

***CHILDREN'S SERVICES ACT***  
***PROGRAM AUDIT***

***City of Galax***  
***Self-Assessment Validation***

***Audit Report No. 20-2022***

**January 25, 2024**



**Office of Children's Services**  
Empowering communities to serve youth

## **Report Disclaimer**

Due to the COVID-19 pandemic, onsite visits to validate management's conclusions have been suspended until further notice. In lieu of onsite visits, self-assessment validation activities were conducted remotely.



# COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.  
Executive Director

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

January 25, 2024

Tammy Smith, CPMT Chair/Fiscal Agent  
Galax Department of Social Services  
P.O. Box 166  
Galax, VA 24333

RE: City of Galax CSA Program Self-Assessment Validation (SAV)  
Final Report, File No. 20-2022

Dear Ms. Smith,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2022-2023, the City of Galax Community Policy and Management Team (CPMT) has completed and submitted the results of the self-assessment audit of your local Children's Services Act (CSA) program. Based on the review and examination of the self-assessment workbook and supporting documentation provided by the City of Galax CSA program completed on March 31, 2022, and covering the period April 1, 2021 through March 31, 2022, our independent validation:

Concurs

Partially Concurs

Does Not Concur

with the conclusion reported by the City of Galax 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. The explanation for our assessment results are as follows:

***The city of Galax CPMT concluded that there were no significant non-compliance and/or internal control weakness observations noted. A summary of internal control enhancements reported by the CPMT is included in Attachment A. However, validation procedures identified significant deficiencies indicating non-compliance in the local CSA program and internal control weaknesses not identified by the CPMT. 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 the consistent and proper application of established policies and procedures affecting CSA-funded activities and 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 are detailed on pages 2-3.***

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

1. Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with state and local CSA policies and procedures were not met. At least one (1) exception was observed in all three (100%) client records examined, as detailed below:
  - A. State pool funds reimbursed expenditures for drug testing services for two (2 or 66%) of three (3) clients served, resulting in questioned costs totaling \$572.19 (state share). Alternate funding exists within the local social services agency’s Locality Automated System for Expenditure Reimbursement (LASER) Budget Code 830 Child Welfare Substance and Supplemental Services. Per Code of Virginia (COV) [§ 2.2-5211](#), “the community services board, the local school division, local social services agency, court service unit, or Department of Juvenile Justice shall continue to be responsible for providing services identified in individual family service plans that are within the agency's scope of responsibility and that are funded separately from the state pool.”
  - B. Required data elements were omitted on one or more Individual Family Services Plans (IFSP) in two (2 or 66%) out of three (3) client case records examined. Incomplete information included the following: Child and Adolescent Needs and Strengths (CANS) assessment date, the primary reason for services, strengths, needs, short-term goals/target date, long-term outcomes, progress update, discharge plan, and utilization review.

Client File Review Exception - Fiscal Impact					
Rate	Exception Code / Description				
66.3% (1/3)	Funded services were eligible for an alternate funding source, specifically LASER Budget Line 830. (COV <a href="#">§ 2.2-5206</a> and <a href="#">§ 2.2-5211</a> )				
Code	Client	Service Description	Period	Total Cost	State Share
1A	A	Drug Test	Nov 2021	\$325	\$210.67
	B	Drug Test	Dec 2021	\$429	\$361.52
<b>Total</b>					<b>\$572.19</b>

Client File Review Exception – No Fiscal Impact			
Rate	Code	Clients	Exception Code / Description
66.3% (2/3)	1B	A and B	Omitted data elements: CANS date, reason for services, strengths, needs, goals, outcomes, discharge plan, etc. (COV <a href="#">§ 2.2-5208</a> and CSA Policy 3.5 Records Management)

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

2. While financial reports were presented monthly, utilization management activities did not meet established criteria as described in COV [§ 2.2-5206](#), which states:
  - A. “Review and analyze data in management reports provided by the Office of Children's Services.”
  - B. “Review 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.”
  - C. “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, relative's homes, family-like setting, or their community.”

This observation was included in the prior audit report dated May 29, 2019. A quality improvement plan (QIP) was developed to address the deficiency. The tasks identified included using the Continuous Quality Improvement (CQI) Template to “ensure that the data is reviewed and strategies are developed for program improvement.” However, QIP tasks have not been implemented and/or continuously working as intended. **(Repeat Observation)**

3. Documentation of completed Statement of Economic Interest (SOEI) forms was not obtained for non-public representatives serving on the Community Policy and Management Team (CPMT) and Family Assessment and Planning Team (FAPT) as required by COV [§ 2.2-5205](#) and [§2.2-5207](#). The signed SOEI form was not provided for review by the FAPT private provider representative. A completed form should be filed immediately upon appointment and maintained in accordance with records retention requirements.

4. Galax CPMT does not have an appointed private provider representative as required by COV [§ 2.2-5205](#). Conversely, a representative of a private organization or association of providers for children's or family services has been appointed the FAPT where participation is optional vs. required because the provider is “located within the locality.” Further, efforts to recruit and fill the CPMT vacancy were not evidenced.

**RECOMMENDATIONS**

1. Before funding authorization, the CPMT and CSA staff should explore all potential funding sources, including agency-specific budgets. The CPMT and CSA Office should determine whether services are within scope and available funds are separate from the state pool.
2. The CPMT should submit a quality improvement plan for review by the OCS, including whether the CPMT agrees with the observations regarding the questioned cost. 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 Policy 4.7, *Response to Audit Findings*, of whether the identified actions are acceptable or any additional actions that may be required.

### RECOMMENDATIONS

3. Prior to and during the scheduled FAPT meeting, the CSA Office and FAPT should ensure all required data is collected and recorded in the IFSP to document and support service and/or discharge planning recommendations.
4. The CPMT should establish and implement quality assurance policies and procedures to include periodic reviews of documentation presented in client records for completeness.
5. The CPMT should periodically review and analyze local and statewide data provided in OCS management reports available on the CSA website, specifically but not limited to those listed below. The Strategic Planning Tools (CQI) Documentation Template with Instructions (Download) can be used to document the data points reviewed.
  - Data and Outcomes Dashboard (CQI)
  - Utilization Reports (<https://csa.virginia.gov/OCSReports/Reports/UtilizationReport.aspx>)
  - Reports & Publications (<https://csa.virginia.gov/OCSDData/ReportsPublications>)
6. The CPMT should ensure all parties not representing a public agency complete the SOEI forms immediately upon appointment and maintain filings in accordance with guidance referenced in OCS [Administrative Memo 18-02](#) dated January 16, 2018.
7. The CPMT should ensure that the composition of the CPMT meets minimum requirements established by the COV and locally established policies and procedures, which may include transitioning the current private provider representative from FAPT to CPMT. Further, CPMT minutes and applicable documentation should be retained to reflect all recruitment efforts to fill vacant roles.

### CLIENT COMMENTS

See Attachment B

The Office of Children’s Services respectfully requests that you submit a quality improvement plan (QIP) to address the observations outlined in this report no later than thirty (30) days from receipt of this report. In addition, we ask that you notify this office as QIP tasks identified to address significant observations are completed. OCS will conduct a follow-up validation to ensure the quality improvements have been implemented as reported.

We thank the City of Galax Community Policy and Management Team, CSA staff, and partners for contributing to the CSA Self-Assessment Workbook. We also acknowledge the assistance and cooperation Pamela Horton, CSA Coordinator, provided during our review. Please feel free to contact us should you have any questions.

Sincerely,



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Stephanie S. Bacote, CIGA  
Program Audit Manager

cc: Scott Reiner, Executive Director  
Michael Burnette, Galax City Manager  
Pamela Horton, CSA Coordinator

Attachment



**CSA Self-Assessment Validation  
 City of Galax CSA Program Audit- SAV  
 Summary of Self-Reported Internal Control Enhancements**

<b>Observation</b>	<b>Criteria</b>	<b>Prior Audit Repeat Observation</b>	<b>Quality Improvement Plan Submitted</b>	<b>Quality Improvement Plan Action Date and Status</b>
Designate a Co-Chair for CPMT and designate rotation schedule.	ARMICS <sup>1</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/30/2022

ARMICS (Department of Accounts, Agency Risk Management, and Internal Control Standards):

- <sup>1</sup>Control Environment



**ATTACHMENT B – CLIENT COMMENTS**

105 E. CENTER STREET  
P.O. BOX 166  
GALAX, VIRGINIA 24333

**CITY OF GALAX**



TELEPHONE  
(276) 236-8111  
FAX  
(276) 236-9313

**DEPARTMENT OF SOCIAL SERVICES**

January 19, 2024

Dear Ms. Bacote:

I am writing in response to the CSA Audit 2023. The Department would like to add the following answers to the audit:

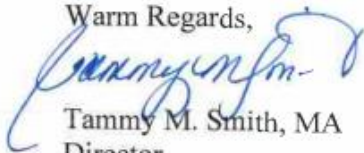
Response to #1 - \$572.19 that was spent on Substance Abuse has been corrected and refunded back to CSA.

#3 - The SOEI was obtained for every member by Galax City Office. These forms are done immediately upon appointment and yearly thereafter. These forms are filed at Galax City Office.

#4 - Galax CPMT has had a private provider since 2018. For a time, there were two private providers serving on CPMT. There was a years' time that Family Preservation closed their doors and the Director of YAP had resigned. The Department reached out for another representative, but YAP was going through organizational changes, and they were not in a position to assign a new member to CPMT. The Department was unaware that the representative from FAPT should have been reassigned to CPMT.

Galax City has requested additional training to assist in identifying areas that do meet CSA policy and procedures.

Warm Regards,



Tammy M. Smith, MA  
Director