



Office of Children's Services
Empowering communities to serve youth

Audit Preparation and Resource Tools

CHILDREN'S SERVICES ACT (CSA) PROGRAM AUDITS

SESSION AGENDA

- Audit Overview: Rules of Engagement**

- Audit Preparation Resources**

- Group Exercise**

- Highlights**

Audit Overview: Rules of Engagement

Benefits of program evaluation and quality improvement activities:

- Ensure program compliance

- Monitor achievement of goals/objectives

- Assess program effectiveness

Rules of Engagement

Notifications

- Audit plan published on CSA website (updated annually)
- Courtesy telephone call
- Official Engagement Letter

Preparations

- Entrance Conference
- Requests for information

Reporting Results

- Preliminary observations (verbal and/or written)
- Exit Conference
- Final Report (published on CSA website)

Audit Preparation Resources

CSA Website

- CSA User Guide
- Self Assessment Workbook
- Audit Reports

Local Program

- Internal Quality Assurance Assessments
- Corrective Action Plans

Audit Preparation Resources: CSA User Guide

<http://www.csa.virginia.gov/Resources/PolicyGuides>

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Audit Preparation and Resources: CSA Self-Assessment Workbook



SELF ASSESSMENT WORKBOOK

FOR

LOCALLY ADMINISTERED CSA PROGRAMS

Self - Assessment Workbook

The self-assessment workbook is designed to facilitate OCS and locally administered Children's Services Act (CSA) programs efforts to ensure that:

- the objectives of CSA are achieved, and**

- the decisions of the State Executive Council (SEC) are implemented accordingly.**

The intended objective of the Self-Assessment workbook is to assess and promote:

- Internal Controls/Best Practices**

- Compliance**

- Quality Improvement**

Important Note: The self-assessment workbook does not include local compliance requirements established that are uniquely specific to individual Community Policy and Management Teams (CPMT). However, localities are encouraged to assess compliance with local requirements when completing the Self-Assessment Workbook.

To promote Multidisciplinary collaboration and maximize limited available resources, all CSA stakeholders are encouraged to participate in the completion of the Self-Assessment Workbook.

Stakeholders include, but are not limited to:

- CPMT members**
- CSA Coordinators**
- FAPT members**
- Fiscal Agents**
- Local government representatives**
- Utilization Management (UM)/Utilization Review (UR) staff**



- Local CSA programs are strongly encouraged to use the workbook to assess the local program during any period when an audit has not been scheduled.**

- No requirement to report results of completed self-assessments to OCS where not on the scheduled audit plan.**

How do we prepare for an audit using the Self-Assessment Workbook?

The background of the quote is a dramatic sunset or sunrise over a body of water, with dark, heavy clouds in shades of grey and black, and bright orange and yellow light breaking through near the horizon. The water in the foreground is dark with white foam from waves. A large, semi-transparent red 'X' is drawn over the text.

**The best preparation for
tomorrow is doing your best
an audit today.**

H. Jackson Brown, Jr.

A. Bacote

ANSWER: Short Version

- Complete all sections**
- Document areas of concerns**
- Develop quality improvement plan (QIP)
(addresses areas of concern)**
- Monitor implementation of QIP**
- Report accomplishments to stakeholders**

Upcoming slides will offer suggestions for performing the assessment.

Performing Assessments: Section I - Governance

This section is primarily composed of questions and tasks to evaluate program oversight and highlight/suggest internal control best practices. There are no right or wrong answers, but should rather generate discussion whether further action by the CPMT may be warranted. The topics addressed includes:

- Organizational Structure Worksheet**
- Management Philosophy Worksheet**
- Policies and Procedures Worksheet**
- Process Narratives/Flowchart Worksheet**
- Monitoring Worksheet**
- Organizational Level Internal Control Assessment Survey**

Section I: Governance

FAQ:

If the evaluation participants conclude that the local program does not meet the assessment criteria, are we required to perform the tasks described while completing or prior to submittal of the self-assessment workbook to OCS.

ANSWER:

No. The CPMT may elect to exercise its discretion to do so, but it is not required. If the CPMT elects not to complete the tasks described in the assessment criteria, the CPMT should consider whether to document a quality improvement plan to address observed concerns.

Performing Assessments: Section II – Risk Management

This section is primarily composed of questions and tasks to evaluate the CPMT's risk management practices, particularly identification of potential risk concerns and management's (CPMT) response to those concerns. There are no right or wrong answers, but should rather generate discussion whether further action by the CPMT may be warranted. The topics addressed includes:

Risk Assessment Worksheet

Risk Assessment Worksheet Supplement

Fraud Risk Questionnaire

Section II: Risk Management

FAQ:

How do we identify and document our risk?

ANSWER:

To some degree you may have already, through informal collaborative discussions and activities. Examples include community needs assessments coordinated with the Annual Gap Survey and/or Promoting Safe and Stable Families (PSSF) Grant Plans.

While the Annual Gap Survey and PSSF Grant Plans are useful tools to initiate discussion, localities are strongly encouraged to document risks identified and management (CPMT) response using the Risk Assessment Worksheet found in the Self-Assessment Workbook or another resource that captures similar information.

The next slide provides an illustration of common risk categories that can also be used to generate discussion.

POTENTIAL RISK CATEGORIES

CATEGORY	EXPLANATION	Example
Technical or IT	Associated with operation of applications or programs including computers or peripheral security devices.	Data breach, equipment failures, outdated technology hardware/ software, etc.
Operational	How infrastructure relates to business operations and protection of assets; strategic planning and organizational objectives	Workplace hazards, threat/loss of office to conduct business, human resource allocations, staff competencies, etc.; impediments to achievement of organizational goals/objectives
Financial	Encompass events that will have a financial impact on the program.	Insufficient funds, fraud, theft, financial reporting errors, etc.
External	Those events that impact the program, but occur outside of it's control.	Availability of service providers, judicial decisions, natural disasters, etc.
Compliance	Failure to comply with mandated Federal and State laws, regulations, policies, and procedures.	Children's Services Act (CSA) Free and Appropriate Public Education Act (FAPE).
Reputational	Activities that may result in negative publicity for the program	Actions that do not support the mission of the program, events that are perceived negatively by stakeholders (i.e. conflicts of interest violations), etc.

Performing Assessments: Section III – Internal Control Assessment

This section is primarily composed of questions and tasks to evaluate the local CSA program's system of internal controls. Internal controls are practices, policies, and procedures for assuring the achievement of an organization's objectives, operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies. There are no right or wrong answers, but should rather generate discussion whether further action by the CPMT may be warranted. The topics addressed includes:

- Internal Control Worksheet**

- Internal Control Questionnaire**

Performing Assessments: Section IV - Training

This section is primarily composed of questions and tasks to evaluate the CPMT's efforts to ensure stakeholders tasked with implementing CSA are competent, qualified, and knowledgeable of CSA requirements and related resources (federal, state, local, and community). There are no right or wrong answers, but should rather generate discussion whether further action by the CPMT may be warranted.

While OCS offers some CSA related training, localities are encouraged to provide training pertaining to practices, policies, and procedures that are locality specific.

Section IV: Training

Resources made available through OCS:

- Annual CSA Conference
- CSA Coordinators Academy
(for new CSA Coordinators)
- Virginia Learning Center (On-line Learning Center)
 - OCS Webinars
 - OCS Training Calendar
(for training events sponsored by partnering organizations)

Performing Assessments: Section V - Compliance

This section is composed of compliance criteria established by the Code of Virginia, Children's Services Act (statutory) and policies adopted by the State Executive Council (SEC). It offers a great opportunity to build upon your locally established quality assurance and accountability processes and procedures. In this section, the local program should carefully examine local practices, policies, and procedures, and activities to determine the current status of achieving the compliance criteria: met (i.e. full), in progress (i.e. partial w/explanation), or non-compliance. It is also important to note that the activities in this section are mostly at the operations/transaction level, whereas Sections I through IV focused primarily on management's oversight responsibility. Activities in this section include:

- Compliance Assessment Worksheet**
- Compliance Assessment Supplemental Worksheets**
- Local CPMT Compliance Assessment Worksheet**

Section V: Compliance

- FAQ 1:** The workbook instructions references selecting a sample of client case files to test compliance. How many client files should we include in the sample?
- ANSWER:** The CPMT should decide that number, based on a reasonable representation of the total number of clients served during the period selected for review. For example, it would not be reasonable and/or prudent to select sample size of five (5) when your program has served 300 clients during the service period.

Section V: Compliance

FAQ 2: How do we select the sample to be reviewed?

ANSWER: Ideally the sample should be randomly selected and includes a representation of the diversity of clients served (i.e. residential, special education, treatment foster care, intensive care coordination, etc.).

TOOLS: These resource tools may assist you with identifying your client populations and random selections: CSA Data Set, Harmony or Thomas Brothers applications, locally managed client lists, and Microsoft Excel Random Number Generator.

Section V: Compliance

FAQ 3:

Several areas in the compliance section of the workbook instructions include a sample selection. May we use the same sample or do we have to select a different sample for each review area?

ANSWER:

Absolutely, you may use the same sample selection for each compliance area tested. However, the number of cases reviewed should be representative of that review area. Note: The same sample may also be used to assess local compliance.

EXAMPLE:

If your initial sample selection included only one special education (SPED) file and your total SPED client population is 100, you should consider expanding your sample size for that specific service area.

Section V: Compliance

FAQ 4:

When should you check the status boxes for full, partial, or non compliance?

ANSWER:

Full: You should check the status box full when your review of the area determines that there were no errors detected and/or if your program did not engage in a transaction during the period of review that applies to that specific the criteria.

Partial: You should check the status box partial when your review of the area determines that you can evidence that you are in the a process of meeting the criteria though not yet complete and/or if you determine a minimal number of errors detected relative to your sample size that meet the assessment criteria (e.g. two errors out of 30 transactions tested).

Non: You should check the status box non when your review of the area determines that you have transactions that meet the criteria and you cannot demonstrate compliance accordingly and/or if you have a significant number of errors detected relative to your sample size that meet the assessment criteria (e.g. Ten errors out of 30 transactions tested).

Section V: Compliance

FAQ 5: What documentation do I need to retain?

ANSWER: You must retain documentation of the manner in which your sample was selected, to include: source of the data, total population used for selection, sample size selected, and methodology (random, judgmental, statistical, etc.).

You must retain a list of the client files that were selected and reviewed, noting who performed the review. This may be recorded on the same document you used to evidence your sample methodology.

You must retain a summary of the results of your review. This may be recorded on the same document you used to evidence your sample methodology and/or listing of client files reviewed.

Performing Assessments: Section VI – Quality Improvement

In this section, the CPMT is encourage to develop and document a plan to address areas of concern that were observed during the self-assessment process. The quality improvement plan should incorporate tasks to be implemented, anticipated date of completion, and person(s) responsible for monitoring status of quality improvement plans. The quality improvement planning process complements to compliance monitoring and thus offers a great opportunity to build upon your locally established quality assurance and accountability processes and procedures. The workbook includes a template that you can use to document and monitor the process.

[☐ Quality Improvement Plan Worksheet](#)

[☐ Quality Improvement Plan Worksheet Supplement](#)

Section VI: Quality Improvement

FAQ 1: Do we have to use a separate worksheet for each internal control weakness (see workbook sections I through IV) or non-compliance (see workbook section V) observation identified?

ANSWER: Ideally, yes. We encourage you to utilize the worksheet, because it provides a consistent structure for which to monitor implementation of your quality improvement. Using separate worksheets allows the CPMT to strategically distribute task and monitoring responsibilities, ensuring targeted focus and reporting is given to specific task assigned.

Note: Use of the supplemental worksheet is not required. Local programs may elect to use a reasonable facsimile as long as the following elements are present: task, responsible party, implementation date, and signature of CPMT Chair.

Performing Assessments: Section VII - Certification

The certification section of the workbook is important because it serves to report the acknowledgement and conclusion by the CPMT of the overall assessment of the local CSA program. The OCS Program Audit Activity will independently validate the conclusion documented by the CPMT Chair on the Statement of Acknowledgement and Certification. The independent validation steps are discussed later. Contents of this section includes:

CERTIFICATION WORKSHEET

STATEMENT OF ACKNOWLEDGEMENT & CERTIFICATION

Section VII: Certification

- **Non-compliance with the statutory requirements of the CSA are significant, as they represent non-compliance with the laws of the Commonwealth of Virginia. If your local evaluation includes a determination of non-compliance with a legislative requirement (Code of Virginia, Appropriation Act, etc.), the certification acknowledgement should indicate that there was a significant non-compliance observation.**
- **For internal control evaluations, a significant weaknesses in internal controls is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. For example, instances where management decisions may override/circumvent approved policies and procedures.**

Audit Preparation Resources: Audit Reports



The screenshot shows the OCS website interface. At the top left is the OCS logo and tagline. The top right has links for 'Agencies', 'Government', and 'Search Virginia.Gov', along with the 'Virginia.gov' logo. A navigation bar contains links for 'Home', 'About', 'Parents & Family', 'Local Government', 'Resources', 'Statistics and Publications', and 'Contacts'. Below the navigation bar is a large banner image of five diverse children smiling, with a 'Local Government' label overlaid on the left. Underneath the banner is a 'Program Audits' section. On the left side of this section is a sidebar with a 'Program Audits Overview' link and a 'Final Audit Reports' link. The main content area of the 'Final Audit Reports' section is titled 'Final Audit Reports' and '2017', and lists 14 county final reports.

Local Government

Program Audits

Program Audits Overview

Final Audit Reports

Final Audit Reports

2017

- Amherst County Final Report
- Appomattox County Final Report
- Arlington County Final Report
- Augusta Staunton Waynesboro Final Report
- Bath County Final Report
- Bland County Final Report
- Botetourt County Final Report
- Brunswick County Final Report
- Buckingham County Final Report
- Charlotte County Final Report
- Charlottesville Final Report
- Clarke County Final Report
- Culpeper County Final Report
- Cumberland County Final Report

Audit Reports

- May inform discussions and decision making that affect program quality improvement efforts. Include CSA specific and other related audits and/or reviews (e.g. local government annual financial audits or internal audits, Title IV-E reviews, etc.)**

- Provide an opportunity to discover from other programs where improvements may be warranted in your program.**

- Allows for identification and correction of deficiencies prior to the next audit.**

Internal Quality Assessments & Corrective Action Plans

- Results of on-going monitoring activities; may be reflected in CPMT minutes and accompanying reports.**
- Documented tasks and strategies to address deficiencies and/or management concerns**
- For CSA program audits, corrective action plans are referred to as “Quality Improvement Plans (QIP).”**

QIP Considerations

An actionable plan should

- Describe tasks to be completed in sufficient detail to ensure that it will address the identified concern.

- identify reasonable timeframes to implement quality improvement; formal plans may be used as a “punch list” to encourage timely resolution of noted deficiencies.

- identify parties responsible for ensuring implementation and communicating progress to the CPMT.

- Be monitored to ensure concerns are resolved satisfactorily or strategies/tasks are modified where appropriate.

Sorry, this event has been

CANCELLED



<https://www.youtube.com/watch?v=ru0K8uYEZWw>



GROUP EXERCISE

For the remainder of the workshop, we will use case studies and supplemental materials to demonstrate how to use the resources discussed when preparing for a CSA program Audit.

- Case Studies

- Abridged version of the actual workbook

- Abridged version of an Audit Report

- Sample Quality Improvement Plan

Participants are encouraged to ask questions



Highlights

Being prepared for an audit provides reasonable assurance and evidence of:

- Program compliance

- achievement of goals/objectives

- Assessment of program effectiveness

Highlights

Available resource tools include, but are not limited to:

- CSA User Guide – Useful information that provides general guidelines for audit engagements (see Section 13)**
- CSA Self-Assessment Workbook – Allows for internal assessment of governance and compliance activities.**
- Audit Reports – Opportunity to discover from other programs where improvements may be warranted in your local program.**
- QIP - Monitor to ensure concerns are resolved satisfactorily or strategies/tasks are modified where appropriate.**

QUESTIONS OR COMMENTS...CONTACT:

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