

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

***Nelson County  
Self-Assessment Validation***

***Audit Report No. 11-2021***

**March 16, 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 Reimer, M.S.  
Executive Director

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

March 16, 2022

Ms. Candy McGarry, CPMT Chair  
Nelson County, Finance Director  
P.O. Box 336  
Lovington, Virginia 22949

RE: Nelson County CSA Program Self-Assessment Validation  
Final Report, File No. 11-2021

Dear Ms. McGarry:

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2021, the Nelson 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 Nelson County CSA program completed April 22, 2021 and covering the period of March 1, 2020 through February 28, 2021, our independent validation of CPMT governance activities:

Concur                       Partially Concur                       Does Not Concur

with the conclusion reported by the Nelson 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 Nelson County CSA Program. The explanations for our assessment results are as follows:

***The Nelson 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 as well as 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. Specifics are detailed on pages 2-5.***

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS**

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. The Code of Virginia (COV) [§2.2-5206](#) directs the CPMT to “establish quality assurance and accountability procedures for program utilization and funds management.” Six (6) client case-files were examined to confirm that required documentation was maintained in support of and to validate FAPT and/or multi-disciplinary team (MDT) referrals and CPMT funding decisions. At least one (1) exception was noted in each of the six (6) (100%) client case files reviewed to validate compliance. Table A details the specific non-compliance exceptions and summarizes the total questioned costs of \$30,842.32 (state share).

**Table A  
 Client File Review Exception - Fiscal Impact**

Rate	Exception Code / Description				
2 Cases	1	Missing Virginia Enhanced Maintenance Assessment Tool (VEMAT) (VDSS Foster Care Manual, Section 18.2)			
1 Case	2	Frequency [e.g. annual] and Validity of Child and Adolescent Needs and Strength (CANS) Assessment, (CSA Policy 3.6.5, Mandatory Uniform Assessment Instrument)			
5 Cases	3	Missing data elements [e.g. discharge plans] on Individual and Family Service Plans, (CSA Policy 3.5, Records Management)			
Code	Client	Service Description	Period	Total Cost	State Share
1	A	Enhanced Maintenance	09/01/20 – 02/28/21	\$6,720.06	\$4,615.34
	F	Enhanced Maintenance	02/01/21 – 02/28/21	\$224.00	\$153.84
2	F	Therapeutic Foster Care	03/01/20 – 02/28/21	\$37,963.22	\$26,073.14
3	A - E	All Services Funded	03/01/20 – 02/28/21	N/A	N/A
<b>Total</b>				<b>\$44,907.28</b>	<b>\$30,842.32</b>

**RECOMMENDATIONS**

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 such as, but not limited to, annual CANS assessment and VEMATs.
2. The FAPT and CSA Coordinator should ensure that all required data is collected and recorded in IFSPs to document service and/or discharge planning recommendations.
3. Periodic reviews should be performed to establish quality control of client records and to ensure compliance with CSA statutory requirements.
4. During service planning and/or utilization review, the FAPT and CSA Office should ensure that CANS assessments are completed in accordance with CSA policies and CANVaS 2.0 user agreements. Exception reports should be documented and shared with CPMT periodically to foster accountability by all stakeholders for ensuring established internal controls are consistently working as intended.

- 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 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 with the findings on the report. VEMAT’s will be retained and CANS will be closed within 60 days timeframe.
- IFSPs will be reviewed thoroughly at FAPT and discharge planning will be included on said documentation.
- The CPMT Chair will review a random selection of cases, not to exceed 10% quarterly for proper case documentation. A checklist will be placed in each file to assist with this internal audit.”

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS**

- In accordance with COV [§2.2-5206](#), [§2.2-5208](#) and local policy, the Nelson County CPMT shall require a parental contribution assessment for services funded by CSA. For the two (2) eligible client files examined, parental copay assessments were not completed. Further, CSA Policy 4.5.2, Pool Fund Reimbursements states all refunds are to be reported along with pool fund expenditure reports. However, Nelson County CSA Refund Reports show zero collection of parental copays in FY 2021 or child support through DCSE since 2018 (See Table B). Utilization data indicates the locality has provided services and funding on average for twenty-four (24) foster care clients through FY 2021. 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	\$1,343.63	-	-	-	24	-	-	\$1,343.63
2020	\$34,909.39	\$150.00	-	-	32	\$9,557.64	-	\$44,608.03
2019	\$16,776.13	-	\$3,232.00	-	23	-	\$4,972.00	\$24,980.13
2018	\$21,589.72	-	-	-	21	-	\$18,385.84	\$39,975.56
2017	\$2,885.96	-	-	\$1,061.28	20	\$2,971.20	-	\$6,888.64

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

**RECOMMENDATIONS**

- 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. The CPMT should ensure that recoveries from child support are refunded and reported to OCS with their monthly 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**

“The CSA Coordinator and CPMT will ensure adequate documentation is obtained and maintained as justification for funding by reviewing the file at the time the funding is presented to CPMT.”

**SIGNIFICANT NON-COMPLIANCE OBSERVATIONS**

3. The composition of members serving on the Nelson County CPMT does not meet the membership requirements established by COV [§ 2.2-5205](#) and local policy. The Nelson County CPMT does not have a Private Provider representative nor a Department of Health representative. The roles have been vacant since the departure of the previous designee in February 2020. The absence of a Private Provider representative and Department of Health representative impedes the intent of CSA to create a collaborative system of services and funding contingent upon the active participation of all required members.

**RECOMMENDATIONS**

1. The CPMT should ensure that the composition of the CPMT meets the minimum requirements as established by the COV and locally established policies and procedures.
2. The CPMT minutes and applicable documentation should be retained to reflect all efforts to ensure participation by public officials as required by law.

**CLIENT COMMENTS**

“Yes we do not have a private provider on CPMT and the Health Department position is currently vacant due to staffing and COVID-19.”

**NON-COMPLIANCE OBSERVATIONS**

4. Expenditures incurred for CSA funded services were not always properly recorded in the correct expenditure category and service placement type pursuant to CSA Policy Section 4.5.2. The indicated errors lessen the reliability and integrity of data used in CSA Pool Expenditure Reports and CSA Utilization Reports. Financial reporting errors were noted as follows: (See Tables C.1 and C.2)

**Table C.1 – Financial Reporting Errors – Expense Category**

Client	Incorrect Expense Category	Match Rate	Correct Expense Category	Match Rate	Financial Reporting Errors		
					Total Expense	Fiscal Impact	Service Name
D	NM	\$0.1566	CBS	\$0.1566	\$1,710.00	\$0.00	Mentoring

NM-Non-Mandated; CBS-Community Based Services

**Table C.2 – Financial Reporting Errors – Service Name Description**

Client	Total Expense	Incorrect Services Name Code	Correct Service Name Code	Period
D	\$1,710.00	#25 Outpatient Services	#23 Mentoring	08/01/20 -11/20/20
E	\$315.00	#25 Outpatient Services	#10 Individual Support Services	11/01/20- 03/31/21

**RECOMMENDATIONS**

The CPMT should establish quality assurance and accountability procedures to ensure financial transactions are accurately reported in the appropriate expenditure and service name categories.

**CLIENT COMMENTS**

“The CPMT Chair will review a random selection of cases, not to exceed 10% quarterly for proper case documentation. A checklist will be placed in each file to assist with this internal audit.”

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 Nelson 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. Allison McGarry, CSA Coordinator during our review. Ms. McGarry’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

  
Stephanie S. Bacote, CIGA  
Program Audit Manager

cc: Scott Reiner, Executive Director  
Stephen A. Carter, Nelson County Administrator  
Candy McGarry, CPMT Fiscal Agent  
Nelson County Finance Director  
Allison McGarry, CSA Coordinator



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

<b>Observations</b>	<b>Criteria</b>	<b>Prior Audit Repeat Observation</b>	<b>Quality Improvement Plan Submitted</b>	<b>Quality Improvement Plan Action Date</b>
1. Maintain a form mechanism for garnering stakeholder feedback on the efficacy of the CSA program. Will establish and distributed at least annually.	ARMICS <sup>2,3</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/30/2022  In Progress
2. A formal training plan for FAPT and CPMT members will be established. Documentation of training will be maintained and the plan will be evaluated annually.	ARMICS <sup>3,4</sup>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/30/22  In Progress

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

- <sup>1</sup>Control Activities: Segregation of Duties
- <sup>2</sup>Control Environment: Governance, Policies and Procedures
- <sup>3</sup>Monitoring: Program Evaluation
- <sup>4</sup>Communication