



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

July 30, 2024

Leea Shirley, CPMT Chair
26th District Court Service Unit
10 Baker Street
Winchester, VA 22601

RE: Clarke County CSA Program Self-Assessment Validation (SAV)
Final Report, File No. 27-2024

Dear Leea Shirley,

Per the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2024, the Clarke 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. Based on the review and examination of the self-assessment workbook and supporting documentation completed by the Clarke County CSA program on February 21, 2024, and covering the period January 1, 2023 through December 31, 2023, our independent validation:

Concur

Partially Concur

Does Not Concur

The Clarke County CPMT concluded that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted. The explanations for our assessment results are as follows:

The Clarke County CPMT concluded that there were no significant compliance or internal control weakness observations. Attachment A includes a summary of non-compliance observations reported by the CPMT as nonsignificant. However, validation procedures identified deficiencies indicating non-compliance by the local program and internal control weaknesses that the CPMT did not identify. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully following state law. An adequate system of internal controls is contingent upon the consistent and proper application of established policies and procedures and 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 of the Clarke County CSA Program are detailed on pages 2-3.

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

Observation 1: Expenditure reimbursements were requested and processed to pay services where the requirements for compliance with state and local CSA policies and procedures were unmet. At least one exception was observed in each of the six (6) client records examined to validate compliance, resulting in questioned costs totaling \$13,790.92 (state share). Notable non-compliance observations are detailed in the tables below.

Table A Client File Review Exception Summary – Fiscal Impact (See Attachment B for Breakdown by Client)		
Exception Rate	Description	Questioned Cost (State Share)
83% (5/6)	1. <u>Service Plans</u> . Individual and Family Services Plans (IFSP) provided for review did not include services funded. <i>This exception was also observed in the previous audit.</i> Criteria: Code of Virginia (COV) §2.2-5208	\$7,431.10
50% (3/6)	2. <u>Eligibility</u> . Insufficient documentation establishing eligibility to access funding (Child in Need of Services/CHINS and Special Education Wraparound/). Criteria: COV §2.2-5212, CSA Policy 4.1 Eligible Populations, and CSA Policy 3.5 Records Management	\$7,133.18
17% (1/6)	3. <u>Financial Reporting</u> . Transactions were recorded using the wrong expenditure category and applicable match rate. The error resulted in the local program paying a higher share of the service cost. Criteria: CSA Policy 4.5.2 Pool Fund Reimbursements	(\$773.36)
Due to CSA		\$13,790.92

Table B Client File Review Exception Summary – No Fiscal Impact	
Exception Rate	Description
100% (6/6)	4. <u>Utilization Review</u> . Evidence of utilization review of funded services. CPMT reported the exception as nonsignificant. Criteria: COV § 2.2-5208.
50% (3/6)	5. <u>Parental Contributions</u> . Parent copay assessments were not documented. Criteria: COV § 2.2-5206 and §2.2-5208
50% (3/6)	6. <u>Data Collection</u> . Key data elements were missing from IFSPs, such as discharge planning, measurable goals/objectives, or duration of services. Criteria: CSA Policy 3.5 Records Management
33% (2/6)	7. <u>Confidentiality</u> . Consent to exchange information forms was not obtained for clients who received CSA-funded special education (SPED) and SPED wraparound services. Absent a signed consent to share information between the school and the local CSA program, eligibility to access funding cannot be confirmed. This internal control weakness could expose the program to liability for violations of the Federal Educational Rights and Privacy Act (FERPA) or similar statutes and regulations. Criteria: COV §2.2-5210, CSA Policy 3.5 Records Management, and OCS Administrative Memo #23-10 <u>Eligibility for CSA Funding for Private Special Education Placements</u>
33% (2/6)	8. <u>Data Integrity</u> . The service name description for reported expenditure transactions was miscoded in financial reporting systems. Criteria: CSA Policy 4.5.2

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

Observation 2: CPMT monthly meeting minutes and accompanying reports did not evidence Continuous Quality Improvement/utilization review (CQI/UR) activities to include:

- A. Reviewing local and statewide data provided in the management reports on the number of children placed out of state, demographics, types of services provided, duration of services, child and family outcomes, and performance measures.
- B. Tracking the utilization and performance of 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 settings, or their community.

Criteria: COV [§ 2.2-5206](#) and [§ 2.2-3707](#)

Observation 3: The Clarke County CSA strategic plan presented by the CPMT covered dates effective 2020-2023. CPMT minutes during the review period did not record any discussion of progress toward achieving stated goals and objectives or updates to the adopted strategic plan since December 2021.

Criteria: COV [§ 2.2-5206](#) and [§ 2.2-3707](#)

RECOMMENDATIONS

Observation 1:

1. During service planning, the FAPT and the CSA Coordinator should ensure that minimum documentation requirements are met and relevant documents are maintained in individual client case files.
2. Before funding authorization, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding or other appropriate funding sources. Adequate documentation, including consideration of different funding streams, should be maintained as justification for CPMT funding decisions.
3. FAPT and CPMT should ensure that utilization review activities are recorded for all clients. Following the established utilization review schedule and guidelines, documentation should capture progress or lack thereof with the recommended interventions.
4. Periodic case file reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA statutory requirements.
5. The CSA Coordinator and Fiscal Agent should ensure that expenditure transactions (payments and refunds) are recorded accurately and supporting documentation is maintained accordingly.

RECOMMENDATIONS

Observation 1 (Continued):

6. 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 based on SEC-approved policy 4.7, Response to Audit Findings, of whether the identified actions are acceptable or any additional actions that may be required.

Observations 2 and 3:

1. The CPMT minutes should document the outcome of CQI activities and report strategic planning progress. Utilization management tools and resources are available on the CSA website to support local program efforts to meet compliance requirements.
(<https://csa.virginia.gov/Resources/ContinuousQualityImprovement>).
2. Supporting documentation should be maintained with the recorded minutes.

CLIENT RESPONSE

See Attachment C

OCS respectfully requests that you submit a quality improvement plan (QIP) to address the observations in this report by thirty (30) days from the date of receipt of this report. In addition, we ask that you notify this office when the specified QIP tasks are completed. OCS will conduct a follow-up validation to ensure that quality improvements have been implemented as reported.

We thank the Clarke County Community Policy and Management Team, CSA staff, and partners for contributing to the CSA Self-Assessment Workbook. We also acknowledge Nadia Acosta, CSA Coordinator, who provided excellent assistance and cooperation during our review. Ms. Acosta's efforts enabled the audit staff to resolve any questions/concerns 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
Chris Boies, Clarke County Administrator
Brenda Bennett, CPMT Fiscal Agent
Nadia Acosta, CSA Coordinator

Attachments



CSA Self-Assessment Validation
Clarke County CSA Program Audit- SAV
Summary of Self-Reported Non-compliance Observations

Observations	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date/Status
Lack of utilization review.	COV <u>§ 2.2-5208</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3/15/24 In progress

Auditor Comment: Clarke County CPMT self-reported the non-compliance observation in the table above as nonsignificant. However, compliance criteria are established in the Code of Virginia. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with state law.



**CSA Self-Assessment Validation
Clarke County CSA Program Audit- SAV**

Client File Review Exception Detail – Fiscal Impact					
Rate	Exception Code/Description				
83%	1. Service Plans. Individual and Family Services Plans (IFSP) provided for review did not include services funded. This exception was also observed in the previous audit. Criteria: COV 2.2-5208				
50%	2. Eligibility. Insufficient documentation establishing eligibility to access funding (Child in Need of Services/CHINS and Special Education Wraparound/). Criteria: COV 2.2-5212, CSA Policy 4.1 Eligible Populations, and CSA Policy 3.5 Records Management				
17%	3. Financial Reporting. Transactions were recorded using the wrong expenditure category and applicable match rate. The error resulted in the local program paying a higher share of the service cost. Criteria: CSA Policy 4.5.2 Pool Fund Reimbursements				
Code	Client	Service Description	Period	Total Cost	State Share
1	B	Adventure Camp	Mar 2023	\$1,824.00	\$1,386.42
	C	Equine Therapy	Feb – Sep 2023	\$715.00	\$481.13
	D	Case Support	Dec 2022 ^{Note1}	\$500.00	\$380.05
	E	Mental Health Treatment	Dec 2023	\$1,600.00	\$1,216.16
	F	Mentoring & Family Support Partner	Nov 2022 ^{Note1} / Nov 2023	\$5,219.50	\$3,967.34
2	B	SPED Wraparound Services	Dec 2022 ^{Note1} – Oct 2023	\$13,449.75	\$6,997.90
	C	SPED Wraparound Services	Oct – Nov 2022 ^{Note1}	\$260.00	\$135.28
	E	Mental Health Treatment	Dec 2023	Note2	Note 2
3	D	Independent Living	Nov 2023	N/A	(\$773.36)
Due to CSA				\$23,568.25	\$13,790.92
Note 1: Denotes payments for services incurred were actually paid during the review period. Note 2: Cost of services was included with exception code 1.					



CSA Self-Assessment Validation
Clarke County CSA Program Audit- SAV
Client Response



Children's Services Act
Clarke County, Virginia

July 25, 2024

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

RE: Clarke County CSA Program Self-Assessment Validation Final Report, File No. 27-2024
Response from Clarke County CPMT

Dear Ms. Bacote,

The Clarke County CPMT has received and reviewed the Children's Services Act Program Audit report for Clarke County, Audit Report No. 27-2024. We would like to thank you for your time and effort in both reviewing our CSA program and presenting the findings.

The Clarke County CPMT (CPMT) has actively addressed the non-compliance observations identified, including consideration of the recommendations outlined in the report. The following actions have been taken at this time:

Observation 1, Table A:

1. "Individual and Family Services Plans provided for review did not include services funded."

CPMT adopted using the thorough OCS model IFSP to be used effective March 1, 2024. A training for all Clarke County CSA case managers was completed on 02/20/2024. CPMT has also implemented a review process of all active CSA cases. This review process will occur at least once a year to ensure all IFSP documentation is complete and current.

2. "Insufficient documentation establishing eligibility to access funding (Child in Need of Services/CHINS and Special Education Wraparound)."

CPMT determined a review process is necessary of all active CSA files at least once a year to ensure all eligibility documentation is current and complete. As part of the strategic planning process, CPMT created an online case manager portal. FAPT case managers have access to the portal and documents including a list of required documentation for clients to access to CSA services.

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3. "Consent to exchange information forms was not obtained for clients who received CSA-funded special education (SPED) and SPED wraparound services. Absent a signed consent to share information between the school and the local CSA program, eligibility to access funding cannot be confirmed."

CPMT was able to recover the missing consent forms from the case managers as they were being maintained in the case manager file. The consent forms have been placed in the client's CSA files. CPMT has created a case manager portal that provides access to the required documentation for CSA cases to be brought to FAPT. The CSA Coordinator will not provide a FAPT meeting date for a case until a new or current consent to exchange information is received.

4. "Transactions were recorded using the wrong expenditure category and applicable match rate. The error resulted in the local program paying a higher share of the service cost."

The CSA Coordinator has been completing training to be able to correctly record expenditures and their categories. The Coordinator participated in a virtual training with Thomas Brothers and has been receiving training from the finance department in-house.

Observation 1, Table B:

1. "Evidence of utilization review of funded services.

CPMT reported the exception as nonsignificant." Clarke County CPMT (CPMT) concedes that this is a significant exception. CPMT has determined it is necessary to complete a review of all open case files at least once a year to ensure required utilization review is being completed.

2. "Parental copay assessments were not documented."

The previous understanding had been that SPED Wraparound cases were exempt from parental copay assessments. CPMT has reviewed the policy from the Office of Children's Services regarding parental co-pay assessments and this misunderstanding has been corrected. Parental copay assessments have been completed on all open SPED Wraparound cases and will be completed for any future SPED Wraparound cases. CPMT has created a case manager portal on the Clarke County CSA website that contains a list of all required documentation to open a CSA case. The list has been updated to reflect the need for a parental copay assessment on any SPED Wraparound cases.



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3. "Key data elements were missing from IFSPs, such as discharge planning, measurable goals/objectives, or duration of services."

CPMT implemented a new, more thorough IFSP to be used effective March 1, 2024. A training for all Clarke County CSA case managers on completing the new IFSP was held on 02/20/2024. The CSA Coordinator will provide regular training on how to properly complete the IFSP.

4. "The service name description for reported expenditure transactions was miscoded in financial reporting systems."

The CSA Coordinator will continue to attend any trainings on expenditures and has been working with the financial reporting system to learn how to properly code things. The CSA Coordinator will use financial guidance provided by OCS to ensure all transactions are coded appropriately. The CSA Coordinator and the fiscal agent will continue to work together to ensure that all transactions are recorded and reported accurately.

Observation 2: "CPMT monthly meeting minutes and accompanying reports did not evidence Continuous Quality Improvement/utilization review (CQI/UR) activities."

The Clarke County CPMT has added a section to the regular monthly agenda of CQI/UR and will monitor and discuss utilization rates in the financial report. All supporting documentation will be included in the minutes.

Observation 3: "The Clarke County CSA strategic plan presented by the CPMT covered dates effective 2020-2023. CPMT minutes during the review period did not record any discussion of progress toward achieving stated goals and objectives or updates to the adopted strategic plan since December 2021."

CPMT began creating a new strategic plan to cover FY25-FY27. This plan was finalized in June 2024. CPMT will discuss progress towards stated goals and objectives at least quarterly.

As requested in the draft of the audit report, Clarke County CPMT will also submit a Quality Improvement Plan (QIP) to ensure that the observations and lapses in compliance will be addressed in a timely manner.

Clarke County CPMT would like to express gratitude for the opportunity to respond to the findings and for the engagement with the Clarke County CSA program. We look forward to improving our program in accordance with established guidance and providing the best possible outcomes with fiscal soundness.

Sincerely,

A handwritten signature in black ink that reads "Leea Shirley, RN".

Leea Shirley

Chair, Clarke County CPMT