



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

March 6, 2017

Jason Miller, CPMT Chair  
Bath Co. Department of Social Services  
P.O. Box 7  
Warm Springs, VA 24484

RE: Bath County CSA Program Self-Assessment Validation, File No. 17-2015

Dear Mr. Miller,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2016, the Bath County Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Service Act (CSA) Program. An on-site visit was scheduled and conducted by OCS Program Auditors on June 13, 2016 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 Bath County CSA program, our independent validation:

Concurs                       Partially Concurs                       Does Not Concur

with the conclusion reported by the Bath County CPMT that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted on behalf of the Bath County CSA program. The explanation for our assessment results are as follows:

***Bath County Community Policy and Management Team concluded that only non-significant compliance and/or internal control weakness observations were noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies<sup>1</sup> 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. 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.***

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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.

*Such breakdowns in an organization's internal control structure are considered significant. Specifics pertaining to the Bath County CSA Program are detailed below.*

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS  
AND INTERNAL CONTROL WEAKNESSES**

1. Internal controls established by CSA statutes and local policy 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. Non-public members serving on the CPMT and FAPT did not complete the Statement of Economic Interest (SOEI) form as required by statute. The Code of Virginia requires an annual disclosure of economic interest for non-public members serving on the CPMT and FAPT. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds may have been significantly reduced since the required parties did not appropriately disclosed personal interests.

**CRITERIA:** Code of Virginia (COV) §2.2-3100, § 2.2-3101, §2.2.-5205, §2.2.-5207, § 2.2.5210

2. Adequate measures have not been established and/or implemented by the Bath County CPMT to evaluate and ensure accountability and effectiveness of the locally managed CSA program. Opportunities for improvement were noted based on instances of non-compliance with CSA statutory requirements and internal control weaknesses identified as follows:

- The CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of 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.
- A formal process documenting utilization management/utilization review (UM/UR) activity has not been developed and/or implemented by Bath CPMT. Program oversight by the CPMT has not included review and/or assessment of specific reports that summarizes in aggregate program outcomes to demonstrate accomplishment of local program goals and objectives and effectiveness of the services provided correlated with the funds expended. Moreover, the CPMT has not identified goals and objectives for the locality to assess overall program performance.

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 a 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 the youth and families in the community to maximize the use of state and community resources.

**CRITERIA:** COV § 2.2-5206, Items 4, 6, and 13, Department of Accounts (DOA) Agency Risk Management and Internal Control Standards (ARMICS), Control Environment, Control Activities

3. Written policies and procedures are not consistent with State statutes, established state CSA guidance, State Executive Council (SEC) policy and/or best practices which direct the CPMT to ensure that procedures are established to govern local CSA programs. The CPMT has not developed and incorporated policies for providing intensive care coordination (ICC) services for children who are at risk of entering or are placed in residential care through the CSA program in accordance with the criteria established by statute. Inconsistent policies and procedures with state requirements present a significant internal control weakness in governance and compliance with statutory requirements.

**CRITERIA:** COV § 2.2-5206

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS  
 AND INTERNAL CONTROL WEAKNESSES**

4. Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Three (3) of nine (9) case files (33%) reviewed by the Bath County CSA office were examined to confirm that required documentation was maintained in support of and to validate FAPT and/or multi-disciplinary team (MDT) referral, and CPMT funding decisions. The results of the examination, identified opportunities for improvements. All three of the case files examined omitted documentation to demonstrate compliance with CSA requirements key to the coordination and service planning by FAPT. Data omitted from case files reviewed are depicted in the table below:

Description	# of Cases	Error Rate
Consent to exchange information	3	100%
Child and Adolescent Needs and Strengths assessments (CANS) initial, annual and/or discharge	3	100%
Child and Family Strengths	1	33%
Measurable goals and objectives, targets and strategies	1	33%
Treatment plan(s) and progress notes	1	33%

Insufficient data collection and poor document management in service planning may affect efficiency and effectiveness 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:** COV§ 2.2-5206 Item 3, § 2.2-5208 item 6, § 2.2-5210, CANS Frequency of Administration updated 2013, CSA policy Manual 3.5 Records Management

5. Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with State CSA policies and procedures were not met. Eligibility for funding for services through the state pool of funds, per Code of Virginia § 2.2 5212 requires use of a uniform assessment instrument to access funds.

The CANS Assessment is the mandatory uniform assessment instrument approved by the State Executive Council (SEC). In one case examined the CANS had not been completed. Bath CSA relied on CANS completed by the transferring agency. However; the assessment was completed more than a year ago from the time the case was transferred to Bath County. Per CSA Policy, a CANS assessment is required initially and at least annually. The associated questioned cost equaled \$8,504.61 (state share).

**CRITERIA** COV § 2.2-5212, CSA Policy Manual Sections 3.6 Mandatory Uniform Assessment Instrument (Adopted December 18, 2007, Updated May 12, 2008), 4.6 Denial of Funds (Adopted June 23, 2011) CANS Frequency of Administration updated 2013

<p><b>RECOMMENDATIONS:</b></p>	<ul style="list-style-type: none"> <li>• The Bath County CPMT should ensure that the SOEI forms are 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.</li> <li>• The CPMT should coordinate with all stakeholders to document and implement a long-range plan to guide the locally administered CSA program. The process should include development of a formal risk assessment, goals, objectives, and strategies to direct the programs operations.</li> <li>• CPMT should develop measurable criteria for evaluating the achievement of its stated goals and objectives and report progress to all stakeholders at least annually.</li> <li>• The CPMT should develop an ICC policy that addresses the state requirements of the High Fidelity Wraparound (HFW).</li> <li>• The CPMT should ensure that all required documentation is maintained in client case files and periodically reviewed by someone other than the CSA Coordinator to ensure completeness of the file .</li> <li>• The CPMT and the FAPT should ensure consent to exchange forms are completed prior to any services planning activities.</li> <li>• The CPMT and the FAPT should ensure that CANS assessments (initial, re-assessment and discharge) are completed in CANVaS and maintained in client records.</li> </ul>
<p><b>CLIENT COMMENT:</b></p>	<p><b>See Attachment 1 for management response.</b></p>

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.

Jason Miller, CPMT Chair  
Bath Co. CSA Program Self-Assessment Validation  
March 6, 2017  
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We would like to thank the Bath County Community Policy and Management Team 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 Ms. Kim Brown, CSA Coordinator during our on-site visit. Her efforts enabled the audit staff to quickly resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,

  
Annette E. Larkin  
Program Auditor

cc: Scott Reiner, Executive Director  
Ashton N. Harrison, Bath County Administrator  
Pamela H. Webb, Fiscal Agent  
Kim Brown, CSA Coordinator  
Stephanie Bacote, Program Audit Manager  
SEC Finance and Audit Committee

Enclosure

*Comprehensive Services Act  
Bath County Family Assessment and Planning Team  
Bath County Community Policy and Management Team  
P.O. Box 7  
Warm Springs, Virginia 24484  
Phone: 540-839-7271 Fax: 540-839-7278*

*Jason Miller, CPMT Chair*

*Jane Hall, FAPT Chair*

March 3, 2017

Annette E. Larkin  
Program Auditor  
Office of Children's Services  
1604 Santa Rosa Rd., Suite 137  
Richmond, VA 23229

RE: Bath County CSA Program Self-Assessment Validation, File No. 17-2015

Dear Ms. Larkin,

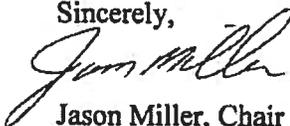
Thank you for the opportunity to respond to your draft report dated February 24, 2017. Bath County Community Policy Management Team held an annual Long Range Planning meeting today and accomplished a great deal. Attached please find the approved:

- Bath County CSA Strategic Plan for 2017
- Bath County CSA Intensive Care Coordination Policy
- Bath County CSA Utilization Management Policy
- Bath County CSA IFSP

Bath County will continue to hold annual Long Range Strategic Planning meetings to provide guidance to the CSA program. This process will include development of a formal risk assessment, goals, objectives and strategies to direct the programs operations.

On March 2, 2017 the Economic Disclosure Forms for both our CPMT parent representative and our FAPT parent representative were faxed to your office. We do not have private providers in our locality and none are present on our FAPT or CPMT. Also faxed was the verification of monthly reconciliation of our budget. We will continue to do this monthly as recommended.

Sincerely,



Jason Miller, Chair  
Bath County Community Policy Management Team