



COMMONWEALTH of VIRGINIA

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

Scott Reiner, M.S.
Executive Director

July 25, 2019

Mr. Rodney Gordon, CPMT Chair
Essex County CSA Program
P. O. Box 1004
Tappahannock, VA 22560

RE: Essex County Children's Services Act (CSA) Program Audit
Self-Assessment Validation, File No. 51-2019

Dear Mr. Gordon,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Year 2019, the Essex County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local CSA Program. An on-site visit was scheduled and conducted by OCS Program Auditors on November 23, 2018 and May 13, 2019 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 Essex County CSA program, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Essex 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 Essex County CSA. The explanation for our assessment results are as follows:

The Essex County CPMT 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 organizations internal control structure are e considered significant. Specifics pertaining to the Essex County CSA Program are detailed on pages 2-5 of this report.

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.

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

1. Membership of the Essex County CPMT and Family Assessment and Planning Team (FAPT) was not in accordance with the requirements established by Code of Virginia (COV) [§ 2.2-5205](#) and [§ 2.2-5207](#) as follows:
 - A. An “elected official or appointed official or his designee” has not been named to the CPMT.
 - B. CPMT nor FAPT has a parent representative among their membership.
 - C. A private provider representative had not been appointed to serve as a member of the CPMT. However, a private provider representative serves as a member of the Essex County FAPT. The role of private provider is optional for FAPT. The CPMT would have met the Children’s Services Act compliance requirements regarding the private provider representative had they elected to have the private provider serving on the FAPT appointed to CPMT instead.

The absence of the local elected/appointed official, parent and the private provider representatives impedes the intent of CSA to create a collaborative system of services and funding that includes both representatives of public agencies and the community.

2. The Essex County CSA Program expended \$23,626 and was reimbursed \$14,523 (state share) in Fiscal Years 2018 where: (1) the initial Child and Adolescent Needs and Strengths (CANS) assessments were not completed, (2) services funded were not evidenced in an Individual and Family Services Plan (IFSP), and/or (3) CPMT’s authorization of funding could not be verified. Exceptions were noted in 43% (6 of 14) of client cases reviewed. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements and policies.

Client	Exception Code	Service Description	Period	Questionable Costs**	
				Total	State Share
D-007	3	Congregate Care Educ.	Nov 17	\$1,258	\$773
J-006	2	Mentoring	Jun 17	\$663	\$408
H-005	1	Mentoring	Nov 17	\$1,080	\$664
M-001	1	SPED Private Day	Sep – Dec 17	\$13,650	\$8,390
G-498	1	Mentoring	Aug – Nov 17	\$2,655	\$1,632
G-498	2	Mentoring	Dec 17	\$720	\$443
L-002	1	SPED Private Day & Mentoring	Sep – Dec 17	\$3,600	\$2,213
Total (All Clients)				\$23,626	\$14,523

**Figures were based on client payment history reports.

Exception Code Descriptions:

- 1 Missing Initial CANS
- 2 Services not in an IFSP
- 3 Missing evidence of CPMT funding authorization

Criteria: COV Sections [§ 2.2-5206](#), [§ 2.2-5208](#), and [§ 2.2-5212](#); Children’s Services Act Policy Manual, Sections 3.5 Records Management and 3.6 Mandatory Uniform Assessment Instrument

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS - CONTINUED

3. Assessments of parental co-payments were not documented to evidence parental ability to share financial responsibility for costs associated with services provided to 86% (12 of 14) eligible youth whose case files were examined. In addition, CSA expenditure reports of refunds collected indicated that Essex County CSA Program has not collected any parental contributions in fiscal years 2014 through 2018. The opportunity lost for collection of additional funds is significant and could influence the local program's ability to increase funding availability for services required to meet the needs of the community.

Criteria: COV [§ 2.2-5206](#), Item 3 and [§ 2.2-5208](#), Item 6

SIGNIFICANT NON-COMPLIANCE - REPEAT OBSERVATIONS

The non-compliance observations referenced in this report were also identified in the prior audit report issued January 10, 2017. The Essex County CPMT submitted a quality improvement plan with July 1, 2017 as the target date for completion. The CPMT, as the governing body, is responsible for on-going monitoring of the QIP to ensure timely implementation of the plan and that the actions taken are continuously working as intended.

4. The Essex County CPMT has not coordinated and documented a formal long-range plan that explicitly identifies and documents performance measures, objectives, strategies to aid in evaluating the effectiveness and accountability of the local CSA program. The ability and likelihood 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 that ensures the goals and objectives of the program are met may affect local efforts to better serve the needs of youth and families in the community.

Criteria: COV [§ 2.2-5206](#), Item 4

5. The Essex County CPMT has not documented and implemented a utilization management plan to assess overall program effectiveness based upon aggregated data collected pertaining to utilization of CSA resources and funding. Monthly meeting minutes and accompanying reports did not evidence review of :

- A. "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", or
- B. track the utilization and performance of residential placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative's homes, family-like setting, or their community."

Utilization management is a key element in CPMT monitoring activities in assessing the validity and effectiveness of services purchased, which is critical to ensure that the CPMT is well informed when carrying out its decision-making responsibilities.

Criteria: COV [§ 2.2-5206](#), Items 6 and 13

RECOMMENDATIONS: NON-COMPLIANCE OBSERVATIONS

1. The Essex County CPMT should ensure that composition of the CPMT and FAPT meets the minimum requirements established by CSA statute. The CPMT should actively recruit to fill vacancies when they occur. Documentation of recruitment efforts should be maintained.
2. 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 and expenditure payment processing decisions.
3. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the CPMT agrees with the observations regarding questioned costs. 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.
4. The CPMT should ensure that the FAPT and/or CSA Coordinator documents parental ability to contribute, which is supported by verification of stated income or certification stating indigent status. The amount assessed should be reported to the CPMT along with the request for approval for funding of FAPT referred services. Such documentation should be retained in the case file for the required records retention period.

RECOMMENDATIONS: REPEAT NON-COMPLIANCE OBSERVATIONS

1. The Essex County CPMT should coordinate with CSA stakeholders' to develop, document, and implement a long-range plan to guide the locally administered CSA program. The process should include development of a formal risk assessment process and measurable criteria to be used for evaluation of program accountability and effectiveness. The CPMT could initiate the discussion using information collected in the most recent Annual Service GAP Survey that has been completed by the Essex County CPMT and/or other community needs assessments.
2. The CPMT should periodically review and analyze local and statewide data provided in OCS management reports that are available on the CSA website, specifically but not limited to:
 - CSA Continuous Quality Improvement (CQI) Tools
 - [CQI Dashboard](#)
 - [CQI Dashboard Instructions Manual](#)
 - [CQI Dashboard Codes](#)
 - [CQI Documentation Template with Instructions \(Download\)](#)
 - [CQI Terms and Definitions](#)
 - [CQI Training](#)
 - OCS Reports to the General Assembly
(web link: <http://www.csa.virginia.gov/OCSDData/ReportsPublications>)

The results of Utilization Management review and analysis should be documented in the CPMT meeting minutes along with any supplemental materials presented.

SIGNIFICANT INTERNAL CONTROL WEAKNESS

Fourteen (14) client case files were examined to validate conclusions reported by the CPMT. The results of that review indicates service-planning documentation needs improvement. At least one exception was noted in 100% of the case files reviewed, as noted in the table below. Inconsistent and incomplete documentation lessens the integrity of data maintained to support decisions made on behalf of the local CSA program. In addition, it further undermines stakeholder confidence that the data used in decision-making is reliable.

Exception Description	Error Rate
A. IFSPs omitted data elements (discharge planning and signature page).	21% (3 of 14)
B. Inconsistencies documented in IFSPs, FAPT notes, and funding requests (service name descriptions, services recommended, duration of services)	29% (4 of 14)
C. Expenditures for community-based services provided to students with disabilities were misclassified in financial reports (11 eligible cases).	82% (9 of 11)

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

RECOMMENDATIONS

To establish quality control of client records and to ensure compliance with CSA policy and statutory requirements, the CPMT should establish a process whereby someone other than the CSA Coordinator should perform periodic case reviews. As a component of the quality control process, the CPMT should consider incorporating use of the [CSA Documentation Inventory](#), which is available on the CSA website.

CLIENT COMMENTS – ALL OBSERVATIONS

See Attachment

The Essex County CPMT has submitted a quality improvement plan to address the observations outlined in this report. 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 Essex County CPMT and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. Please feel free to contact us should you have any questions.

Sincerely,



Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Michael Lombardo, Essex County Administrator
Mary Davis, CPMT Fiscal Agent
Angela Self, CSA Coordinator

ATTACHMENT – CLIENT RESPONSE

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Essex County Children's Services Act (CSA) Program Audit

Self-Assessment Validation, File No. 51-2019

Essex County CPMT Response

July 15, 2019

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

1. Membership of the Essex County CPMT and Family Assessment and Planning Team (FAPT) was not in accordance with the requirements established by Code of Virginia (COV) § 2.2-5205 and § 2.2-5207 as follows:

- A. An "elected official or appointed official or his designee" has not been named to the CPMT.
 - 1) Ms. Mary Davis serves as a member of the Essex County CPMT and is the Essex County designee for the Essex County Administrator.
 - 2) Sheriff Walter Holmes serves as a member of the Essex County CPMT as an elected official.
- B. CPMT nor FAPT has a parent representative among their membership.
 - 1) The Essex County CPMT has been unsuccessful in recruiting parent representatives. Renewed recruitment efforts will begin July 15, 2019.
- C. A private provider representative had not been appointed to serve as a member of the CPMT. However, a private provider representative serves as a member of the Essex County FAPT. The role of private provider is optional for FAPT. The CPMT would have met the Children's Services Act compliance requirements regarding the private provider representative had they elected to have the private provider serving on the FAPT appointed to CPMT instead.
 - 1) The Essex County CPMT will extend an invitation to the private provider currently serving on the FAPT to consider joining the CPMT effective July 15, 2019. If this private provider wishes to remain a member of the FAPT, the CPMT will seek another private provider to serve in this capacity, assuming that another private provider exists in the community.

2. The Essex County CSA Program expended \$23,626 and was reimbursed \$14,523 (state share) in Fiscal Years 2018 where: (1) the initial Child and Adolescent Needs and Strengths (CANS) assessments were not completed, (2) services funded were not evidenced in an Individual and Family Services Plan (IFSP), and/or (3) CPMT's authorization of funding could not be verified. Exceptions were noted in 43% (6 of 14) of client cases reviewed. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements and policies.

- 1) Additional internal controls have been established to ensure compliance with CSA statutory requirements and policies.
 - a. The CSA Coordinator and CPMT ensures that requested CSA services do not begin prior to obtaining FAPT review and recommendation to CPMT and CPMT approval of authorization for funds.
 - b. The CSA Coordinator and Finance Administration ensures that the CANS and IFSP have been completed accurately.
 - c. The CSA Coordinator ensures that the provider is currently licensed, has executed a contract with the Essex County CPMT and is approved as provider for the Essex County CSA Program.

ATTACHMENT – CLIENT RESPONSE

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- d. Once CPMT approves authorization for funds, a copy of this authorization is given to the CSA Coordinator, Finance Administration, and the Case Manager. The original authorization is sent to the provider for their signature and return to the CSA Coordinator who will file the authorization in the provider file and CSA case record.
- e. Upon receipt of provider invoices for services, the CSA Coordinator
 - i. Reviews the authorization for funds to ensure that the services provided have been approved by CPMT.
 - ii. Reviews the CANS and IFSP to ensure that the services invoiced are identical to those noted on the IFSP and certifies that the CANS is accurate and up to date during the period that invoiced services were delivered.
 - iii. Reviews the invoice for accuracy and ensures that the services provided are noted correctly in the providers' rate sheet and the correct CSA services category approved by the CPMT on the authorization for funds. The CSA Coordinator contacts the provider to correct any discrepancies identified in the rate, service category, or amount of invoice.
 - iv. The CSA Coordinator notates on the invoice the appropriate CSA category/payment code and then gives the invoice to Finance Administration.
- f. Upon receipt of provider invoices from the CSA Coordinator, Finance Administration.
 - i. Reviews the authorization for funds to ensure that the services provided have been approved by CPMT.
 - ii. Reviews the CANS and IFSP to ensure that the services invoiced are identical to those noted on the IFSP and certifies that the CANS is accurate and up to date during the period that invoiced services were delivered.
 - iii. Reviews the invoice for accuracy and ensures that the services provided are noted correctly in the providers' rate sheet and the correct CSA services category approved by the CPMT on the authorization for funds.
 - iv. Verifies that the invoice has been accurately notated with the appropriate CSA category/payment code.
 - v. Initiates accounts payable process.
 - vi. Finance Administration gives the provider invoices and pre-check list to the CPMT Chairman for review and approval before issuing payment.
- g. Upon receipt of provider invoices from Finance Administration, the CPMT Chairman
 - i. Reviews provider invoices for accuracy of coding and payment categories.
 - ii. Approves pre-check list and returns it along with provider invoices to Finance Administration.
- h. Upon receipt of provider invoices from the CPMT Chairman, Finance Administration, issues payment to providers.

ATTACHMENT – CLIENT RESPONSE

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3. Assessments of parental co-payments were not documented to evidence parental ability to share financial responsibility for costs associated with services provided to 86% (12 of 14) eligible youth whose case files were examined. In addition, CSA expenditure reports of refunds collected indicated that Essex County CSA Program has not collected any parental contributions in fiscal years 2014 through 2018. The opportunity lost for collection of additional funds is significant and could influence the local program's ability to increase funding availability for services required to meet the needs of the community.

- 1) Currently a FAPT checklist of all documentation required prior to presentation of a case to FAPT is provided to the case manager; parental co-payment assessment is listed as one of these required documents.
- 2) CSA Coordinator requires that the parental co-payment assessment is presented during the initial case presentation to FAPT. No recommendation for funding will be made by FAPT without the completed parental co-payment assessment.

SIGNIFICANT NON-COMPLIANCE - REPEAT OBSERVATIONS

4. The Essex County CPMT has not coordinated and documented a formal long-range plan that explicitly identifies and documents performance measures, objectives, strategies to aid in evaluating the effectiveness and accountability of the local CSA program. The ability and likelihood 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 that ensures the goals and objectives of the program are met may affect local efforts to better serve the needs of youth and families in the community.

- 1) During its February 11, 2019 regular meeting the Essex County CPMT adopted a strategic plan for the Essex County CSA Program. This was a first step toward developing a formal long-range plan as recommended.
- 2) The Essex County CPMT will continue to develop a long-range plan that will explicitly identify and documents performance measures, objectives, strategies to aid in evaluating the effectiveness and accountability of the Essex County CSA program. Target date for completion is July 15, 2020.

5. The Essex County CPMT has not documented and implemented a utilization management plan to assess overall program effectiveness based upon aggregated data collected pertaining to utilization of CSA resources and funding. Monthly meeting minutes and accompanying reports.

- 1) The Essex County CPMT acknowledges that while a utilization review plan was implemented, March 15, 2015, the case managers have been inconsistent in performing these reviews and presenting this information to FAPT and subsequently to CPMT.
- 2) Beginning August 2019, the CSA Coordinator will be making a renewed effort to encourage case managers to perform utilization reviews following the Utilization Review Policy adopted by the Essex County CPMT March 31, 2015.
- 3) Case Managers will be required to present utilization review reports to FAPT following the scheduled outlined in the Essex County CPMT Utilization Review Policy.
- 4) The CSA Coordinator will present a summary of these utilization reviews during the regular Essex County CPMT meeting. These reviews will be notated in the CPMT meeting minutes.

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SIGNIFICANT INTERNAL CONTROL WEAKNESS

Fourteen (14) client case files were examined to validate conclusions reported by the CPMT. The results of that review indicates service-planning documentation needs improvement. At least one exception was noted in 100% of the case files reviewed, as noted in the table below. Inconsistent and incomplete documentation lessens the integrity of data maintained to support decisions made on behalf of the local CSA program. In addition, it further undermines stakeholder confidence that the data used in decision-making is reliable.

- 1) The CSA Coordinator will ensure that IFSP documentation, FAPT notes and minutes as well as the proper service name descriptions, recommendations and the duration of services are accurately recorded.
- 2) With respect to paragraph "C" the agency was unaware until November 2018 that there was an incorrect coding issue with respect to mentoring services. Historically mentoring services had been coded as ADP- Special Education Private Day Placement as these services were requested by Essex County Special Education. This has been corrected.
- 3) Moving forward mentoring services will be coded as Community Based Services unless the student being referred for mentoring services meets the qualifications of SPED Private Day & Mentoring Services.