

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

***Buchanan County
Self-Assessment Validation***

Audit Report No. 26-2020

June 17, 2022



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 Reizer, M.S.
Executive Director

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

June 17, 2022

Ms. Marcella Watson, CPMT Chair
Buchanan County, Department of Social Services
3174 Slate Creek Road
Grundy, VA 24614

RE: Buchanan County CSA Program Self-Assessment Validation
Final Report, File No. 26-2020

Dear Ms. Watson:

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2020-2021, the Buchanan 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 provided by the Buchanan County CSA program completed June 2, 2020 and covering the period of May 1, 2019 through April 30, 2020 our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Buchanan County CPMT that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of internal controls applicable to the processes or services conducted on behalf of the Buchanan County CSA Program. The explanations for our assessment results are as follows:

The Buchanan County CPMT concluded that there were no significant non-compliance and/or internal control weakness observations noted. A summary of non-compliance and/or internal control weaknesses reported by the CPMT are included as Attachment A to this report. However, validation procedures identified deficiencies indicating non-compliance in the local CSA program 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. Specifics are detailed on pages 2-5.

SIGNIFICANT NON-COMPLIANCE - REPEAT OBSERVATIONS

- 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. COV [2.2-5211](#) states “the community services board, the local school division, local social services agency, court services 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.” CSA pool funds were expended for services potentially eligible for an alternate funding source (Medicaid and/or Title IV-E), resulting in questioned costs of \$13,920.65 (state share).

Table A					
Client File Review Exception Summary – Fiscal Impact					
Exception Rate		Exception Code / Description			
2 of 7 (29%) Cases		Alternate Funding Source: CSA pool funds used for A. Medicaid and/or B. Title IV-E eligible expenses. COV 2.2-5206 , 2.2-5211 , Current Appropriation Act, and CSA Policy 4.4.2 Medicaid Funded Services			
Exception Code	Client	Service Description	Period	Total Cost	State Share
A	A	Congregate Care Residential Daily Supervision (Medicaid)	05/01/19 -10/31/19	\$20,273.32	\$13,874.92
B	B	Foster Care Maintenance (IV-E)	11/01/19 – 11/30/19	\$54.30	\$45.73
Total				\$20,327.62	\$13,920.65

A similar observation was also reported in the prior audit of the Buchanan County CSA Program dated October 13, 2017. While a quality improvement plan was submitted to address the indicated deficiency, the CPMT, as the governing body, and CSA staff have not continuously monitored the quality improvement plan previously submitted to ensure complete implementation of the plan and the actions taken are working as intended.

RECOMMENDATIONS

- Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding. Adequate documentation, such as consideration of other funding streams, should be maintained as justification for CPMT funding decisions.
- The CSA Coordinator and/or CPMT should conduct periodic reviews of individual transactions included in completed financial reports to identify and correct errors while ensuring financial data is accurately presented.
- 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.

CLIENT COMMENTS

“We concur and accept the recommendations.”

SIGNIFICANT NON-COMPLIANCE - REPEAT OBSERVATIONS

2. Internal controls established by CSA statutes were not effectively implemented by the CPMT in order to safeguard against conflicts of interest. The non-public representatives, and/or members required by nature of their position serving on the CPMT and/or FAPT did not complete the statement of economic interest (SOEI) form as required by (COV) § 2.2-5205 or § 2.2-5207. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are reduced based on the increased opportunity for a single individual to not disclose personal interest.

RECOMMENDATIONS

The CPMT should ensure all parties not representing a public agency complete the SOEI forms upon appointment and maintain filings in accordance with the Administrative Memo 18-02 dated January 16, 2018.

CLIENT COMMENTS

“We concur and accept the recommendations.”

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

3. In accordance with COV §2.2-5206, §2.2-5208 and local policy, the Buchanan County CPMT shall require a parental contribution assessment for services funded by CSA. CSA Policy 4.5.2, Pool Fund Reimbursements states all refunds are to be reported along with pool fund expenditure reports. However, Buchanan County CSA Refund Reports (see Table B) show zero collections of:

- a. Parental Copays in FY2020 – FY2021
- b. Child Support through DCSE FY2018 – FY2021, and
- c. Reclaimed under IVE FY2017 - FY2021.

Utilization data indicates the locality has provided services and funding on average for forty-six (46) foster care clients for FY 2020 – FY2021. Under these conditions, the opportunity lost for collection of funds is significant and could materially affect the local program’s ability to increase funding availability for services required to meet the needs of the community.

Table B								
Financial Reporting Errors – Refunds								
FY	Vendor Refunds	Parental Copay	SSA, SSI, VA Benefits	Support through DCSE	Foster Care Count	Reclaimed Under IVE	Other	Total
2021	\$35,651.35	-	\$43,074.30	-	51	-	-	\$78,725.65
2020	\$24,875.65	-	\$46,496.06	-	41	-	-	\$71,371.71
2019	\$14,279.44	\$124.50	\$35,395.67	-	32	-	-	\$49,799.61
2018	\$37,698.04	\$270.00	\$55,554.50	-	32	-	-	\$93,512.54
2017	\$13,287.26	\$918.00	\$19,709.00	\$9,633.00	60	-	\$5,706.16	\$49,252.42

Source:
<https://www.csa.virginia.gov/OCSPoolReports/PoolReports/RefundReport>
<https://www.csa.virginia.gov/Resources/ContinuousQualityImprovement>

RECOMMENDATIONS

1. The CPMT should ensure that the FAPT and the CSA Coordinator document assessment of parental ability to pay, supported by verification of stated income or certification stating indigent status. The amount assessed should be reported to the CPMT along with the request for approval for funding of FAPT referred services. Such documentation should be retained in the case file for the required records retention period.
2. In accordance with SEC-approved policy 4.5.2, the CPMT should determine if there were any DCSE collections and/or Title IV-E reimbursements for the current and previous fiscal years. The CPMT should ensure that recoveries from child support and IV-E are refunded and reported to OCS with their next pool fund reimbursement, along with any collection of parental co-payments.
3. Collection and reporting procedures should be established to ensure that the amount received for all refund reporting categories are recorded accurately and timely.

CLIENT COMMENTS

“We concur and accept the recommendations.”

INTERNAL CONTROL WEAKNESS

4. Current local CSA policies and procedures are not consistent with established state CSA requirements, and/or best practices. A review of the Buchanan County CPMT policies and procedures noted the following opportunities for improvement:
 - A. CPM Team Approval of Community Pool of Funds for Services, Provision of Services, and Page 5: Section 13.a. suggests that the CPMT has given FAPT blanket authorization to approve funding of services that do not exceed \$1,000 [per child for those children who have a Medicaid spend-down] without review by CPMT. Section 13.b suggests that community agencies that normally are required to provide emergency services and shelter care shall have access to Community Pool Funds without review by a FAPT or by the CPMT. COV [§ 2.2-5206](#) and [§ 2.2-5208](#) direct that services should be recommended by FAPT and funding authorized by CPMT prior to the authorization of services, inherently establishing a separation of duties and control for management oversight. The local policy essentially undermines the control as intended by the statute.
 - B. Emergency Access to Pool Funds and Shelter Care Section 3, suggests that FAPT referral is not required where respite services are provided for emergency services. The agency providing emergency service is authorized to spend a maximum of \$1,000 per child within a 14 day period. Respite services are not considered foster care maintenance and thus requires FAPT assessment. [VDSS.E. Foster Care, Funding Maintenance Cost 18.11]. COV [§ 2.2-5209](#) directs that all treatment services should be recommended by FAPT, prior to CPMT authorization of services, except for emergency placements that must be referred and assessed by FAPT within 14 days of placement.

Policies are necessary to facilitate and communicate the CPMT’s expectations in implementing CSA. In addition, the policies document the operational controls the CPMT has adopted to ensure the program is administered in accordance with state and local requirements and that stated objectives are achieved. Although policy alignment needs improvement, no related exceptions were observed in the case records examined.

RECOMMENDATIONS

The CPMT should ensure policies and procedures are consistent with State statutes, established guidance for the CSA and/or best practices to govern local CSA Programs.

CLIENT COMMENTS

“We concur and accept the recommendations.”

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 thirty (30) days from receipt of this report. In addition, we respectfully ask that you notify this office as quality improvement 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 would like to thank the Buchanan County Community Policy and Management Team and CSA staff and partners 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 Ms. Angela Johnson, CSA Coordinator during our review. Ms. Johnson’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,


Rendell R. Briggs, CAMS
Program Auditor



Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Robert Craig Horn, Buchanan County Administrator
Sandi Foster, CPMT Fiscal Agent
Angela Johnson, CSA Coordinator

Attachment



CSA Self-Assessment Validation
Buchanan County CSA Program Audit- SAV
Summary of Self-Reported Non-significant Internal Control Weakness

Observations	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date
1. Develop a Utilization Plan and establish quality assurance procedures and policy.	ARMICS ^{2,3}	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/1/2020 Completed
2. Develop a Code Ethics Policy	ARMICS ^{2,4}	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/1/2020 Completed
3. Develop a Strategic Plan	ARMICS ^{2,4}	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/1/2020 Completed
4. Develop a policy that organizes the method of assuring foster family participation in FAPT.	ARMICS ^{2,3,4}	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/1/2020 Completed
5. Make Sure that all vendor updates are in CSA Case File	ARMICS ¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/01/2020 Completed

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

- ¹Control Activities: Documentation
- ²Control Environment: Governance, Policies and Procedures
- ³Monitoring: Program Evaluation
- ⁴Communication