensure that all required documentation is maintained to attest to the service planning activities and funds expended.
- CSA Office should obtain consent to exchange information forms for all clients and the form should clearly identify the child name and the parent or legal guardian providing consent.
- CPMT should ensure that the CSA Office uses the current IFSP template adopted in their policies and procedures manual.
- CANS assessments (initial, re-assessment and discharge in accordance with Middlesex County Utilization Review Policy) should be completed in CANVaS and maintain in client record.

Client Comment

“The Middlesex CPMT will reformat consent forms to ensure that all client information is added to the document and ensure that discharge CANS are completed for all clients. In addition, new IFSP forms have already been put into use that will capture all client strengths, measurable goals, objectives, etc. to ensure service planning effectiveness.”

Observation #2:

Criteria:

Compliance and Internal Control

Middlesex CPMT has formally adopted a procedure to address the collection and maintenance of Student Testing Identifiers (STI) numbers however; it is not in accordance with the requirements of the joint memorandum from OCS and the Department of Education (DOE). According to the joint memorandum from OCS and the Department of Education (DOE) dated 10/29/10, beginning FY 2011 “each CPMT should develop a specific procedure locally for the collection and maintenance of this information.” The listing at a minimum should contain the STI number, student name and service placement type. Middlesex CPMT did not maintain a listing of (STI) numbers in accordance with the requirements established in the directive. The CSA Coordinator provided a list to the auditor; however, upon review of the list, the student’s name and service placement type was not captured.

Recommendations

Middlesex County CSA program uses the Thomas Brothers (TB) system which provides a mechanism to capture the required data elements in accordance with the OCS and DOE joint memorandum. Middlesex CPMT should immediately revise their current policy to align with the requirements set forth in the memorandum. In addition, the CPMT should consider using the module in TB to maintain the listing.

Client Comment

“The CSA Coordinator has researched utilization of Thomas Brothers to produce a report with all data elements necessary to capture information related to this criterion.”

B) Fiscal Activities

Observation #3:

Criteria:

Compliance and Internal Control

A formal process has not been established for the reconciliation of CSA reported balances and the locality’s reported general ledger account balances. The OCS auditor was provided a reconciliation that Middlesex County’s external auditors completed. Standard industry best practices dictate cash receipts, appropriation, expenditures and fund balance reconciliations are formally reconciled at least monthly. Monthly reconciliations further enhance the reliability of information pertaining to the availability of pool funds and the financial position of the CSA program that is used for management decision making.

Recommendation

The CPMT should ensure that a process is established for fully reconciling the CSA balances, to include appropriations, expenditures, revenues, and cash (where applicable) with local government general ledger accounts.

Client Comment

“The Middlesex CPMT will request that the locality reconcile expenses on a monthly basis.”

CONCLUSION

Our audit concluded that there was a deficiency and internal controls that could adversely impact the reliability and integrity of information pertaining to CSA client records. An exit conference was conducted on March 22, 2016 to present the audit results to the Middlesex CPMT. Persons in attendance representing the Middlesex CPMT were as follows: Rebecca Morgan, DSS Director, CPMT Chair designee and Moriah Elkins, CSA Coordinator. Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the Middlesex Community Policy and Management Team and related CSA staff for their cooperation and assistance on this audit.

REPORT DISTRIBUTION

Scott Reiner, Interim Executive Director
Office of Children's Services

Matt Walker, CPMT Chair and County Administrator

Rebecca Morgan, DSS Director and Fiscal Agent

Moriah Elkins, CSA Coordinator

SEC Finance and Audit Committee