



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

March 29, 2017

Glenda Collins, CPMT Chair
City of Norton CSA Program
219 Wood Avenue East
Big Stone Gap, VA 24219

RE: City of Norton Children's Services Act (CSA) Program
Audit Self-Assessment Validation, File No. 28-2015

Dear Ms. Collins,

In accordance with the Office of Children's Service's (OCS) Audit Plan for Fiscal Years 2013-2015, the City of Norton 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 22, 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 City of Norton CSA program, our independent validation:

Concur Partially Concur Does Not Concur

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

The City of Norton 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 a deficiency 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. Specifics pertaining to the City of Norton CSA Program are detailed on page two (2) of this report.

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

The City of Norton CSA Program was reimbursed \$3,223.49 (state share) in Fiscal Year 2014 where another funding source was available for payment of expenses incurred. However, the other funding source, Medicaid and Title IV-E, denied payment due to incomplete and/or insufficient documentation. Use of state pool funds under these circumstances constitutes non-compliance with CSA statutory requirements. Criteria: COV [§ 2.2-5211](#), [§ 2.2-5212](#), 2011 Appropriation Act, Chapter 890, Item 274 E, CSA Policy Manual Sections 4.4.2 Medicaid Funded Services and 4.6 Denial of Funds

Client	Exception Description	Questionable Costs**
001	Medicaid Denial of Funding	\$ 440.77
002	Title IV-E Denial of Funding	\$2,782.72
Total (State Share)		\$3,223.49

**Figures were based on client payment history reports.

RECOMMENDATION

1. 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.
2. 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

The Office of Children’s Services respectfully requests that you submit a quality improvement plan addressing the observations detailed 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 task identified are completed. OCS will conduct a follow-up validation to ensure the quality improvements have been implemented as reported.

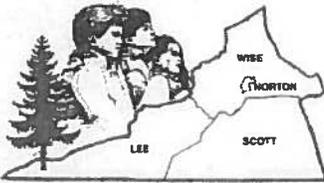
We would like to thank the City of Norton CPMT and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. We also would like to acknowledge the assistance and cooperation that was provided by Vicki Hall, CSA Coordinator during our on-site visit. Ms. Hall’s efforts enabled 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
Fred L. Ramey, Jr., Norton City Manager
Barbara Muir, CPMT Fiscal Agent
Vicki Hall, CSA Coordinator
SEC Finance and Audit Committee

ATTACHMENT



Providing Delinquency Prevention and Youth Development Programs in the Counties of Lee, Scott & Wise and the City of Norton

Lonesome Pine Office On Youth

P.O. Box 568
Big Stone Gap, Virginia 24219-0568
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March 28, 2017

Stephanie Bacote
Program Audit Manager
Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond VA 23229-5008

Dear Ms. Bacote,

This letter is in response to your observations during the CSA program audit for the City of Norton. We have worked since your visit in June to correct some issues that were found as a result of this audit process. The following is our response to your letter dated March 15, 2017.

We appreciate the opportunity to look closely at our policy and our procedures and as such have discovered and corrected issues concerning our documentation.

Non-Compliance Observation and response:

1. **The City of Norton was reimbursed funds where another funding source was available. IV-E and Medicaid funds were denied due to incomplete and/or insufficient documentation.**
 - A. **Authorization of funding.** This has been addressed at both Family Assessment and Planning Team and Community Policy and Management Board. CSA Coordinator and the Community Policy and Management Board will ensure that the proposed expenditure meets the criteria for CSA funding. Records must be in order and in the CSA file before Community Policy and Management Board will authorize any payment.
 - B. **Quality improvement plan.** The City of Norton prides itself on always using the least restrictive placements for youth at risk and is always looking for more community based services for our children and families. We work hard to be sure the children and families in our locality have the service they need when they need it. Unfortunately, during a time of great stress and extreme staff shortage we may have inadvertently overlooked certain details causing a possible need to repay funds. We believe the changes we have made in our policies and implemented in our procedures since the beginning of this audit process will prevent this from happening again. This locality, has a population of only 3958 people. Only 49% of those people are included in the labor force. 24% of these people are living below the poverty level. All that being said, our locality's financial health leaves a bit to be desired. We respectfully request and that the OCS office consider not requiring any funds be restored by the City of Norton.

Respectfully,

Glenda Collins, Executive Director Lonesome Pine Office on Youth
Chairperson City of Norton Community Policy and Management Board

