



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

September 17, 2018

Ms. Vicki J. Weakley, CPMT Chair
Eastern Shore CSA Program
P. O. Box 210
Accomack, VA 23301

RE: Eastern Shore Children's Services Act (CSA) Program Audit Self-Assessment
Validation, File No. 49-2018

Dear Ms. Weakley,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Year 2018, the Eastern Shore 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 June 4, 2018 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 Eastern Shore CSA program, our independent validation:

Concurs

Partially Concurs

Does Not Concur

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

The Eastern Shore CPMT 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 deficiencies indicating non-compliance 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 Specifics pertaining to the Eastern Shore CSA Program are detailed on page two (2).

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

1. Formal performance measures and utilization management practices and procedures to assess overall program effectiveness have not been established in accordance with Code of Virginia (COV) [§ 2.2-5206](#), items 6 and 13. CPMT monthly meeting minutes and accompanying reports did not evidence utilization management/utilization review (UM/UR) activities to include:
 - A. 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.
 - B. tracking 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, relatives homes, family-like setting, or their community.
2. Six client files reviewed by Eastern Shore CSA were selected to validate conclusions reported by the CPMT regarding parent contributions. The results of the files examined concluded documentation was not maintained to evidence that parent copay assessments were completed in accordance with COV [§ 2.2-5208](#), Item 6. This exception was observed in 50% (3 of 6) of the client files reviewed.
3. The Eastern Shore CSA Program was reimbursed \$28,940 (state share) in FY 2018 for expenditures incurred that did not meet compliance requirements of CSA. A Child and Adolescent Needs and Strengths (CANS) is required initially, annually, and upon discharge from CSA funded services. The data collected is used to evaluate outcomes and to inform decision-making at the state and local level. For one of the client files reviewed, a comprehensive CANS assessment was not completed annually as required. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements governing access to state pool funds.

Exception	Period Lapsed	Services Funded	TOTAL COST**
Missing annual CANS	July 2017-October 2017	Educational	\$36,045
State Share			\$28,940
Local Share			\$7,105
**Figures based on reports of client payment history and invoices.			

Criteria: COV [§ 2.2-2648](#), Item 16, [§ 2.2-5206](#), Item 12, and [CANS Frequency of Administration - Updated 2013](#)

RECOMMENDATIONS

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

1. The Eastern Shore CPMT should immediately initiate and going forward periodically review of OCS financial and performance reports as required by CSA statute to demonstrate compliance. Management reports are available on the CSA website in the tab labeled "Statistics and Publications". See links below:
 - o <http://www.csa.virginia.gov/OCSDData/ReportsPublications>
 - o [State & Local CSA Performance Measures \(Excel Application\)](#)
 - o [CSA Utilization Reports](#)
2. The Eastern Shore CPMT should consider adding utilization management as a standing agenda item for their regularly scheduled CPMT meetings. The recorded minutes of the CPMT meeting should reflect a summary of CPMT's discussions and actions to be taken, if any. A copy of reports reviewed should be retained with the minutes.
3. 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 file or readily accessible evidencing compliance with CSA statutes to assess parental ability to contribute to the cost of services and required CANS assessments. Case files should be reviewed periodically 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.
4. Prior to approving expenditures for payment, the CSA Office should ensure that the proposed expenditure meets the criteria for CSA funding, including the consideration that all required assessments have been completed.
5. 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.

CLIENT COMMENTS

"Although we do not disagree with the audit findings and are putting processes in place to correct these issues, there are two notations:

1. On 9/4/18 the parental copay on R was emailed to you.
2. The Accomack/Northampton Counties CPMT has been at a significant disadvantage, as the locality has never had a CSA Coordinator. Currently funds have been identified and we are in the process of hiring a CSA Coordinator. We have made significant improvements since the last audit and are putting processes in place to correct these issues."

AUDITOR COMMENTS

The document provided on 9/4/18 was a CSA parental agreement not a parental copay assessment. The parental agreement did not include information pertaining to income and obligations or a specific amount determined as the parent contribution to the cost of services.

INTERNAL CONTROL WEAKNESS

Expenditures were misclassified and recorded incorrectly in pool fund reimbursement requests for one (1) out of six (6) client files reviewed. The client records reviewed documented the mandate type Residential-Congregate Care-CSA Parental Agreement; however all expenditures, including residential room and board, were recorded in the Educational Services-Congregate Care expenditure category. The local incentive match rate for Educational Services-Congregate Care has a lower match rate than Residential-Congregate Care-CSA Parental Agreement, which resulted in the State paying higher share of the costs for services provided. A summary of the questioned cost is shown in the table below:

SERVICE MONTHS	EXPENDITURE CATEGORY – CONGREGATE CARE	TOTAL AMOUNT	INCENTIVE MATCH RATES		
			Local Share		
			Residential	Education	Variance
Jan. 2017 – Feb. 2018	Residential Services – CSA Parental Agreements	\$23,024	0.2916	0.2332	0.0584
MISCLASSIFICATION OF EXPENDITURES			State Share	Local Share	
Actual Reimbursement			\$17,655	\$5,369	
Correct Reimbursement			\$16,310	\$6,714	
Questioned Cost			\$1,345		

RECOMMENDATIONS

1. The Eastern Shore CSA staff and/or fiscal agent should ensure expenditures are reported in the appropriate expenditure category prior to the submission of the pool fund reimbursement report.
2. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether 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

CLIENT COMMENTS

“We concur with the Audit findings. Corrective actions are being put in place, in addition to a new CSA coordinator for continuity.”

Ms. Vickie Weakley, CPMT Chair
September 17, 2018
Page 5

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.

We would like to thank the Eastern Shore CPMT and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. We also would like to acknowledge the assistance and cooperation provided by Vickie Weakley, CPMT Chair during our on-site visit. Ms. Weakley's efforts enabled the audit staff to 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, Executive Director
Michael Mason, Accomack County Administrator
and CPMT Fiscal Agent
Charles Kolakowski, Northampton County Administrator
SEC Finance and Audit Committee