



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

January 10, 2017

Rodney Gordon, CPMT Chair  
Essex Department of Social Services  
774 Richmond Beach Road  
Tappahannock, VA 22560

RE: Essex County CSA Program Self-Assessment Validation, File No. 35-2015

Dear Mr. Gordon,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Essex 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 by the established due date of March 31, 2015. An on-site visit was scheduled and conducted by OCS Program Auditors on May 12, 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 Essex County CSA program, our independent validation:

Concurs                       Partially Concurs                       Does Not Concur

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

***The Essex County Community Policy and Management Team concluded that there were no significant non-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***

---

<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.

*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 Essex County CSA Program are detailed below.*

<b>SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES</b>
<b>OBSERVATION 1</b>
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 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.
<b>CRITERIA:</b> COV Sections: <a href="#">§ 2.2-3100</a> ; <a href="#">§ 2.2-3101</a> ; <a href="#">§ 2.2-3115</a> ; <a href="#">§ 2.2-3117</a> ; <a href="#">§ 2.2-5205</a> ; <a href="#">§ 2.2-5206</a> ; <a href="#">§ 2.2-5207</a> ; DOA Agency Risk Management and Internal Control Standards, Control Activities
<b>OBSERVATION 2</b>
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 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. It is to be noted that Essex CPMT has a memorandum of agreement (MOA) with the Middle Peninsula Northern Neck Community Service Board; however, the MOA lacks contract specificity (i.e. reporting and/or documentation requirement, training requirements of ICC staff members, and case load limitations etc.) Inconsistent policies and procedures with state requirements present a significant internal control weakness in governance and compliance with statutory requirements.
<b>CRITERIA:</b> <a href="#">COV § 2.2-5206</a> , Community policy and management teams; powers and duties items 6,13,17, CSA Manual 6.1; Utilization Review Guidelines ( <i>Revised June 2009</i> ); Virginia Department of Accounts (DOA), Agency Risk Management Internal Control Standards (ARMICS): (1) Control Environment: Oversight by the Agency's Governing Board, (2) Information and Communication, and (3) Monitoring
<b>OBSERVATION 3</b>
Adequate measures have not been established and/or implemented by the Essex 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 Essex 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 its 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 the 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, Community policy and management teams; powers and duties Items 4, 6, and 13; Department of Accounts (DOA) Agency Risk Management and Internal Control Standards (ARMICS), Control Environment, Risk Assessment, and Control Activities

#### **OBSERVATION 4**

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Three (3) of five (5) case files (60%) reviewed by the Essex 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 were consent to exchange information (2 cases), discharge Child and Adolescent Needs and Strengths assessments (CANS) (2 cases), evidence of utilization reviews (2 cases), and parental co-pay assessments (1 case).

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§Community policy and management teams; powers and duties, item 3 COV § 2.2-5208 Family assessment and planning team; powers and duties item 6 ; § 2.2-5210. Information sharing; confidentiality; Requirements and Recommendations Frequency of Administration of the Virginia Child and Adolescent Needs and Strengths Assessment (CANS) for the Comprehensive Services Act (CSA) *updated\* December 2013*; CSA policy Manual 3.5 Records Management

### RECOMMEDATIONS

- The CPMT for Essex County should ensure that the SOEI form is completed in accordance with the Code of Virginia immediately for all non-public participating members serving on the FAPT.
- The CPMT should develop an ICC policy that addresses the state requirements of the High Fidelity Wraparound (HFW) for vendors contracted to provide ICC services.
- The CPMT should coordinate with CSA stakeholders, develop, 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.
- The CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of utilization review/utilization management activities.
- The CPMT should ensure that all required documentation is maintained in client case files.
- The CPMT and the FAPT should ensure consent to exchange forms are completed prior to any services planning activities.
- The CPMT and the FAPT should ensure that CANS assessments (initial, re-assessment and discharge) are completed in CANVaS and maintained in client records.
- The CPMT and the FAPT should ensure that an assessment of the parent's ability to pay has been completed.

### CLIENT COMMENT

See Attachment A for Management Comments.

Rodney Gordon, CPMT Chair  
Essex County CSA Program Self-Assessment Validation  
January 10, 2017  
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 Essex 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 Katherine Turnage, Co-CSA Coordinator and Angela Dodson Co-CSA Coordinator during our on-site visit. Both of their 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  
Pam Smith, Interim County Administrator  
Mary G. Davis, Fiscal Agent  
Alexis Porter, CSA Coordinator (effective 9/22/16)  
Stephanie Bacote, Program Audit Manager  
SEC Finance and Audit Committee

*Essex County Department of Social Services*

Rodney E. Gordon  
*Director*  
(804)443-3561  
Fax (804)443-8254



772 Richmond Beach Road  
PO Box 1004  
Tappahannock, VA 22560

**ESSEX COUNTY COMMUNITY POLICY AND MANAGEMENT TEAM**

December 27, 2016

Annette E. Larkin,  
Program Auditor  
Office of Children's Services  
1604 Santa Rosa Road, Suite 137  
Henrico, Virginia 23229-5008

RE: Essex County CSA Program Self-Assessment Validation, File No. 35-2015

Dear Ms. Larkin:

We appreciate the extension granted by the Office of Children's Services on November 2, 2016 to allow us to offer management comments in response to the CSA Program Self-Assessment Validation. Below please find our comments to your recommendations as noted in your letter of November 1, 2016.

- The CPMT for Essex County should ensure that the SOEI form is completed in accordance with the Code of Virginia immediately for all non-public participating members serving on the FAPT.
  - ❖ **The Essex County CPMT Concurs.**
- The CPMT should develop an ICC policy that addresses the state requirements of the High Fidelity Wraparound (HFW) for vendors contracted to provide ICC services.
  - ❖ **The Essex County CPMT Concurs and has entered into a Memorandum of Agreement with the Middle Peninsula Northern Neck Community Services Board specifically to provide ICC Services.**
- The CPMT should coordinate with CSA stakeholders, develop, 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.
  - ❖ **The Essex County CPMT Concurs.**

- The CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of utilization review/utilization management activities.
  - ❖ **The Essex County CPMT Concur.**
- The CPMT should ensure that all required documentation is maintained in client case files.
  - ❖ **The Essex County CPMT Concur.**
- The CPMT and the FAPT should ensure consent to exchange forms are completed prior to any services planning activities.
  - ❖ **The Essex County CPMT Concur.**
- The CPMT and the FAPT should ensure that CANS assessments (initial, re-assessment and discharge) are completed in CANVaS and maintained in client records.
  - ❖ **The Essex County CPMT Concur.**
- The CPMT and the FAPT should ensure that an assessment of the parent's ability to pay has been completed.
  - ❖ **The Essex County CPMT Concur.**

Sincerely,



Rodney E. Gordon  
Essex CPMT Chairman

Cc: Scott Reiner, Executive Director  
Pam Smith, Interim County Administrator  
Mary G. Davis, Fiscal Agent  
Stephanie Bacote, Program Audit Manager  
SEC Finance and Audit Committee