



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

April 25, 2017

Mr. Earl Conklin, CPMT Chair  
Arlington County CSA Program  
1425 N. Courthouse Rd., Suite 5100  
Arlington, VA 22201

RE: Arlington County Children's Services Act (CSA) Program  
Audit Self-Assessment Validation, File No. 09-2017

Dear Mr. Conklin,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Year 2017, the Arlington 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 January 19, 2017 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 Arlington County CSA program, our independent validation:

Concurs                       Partially Concurs                       Does Not Concur

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

***The Arlington County 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 major deficiencies<sup>1</sup> 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 Arlington County CSA Program are detailed on pages two (2) through six (6).***

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<sup>1</sup> 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. The CPMT has not established policies to govern intensive care coordination services. Criteria: COV [§ 2.2-5206](#)
2. Five (5) client case files were examined to validate conclusions reported by the Arlington County CSA program. The results of that review indicate improvement is needed in the documentation of service planning, funding decisions, and utilization reviews. Exceptions as noted in the table below are deemed significant as they are critical to evidencing of the appropriateness of services and compliance with CSA funding requirements. Criteria: COV [§2.2-5208](#); CSA Policy Manual Section 3.5, Records Management; [CANS Frequency of Administration - Updated 2013](#), Arlington County CPMT Local Policies and Procedures for Administration of the Comprehensive Services Act.

EXCEPTION DESCRIPTION	ERROR RATE
Missing consent to exchange information	60% (3 of 5)
Missing evidence of funding authorization for IFSP recommendations; not referenced to CPMT applicable minutes.	100% (5 of 5)
Missing Child and Adolescent Needs and Strength (CANS) Assessments (initial, reassessments, annual, and/or discharge)	100% (5 of 5)
Missing evidence of client case specific utilization review	80% (4 of 5)
Missing determination of Child In Need of Services (CHINS) eligibility and/or applicable signed parental agreements for the two (2) eligible cases.	100% (2 of 2)

3. The Arlington County CSA Program was reimbursed \$76,640 (state share) in FY 2014-2016 for expenditures incurred that did not meet compliance requirements of CSA. Exceptions were noted in 80% (4 of 5) cases reviewed. Areas of non-compliance observed included: (1) services funded were not evidenced as authorized for funding by the CPMT, (2) CANS assessment was not completed as required, (3) CHINS eligibility and/or parental agreements for out of home placement were not documented. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements governing FAPT referrals, making it local government's responsibility for funding the purchased services. Criteria: COV [§ 2.2-5206](#), [§ 2.2-5208](#), [§ 2.2-5209](#), [§ 2.2-5212](#), CSA Policy Manual Section 4.1.1CHINS

CLIENT	ERROR TYPE	FY	QUESTIONABLE COSTS**
001	1	2015	\$3,351
002	2	2015	\$33,439
003	3	2014-2015	\$8,003
004	3	2014-2016	\$31,847
Total (State Share)			\$76,640
**Figures were based on client payment history reports.			

**RECOMMENDATIONS**

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

1. The CPMT should establish and document policies governing the provision of intensive care coordination services.
2. 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.

**RECOMMENDATIONS CONTINUED**

3. 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, CHINS eligibility, and parental agreements have been completed and verified prior to submitting funding requests to CPMT for authorization.
4. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the questioned costs will be voluntarily 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 COMMENTS**

See Attachment

**SIGNIFICANT INTERNAL CONTROL WEAKNESSES**

1. The CPMT's adopted policy/procedure manual was last updated November 2014. While the CPMT has documented discussions to amend select policies (e.g. funding approvals), the amended versions have not been formally incorporated into the official policy manual. Therefore, current operating practices may not align with documented established procedures and could lead to inconsistencies in the implementation of local policies. Other exceptions that pertain to the policy manual include that require updates and/or clarification include the following:
  - Policy manual does not reflect name change to Children's Services Act, effective July 1, 2015, and also includes outdated code citations in the sections that pertain to eligibility and target populations.
  - Page 5 of 31 – Duties and responsibilities of the CPMT does include the requirement to document the dispute resolution process. The process is documented in the policy manual though just not listed as a duty/responsibility of CPMT.
  - Page 6 of 31 – Parent representative membership in item "a" states that the parent representative cannot work for a public or private provider of services to youth. That statement contradicts the preceding paragraph which states "parent representatives who are employed by a public or private program which receives funds pursuant to Title 2.1, Chapter 46 of the Code of Virginia or agencies represented on the CPMT may serve as a parent rep provided that they do not, as part of the employment, interact directly on a regular and daily basis with children or supervise employees who interact directly on a daily basis with children."
  - Page 7 of 31 – Item "D" only requires the parent/private provider representatives to abstain from voting decisions where conflict may exist. The criteria should be reflected in the policy manual to apply to all members of the CPMT.
  - Page 8 of 31 – Delegates authority for funding decisions to FAPT. This practice circumvents intent of CSA to delineate service planning and funding decisions. The matter has been debated extensively by the CPMT leading to changes in local practices. However, the official policy manual has not been updated to reflect those changes.

#### SIGNIFICANT INTERNAL CONTROL WEAKNESSES CONTINUED

- Page 9 of 31 – Quorum consensus for FAPT requires the four agency representatives, which potentially dilutes the votes of parent rep and other non-public officials on the team. This practice is contrary to intent of code for equality among each of the designated representatives.
- Page 11 of 31 – States that a Medicaid provider’s waitlist that exceeds 60 days for a Medicaid funded service is deemed inappropriate. The more appropriate term is unavailable. The delay in access to a service does not mean that the service would not meet the treatment needs of the client.
- Page 11 of 31 – States that court-ordered transportation services to maintain a child in an educational placement may be utilized without FAPT approval. This is contrary to code as the exemption for FAPT review only applies to foster care maintenance. The policy does not clarify that court ordered services for transportation where youth is not in foster care would still require FAPT review of services.
- Page 14 of 31 – Foster care 18-21 does not address policy changes by the Virginia Department of Social Services (VDSS) regarding Fostering Futures.
- Page 17 of 31 – CPMT exempts foster care maintenance and Individualized Education Program (IEP) services from FAPT review, while delegating authorization of funding to FAPT. If not presented to FAPT, the policy does not clarify how the funding of these services is authorized.
- Page 25 of 31 – Foster Care Prevention states short-term stays initiated by the Department of Social Services (DSS) for crisis stabilization, respite, assessment/diagnostic can only be funded under foster care prevention for stays less than 14 days. Short term stays under CHINS FC Prevention always require FAPT approval. As written, the policy suggests that DSS initiated placements do not require FAPT approval for stays less than 14 days. This practice would be contrary to CSA statutes that exempt foster care maintenance only from FAPT review. Therefore, the services require FAPT review. CSA statutes permit funding such services provided that the cases are assessed by FAPT within 14 days of placement.
- Page 26 of 31 – SPED Wrap Services special note states “may only be utilized to fund non-residential services in the home and community (outside of regular school hours)”.....“services may be provided to student and/or to the student’s family.” The policy needs clarification where services are provided to the family (i.e. parent) as services could be provided directly to the parent and could possibly occur during regular school hours.
- Page 28 of 31 – states that CHINServices finding by the court is not sufficient to establish necessary eligibility criteria for CSA funding. This statement should be reconsidered. A documented CHINServices finding by the court meets the eligibility criteria to access CSA funding as the court has determined that the child or youth requires foster care services as defined in [§63.2-905](#). Refer to [Frequently Asked Questions CHINS Eligibility Checklist](#)
- Page 29 of 31 – Appendix B states that the CSA Coordinator and the FAPT Chair will consider the need for periodic review of IFSP progress and decide on and document a date for review. This does not align with Appendix A FAPT Review Requirements.

Criteria: COV [§ 2.2-5206](#), [§ 2.2-5209](#) , [§ 2.2-5212](#) , [CANS Frequency of Administration - Updated 2013](#), [Information for CSA about Fostering Futures](#), VDSS Broadcast 9675 (April 2016), Agency Risk Management and Internal Control Standards (ARMICS), Control Environment and Control Activities

**SIGNIFICANT INTERNAL CONTROL WEAKNESSES CONTINUED**

2. The CPMT documented a quality improvement plan (QIP) to address deficiencies identified during the self-assessment evaluation process. Many of the tasks identified in the QIP developed in 2015-2016 were carried over from the prior self-assessment QIP dated January 30, 2013 where tasks identified were targeted to be completed by June 30, 2013. Applicable areas included: policies and procedures, risk assessment, client file documentation/records management, utilization reviews, intensive care coordination, and CANS assessments. This represents an extended period where management's action in response to significant risk exposures has been delayed. In addition, several action steps in the current assessment's QIP do not include target dates for completion and/or identify responsible parties. Refer to the following sections: Family Engagement, Records Management and Data Security, and Budget and Monitoring. Criteria: COV [§ 2.2-5206](#), ARMICS Control Environment
3. Adequate separation of duties for service planning and funding authorization activities are not always practiced by Arlington County CSA representatives. The rosters identifying CPMT and FAPT members list the same parent representative serving on both teams. A review of CPMT minutes for fiscal years 2015-2016 did not denote the parent representative as abstaining from voting on funding authorizations where they participated in service planning and recommendations during the course of the FAPT meeting. This practice circumvents the internal control inherent in CSA to delineate responsibilities for service planning and funding authorizations. Criteria: COV [§ 2.2-5206](#), [§ 2.2-5208](#), ARMICS Control Environment and Control Activities
4. The certification of 6 (10%) out of 59 CANS users were expired. The certifications of two users had been expired 58 and 103 days respectively. Further review established that one user was no longer employed with Arlington County and the second user had not accessed the CANS system since November 2015, indicating that access privileges were no longer needed. However, the user accounts were not deactivated. Under these circumstances, efforts to ensure data integrity and secure data from unauthorized access could be potentially compromised. Criteria: [Policies and Procedures for Access to Canvas \(updated November 2013\)](#), ARMICS Control Activities over Automated Information

**RECOMMENDATIONS**

**The Arlington County 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 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 and other applicable child/family serving agencies and (b) clarity and consistency in implementation. In addition, the CPMT should adopt a policy that will address the frequency of review of current policies.
2. The CPMT should frequently monitor implementation of the quality improvement plan. Responsible parties for identified task should periodically provide status/progress reports to the CPMT, which should be captured in the CPMT minutes. To facilitate the process, the CPMT should consider establishing an ad-hoc committee and/or incorporate QIP review as a standing agenda item.
3. The CPMT should ensure that adequate separation of duties is maintained pertaining to service planning and funding authorization.
4. The CPMT should ensure that CANS users are properly certified. Periodic reviews should be performed to identify inactive users to ensure that accounts no longer needed are deactivated timely.

**CLIENT COMMENT**

See Attachment

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 Arlington 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 Hadley Corcoran, CSA Coordinator during our on-site visit. Ms. Corcoran'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  
Mark Schwartz, Arlington County Manager  
Glenda Pittman, CPMT Fiscal Agent  
Hadley Corcoran, CSA Coordinator

# ATTACHMENT



## ARLINGTON COUNTY, VIRGINIA COMMUNITY POLICY MANAGEMENT TEAM

1425 N. COURTHOUSE ROAD, SUITE 5100  
ARLINGTON, VIRGINIA 22201



Mr. Earl Conklin, CPMT Chair  
Arlington County CSA Program  
1425 N. Courthouse Rd., Suite 5100  
Arlington, VA 22201  
April 21, 2017

Stephanie S. Bacote  
Program Audit Manager  
Office of Children's Services  
1604 Santa Rosa Road, Suite 137  
Richmond, VA 23229

Dear Ms. Bacote,

Arlington County CPMT is fully committed to compliance with all statutory and regulatory requirements for its Children's Services Act Program. The CPMT is actively reviewing and revising its policies and procedures manual to ensure proper compliance with CSA statutes and regulations. The CPMT is also taking significant steps to strengthen the tools we use to monitor the program and to ensure compliance with our procedures. These efforts are underway and detailed as action items in an updated Quality Improvement Plan, which will be provided as requested. We believe the Quality Improvement Plan (QIP) will successfully address all findings and recommendations of the CSA Audit Report, and will do so in a timely manner.

Below are the client comments to some of the findings of the draft report on Arlington County Children's Services Act (CSA) Program Audit Self-Assessment Validation.

### **Significant Non-Compliance Observations - Client Comments:**

- The Arlington CPMT has developed a Quality Improvement Plan and will update the QIP to address all findings and recommendations of the Audit Report.
- As part of the Arlington QIP, the Arlington CPMT will establish and document policies governing provision of I.C.C services.
- The Arlington QIP will identify improvements in documentation of service planning, funding decisions, and utilization reviews, as noted in the Audit findings. These improvements will ensure documentation is maintained and readily accessible.
- The QIP will ensure that the implementation of CPMT policy and practice will fully comply with COV§2.2-5208; CSA Policy Manual Section 3.5, Records Management; and- CANS Frequency of Administration - Updated 2013. This will include provisions to make certain the initial, reassessment, annual, and discharge CANS are completed within required timeframes.
- CPMT will adopt and implement procedures to ensure that funding for all services provided through the Arlington County CSA Program are specifically authorized by CPMT. Existing procedures will be

# ATTACHMENT

amended to provide documentation of CPMT authorization for funding for Special Education Private Day and for basic Foster Care maintenance services.

- The Arlington CPMT will review established procedures to ensure CHINS eligibility and parental agreements for out-of-home placements are completed and documented in the client record. This will be addressed in the QIP.
- The Arlington QIP will include an action item that updates CPMT procedures for case reviews and quality control of client records. The CPMT will consider adopting the published guidelines pertaining to the CSA Document Inventory and the Utilization Review Guidelines.

## **Significant Internal Control Weaknesses - Client Comments**

- The Arlington CPMT is in the process of updating the CPMT Policy and Procedure Manual and will include this update in the QIP. The CPMT will ensure that the revised manual aligns with CSA statutes and policies and that the manual includes accurate code references and terminology. A schedule for review of the current policy will be included. This process will be defined in the updated Arlington QIP.
- The QIP progress will now be a standing agenda item in the CPMT meetings. An ad hoc committee has been established to address the action items contained in the QIP, and the CPMT will monitor progress in its monthly meeting.
- The CPMT has adopted procedures to ensure the separation of FAPT and CPMT duties in service planning and funding authorization. These will appear as action items in the QIP.
- Through the Arlington QIP process, procedures will be defined and implemented to review CANS users for proper certification and to complete the timely deactivation of inactive users.

On behalf of Arlington County CPMT, thank you for your partnership in providing effective services to the youth served by the Arlington CSA Program. The technical assistance you have provided throughout the audit process has been beneficial, and it will help ensure our future compliance with the regulations for our program.

Sincerely,



Earl Conklin, Chair  
Arlington County CPMT  
Tel. 703 228-7331

cc. Hadley Corcoran, CSA Coordinator  
Tabitha Kelly, Child and Family Services Division Chief, DHS  
Glenda K. Pittman, Chief, Finance and Information Systems, DHS  
Wendy Carria, Supervisor, Special Education, APS