

***COMPREHENSIVE SERVICES ACT  
PROGRAM AUDIT***

***Allegheny-Highlands***

***Audit Report No. 01-2014***

***December 12, 2013***



Office of  
**Comprehensive  
Services**

Empowering communities to serve youth

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## EXECUTIVE SUMMARY

The Office of Comprehensive Services has completed an audit of the Allegheny-Highlands Comprehensive Services Act for At Risk Youth and Families program. Our audit concluded that there were material weaknesses<sup>1</sup> in internal controls, particularly in reference to governance and accountability of the \$1.98 million of allocated (state and local) funding for fiscal year 2013. Conditions were identified that could adversely impact the effective and efficient use of resources, as well as non-compliance with statutory requirements. The following significant issues were identified:

- Operational activities were not consistently and sufficiently performed to ensure evidence of the mandatory completion of the Child Adolescent Strengths and Needs (CANS) assessment, a requirement to access CSA pool funds.
- Fiscal practices and procedures adopted by the CPMT need strengthening to increase the operational effectiveness. Allegheny-Highlands expended \$81,788 for client services where CSA requirements to access pool funds were not met.
- Adequate measures were not always taken to ensure data reliability and integrity of information. A significant number of individual CANS assessments have remained open more than one year. For the duration that an assessment remains open, the data elements can be modified indefinitely.
- A formal long range plan had not been documented by the Allegheny-Highlands Community Policy and Management Team (CPMT) to document the goals, objectives, and strategies, in order to establish a means to fully measure and evaluate the operational and fiscal effectiveness of the local CSA program.

The Office of Comprehensive Services appreciates the cooperation and assistance provided on behalf of the Allegheny-Highlands CPMT and other CSA staff. Formal responses from the Allegheny-Highlands to the reported audit observations are included in the body of the full report.

  
Stephanie S. Bacote, CIGA  
Program Auditor

  
Annette E. Larkin, MBA  
Program Auditor

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<sup>1</sup> Material weaknesses in internal controls is defined by Statement of Auditing Standards No. 117 issued by the American Institute of Certified Public Accountants as "a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis." The CSA Program audit is not an audit of financial statements, therefore, an opinion on management assertions presented in the locality Comprehensive Annual Financial Report is not being rendered.

## INTRODUCTION

The Office Comprehensive Services has completed a financial/compliance audit of the Alleghany-Highlands Comprehensive Services Act for At-Risk Youth and Families program. The audit was conducted in accordance with generally accepted government auditing standards. The standards require planning and performance of the audit pursuant to stated audit objectives in order to provide a reasonable basis for audit observations, recommendations, and conclusions. The audit was completed on December 4, 2013 and covered the period August 1, 2012 through July 31, 2013.

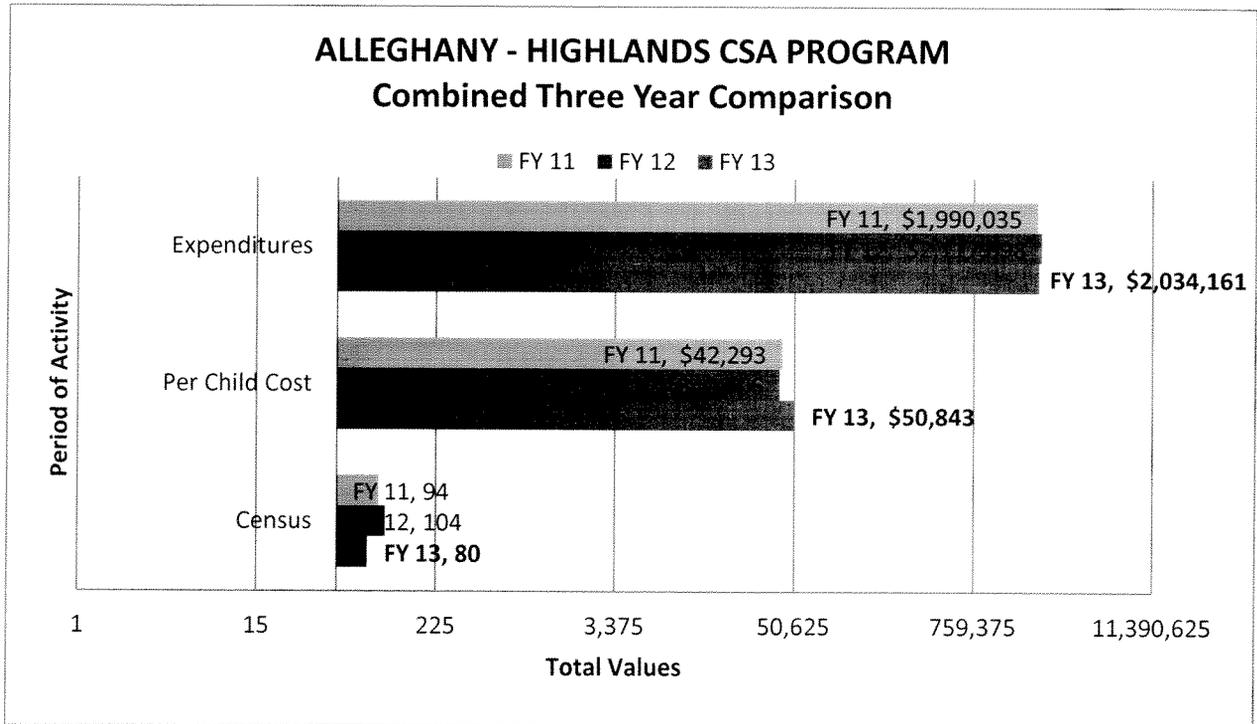
The objectives of the audit were to:

- To determine whether adequate internal controls have been established and implemented over CSA expenditures.
- To determine the adequacy of training and technical assistance by assessing local government CSA staff knowledge and proficiency in implementing local CSA programs.
- To assess whether operations have maintained high standards for sound fiscal accountability and ensured responsible use of taxpayer funds by evaluating fiscal activities of local CSA programs.
- To assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating local CSA program's operational and utilization review practices.

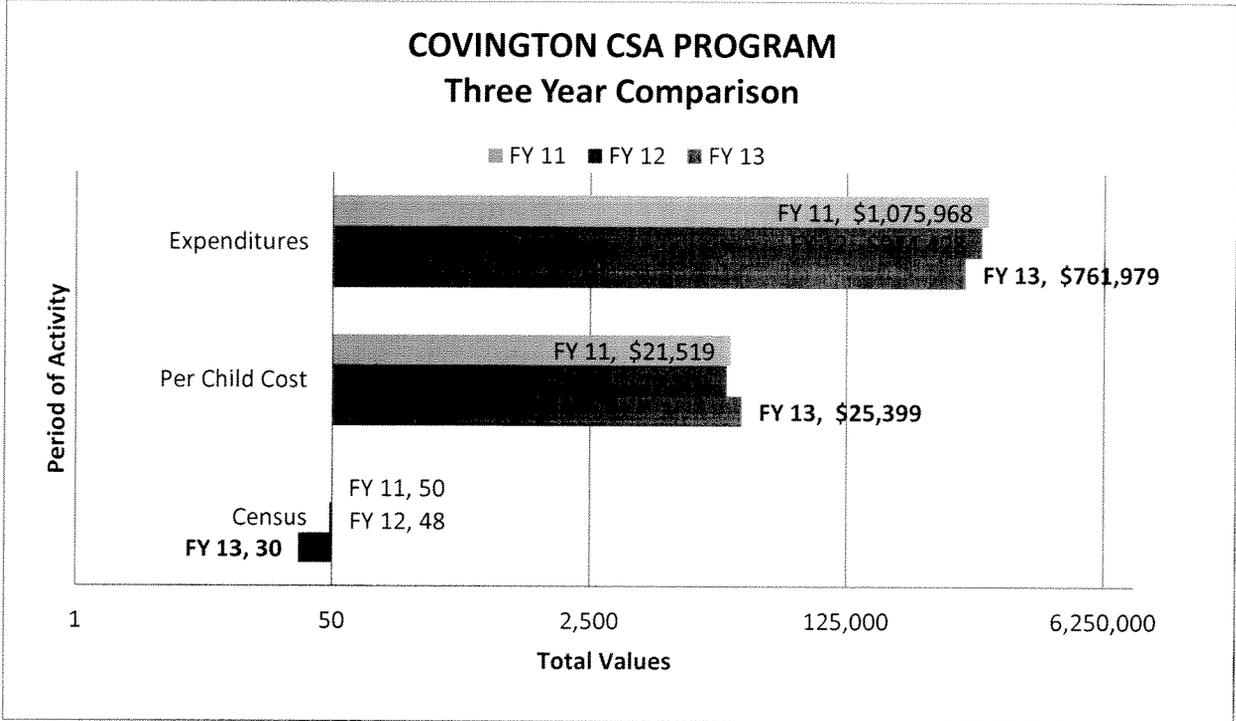
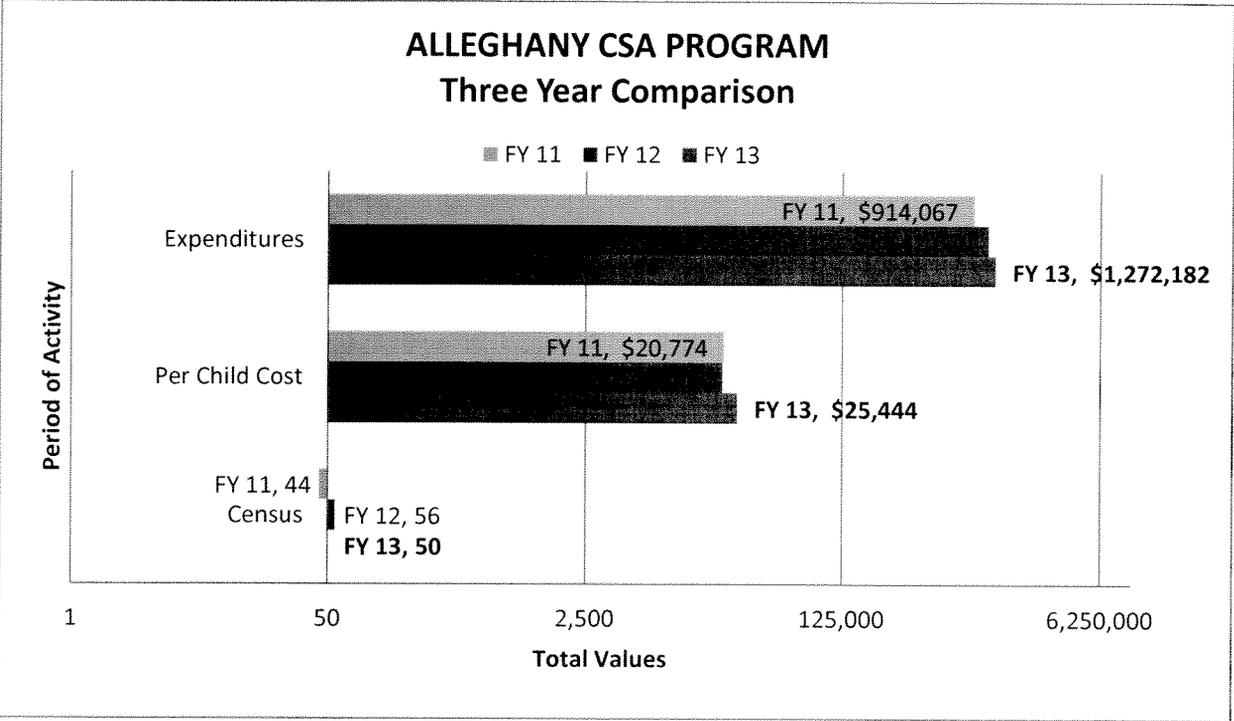
The scope of our audit included all youth and their families who received CSA funded services during fiscal year 2013. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

## BACKGROUND

The Comprehensive Services Act for At-Risk Youth and Families (CSA) is a law enacted in 1993 that establishes a single state pool of funds to purchase services for at-risk youth and their families. Of the approximate \$278 million appropriated by the Virginia General Assembly and local governments to fund CSA, the total combined state and local initial allocation for Alleghany-Highlands in fiscal year 2013 was \$1,116,976. Actual net expenditures for this period totaled \$2,034,161, which represents an 82% increase above the initial FY 13 funding allocations. Supplemental funding allocations were requested and granted to cover the increased expenditures for “sum sufficient” services provided to eligible at-risk youth and families. Based on reported figures for the fiscal year 2013, the estimated average per capita cost of CSA in the Alleghany-Highlands is \$91. A trend analysis of the Alleghany-Highlands CSA expenditures, population, and costs per child (“unit cost”) indicated expenditures and the number of clients served were relatively stable from fiscal year 2011 to 2013. The cost per child increased 20% and the child count decreased 17%, a possible indicator of the increasing cost of services. The following charts below depict a comparison for fiscal years 2011 through 2013 combined and by locality.

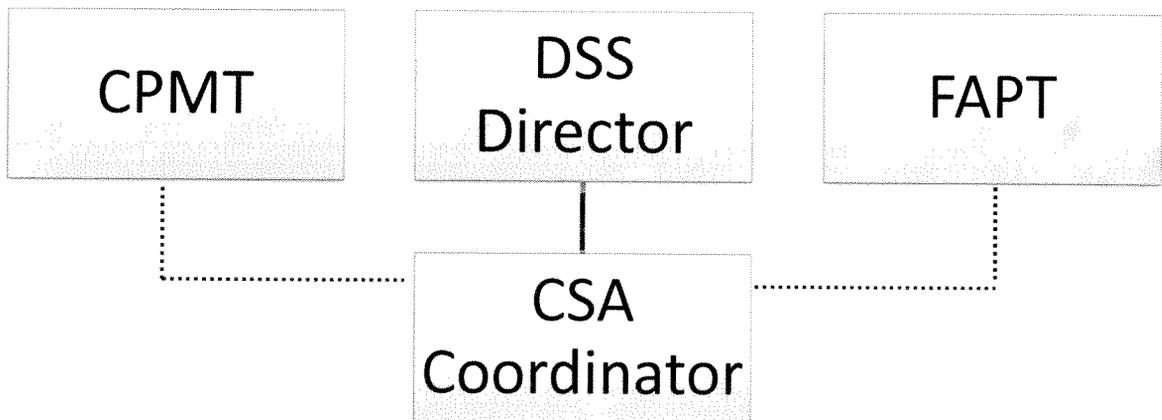


Source: CSA Website, Statewide Statistics ([http://www.csa.virginia.gov/publistats/csa\\_pool.cfm](http://www.csa.virginia.gov/publistats/csa_pool.cfm))



Source: CSA Website, Statewide Statistics ([http://www.csa.virginia.gov/publicstats/csa\\_pool.cfm](http://www.csa.virginia.gov/publicstats/csa_pool.cfm))

The state funds, combined with local community funds, are managed by local interagency teams, referred to as “Community Policy and Management Teams” (CPMT) who plan and oversee services to youth. The Alleghany-Highlands CPMT is supported in this initiative by the “Family Assessment and Planning Team” (FAPT) responsible for recommending appropriate services. Administrative support to the CPMT and FAPT is provided by a part-time CSA Coordinator. The local management structure for Alleghany-Highlands is as follows:



## OBSERVATIONS AND RECOMMENDATIONS

### A) PROGRAM ACTIVITIES

Observation 1: Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Eight case files were examined to confirm that required documentation was maintained in support of and to validate FAPT and /or multi-disciplinary team (MDT) referral and CPMT funding decisions. The results of the examination, identified opportunities for improvements based on the following:

Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key to coordination and service planning by FAPT. Documents missing from case files reviewed included: (1) Child Adolescent Needs Strength (CANS) assessment applicable to the period reviewed, (2) vendor progress notes, and (3) documented co-pay waiver. One or more of the identified exceptions were observed in 5 (62%) of 8 case files reviewed, of which the CANS were not evidenced as completed covering the service period reviewed for 3 (37%) of the 8 case files reviewed. A similar observation was reported by an independent audit firm that performed the annual audit of the financial statements.

Insufficient data collection and poor document management in service planning may lead to increased operational and fiscal inefficiency and ineffectiveness of the local program. When CANS assessments are not used to identify strengths and needs, the risk increases for poor service planning that results in services provided that do not address needs and may adversely impact the ability to achieve successful outcomes for the affected youth and families. Further, this condition fosters an environment that makes the program more susceptible to potential loss of accessibility to State funding in support of local programs as a result of non-compliance with CSA statutes regarding service planning and access to pool funds.

Criteria: § 2.2-5208. Family assessment and planning team; powers and duties.  
Item 5

CSA Policy Manual Section 3.5 Records Management Tool Kit, CPMT Guidelines for Records Management and CSA Documentation Inventory

CSA Policy Manual Section 4.3.5 Provision of Services

COV DOA Agency Risk Management and Internal Control Standards,  
Control Environment and Control Activities.

Alleghany-Highlands Policy Manual, Section 15 New Case Referrals to  
FAPT

Recommendation: Prior to service planning, the CSA Coordinator and the FAPT should verify and obtain copies of completed CANS assessments and current consent to exchange information. The CSA Coordinator should also ensure that minimum documentation requirements are met and correspondence is maintained in the client case file in order to substantiate services recommended to CPMT for funding authorization. Lastly, periodic case file reviews should be performed by someone other than the CSA Coordinator to establish quality control of client records and to ensure compliance with CSA statutory requirements.

Client Comment: Partially Concur. **1. CANS:** There has been confusion about the actual requirement of CANS collection frequency, especially given the conflicting information provide on the OCS website (one from 09' and one from 11'). Additionally, the wording on the guidance materials indicates the timing as "should" as opposed to "shall." Prior to the migration of this program to DSS, the CPMT policy dictated CANS collection time points. As additional research has been done, the 2011 recommendation guidelines are now being followed. One CANS assessment, identified in the review, and completed at the time of program migration cannot be located. **2. Consent to exchange information:** All of these have been located. It is the practice of this current program to obtain all pertinent information at the time of a case opening. **3. Vendor Treatment Plan/Progress Notes:** All treatment plans are in place. Progress notes from a time, prior to program migration, have not been located. **4. Documented Co-Pay Waiver:** As a result of this audit, a co-pay policy needs to be written and implemented."

Auditor Comment: As CANS was being implemented circa 2009, several updates and frequently asked questions (FAQs) were issued titled "CANS Fact Sheet". CANS FACT Sheet #9 was issued April 20, 2009 and contained FAQ #5 as follows "When do I use the Comprehensive version vs. the Reassessment? Answer: "You will use the Comprehensive version for the initial, annual and discharge assessment. The Reassessment is used at the determined reassessment intervals (3 months for TFC, etc.) and for significant changes in placement." Therefore, CSA stakeholders and CANS users were advised that CANS assessments were required at least annually. This intent was further reinforced by the statement "A comprehensive assessment is required annually and when the child is discharged from CSA" that was included in the September 2009 and July 2011 guidance materials referenced in the client comments.

The documentation provided during the course of the audit supports the conclusion that the observation is valid for 3 of the 8 case files reviewed. Based on the supplemental information provided, there were lapses in the coverage period where CANS assessments were not completed. These exceptions apply to payment periods after CANS guidance was updated in July 2011 and distributed to all CPMT's statewide.

Observation 2: Client specific utilization reviews are performed in coordination with FAPT service planning activities. However, utilization management reviews of overall service providers and outcomes have not been documented. Program oversight by the Allegheny-Highlands has not included review and/or assessment of specific reports that summarizes in aggregate program outcomes to demonstrate accomplishment of local program goals and objectives and effectiveness of the services provided correlated with the funds expended. The local program has developed a utilization management process to include collecting data and defining performance criteria. However, it is estimated that useful information for evaluating criteria may not be available for at least a year.

Criteria: § 2.2-5206. Community policy and management teams; powers and duties.  
CSA Policy Manual Section 8.1 Utilization Management  
COV DOA Agency Risk Management and Internal Control Standards,  
Control Environment and Control Activities.

Recommendation: The CPMT should monitor implementation of the UM/UR plan once established. The CPMT should initiate a process that requires periodic reports on the status of UM/UR activities to be presented at the CPMT meetings. To ensure information provided is useful in CPMT decision making, the CPMT should identify required reporting elements. The CPMT could expedite this process should they consider adopting the State Sponsored UM CSA Checklist to meet the requirements.

Client Comment: Concur. "Once again, a Utilization Management Procedure was recently developed for this agency."

## **B) FISCAL ACTIVITIES**

Observation 3: Allegheny-Highlands CSA Program expended \$81,788 and was reimbursed \$64,695 (state share) in Fiscal Years 2012-2013 to cover the

cost of services provided to youth and families where service planning activities were not in accordance with CSA requirements. Affected transactions included payments where a mandatory and valid Child Adolescent Needs and Strengths (CANS) assessments had not been completed. This condition was observed for 3 (37%) of the 8 client cases examined. Based upon the conditions cited, the potential that CSA pool funds could be mismanaged is significantly increased.

<b>SUMMARY OF QUESTIONED COSTS</b>			
<b>Reference</b>	<b>Locality</b>	<b>Total Expended</b>	<b>State Share Reimbursed</b>
Client X	Alleghany	\$24,847	\$20,066.44
Client Y	Alleghany	\$33,216	\$26,825.24
Client Z	Covington	\$23,725	\$17,803.24
<b>TOTALS</b>		<b>\$81,788</b>	<b>\$64,694.92</b>

Criteria:

2011 Appropriations Act, Chapter 890, Item 274, § B.1.e.

CSA Policy Manual Section 4.5.8 Fund Audit and Toolkit

CSA Policy Manual Section 4.6.2 Mandatory Uniform Assessment Instrument

COV DOA Agency Risk Management and Internal Control Standards, Control Activities.

Recommendation:

Prior to processing invoices for payment and submittal of pool fund reimbursement requests, the CSA Coordinator should verify that a valid CANS has been completed for applicable clients. The CPMT should submit a corrective action plan, for review by the OCS Finance Office, to address whether the funds will be 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:

Partially concurs. "Please see comments in Observation 1. We feel there is only true error concerning one of the cases."

Auditor Comment:

The documentation provided during the course of the audit supports the conclusion that the observation is valid for 3 of the 8 case files reviewed. Based on the supplemental information provided, there were lapses in the coverage period where CANS assessments were not completed. These exceptions apply to payment periods after CANS guidance was updated in July 2011 and distributed to all CPMT's statewide.

Observation 4:

Adequate measures were not always consistently applied to ensure effective and efficient use of financial resources that could be used to offset the costs incurred for CSA pool funded services. An evaluation of the process of determinations and collection of parental contributions indicated the following areas in need of improvement:

- Assessments of parental co-payments were documented for the applicable client case files reviewed. While co-pay assessments have been completed, collections have not been adequately enforced and a system for tracking past due accounts has not been established. As a result, Allegheny-Highlands CSA has not recorded any collections of parental contributions during fiscal years 2009 to 2013.
- The current sliding fee scale has been in use for more than 13 years and has not been reviewed and/or adjusted to reflect current economic climate of the clients being served over that same period.
- The criteria used in the existing assessment do not reflect financial obligations for basic living expenses (i.e. mortgage/rent, utilities, and food) in consideration of the affordability calculation. Instead, it reflects debt obligations for medical and child support costs incurred.

Under these conditions, the opportunity lost for collection of additional funds could materially impact the local program's ability to increase funding availability for services required to meet the needs of the community.

Criteria:

COV § 2.2-5206 (3)

CSA Policy Manual Section 4.5.4 Sliding Fee Scale and Toolkit

COV DOA Agency Risk Management and Internal Control Standards, Control Environment and Control Activities

Recommendation:

The CPMT should review the current co-pay policy and consider incorporating procedures for monitoring and collecting past due accounts. The CPMT should also consider adjustments to the sliding fee scale and the criteria for deductions to income when determining income and affordability.

Client Comment:

Concur. "As a result of this audit, a co-pay policy needs to be written and implemented."

**C) DATA INTEGRITY**

Observation 5: Adequate measures were not always taken to ensure data reliability and integrity of information collected for use in service planning and assessing child-specific outcomes. A significant number of individual CANS assessments have remained open more than one year. For the duration that an assessment remains open, the data elements can be modified indefinitely. To protect the validity of the information, the assessment must be closed once all item ratings and questions have been completed. Closed assessments may be accessible as needed, but cannot be altered.

<u>Locality</u>	<u># of Open Assessments Greater than 1 Yr.</u>
Allegheny	21 out of 32; Oldest open since Sept. 2009
Covington	26 out of 47; Oldest open since Sept. 2009

Criteria: Policies and Procedures for Access to CANVaS

How to Close CANVAS Assessments

COV DOA Agency Risk Management and Internal Control Standards, Control Activities

Recommendation: Based upon the age of the assessments and that original assessors may no longer be available to provide information needed to close assessment, immediate resolution should be implemented to address the CANS assessments that have been open greater than one year by following previously issued guidance on , How to Close CANVAS Assessments. In the future, the CSA Coordinator and the CANVaS Designated Super User/Report Administrator should periodically review the “60 Days Open Report” and initiate written notice to users to close or delete (if invalid) assessments that remain open assessments beyond 60 days. The CPMT should consider developing a policy to address suspension/revocation of user account privileges for significant repeat violators.

Client Comment: Partially concurs. “In March 2012, when we hired a CSA Coordinator, she inquired about Super User CANS training and advised she would be notified when a class was available. That Coordinator left in December, not having attended a class. As far as I know there have not been any classes recently. While developing our UM program last spring, I was interested in running the CANS reports as a part of UM, but discovered I could not do so without Super User status. I took the online certifications and became a Super User, having no idea the significance of the Open Assessments. Actually, until this audit, I did not realize the significance of the Open Assessments. As far as the citing criteria, the *Policies and Procedures for Access to CANVaS* does not address Open assessments; the *How to Close CANVaS Assessments* state the CANS “should” be closed.

And as far as the control activity, I am not sure how that ties to compliance with laws and regulations, as closing a CANS seems to be a best practice, as opposed to a regulation. This is now our practice and should not be a future issue.”

Auditor Comment: OCS Program Audits are not limited to an assessment of compliance. Our audits also include an evaluation of the local CSA program’s internal controls established to prevent, detect, and correct potential risk exposures in program operations. As indicated in the observation, failure to close CANS assessments represents an internal control weakness with regard to data integrity and security. The references cited were to substantiate the auditor’s conclusion that the observed practice constitutes an internal control weakness.

The citation of the *Policies and Procedures for Access to CANVaS* does not address Open assessments, but it clearly states the requirement for confidentiality of the information the system maintains and limiting access to only authorized users (i.e. data security/integrity). Both situations have an impact on data integrity. The citation of *How to Close CANVaS Assessment* does state “should” be closed. That same guidance also goes on to state that “the assessment should be closed upon completion to protect the validity of the information” (i.e. data integrity). It also suggests that the Designated Super User/Report Administrator should monitor open assessments. The citation of ARMICS Control Activities, which are compliance standards for state funded financial transactions (i.e. CSA expenditure reimbursements), refers to internal controls over automated information systems and particularly security management and application controls.

#### **D) CPMT ADMINISTRATION**

Observation 6: The Alleghany-Highlands CPMT has not coordinated and documented a formal long-range plan that includes an assessment of the current risks, strengths, and needs of the existing program. While formal goals have been established, the CPMT has not explicitly identified and documented performance measures, objectives, strategies and progress towards meeting those goals in evaluating the effectiveness and accountability of the local CSA program. The ability and likelihood of the CPMT to adequately monitor and provide oversight of the local CSA program is an essential component of organizational governance. The absence of formal planning, coordination, and program evaluation to ensure that the goals and objectives of the program are met may affect the integrity of the CPMT’s governance activities, maximizing the use of state and

community resources, and ultimately local efforts to better serve the needs of youth and families in the community.

Criteria: § 2.2-5206. Community policy and management teams; powers and duties. COV DOA Agency Risk Management and Internal Control Standards, Control Environment, Risk Assessment, and Control Activities.

Recommendation: The CPMT should coordinate with CSA stakeholder's, develop, document, and implement a long-range plan to guide the locally administered CSA program. The process should include development of a formal risk assessment process and measurable criteria to be used for evaluations of program accountability and effectiveness. The CPMT could initiate the discussion using information collected in the development the Annual Gap Survey.

Client Comment: Partially Concur. "Utilization management data is now being collected, in order to be presented to CPMT for analysis purposes. A survey has also been developed, so the team can solicit feedback from stakeholders. The Annual Gap analysis is already a part of the team's activities. I am unsure of what would be involved in a formal plan, as that is not specified by the COV and appears to be a best practice recommendation, as opposed to a requirement of the regulations."

Auditor Comment: Recommendations by the auditor may include best practices. However, coordinating a long-range plan is a statutory requirement. Guidance regarding a formal long-range plan is provided in the "Toolkit" of Section 3.1.5 of the CSA Policy Manual, CPMT Duties and Responsibilities. Reference: Coordinated Long Range Planning

Observation 7: Internal controls established by CSA statutes were not effectively implemented by the Alleghany-Highlands CPMT in order to safeguard against conflicts of interest and separation of duties pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families. Statements of Economic Interest forms were not completed for non-government employed members of the CPMT and FAPT. The effectiveness of the controls established to ensure accountability and appropriate use of CSA pool funds are diminished, because of the lack of disclosure which leads to increased opportunity for a single individual to engage in the referral, approval, and/or case management of CSA funded services.

Criteria:                    § 2.2-5205. Community policy and management teams; membership; immunity from liability.

                                  § 2.2-5207. Family assessment and planning team; membership; immunity from liability.

Alleghany-Highlands Community Policy and Management Team By-laws

COV DOA Agency Risk Management and Internal Control Standards, Control Activities

Recommendation:    The Alleghany-Highlands should ensure that the Statement of Economic Interests Form is completed immediately for all non-public participating members of the CPMT and FAPT. Forms should be updated annually and retained in accordance with records retention procedures.

Client Comment:       Concur. “We are working with the private provider to complete this paperwork. We have found this requirement to be an impediment to attracting representatives for the respective roles. UPDATE: The private provider has resigned from CPMT directly due to this requirement.”

Observation 8:        The composition and attendance of the Alleghany-Highlands CPMT and FAPT members does not meet the minimum criteria established by the Comprehensive Services Act and the local program’s by-laws. At the time of this review, a parent representative is not currently a participating member of the CPMT or FAPT. While the CPMT membership includes a private provider representative, attendance by the private provider has not been compliant with the CPMT Bylaws. Meeting attendance records indicated that the private provider has not attended 10 of the 12 meetings from August 2012 to July 2013. The most recent meeting attended by the private provider was July 2013. The absence of the parent representative and private provider could potentially impede achievement of the highest degree of multidisciplinary collaboration that is the core principal of CSA because of a lack of non-governmental and community perspective during service planning.

Criteria:                    § 2.2-5205. Community policy and management teams; membership; immunity from liability.

                                  § 2.2-5207. Family assessment and planning team; membership; immunity from liability.

Alleghany-Highlands Community Policy and Management Team By-laws

Recommendation: The Alleghany-Highlands CPMT should ensure that a parent representative is appointed to the FAPT and enforce the by-laws pertaining to meeting attendance by representing CPMT members. Further, the CPMT should develop and implement strategies to address future retention issues of participating parent representatives and private providers.

Client Comment: Concur. “It has been difficult to identify Parent Representatives for both CPMT and FAPT. With the already-strapped and limited resources of our localities, we are not able to pay a Parent Representative and recruiting a volunteer has been nearly impossible. Both teams have networked, in an attempt to recruit a parent. CPMT had a volunteer, but she withdrew from consideration, when presented with the onerous Statement of Economic Interest. It is our intention to run an ad in our local newspaper in an attempt to successfully recruit candidates for these positions.”

“As for the Private Provider, we have stressed the importance of regular attendance. We must keep in mind that we only have three private providers here, so it is conceivable that we could exhaust our potential providers quite quickly. We do plan to more closely watch this attendance in the future.”

Observation 9: Opportunities exist to improve communication of the philosophy, ethics, goals, objectives, policies, procedures adopted and performance outcomes achieved by the Alleghany- Highlands CSA Program. There was little indication of how this information is communicated beyond the CPMT. At the time of this review, these guiding principles of the Alleghany-Highlands CSA Program had not been incorporated into the policies and procedures manual or otherwise published for public distribution and access by CSA stakeholders. Further, there is no formal education program to orient new and existing local CSA stakeholders (government agencies, families, providers, community) and ensure that they are afforded awareness of the responsibilities of CPMT, State requirements, local CSA policies and procedures, and performance outcomes of the program. The broader dissemination of information to all CSA stakeholders promotes consistency in awareness and understanding regarding accessibility to services, and also demonstrates high standards for sound fiscal accountability and responsible use of taxpayer funds.

Criteria: COV § 2.2-5200 Intent and purpose; definitions, Items A.4 through A.6

§ 2.2-5206. Community policy and management teams; powers and duties.

COV DOA Agency Risk Management and Internal Control Standards, Control Environment and Control Activities.

Recommendation:

The CPMT should implement a process to enhance communications with partner agencies, youth, families, and community stakeholders to promote the local CSA program and share information regarding the program's policies, procedures, philosophy, ethics, goals, performance, budgeting, etc. Suggested actions to be considered may include, but not limited to, the following:

- website for ongoing distribution of information to the public and community stakeholders (i.e. population served, annual expenditures, or costs per child, successful financial/program outcomes).
- Include reporting of performance outcomes as a standing agenda item for CPMT meetings.
- Utilize surveys to solicit stakeholder feedback.
- Publications (e.g. pamphlets, newsletter, articles, publish public meeting minutes)
- Periodically assess the training needs of CPMT, FAPT, and community stakeholders. Based upon assessment results, develop and implement a formal training agenda. At least annually, report on continuing education acquired/provided by CPMT and FAPT members as well as participation by community stakeholders (i.e. parent representatives, private providers, etc.).

Client Comment:

Partially Concur. “4. **Increase interagency collaboration and family involvement in service delivery and management:** We do not have a wide variety of agencies in our rural area. Of the agencies here, we have excellent communication and do not work in silos during FAPT discussions. 5. **Encourage a public and private partnership in the delivery of services to troubled and at-risk youths and their families;** this team does a very good job of this. The schools work well with private providers to develop the best service plans for wrap and community-based services. 6. **Provide communities flexibility in the use of funds and to authorize communities to make decisions and be accountable for providing services in concert with these purposes.** This is not an issue for our teams.”

“Recommendations and comments: 1. **Website:** We do not possess the resources (either the capital to start up and maintain a website, nor the personnel) to be able to adequately establish and maintain a website. 2. **Include reporting of performance outcomes as a standing agenda item**

**for CPMT meetings:** As information is collected and analyzed, it will be presented to CPMT; however, this will not be a large amount of information and I anticipate that this will be presented on a quarterly or semi-annual basis. **3. Utilize surveys to solicit stakeholder feedback:** This has been initialized. **4. Publications:** Again, as with the website, we lack the resources to do this. **5. Periodically assess training needs.....report on training.** This is already done on an ongoing basis, but there is no formal process for this. I do not anticipate having the resources to initiate a formalized training program for our local program.”

## CONCLUSION

Our audit concluded that there were material weaknesses<sup>1</sup> in internal controls over the Alleghany-Highlands CSA program, particularly in reference to governance and accountability of the \$1.98 million of allocated (state and local) funding. Conditions were identified pertaining to the administrative and fiscal practices of the locally administered program that could adversely impact the effectiveness and efficient use of resources, as well as non-compliance with statutory requirements. An exit conference was conducted on November 13, 2013 to present the audit results to the Alleghany-Highlands CPMT. Persons in attendance representing the Alleghany-Highlands CPMT: Mary Jane Mutispaugh, CPMT Chair/Alleghany Public Schools Unit and Suzanne T. Adcock, CSA Coordinator/Director, Alleghany-Highlands Department of Social Services. Representing the Office of Comprehensive Services was Stephanie Bacote, Program Auditor. We would like to thank the Alleghany-Highlands CPMT and related CSA staff for their cooperation and assistance on this audit.

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<sup>1</sup> Material weaknesses in internal controls is defined by Statement of Auditing Standards No. 117 issued by the American Institute of Certified Public Accountants as "a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis." The CSA Program audit is not an audit of financial statements, therefore; an opinion on management assertions presented in the locality Comprehensive Annual Financial Report is not being rendered.

## **REPORT DISTRIBUTION**

Susan Clare, Executive Director  
Office of Comprehensive Services

John R. Strutner, Alleghany County Administrator

J. B. Broughman, Covington City Manager

Mary Jane Mutispaugh, CPMT Chair  
Director of Instruction, Alleghany County Public School

Susan Myers, CPMT Fiscal Agent  
Alleghany County

David C. Bryant, CPMT Fiscal Agent  
Director of Central Accounting, City of Covington

Suzanne T. Adcock, CSA Coordinator (Past)  
Director, Alleghany-Highlands Department of Social Services

Lisa Boggs, CSA Coordinator (Effective October 2013)