

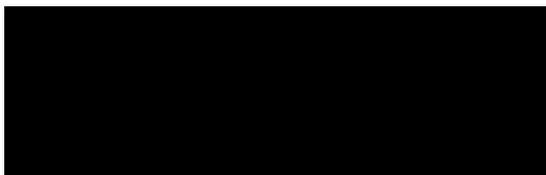


COMMONWEALTH of VIRGINIA

Susan Cumbia Clare, M.Ed
Executive Director

OFFICE OF COMPREHENSIVE SERVICES
Administering the Comprehensive Services Act for At-Risk Youth and Families

May 29, 2012



Dear [REDACTED]

The purpose of this letter is to provide closure to the matter of state share reimbursement to [REDACTED] for CSA pool fund expenditures for the period of January 1 – March 31, 2011. Resolution to this matter has been pending for an extended period of time based on active external examinations of financial activities related to services funded under the CSA. It is my assessment at this time, however, that the particular question at hand can, and should, be resolved without further on-site review or need for additional information.

In an e-mail dated 3/18/2011, previous Executive Director Charlotte McNulty stated that [REDACTED] was not in compliance with statutory requirements of the CSA. That e-mail further indicated that the state's share of reimbursement for unclaimed expenditures would not be available until the [REDACTED] demonstrated compliance with CSA requirements. The e-mail specifically noted that [REDACTED] did not have a working FAPT or CPMT and had no policies to manage expenditures, monitoring, or service planning. Confirmation that expenditures during the period of January 1 – March 31, 2011 were not eligible for reimbursement was later sought by [REDACTED] then acting DSS Director [REDACTED] and confirmed by Chuck Savage via e-mail on 4/26/2011.

Subsequent to those communications, [REDACTED] requested and received approval for an extension to the closing date to file a Pool Fund Report for expenditures for this same period. That approval, issued via letter from Alan Saunders and dated September 30, 2011, reiterated that state share reimbursement would be contingent upon services meeting all requirements of the CSA.

This office has determined that expenditures included in the pending FY2011 CSA Pool Fund Report in the amount of \$232,762 are not eligible for reimbursement and the state's share of funding is hereby denied. Of this total reimbursement request, denial of reimbursement is based on the following:

- 1) \$179,536 represents expenditures during the period of January 1, 2011- March 31, 2011. Regardless of any findings of any ongoing examinations or investigations of financial activities, it is not possible for the [REDACTED] to retroactively create a FAPT, CPMT, or policies and procedures to address the period during which these expenditures were made.
- 2) \$53,226 represents expenditures after March 31, 2011. Request for reimbursement of these expenditures was made after the close of the fiscal year. [REDACTED] did not request or receive approval to submit such expenditures for reimbursement after the close of the fiscal year.

Please be advised that, following the conclusion of all external examinations and/or investigations regarding financial activities of the prior social services director, the Office of Comprehensive Services intends to conduct a full CSA program audit of [REDACTED]. Given the improvement efforts implemented by [REDACTED], future audits which examine services and expenditures prior to April 1, 2011 will not cite the failure to have a working FAPT and CPMT, or the lack of established policies, as the sole cause for denial of funds. Findings related to noncompliance with other statutory or policy requirements, however, will not be exempt from the denial of funds policies. Services after April 1, 2011 will be expected to comply with all statutory requirements of the CSA.

The denial by the Office of Comprehensive Services of financial reimbursement is an issue that can be appealed through the CSA Dispute Resolution Process. This process is described in the CSA Policy Manual, Section 3.4 which may be found at the following web address:
http://www.csa.virginia.gov/html/csa_manual_dev/stage.cfm?page=34.cfm

We appreciate the diligence of [REDACTED] in establishing effective CSA policies and procedures and we remain available to provide technical assistance to your locality as needed. Please feel free to call me should you have any questions.

Sincerely,



Susan Cumbia Clare, Executive Director
Office of Comprehensive Services

Cc:

[REDACTED]