

***COMPREHENSIVE SERVICES ACT
PROGRAM AUDIT***

Gloucester County

Audit Report No. 6-2014

October 7, 2014



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EXECUTIVE SUMMARY

The Office of Comprehensive Services has completed an audit of the Gloucester County Comprehensive Services Act for At Risk Youth and Families program. Our audit concluded that there were material weaknesses in internal controlsⁱ, particularly in reference to operational, fiscal, and governance practices. Conditions were identified that could adversely impact the effectiveness and efficient use of resources, as well as non-compliance with statutory requirements. The following significant issues were identified:

- Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with local and state CSA policies and procedures were not met resulting in an estimated questionable cost totaling \$7,299.60.
- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Our examination found client files were missing consent to exchange information, measurable goals and objectives, completed CANS Assessments, discharge CANS Assessments and missing parental co-pay assessments.
- Information and data security practices and procedures pertaining to CSA client records and data have not been consistently applied to ensure that sensitive and confidential information maintained is adequately secured from unauthorized access and/or alteration. A complete listing of active and inactive CANVaS users was not maintained by Gloucester CSA Office.
- Internal controls established by CSA statutes 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.
- The CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of the current risks, strengths and needs of the existing system, as well as establishing and documenting measurable criteria for evaluating the effectiveness of the local CSA program.

The Office of Comprehensive Services appreciates the cooperation and assistance provided on behalf of the Gloucester County Community Policy and Management Team and other CSA staff. Formal responses from the Gloucester County Community Policy and Management Team to the reported audit observations are included in the body of the full report.

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Program Auditor

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Program Auditor

ⁱ Material weaknesses in internal controls is defined by Statement of Auditing Standards No. 117 issued by the American Institute of Certified Public Accountants as “a deficiency, or combination of deficiencies, in internal control over compliance, 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.” The CSA Program audit is not an audit of financial statement, therefore; an opinion on management assertions presented in the locality Comprehensive Annual Financial Report is not being rendered.

INTRODUCTION

The Office Comprehensive Services has completed a financial/compliance audit of the Gloucester County Comprehensive Services Act for At-Risk Youth and Families 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 September 19, 2014 and covered the period February 1, 2013 through January 31, 2014.

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 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.

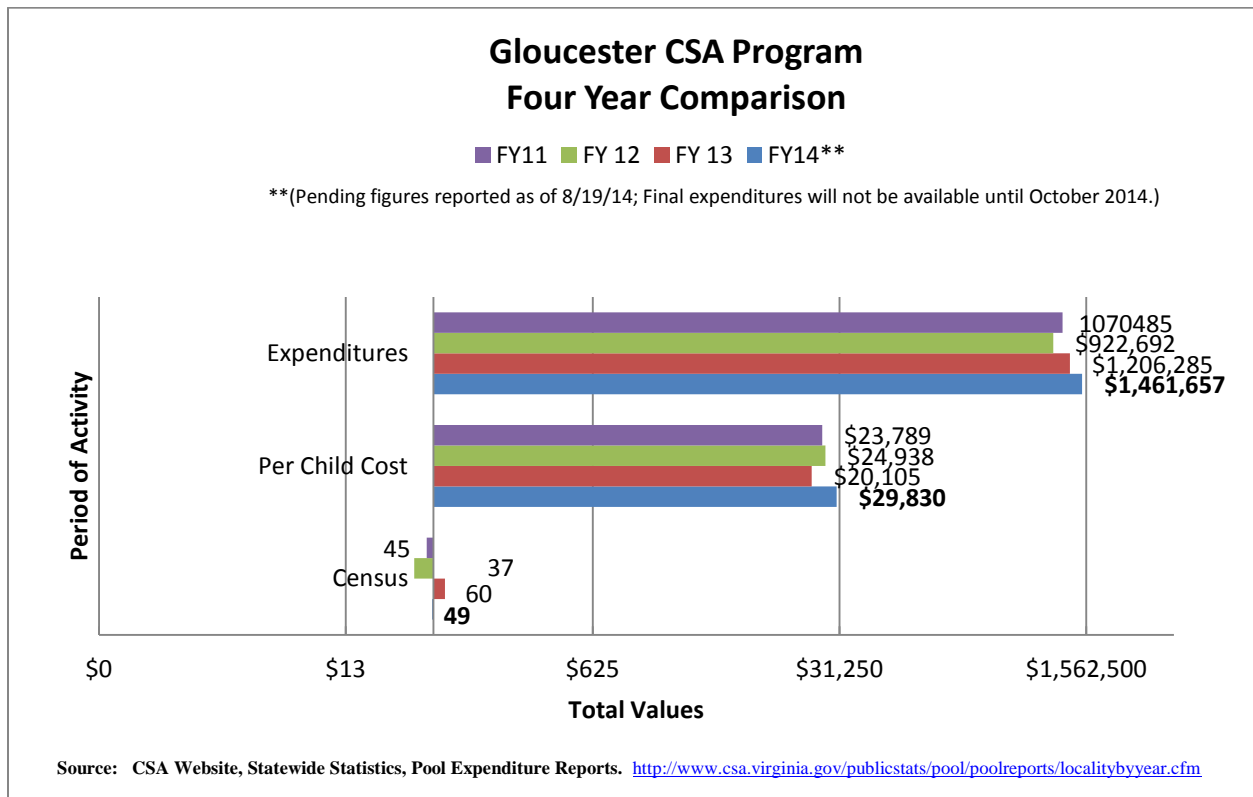
The scope of our audit included youth and their families who received CSA funded services during fiscal year 2013 and 2014. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

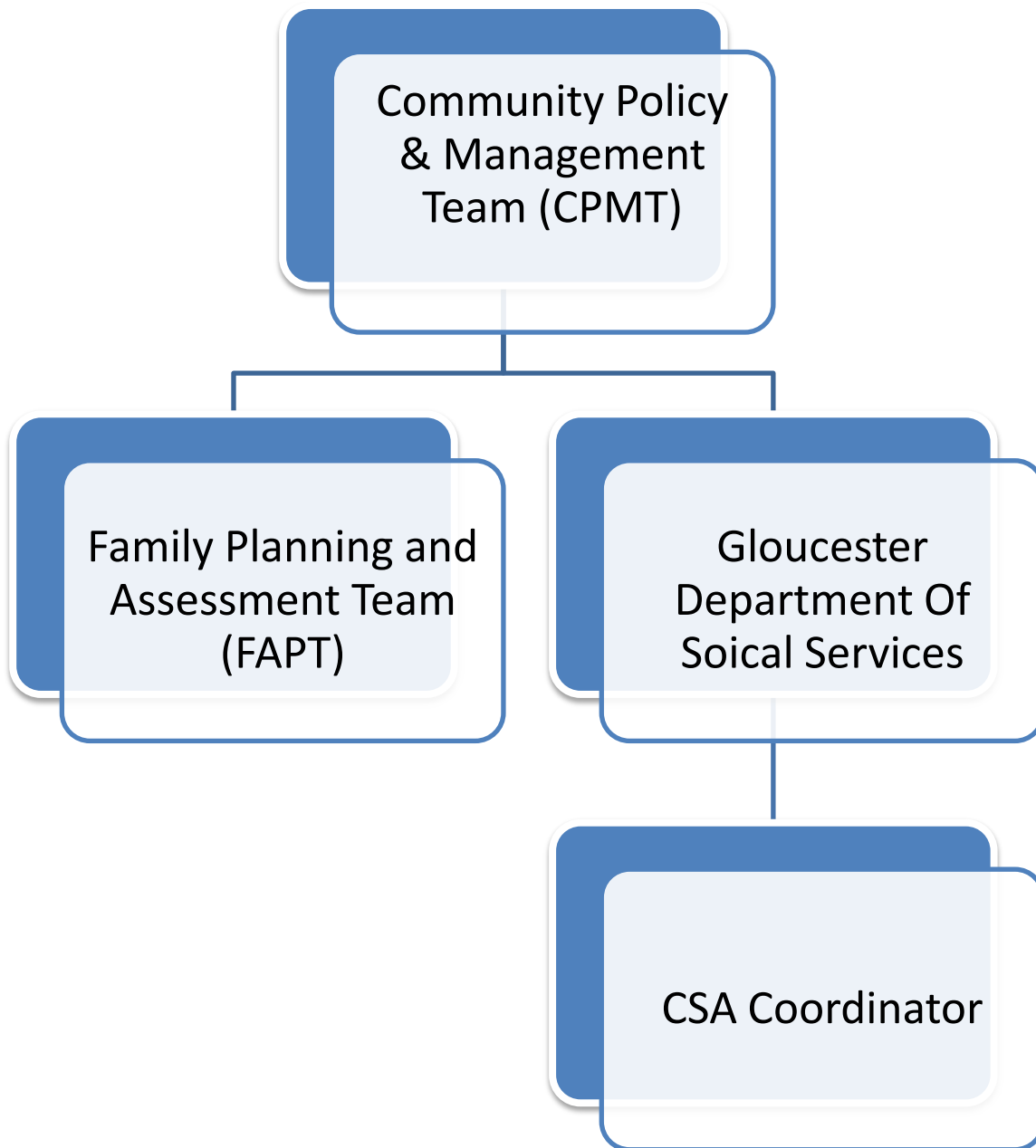
Gloucester County was created in 1651 and covers approximately 225 square miles, located just 75 miles east of Richmond, Virginia. The County is a part of the Hampton Roads and Middle Peninsula planning districts and borders the York River and the lower Chesapeake Bay. According to the US Census, the estimated population in Gloucester for 2013 is 36,843 and the median household income from 2008 - 2012 is \$60,752.

The Comprehensive Services Act for At-Risk Youth and Families (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 \$269.8 million appropriated by the Virginia General Assembly, the total combined state and local allocation for the Gloucester County for FY13 and FY14 was \$1.5 million. Actual net expenditures for fiscal year 13 totaled \$1,206,285. As the date of this report, the estimated expenditure totals for fiscal year 14 are \$1,461,657.

The estimated \$1,461,657 expenditures were used to provide services to approximately 49 youths. Based on reported figures for fiscal year 2012, the average per capita cost for CSA in the Gloucester County is \$40. The estimate FY 14 reimbursed expenditures for Gloucester County increased by 21 % compared to FY 13. Despite the increase in expenditure the number of youth served decreased by 18% compared to FY 13 thus, resulting in an increase of 48% in the cost per child served. The charts below depict a comparison for fiscal years 2014 through 2011 for Gloucester County.



The state funds, combined with local community funds, are managed by local interagency teams, referred to as the “Community Policy and Management Team (CPMT) which plans and oversees services to youth. Gloucester County (CPMT) was established to comply with this statute. The CPMT is supported in this initiative administratively by a CSA Coordinator (vacant), and 1 FAPT team responsible for recommending appropriate services to at risk children and families. The local management structure for the Gloucester County CPMT is as follows:



OBSERVATIONS AND RECOMMENDATIONS

A) FISCAL ACTIVITIES

Observation 1: Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with State and local CSA policies and procedures were not met.

In order to be eligible for funding for services through the state pool of funds, a youth, or family with a child, shall meet one or more of the eligibility criteria specified the Code of Virginia § 2.2-5212 and shall be determined through the use of a uniform assessment instrument and process and by policies of the community policy and management team to have access to these funds.

- For one case tested CANS assessments were not completed because the client was non-mandated and services were initially being paid out of Mental Health Initiative (MHI) funds. In addition, the CPMT did not approve the use of CSA pool funds for this client. The total questioned cost equaled \$7,299.60.
- One client's expenditures are coded to the incorrect service type in the pool fund report. The client was receiving intensive in home services but the expenditure is coded to intensive care coordination (ICC). Since both services are a community bases service there is no financial impact.

Criteria: COV § 2.2-5212; 2011 Appropriations Act, Chapter 890, Item 274, § B.9 § 2.2-5206. Community policy and management teams; powers and duties Item 9; CSA Manual Section 4.4 - Restrictions on Pool Fund Usage Toolkit; COV §2.2-2648(D)(20).

Recommendation: Gloucester CPMT should ensure adherence with all state policies regarding allowable costs before accessing state pool funds, which includes, but is not limited to, CPMT approval of expenditures and an annual CANS assessment entered into CANVaS on all youth. The CPMT should conduct a review of the all CSA cases not tested

during the audit to assess how many funded cases did not have CANS assessments completed and/or proper approvals to access pool funds during the review period. In addition, the CPMT should ensure the proper coding in the pool fund reports. Upon completion of the review, the CPMT should report results (i.e. number of cases without a CANS assessment, cases without proper authorization to access pool funds and dollars spent) to the auditor for determination of the extent of non-compliant practices and identification of expenditures that could be subject to denial of funds policy in accordance with COV §2.2-2648(D)(20).

Client Comments:

“The Gloucester CPMT concurs with the finding however, it should be noted that in 1 case that was previously determined eligible for Mental Health Initiative funding reverted to a CSA matter after the fact and therefore no opportunity existed to properly comply with IFSP, CANS, and Parental Co pay procedures.

The incorrect service type noted as ICC when it should have been IIH will be corrected with OCS as it was a typographical and data entry error.

A review is in progress of all CSA cases to ensure proper assessments and proper coding has occurred. A report of those findings will be provided to the auditor.”

Observation 2:

Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services. Assessments of parental co-payments for 2 out of the 6 cases were not documented to evidence parental ability to share financial responsibility for costs associated with services provided to eligible youth. In addition, the auditor noted that Gloucester has not reported any collections of parental co-payments since FY 11.

It is Gloucester CSA program policy for the Case Manager to assess parental co-pays for the children receiving non-IEP services listed on the IFSP and for FAPT to approve the financial contribution. Families would be assessed a monthly contribution of 5% of gross income or the actual cost of services whichever less for all non-residential services. All residential services co-pays follow the Code of Virginia Guidelines for determining child support. Not assessing parents’ ability to share in financial responsibility for costs associated with services provided to their

child and not collecting parental co-payments is a material weakness in that it impacts the local program’s ability to increase funding availability for services required to meet the needs of the community. In addition, not assessing parental ability to pay and not collecting parental co-payments inappropriately obligates state dollars and does not demonstrate sound fiscal accountability of taxpayer funds.

Criteria: [COV § 2.2-5208 \(6\)](#) CSA Manual Section 3.1.5 Duties and Responsibilities; CSA Manual Section 4.5.4 Sliding Fee Scale; Local Policy Parental Co-Pay; Gloucester Family Assessment and Planning Team Guidelines VII. Case Manager Responsibility and X Parental Co-pay

Recommendation: Gloucester CPMT should ensure that the all parental co-payment assessment are complete and funds are collected and reported to OCS as are required by state statute. The CSA Coordinator should review all case files for non-IEP services and determine that parental co-payment assessments have been completed. The CSA Coordinator should document efforts to collect delinquent accounts by the CSA office, and report to the auditor the potential loss in collections.

Client Comments “All non-IEP cases have been reviewed for parental co-payment and none were found to be delinquent. A report of this review will be made to the auditor.”

B) PROGRAM ACTIVITIES

Observation 3: Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Six case files were examined to confirm that required documentation was maintained and to validate that FAPT and /or multi-disciplinary team (MDT) process was administered appropriately. The results of the examination, identified opportunities for improvements as follows:

# of Case Files	Exceptions to Compliance requirement
2 (33%)	Missing and/or incomplete consent to exchange information forms
3 (50%)	Missing measurable goals and objectives on IFSP
1 (17%)	No documented strengths of child and family on IFSP
1 (17%)	CANS Assessment not completed
3 (50%)	No discharge CANS Completed
2 (33%)	No Parental Co-Pay Assessment Completed

At least two of the described exceptions were observed in four of the six cases files examined.

Insufficient data collection and poor document management in service planning may lead to increased operational and fiscal inefficiency 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.

Criteria:

Code of Virginia Section 2.2-5209; CSA Manual 3.2.5. FAPT Duties and Responsibilities. CSA Manual 8.1 and Toolkit “Utilization Management” Utilization Management and Review. Policies and Procedures for Access to CANVaS [COV § 2.2 5210](#); [COV § 2.2-2648.D.13](#); Requirements and Recommendations Frequency of Administration of the Virginia Child and Adolescent Needs and Strengths Assessment (CANS) for the Comprehensive Services Act (CSA) dated December 2013; Local policies section VII Utilization Management Review (UM/UR)

Recommendation:

The CPMT should conduct an immediate review of all cases files to ensure that all required elements of the IFSP are properly documented and updated to support recommended services. Short and long-term goals and objectives are specific to the child and family needs and are measurable with stated timeframes for achieving stated goals. Case files contain CANS assessments, (initial, re-assessment and discharge in accordance with Gloucester’s Utilization Review policy and state requirements), parental co-pay assessments and releases to exchange information forms are in the case files to ensure compliance with applicable state and local policies.

Client Comments:

“The Gloucester CPMT has begun the process of reviewing all case files to ensure that the IFSP’s are properly documented and that case files contain CANS documents and Parental Co-pay. Additional training will be provided to the FAPT and case managers regarding measurable short and long-term goals. In addition, closer attention will be paid to Consent to Exchange forms as it pertains to the ending date.

It should be noted that in 1 case that was previously determined eligible for Mental Health Initiative funding reverted to a CSA

matter after the fact and therefore no opportunity existed to properly comply with IFSP, CANS, and Parental Co-pay procedures.”

Observation 4:

Information and data security practices and procedures pertaining to CSA client records and data have not been consistently applied to ensure that sensitive and confidential information maintained is adequately secured from unauthorized access and/or alteration. The acting CSA Coordinator provided the auditor with a listing of 13 current case managers, and 10 active, inactive, and supervisors CANVaS users for the audit period under review. The auditor compared the listings provided by the acting CSA Coordinator to the Locality Staff Certification List Report out of CANVaS, and only five individuals were reflected on this report. Of the five, two of the individuals shown on the CANVaS report were reflected on the lists provided by the acting CSA Coordinator. One individual shown on the CANVaS report is not shown on the lists provided by the acting CSA Coordinator. That individual’s certification expired November 28, 2013, although access to CANVaS has not been terminated as of March 13, 2014. Two individuals reflected on the acting CSA Coordinator provided CANVaS users listing were properly removed once they terminated their employment. The auditor requested that Gloucester reconcile the two lists (Locality Staff Certification List Report and the acting CSA Coordinator CANVaS user list) and identify who should have access to CANVaS and provide it to the auditor. To date that list has not been provided.

In order to maintain and protect the integrity, confidentiality, and security of the client level personal identifying information (PII), access to CANVaS should be restricted to personnel who have a qualified business need to the system. Gloucester CSA program has not identified an individual as a CANVaS Report Administrator, who would be deemed responsible for providing authorization for access to CANVaS. Per the policies and procedures for access to CANVaS when an employee leaves his/her position, supervisors must contact the Help Desk directly or the Designated Super User/Report Administrator for the locality to deactivate a user’s account. Leaving accounts open could potentially jeopardize the confidentiality of the information that has been entered.

Criteria:

Access to CANVaS User Manual; DOA ARMICS Control Activities, IT Best Practices

Recommendation: The Acting CSA Coordinator should determine which individuals have a business need to have access to CANVaS. Further, she should ensure all users have a signed user agreement, have been properly trained and certified on CANS. The CPMT should designate someone as the locality’s Super User/Report Administrator so he/she can periodically monitor user accounts and ensure accounts are deactivate timely.

Client Comment: “The Acting CSA Coordinator working in conjunction with the locality Super User/Report Administrator (Megan Grothaus) and OCS staff will ensure all persons listed as active in the CANVaS system have user agreements, copies will be obtained and certification status regularly updated. Accounts will be monitored and deactivated timely. Additionally the locality will secure a second Super User/Report Administrator.”

C) CPMT ADMINISTRATION

Observation 5: Internal controls established by CSA statutes and local policies 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. Statements of Economic Interest Forms were not completed by Gloucester CPMT and FAPT members that did not represent a public agency as required by statute. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are significantly reduced, based on the increased opportunity for possibility that interest, were not appropriately disclosed by required parties.

Criteria: COV Sections: [§ 2.2-3100](#); [§ 2.2-3101](#); [§ 2.2-3117](#); [§ 2.2-5205](#); [COV § 2.2-5207](#); DOA Agency Risk Management and Internal Control Standards, Control Activities

Recommendation: The CPMT for the County of Gloucester should ensure that the Statement of Economic Interests Form is completed immediately for all non-public participating members of the CPMT and FAPT. Forms should be updated annually and retained in accordance with records retention procedures.

Client Comment: “This matter has been addressed by the Gloucester CPMT. Until forms are completed according to CPMT Policy, no individual currently appointed will be permitted to vote until proper forms are

completed and all reappointments will be in compliance and updated annually and retained pursuant to June 2014 CPMT policy.”

Observation 6:

The CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of the current risks, strengths and needs of the existing system, as well as establishing and documenting measurable criteria for evaluating the effectiveness 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 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.

Criteria:

[COV § 2.2-5206](#), Items 4, 6, and 13, CSA Manual 3.1.5 Duties and Responsibilities, Toolkit [Coordinated Long Range Planning](#) DOA Agency Risk Management and Internal Control Standards, Control Environment

Recommendation:

As required by CSA statute the CPMT must develop procedures for documenting long range planning that ensures the development of resources and services needed by children and families in their county. The process should include development of formal risk assessment process and measurable criteria to be used for evaluating program effectiveness. The CPMT could initiate the discussion using the information collected in the completion of the annual gap survey.

Client Comment:

“The Gloucester CPMT has begun discussion for developing procedures for documenting long range planning using measurable criteria to determine program effectiveness.”

Observation 7:

Written policies and procedures are not consistent with State statutes, established state CSA guidance, and/or best practices

which direct the CPMT to ensure that procedures are established to govern local CSA programs. A review of Gloucester CPMT policies and procedures noted the following criteria were not met:

- Gloucester implemented a policy in 2013 stating all CPMT meetings will be closed to the public, and they would no longer have open and closed sessions, which is a violation of state code. The Code of Virginia and the Freedom of Information Act (FOIA) states all meetings of public bodies shall be open unless an exemption is properly invoked. An acceptable exemption to this statute is when the CPMT is considering the appropriateness of services and/or expenditures for a particular child and/or family, or discussing a personnel matters etc. The Code of Virginia also requires every public body to give notice to the public of the date, time, and location of its meetings. Notification should be placed in a prominent public location at which notices are regularly posted. Any officer, employee, or member of a public body, if found in court, to have willfully and knowingly violate this statute, the court shall impose a civil penalty of not less than \$500 nor more than \$2,000. For a second or subsequent violation, such civil penalty shall be not less than \$2,000 nor more than \$5,000. These amounts shall be paid to the state Literacy Fund.

Inconsistent policies and procedures with state requirements present a material internal control weakness in governance and compliance with statutory requirements.

Criteria:

[COV § 2.2-5206](#), Item 17, CSA Policy Manual 3.1.5 Duties and Responsibilities COV § 2.2-3707; COV [2.2-3711](#); Chapter 37 of Title 2.2 The Virginia Freedom of Information Act (Effective July 1, 2011), COV 2.2-5208,

Recommendation:

The Gloucester CPMT should revise and update its policy and procedure manual and incorporate the policy that has not been addressed in the manual (as noted above) to ensure compliance with state statutes, CSA guidance and best practices.

Client Comment:

“The Gloucester CPMT is in the process of revising its Policy and Procedures regarding open and closed sections of the meetings. “

Observation 8:

Opportunities exist for the CPMT to improve communication of the local CSA program’s philosophy, ethics, goals, objectives, policies and procedures and performance outcomes achieved by Gloucester CSA Program. While there was a joint CPMT/FAPT/Case managers training session in October 2013, some stakeholders were not able to articulate the purpose, intent, philosophy, goals and objectives of their locally administered CSA program. More group training should be offered to ensure stakeholders understand and can articulate the purpose, the responsibilities of the CPMT, state requirements, local CSA policies and procedures and performance outcomes of the program. This information should be shared with new team members, community stakeholders and families to create greater awareness and understanding regarding accessibility to services, and also to demonstrate high standards for sound fiscal accountability and responsible use of taxpayer funds. Gloucester CPMT has assigned the responsibility of training stakeholders to the CSA Coordinator; however, this position has been vacant for approximately 3 years. Presently, the DSS Director who also serves as the fiscal agent is performing the duties of the CSA Coordinator along with covering vacancies within the DSS office.

Criteria:

[COV § 2.2-5200](#) Intent and purpose; definition, Items A4 through A6 [COV § 2.2-5206](#) Community policy and management teams; powers and duties CSA Manual Section 1, Items 4 through 6 CSA Manual Section 3.1.5.c, Toolkit [Family Engagement Policy adopted by SEC](#) DOA Agency Risk Management and Internal Control Standards, Control Environment (Governance) and Control Activities (Monitoring)

Recommendation:

The Gloucester CPMT should implement a process to enhance communication with partnering agencies, families, and community stakeholders to promote the local CSA program and share information on accessing services, philosophy, ethics, goals, performance, etc. Since the CSA Coordinator position is currently vacant the CPMT should develop alternative means, e.g. create a subcommittee to evaluate the effectiveness of the program. The following actions could be instituted (1) adopting the code of ethics established by the local governing body with reference made in the CPMT by-laws and or policies and procedures, (2) creating a webpage communicating program outcomes, (3) developing brochures/newsletters that can be placed in the FAPT waiting room on days when FAPT meetings are scheduled. The same brochure/

newsletter can be distributed to participating agencies for dissemination when referring families to FAPT for services, (4) conducting periodic assessment of the training needs of its team members, based on the results develop a training curriculum for all stakeholders.

Client Comment:

“The Gloucester CPMT recognizes the continual need for training assessments of its team members and will strive to enhance training procedures in a timely manner as well as complete assessments of team members and provide in-service training as necessary. Additionally, we will look for opportunities to educate stakeholders in our CSA process.

Additionally, the CPMT will review any and all code of ethics established by the local governing body and ensure that any approved adherence to a code of ethics will be included in local CPMT policy.”

CONCLUSION

Our audit concluded that there were material weaknesses in internal controlsⁱⁱ over the Gloucester County CSA program, particularly in reference to governance and accountability of the combined \$1.5 million allocated (state and local) funding for FY 13 and FY 14. Conditions were identified pertaining to the current management structure, operating, and fiscal practices of the locally administered program that could adversely impact the effective and efficient use of resources, as well as non-compliance with statutory requirements. An exit conference was conducted on August 26, 2014, to present the audit results to the Gloucester County CPMT. Persons in attendance representing the Gloucester CPMT were Michael Scheitle, CPMT Chair, Beth Barry, Fiscal Agent and Acting CSA Coordinator, and Tanya Howe, Administrative Associate Gloucester DSS. Representing the Office of Comprehensive Services was: Annette Larkin, Program Auditor. We would like to thank the Gloucester County Community Policy and Management Team and related CSA staff for their cooperation and assistance on this audit.

ⁱⁱ Material weaknesses in internal controls is defined by Statement of Auditing Standards No. 117 issued by the American institute of Certified Public Accountants as “a deficiency, or combination of deficiencies, in internal control over compliance, 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.” The CSA Program audit is not an audit of financial statement, therefore; an opinion on management assertions presented in the locality Comprehensive Annual Financial Report is not being rendered.

REPORT DISTRIBUTION

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