



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

March 21, 2017

Ms. Tracie Brewster, CPMT Chair
Floyd County CSA Program
120 West Oxford Street, Building A-2
Floyd, VA 24091

RE: Floyd County Children's Services Act (CSA) Program
Audit Self-Assessment Validation, File No. 36-2015

Dear Ms. Brewster,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Years 2013-2015, the Floyd 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 June 9, 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 Floyd County CSA program, our independent validation:

Concurs Partially Concurs Does Not Concur

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

The Floyd 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 deficiencies¹ 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 Floyd County CSA Program are detailed on pages two (2) through four (4).

¹ 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.	Statement of Economic Interests Forms has not been completed by the parent and private provider representatives of the CPMT and Family Assessment and Planning Team (FAPT). Criteria: COV § 2.2-5205 and COV § 2.2-5207												
2.	Coordination of long-range, community-wide planning in the development of services and resources that explicitly addresses the Floyd County CSA program has not been formally documented. Criteria: COV § 2.2-5206 , Item 4												
3.	The CPMT has not established and documented a policy governing the provision of Intensive Care Coordination Services. Criteria COV § 2.2-5206 , Item 17												
4.	<p>Formal performance measures and utilization management practices and procedures to assess overall program effectiveness have not been established. Client case files, meeting minutes and accompanying reports did not evidence utilization management/utilization review (UM/UR) activities to include:</p> <ul style="list-style-type: none"> ○ 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. ○ track 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. The CPMT contracted with OCS for UR of residential placements. However, the service has not been utilized effectively. CSA Data Set records indicate residential placements in fiscal years 2014-2016. As of June 2016, no residential placement cases have been referred to OCS for utilization review. <p>Criteria: COV§2.2-5206, Items 6 and 13; COV§2.2-5208, Item 9</p>												
3.	<p>Four (4) client case files were examined to validate conclusions reported by the Floyd 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</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Exception Description</th> <th style="text-align: left;">Error Rate</th> </tr> </thead> <tbody> <tr> <td>Individual Family Service Plans (IFSP) missing data elements: strengths, discharge planning, duration of services, parent signatures, evidence of funding authorization, etc.</td> <td>100% (4 of 4)</td> </tr> <tr> <td>Missing Child and Adolescent Needs and Strength (CANS) Assessments (initial, reassessments, annual, and/or discharge)</td> <td>66% (2 of 4)</td> </tr> <tr> <td>Missing parental contribution assessment</td> <td>50% (2 of 4)</td> </tr> <tr> <td>Evidence of client case specific utilization review</td> <td>25% (1 of 4)</td> </tr> <tr> <td>Vendor documents (i.e. treatment plans, progress notes, etc.)</td> <td>50% (2 of 4)</td> </tr> </tbody> </table>	Exception Description	Error Rate	Individual Family Service Plans (IFSP) missing data elements: strengths, discharge planning, duration of services, parent signatures, evidence of funding authorization, etc.	100% (4 of 4)	Missing Child and Adolescent Needs and Strength (CANS) Assessments (initial, reassessments, annual, and/or discharge)	66% (2 of 4)	Missing parental contribution assessment	50% (2 of 4)	Evidence of client case specific utilization review	25% (1 of 4)	Vendor documents (i.e. treatment plans, progress notes, etc.)	50% (2 of 4)
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SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

4. The Floyd County CSA Program was reimbursed \$3,280 (state share) in Fiscal Years 2015 and 2016 where services funded were not evidenced as authorized for funding by the CPMT. In addition, a CANS assessment was not completed as required. 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 [§ 2.2-5208](#), [§ 2.2-5209](#), [§ 2.2-5212](#)

Client	Fiscal Year	Questionable Costs**
001	2015	\$1,159
001	2016	\$2,121
Total (State Share)		\$3,280
**Figures were based on client payment history reports.		

RECOMMENDATIONS: The Floyd 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 ensure that Statement of Economic Interests Forms are immediately completed for all non-public participating members of the CPMT and FAPT, and annually thereafter.
2. The CPMT should ensure coordination of long-range planning is formally documented.
3. The CPMT should establish and document policy and procedures pertaining to the provision of Intensive Care Coordination.
4. The CPMT should establish performance criteria to monitor and analyze overall effectiveness of the local CSA program. In addition the CPMT should adopt policies/procedures to govern utilization management activities. The CPMT could initiate the discussion using the [Utilization Management Guidelines](#) published on the CSA website. Lastly, the CPMT should utilize OCS' UR services in accordance with the contract agreement executed in 2014.
5. 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.
6. 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 have been completed and verified prior to submitting funding requests to CPMT for authorization.
7. 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 COMMENT:	See Attachment
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SIGNIFICANT INTERNAL CONTROL WEAKNESSES

The Floyd County CSA Policy Manual was last updated in 2011. In addition, documented local policies and procedure were not aligned with current state statutes, policies, procedures and practices as noted by the following exceptions:

- The local policy governing “Circumstances Under Which Youth and Families are not Required to be assessed by FAPT, but from Whom Funds from the State Pool may be Directly Accessed to Pay for Specified Services” needs clarification to ensure consistency in application of local policies by stakeholders responsible for implementation. Specifically, the policy includes an itemized list of expenditures that are exempt from FAPT review. The list includes descriptions of services such as medical expenses, rent, utilities, substance abuse evaluation and treatment, counseling and treatment services, transportation, family engagement services, etc. Per CSA statute, only foster care maintenance costs may be exempt from FAPT assessment. The services described are not considered foster care maintenance costs.
- The local policy governing emergency services does not explicitly align with Children’ Services Act Section 2.2-5209 in that it does not clarify “provided the youth are subsequently assessed by the family assessment and planning team or an approved collaborative, multidisciplinary team process within 14 days of admission and the emergency placement is approved at the time of placement.”

RECOMMENDATION: The Floyd County CPMT should take appropriate action to ensure that the identified weaknesses in internal controls are addressed in the immediate future 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. In addition, the CPMT should adopt a policy that will address the frequency of review of current policies.

CLIENT COMMENT:	See Attachment
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The Floyd County CPMT has submitted a quality improvement plan to address the observations outlined on this report. 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 Floyd County 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 that was provided by Stephanie Pfeil, CSA Coordinator during our on-site visit. Ms. Pfeil’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
Terri W. Morris, Floyd County Administrator
Stephanie Pfeil, CSA Coordinator/CPMT Fiscal Agent

ATTACHMENT

CSA Audit Quality Improvement Plan Floyd County

I. Significant Non-Compliance Observations

1. All but one of our Statement of Economic Interests Forms have been completed by private providers and parent representatives on Floyd County's FAPT and CPMT, they are filed in the CSA Coordinators office. The one that is still outstanding our CSA Coordinator is working with the private provider to collect it as soon as possible. A plan/schedule has been developed as to when these forms will be updated and will be managed by the CSA Coordinator.
2. CPMT will begin utilizing the GAP survey to do long range planning for the community, this will be formally documented by the CSA Coordinator and filed in the local CSA office.
3. CPMT has begun the process of establishing and documenting policy/procedures regarding the provision of Intensive Care Coordination and plan to have it finalized by May 2017.
4. CPMT has begun the process of establishing and documenting policy/procedures regarding the Utilization Management Guidelines set forth by OCS. Expected completion date May 2017.
5. CSA Coordinator and FAPT will ensure all required documentation requirements are met prior to service planning to ensure compliance.
 - a. Agency has hired a new CSA Coordinator
 - b. New guidelines to ensure compliance of required paperwork have been adopted
 - c. CSA Coordinator has developed a file monitoring system to ensure compliance
 - d. CSA Coordinator monitors CANS system to ensure compliance
 - e. Training will be provided to the FAPT regarding the importance of compliance, scheduled for April 18, 2017 by the CPMT
 - f. Utilization Review Guidelines will be used by the team to ensure compliance
6. CSA Coordinator will ensure that CANS is provided by each case manager and is in compliance according to standards
 - a. Training will be provided to the FAPT regarding the importance of compliance, scheduled for April 18, 2017 by CPMT
7. Local CPMT requests that our next pool funds be reduced by **\$3,280** to pay back the State Share to correct the error that was made.

II. Significant Internal Control Weaknesses

1. The local policy "Circumstances Under Which Youth and Families are not Required to be assessed by FAPT, but from Whom Funds from the State Pool May be Directly Accessed to Pay for Specified Services" has been corrected to state "only foster care maintenance costs may be exempt from FAPT assessment."
2. The local policy governing emergency services has been rewritten and now aligns with the Children's Services Act Section 2.2-5209 and was approved by CPMT on February 15, 2017.