

***CHILDREN SERVICES ACT  
PROGRAM AUDIT***

***Harrisonburg/Rockingham***

***Audit Report No. 07-2014***

**July 31, 2015**



**Office of Children's Services**  
Empowering communities to serve youth

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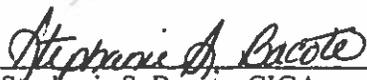
## EXECUTIVE SUMMARY

The Office of Children's Services has completed an audit of the Harrisonburg/Rockingham Children Services Act (CSA). Our audit concluded that there were major deficiencies in internal controls<sup>1</sup>, particularly in reference to operational and governance practices and fiscal activities. Conditions were identified that could adversely impact the effectiveness and efficient use of resources, as well as non-compliance with statutory requirements. The following significant issues were identified:

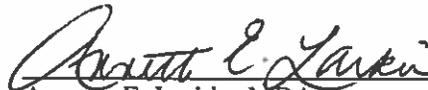
- Expenditure reimbursements were requested and processed for payment of services where the requirements for compliance with local and state CSA policies and procedures were not met resulting in questioned cost of \$12,636.07 of which \$9,441.51 represents the state share.
- Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Our examination found client files were missing Individual Family Service Plan (IFSP) data elements necessary for service planning. Omissions from client case files included child/family strengths, measurable goals and objectives, consent to exchange information forms, Virginia Child and Adolescent Needs and Strengths Assessment (CANS), and evidence of parental consent in service planning.
- Information and data security practices and procedures pertaining to CSA client records and data have not been consistently applied to ensure that sensitive and confidential information is adequately secured from unauthorized access and/or alteration.
- Adequate measures have not been established and/or implemented by the Harrisonburg/Rockingham CPMT to evaluate and ensure accountability and effectiveness of the locally managed CSA program.
- Written policies and procedures are not consistent with State statutes, established state CSA guidance, and/or best practices which direct the CPMT to ensure that procedures are established to govern local CSA programs.

Harrisonburg/Rockingham CPMT is to be commended for their commitment to ensuring services are not delayed for CPMT approval. A member of the CPMT attends every FAPT meeting to approve services at the conclusion of every FAPT meeting. The FAPT meets every 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Thursday each month.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the Harrisonburg/Rockingham Community Policy and Management Team and other CSA staff. Formal responses from the Harrisonburg/Rockingham Community Policy and Management Team to the reported audit observations are included in the body of the full report.



Stephanie S. Bacote, CIGA  
Program Audit Manager



Annette E. Larkin, MBA  
Program Auditor

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<sup>1</sup> Major deficiency is defined as an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its' objectives." Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework, May 2013.

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## INTRODUCTION

The Office Children's Services has completed a financial/compliance audit of the Harrisonburg/Rockingham Children's Services Act 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 July 30, 2015 and covered the period June 1, 2013 through May 31, 2014.

The objectives of the audit were:

- 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 the local CSA program.
- To assess the level of coordination among local government CSA stakeholders and efforts to improve CSA performance by evaluating the local CSA program's operational and utilization review practices.

The scope of our audit included youth and their families who received CSA funded services during fiscal year 2013 and 2014. 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 City of Harrisonburg was established in 1780 and named is for Thomas Harrison, who donated the land for Rockingham County Court House. The City is located in the Shenandoah Valley region of Virginia and is the county seat of Rockingham County. The County of Rockingham was established in 1778, and is the third largest county in Virginia in area land mass, which stretches approximately 854 square miles. The County is deeply rooted in agriculture being the largest producer of poultry in Virginia. Both localities nested in the Shenandoah Valley offer tourists a rich historical, cultural experience and numerous outdoor activities with its scenic views of water falls and skylines.

The Children's Services Act (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. Harrisonburg/Rockingham combined net CSA expenditures for FY 2014 totaled \$8,414,668. The total combined \$8,414,668 expenditures were used to provide services to 372 youths. Based on reported figures for fiscal year 2014, the average per capita cost for CSA in Harrisonburg was \$78.36 and the per capita cost for Rockingham is \$54.36. As depicted in the graph below (Exhibit 1) the combined FY 2014 expenditures, number of youth served and the cost per child remains relatively stable.

Exhibit 1

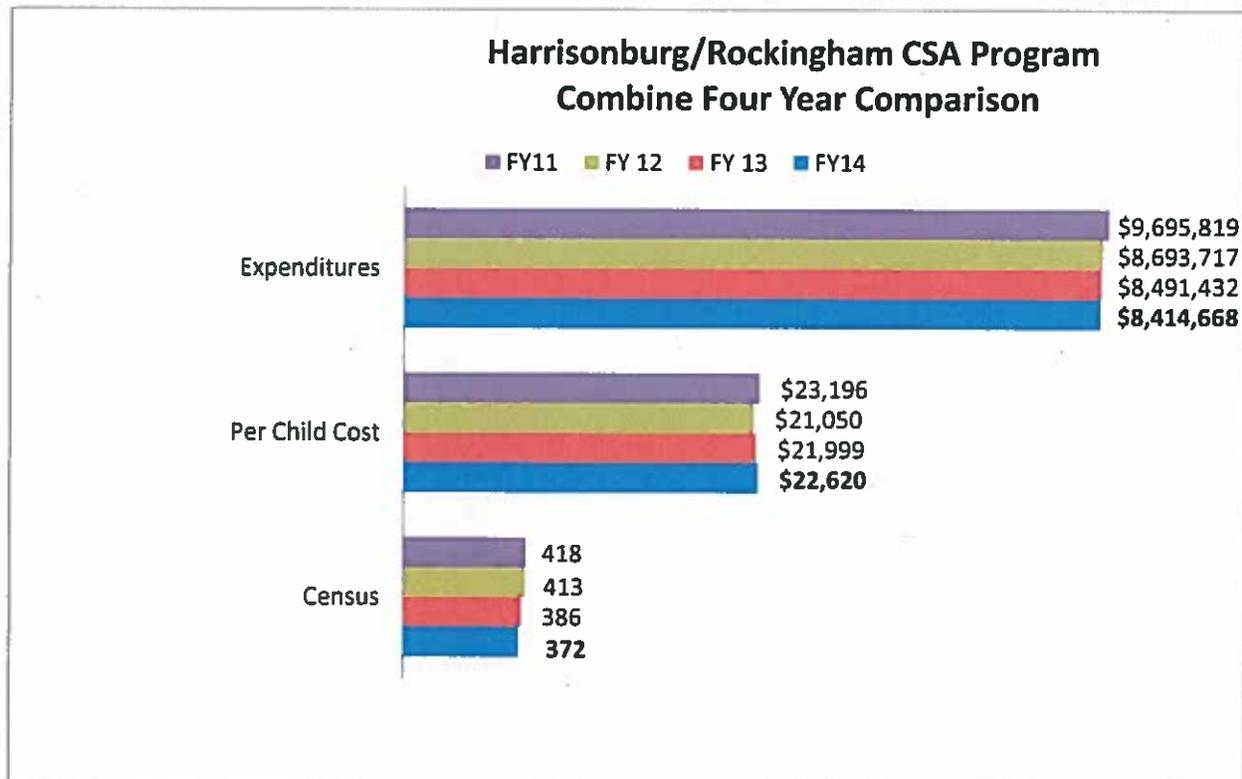


Exhibit 2

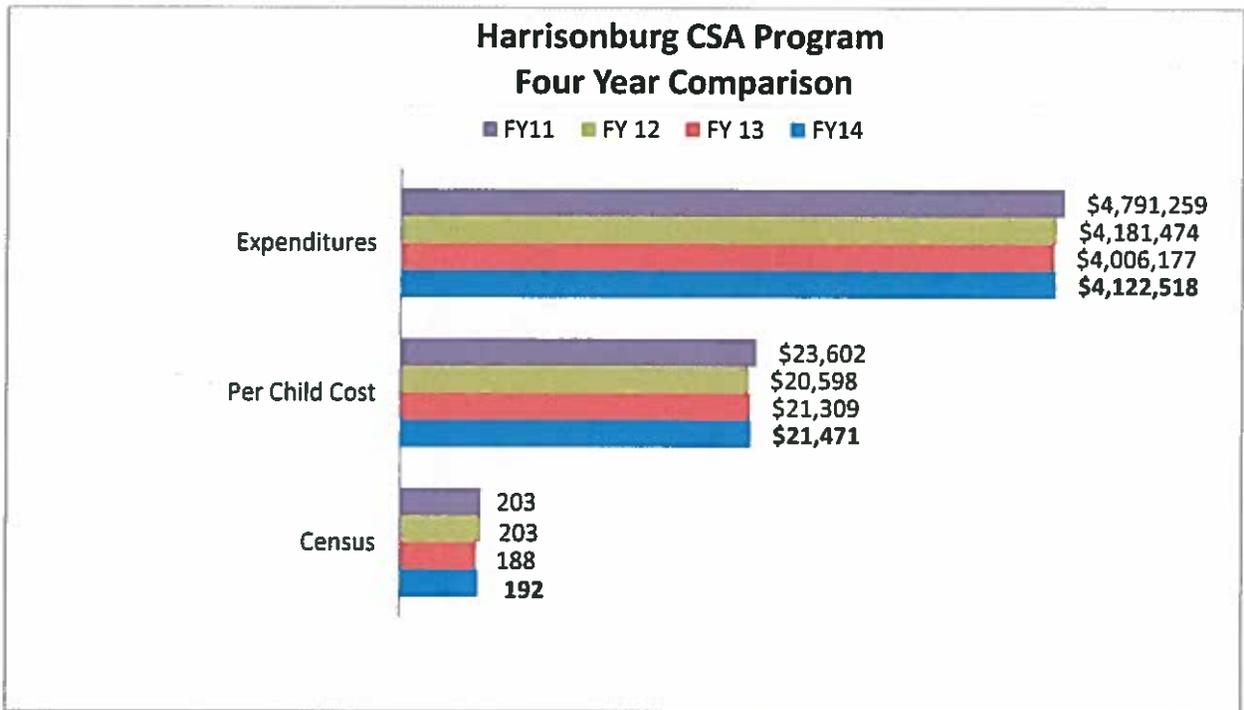
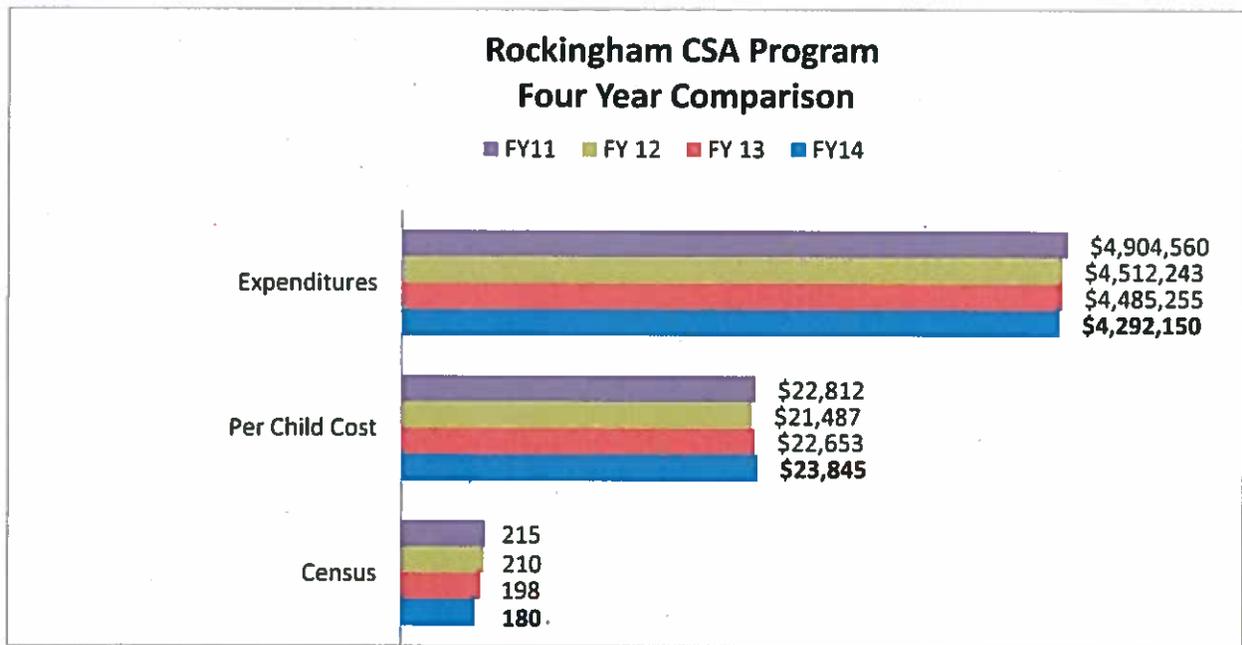
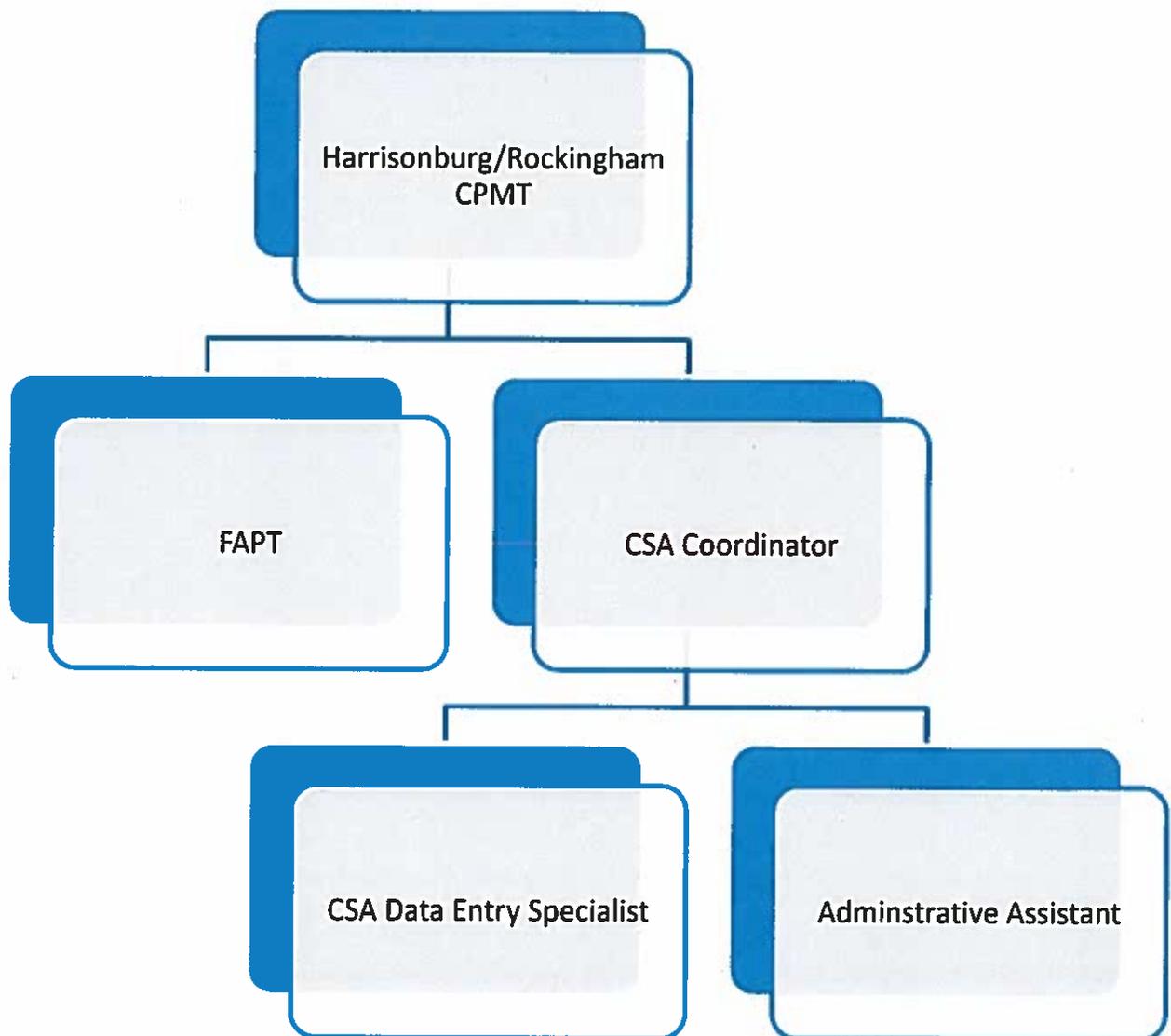


Exhibit 3



The state funds, combined with local community funds, are managed by local interagency teams, referred to as the Community Policy and Management Team (CPMT) which plans and oversees services to youth. Harrisonburg/Rockingham CPMT was established to comply with this statute. The CPMT is supported in this initiative administratively by a CSA Coordinator, a Data Entry Specialist, an Administrative Assistant and one Family Assessment and Planning Team (FAPT) team responsible for recommending appropriate services to at risk children and families. The local management structure for the Harrisonburg/Rockingham CPMT is as follows:

**Harrisonburg /Rockingham CSA Organizational Structure**



**OBSERVATIONS AND RECOMMENDATIONS  
SECTION 1 MAJOR DEFICIENCIES**

**A) FISCAL ACTIVITIES**

**Observation 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. In order to be eligible for funding for services through the state pool of funds:

- A child must be evaluated through the use of a uniform assessment instrument, the Child and Adolescent Needs and Strengths (CANS). In two of 17 (12%) cases tested for Rockingham County a CANS assessment was not completed. The total expenditures for both cases equaled \$4,659.00 of which \$3,886.05 represents the state share.
- Pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children except when Medicaid-funded services are unavailable or inappropriate to meet the needs of a child. The auditor identified four cases where TFC case management services, were paid for clients that Harrisonburg/Rockingham CSA did not seek approval from Medicaid for Medicaid-eligible children. Through further inquiry, the auditor was told that case managers were responsible for submitting the necessary documentation to the TFC agencies so that they can apply for the Medicaid authorization. One of their providers informed the CSA office that case managers were instructing them not to apply to Medicaid for case management services. Harrisonburg/Rockingham CSA office has taken corrective action to rectify this internal control weakness. They have contacted all their agencies and instructed them to apply for all Medicaid-eligible services and forward the approvals and/or denials to the CSA Office. The total questioned cost identified for the four cases equaled \$5,423.57 of which \$3,515.01 represents the state share of the reimbursement.

**Exhibit 4**

Client	Locality	Total Expenditure	State Share
660-1994	Harrisonburg	\$494.98	\$306.49
660-1967	Harrisonburg	\$610.81	\$378.21
165-1965	Rockingham	\$1052.78	\$690.10
165-1400	Rockingham	\$3,265.00	\$2,140.21
	<b>Total</b>		<b>\$3,515.01</b>

- The auditor identified three cases where the funding authorizations were not appropriate. In two cases the CPMT did not authorize expenditures and in the other case services were not documented on the IFSP. The total questioned cost equals \$2,517.50 of which \$2,040.74 represents the state share of the reimbursement.

**Exhibit 5**

Client	Services Provided w/o CPMT approval or Service Not Identified on IFSP	Expenditure	State Share of Expenditure
660-1967	Anger Management Services	\$760.00	\$615.30
660-2087	Parent Education	\$1,722.50	\$1,394.54
660-2097	Drug Test	\$35.00	\$30.91
	Totals		\$2,040.45

**Criteria:**

§ 2.2-5212. Eligibility for state pool of funds; 2011 Appropriations Act, Chapter 890, Item 274, § B.9 and E; *Requirements and Recommendations Frequency of Administration of the Virginia Child and Adolescent Needs and Strengths Assessment (CANS) for the Comprehensive Services Act (CSA) updated July 2011*;  
 § 2.2-5206 Community policy and management teams; powers and duties; § 2.2-5208 Family assessment and planning team; powers and duties. §2.2-2648(D) (20) State Executive Council for Children’s Services; membership; meetings; powers and duties.

**Recommendation:**

The Harrisonburg/Rockingham CPMT should ensure adherence with all state policies regarding allowable costs before accessing state pool funds, which includes, but is not limited to:

- Initial, annual, and discharge CANS assessment entered into CANVaS on all youth funded by CSA;
- Seek Department of Medical Assistance Services (DMAS) Authorization for all Medicaid- eligible services;
- CPMT authorization for all expenditures; and
- All services are identified and documented on the IFSP.

The CPMT should conduct a review of the all CSA cases to assess how many funded cases did not have CANS assessments completed, funding was not sought for a Medicaid-eligible service, CPMT did not authorize the expenditure and where services were not documented on the IFSP to access pool funds during the review period. Upon completion of the review, the CPMT should report results to OCS for determination of the extent of non-compliant practices and identification of expenditures that could be subject to denial of funds policy in accordance with COV §2.2-2648(D)(20).

Client Comments:

“We partially concur with this finding. Regarding “Pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children except when Medicaid-funded services are unavailable or inappropriate to meet the needs of a child, the auditor identified four cases where TFC case management services, were paid for clients that the Harrisonburg/Rockingham CSA did not seek approval from Medicaid for Medicaid eligible children”. We understand the weakness in our oversight with ensuring that workers had pursued Medicaid case management prior to requesting CSA funds and we have taken steps to strengthen our process to ensure that our client records have the necessary documentation regarding Medicaid eligible services”.

Observation 2:

Practices and procedures adopted by the CPMT for contracting and purchasing of services need strengthening to increase the operational effectiveness in terms of establishing clear lines of authority and responsibility, execution of transactions, and monitoring. The CPMT has delegated its authorization authority to the CSA Coordinator to sign contracts and Purchase Orders (PO) for services. This presents an internal controls weakness in segregation of duties as the same person should not execute contracts and be responsible for the daily procurement activities.

Criteria:

COV § 2.2-5205; CSA Manual Section 3.1.2.b Agency Representatives. DOA Agency Risk Management and Internal Control Standards, Control Activities.

Recommendation:

The Harrisonburg /Rockingham CPMT should strengthen its current policy by designating that all contracts and placement agreements be signed by the CPMT Chair or public member serving on the team and PO continue to be signed by the CSA Coordinator as this is a daily procurement activity.

Client Comments:

“We concur with this finding. We will revise our policies and procedures to reflect that all contracts and placement agreements will be signed by the CPMT Chair and purchase orders will be signed by the CSA Coordinator.”

## **B) PROGRAM ACTIVITIES**

### **Observation 3:**

Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Thirty-three 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 the coordination and service planning by FAPT. Data omitted from case files reviewed are depicted in the table below.

### **Exhibit 6**

<b>Description</b>	<b># of Cases</b>	<b>Error Rate</b>
Measurable Goals and Objectives	5	15%
Updated goals and objectives to match services recommended	2	6%
Consent to exchange information	9	27%
CANS Assessments	2	6%
Discharge CANS	4	12%
Parental Consent to service plan	4	12%
Medicaid Approval for Residential Services	1	3%
Utilization Reviews	1	3%
Discharge Plan	1	3%

- Although completed, CANS assessments were not used in service planning. When CANS assessments are not used to identify strengths and needs, the risk increases for poor service planning may result in services that do not address needs and may adversely impact the ability to achieve successful outcomes for the affected youth and families.

Insufficient data collection and poor document management in service planning may lead to increased operational and fiscal inefficiencies and ineffectiveness of the local program. 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; 2.2-5210. Information sharing; confidentiality; § 2.2-5212.

Eligibility for state pool of funds. CSA Manual 8.1 and Toolkit "Utilization Management" Utilization Management and Review.

§ 2.2-2648.13 State Executive Council for Comprehensive Services for At-Risk Youth and Families; membership; meetings; powers and duties. CSA Policy Manual Section 3.5 Records Management

**Recommendation:**

The CPMT should ensure that all required documentation is maintained to attest to the service planning activities and funds expended.

IFSPs should contain measurable goals and objectives with stated target dates of completion.

Recommended services should be based on the identified needs of the child and family utilizing the approved assessment tools.

CANS assessments (initial, re-assessment and discharge in accordance with Harrisonburg/Rockingham Utilization Review Policy) should be completed and maintained in the client record.

Evidence of family consent to service planning should also be included in the case file.

The client case file should contain consent to exchange information to ensure compliance prior to conducting any service planning and/or funding activities. (Upon notification of the missing consent to exchange information forms, the case managers obtained the required consents).

**Client Comments:**

"We partially concur with this finding. Regarding "the client case file should contain consent to exchange information to ensure compliance prior to conducting any service planning and/or funding activities", both our local CSA office and Department of Social Services were unaware of the need for a consent to exchange information form for children placed in foster care. The CSA Data Entry Specialist will ensure that all children who are accessing CSA funds have the necessary documentation in their files prior to coming to FAPT.

The Harrisonburg/Rockingham CSA has developed and implemented training for case managers on how to write goals and objectives using the CANS. This will be incorporated into our FAPT trainings that are offered throughout the year."

**Observation 4:** Information and data security practices and procedures pertaining to CSA client records and data have not been consistently applied to ensure that sensitive and confidential information is adequately secured from unauthorized access and/or alteration.

- Final Child and Adolescent Needs and Strengths (CANS) Assessments documented in client case records indicated the status as “Open”. Open CANS data can be manipulated and/or incomplete, which may reduce the reliability, integrity and validity of the data. See Exhibit 7 for a depiction of this non-compliance and internal control weakness.

Exhibit 7

Locality Name	# of Open CANS	Days open > 60
Harrisonburg	43	72 days – 1,426 days
Rockingham	128	73 days – 1,610 days

- Caseworkers were identified as having expired CANS certification. The policies and procedures for access to CANVaS states that certification on the use of CANS must be renewed annually. The CANVaS system is designed so that users whose CANS certification has expired will not be permitted to complete an assessment. In addition, the system provides users with 90, 60 and 30 day notification prior to the expiration of users’ certification. See Exhibit 8 for the number of expired certifications by locality.
- Incidences were identified where access to the CANVaS system was not deactivated when changes in employee’s job responsibilities or separation from agency had occurred. Per the policies and procedures for access to CANVaS, when an employee leaves his/her position, supervisors must contact the Help Desk directly or the Designated Super User/Report Administrator (DSU/RA) for the locality to contact the Help Desk to deactivate a user’s account. Leaving accounts active could potentially jeopardize the confidentiality of the information that has been entered. See Exhibit 8 for a depiction of this non-compliance and internal control weakness.

Exhibit 8

Locality Name	Expired Certification	CANVaS Accounts not Deactivated
Harrisonburg	3	3
Rockingham	1	3

- Social Services case managers were sent client Personally Identifiable Information (PII) via email among other workers and private providers that was not redacted and/or encrypted to protect the identities of the child and family. According to Virginia Department of Social Services (VDSS) Information Security Policy Information Security and Risk Management (ISRM) and VDSS Information Resource Acceptable Use and Rules of Engagement Policy, confidential or sensitive information should not be transmitted via email unless it is encrypted to ensure confidentiality of client information.

Criteria:

COV § 2.2-2648.D.13; § 2.2-2648. State Executive Council for Comprehensive Services for At-Risk Youth and Families; membership; meetings; powers and duties. CSA Manual 3.1.6 Confidentiality; 3.2.8, Confidentiality; Policies and Procedures for Access to CANVaS 2013; § 2.2-5210. Information sharing; confidentiality; Virginia Department of Social Services (VDSS) Information Security Policy Information Security and Risk Management (ISRM); VDSS Information Resource Acceptable Use and Rules of Engagement Policy

Recommendation:

The Harrisonburg/Rockingham CPMT should assign the CSA Coordinator or a designee to monitor that CANS assessments are completed, entered and closed in the CANVaS system prior to use in service planning and/or UM/UR activities.

The CSA Coordinator or designee should monitor CANS certification to ensure case managers are current using the Locality Staff Certification Expiration List Report in the CANVaS system.

The locality's DSU/RA or the CSA Coordinator should periodically review individuals with access to automated applications and ensure security requirements are met, active and inactive users are identified, and accounts are deactivated in a timely manner when users separate from employment or duties and responsibilities change where access is no longer needed.

The CPMT should remind case workers the importance of not transmitting PII via email that is not encrypted.

Client Comment:

“We concur with this finding. The Harrisonburg/Rockingham CSA will monitor the CANs website for accuracy of the information that is entered into the system. A quarterly report will be generated to ensure that the CANs are closed, discharge CANs are completed and staff certifications are up to date.”

**C) CPMT ADMINISTRATION**

Observation 5:

Written policies and procedures are not consistent with State statutes, established state CSA guidance, and/or best practices which direct the CPMT to ensure that procedures are established to govern local CSA programs. A review of Harrisonburg/Rockingham CPMT policies and procedures noted the following criteria were not met and opportunities for improvement.

- Policies and procedures adopted by the CPMT contain contradictory language as it relates to new placements, the authorization of expenditures, allowable cost for services exempted from the FAPT process and Individual Family Service Plan (IFSP) documentation.
  - The policy entitled *Long Standing Policy* adopted in June 2013 states “Per Virginia code, cases must be reviewed within 14 days of a new placement”. The 14 day requirement referenced in the Code of Virginia §2.2-5209 is applicable to emergency services and placements not all new placements. This statement is misleading and a misrepresentation of the statutory requirement.
  - The Long Standing Policy also states “with the exception of emergency services, CSA funds may not be encumbered without approval by FAPT or Pre-FAPT. CSA will not pay for any services initiated without Pre-FAPT/FAPT/CPMT approval.” The Code of Virginia states that the FAPT is responsible for identifying and recommending services and the CPMT is responsible for the authorization of expenditures for services.
  - The policy entitled *Payments for One Time Services* adopted by the CPMT in June 2014 allows for a blanket exemption for certain services from the FAPT process and documentation on the IFSP. In addition, the list contains services that are the responsibility of another agency which are not reimbursable through CSA.

The Code of Virginia states that the only services that are exempted from the FAPT process are cases involving foster care maintenance and Individualized Education Program (IEP) services that shall be at the discretion of the local community policy and management team. The only service listed in this policy that falls into the category of maintenance is the prescription medicine, or prescribed supplies not covered by Medicaid.

The Code of Virginia states that each agency shall continue to be responsible for providing services identified in IFSP that are within the agency's scope of responsibility and that are funded separately from the state pool. Service such as court ordered paternity testing, court orders of publication, circuit court reporting and expenses resulting from the death of a child or youth in the legal custody of Harrisonburg Rockingham DSS are expenses of another agency, thus are not reimbursable through CSA. Interpreting services could be covered under a contract from the referring agency.

In accordance with local policies entitled *Funding Issues* "CSA is the payer of last resort. All other funding streams will be exhausted..." prior to accessing CSA funds to ensure cost effective measures are implemented to best maximize CSA pool funds, Harrisonburg/Rockingham should explore all funding sources prior to accessing CSA funding for approved services.

It is to be noted that the *Payments for One Time Services* local policy also contradicts other local policies. *The Funding Issues policy under the Monthly Maintenance Payments for Foster Care Children* policy states: "In order for a service(s), other than foster care maintenance and clothing allowance, to be paid out of CSA funds, the service(s) must be listed on the IFSP."

Inconsistent policies and procedures with state requirements and local policies present a material internal control weakness in governance and compliance with statutory and local requirements.

Criteria:

COV§2.2-5209. Referrals to family assessment and planning team or collaborative, multidisciplinary team process. § 2.2-5206.

Community policy and management teams; powers and duties; § 2.2-5208. Family assessment and planning team; powers and duties § 2.2-5211. State pool of funds for community policy and management teams. CPMT's CSA operating policies and procedures for Harrisonburg/Rockingham County 2013

Recommendation:

The Harrisonburg/Rockingham CPMT should initiate an immediate review of their local policies and procedure to ensure they align with all statutory requirements, established state CSA guidance and best practices. Thus, the CPMT should remove all language that is contradictory to statute and local policies.

The CPMT should add a due process policy for families that do not agree with recommendations of the FAPT.

In addition, the CPMT should identify funds expended outside of the FAPT process or services that are the responsibility of another agency based on their adopted Payment for One Time Services policy. Upon completion of the review, the CPMT should report results to the Office of Comprehensive Services for determination of the extent of non-compliant practices and identification of expenditures that could be subject to denial of funds policy in accordance with COV §2.2-2648(D) (20).

Client Comment:

“We concur with this finding. Harrisonburg/Rockingham policies and procedures will be revised and approved by CPMT within the next four months. CPMT will review and revise as needed our policies and procedures manual on a yearly basis going forward.”

Observation 6

Adequate measures have not been established and/or implemented by the Harrisonburg/Rockingham CPMT to evaluate and ensure accountability and effectiveness of the locally managed CSA program. Opportunities for improvement were noted based on instances of non-compliance with CSA statutory requirements and internal control weaknesses identified as follows:

- The CPMT has not documented a formal plan to substantiate coordination of long-range planning that includes an assessment of the current risks, strengths and needs of the existing system, as well as establishing and documenting measurable criteria for evaluating the effectiveness of the local CSA program.
- A formal process documenting utilization management (UM) activity has not been implemented by

Harrisonburg/Rockingham. Program oversight by the CPMT has not included review and/or assessment of specific reports that summarize aggregate program outcomes to demonstrate accomplishments of local program goals and objectives and effectiveness of the services provided correlated with the funds expended. Moreover, Harrisonburg/Rockingham CPMT has not identified goals and objectives for its locality to assess overall program performance.

- Harrisonburg/Rockingham policies and procedures state that they have entered into a contractual agreement with the OCS to perform utilization reviews (UR) services for all cases in a residential placement. Upon inquiry from OCS staff responsible for completing UR, Harrisonburg/Rockingham CSA program has not submitted any cases to OCS for review. Harrisonburg/Rockingham CPMT entered into a new agreement effective September 1, 2014 for OCS to provide UR services and no cases have been submitted by the CSA office to date. Harrisonburg/Rockingham incorporates UR as a part of their FAPT process.

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 long range plan, coordination, and program evaluation to ensure that the goals and objectives of the program are met ultimately impacts the CPMT efforts to better serve the needs of youth and families in the community and to maximize the use of state and community resources.

Criteria:

COV § 2.2-5206, Items 4, 6, and 13, CSA Manual COV § 2.2-5206 (13); CSA Manual Section 8.1 Utilization Management, 2011 Appropriations Act, Chapter 890, Item 274 § C.3.d., Toolkit Coordinated Long Range Planning; DOA Agency Risk Management and Internal Control Standards, Control Environment

Recommendation:

As required by CSA statute, the CPMT must develop long range plan that ensures the development of resources and services needed by children and families in their counties.

The plan should include a formal risk assessment that identifies service gaps, strategies to address gaps and measurable criteria to be used for evaluating program effectiveness based on the needs in their communities.

The CPMT should define the measurable criteria for the utilization management activities and monitor implementation of the UM

plan. The CPMT should initiate a process that requires periodic reporting on the status of UM activities to all stakeholders.

The CPMT should re-evaluate whether they want OCS to conduct UR on residential cases. If it is determined that OCS services are not needed then the CPMT should update their internal policies for UR on residential cases and notify OCS accordingly.

Client Comment:

“We concur with this finding. The Harrisonburg/Rockingham CPMT completes the JLARC Service Gap Survey on a yearly basis and has begun discussions on how to better utilize the information that is gathered so that we may seek opportunities that will help to strengthen our community. It would be beneficial if the state would post the results from other localities in a timely manner so that we can see what issues our surrounding CPMTs have identified and if there is potential to partner to solve an area-specific issue. A CPMT retreat was held on July 20, 2015 to coordinate long-range planning and establish measurable criteria for evaluating the effectiveness of our local CSA program.”

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**OBSERVATIONS AND RECOMMENDATIONS  
SECTION 2- OTHER DEFICIENCIES**

**D) CPMT ADMINISTRATION**

Observation 7:

The participation level of the public schools representative for both localities in CPMT meeting needs improvement. During the audit period under review both representatives missed 64% (7 out of 11) scheduled CPMT meetings. Neither party sent an alternate in their absence to ensure public schools would be represented at the CPMT meetings. Harrisonburg/Rockingham policies and procedures are silent on attendance requirements at CPMT meeting. The absence of the public schools representatives of the governing body responsible for the administration and implementation of the local CSA program represents a material weaknesses in oversight and governance of the program, which may ultimately impede the intent of CSA to create a collaborative system of services that is contingent upon the participation of the member agencies to provide the expertise in their respective areas.

**Criteria:** COV § 2.2-5205 CSA Policy Manual 3.2.2. Membership; COV § 2.2-5200;

**Recommendation:** Harrisonburg/Rockingham CPMT in coordination with each local school board should ensure that the public school representatives actively participate in the CPMT monthly meeting. If the representatives are unable to attend then he/she should send an alternate that is appropriately qualified to obligate CSA funds. Harrisonburg/Rockingham CPMT should adopted policies and procedures that address required attendance at CPMT meetings and outline steps to be taken when the policy is not adhered to by members.

**Client Comments** “We partially concur with this finding. Unfortunately, due to the severe illness of a member and another member’s spouse, attendance suffered. The Harrisonburg/Rockingham CPMT will adopt a policy to address attendance at CPMT and FAPT meetings, including the appointment of alternates and will outline steps that will be taken when the policy is not adhered to.”

## **E) FISCAL ACTIVITIES**

**Observation 8:** Expenditures incurred for CSA funded services were not always properly recorded in the correct expenditure category and service placement type.

- The auditor noted three instances where Harrisonburg/Rockingham CSA recorded Intensive Care Coordination (ICC) services in the community transition services category; however, instruction provided to localities states to report ICC services in the community based services (CBS ICC) category. While there is no fiscal impact, this recording error however; affects OCS performance reporting.

As mentioned earlier, Harrisonburg/Rockingham CSA program for the period under review had 29 children receiving ICC services. Upon further review, the auditor determined that Harrisonburg/ Rockingham consistently reported ICC services under in the community transition services category.

- The auditor noted one instance where expenditures for counseling for a mother was recorded in treatment foster care (TFC) instead of community based services (CBS). The treatment foster care local match rate is significantly higher (34.45%) compared to the community based local match rate of

17.23%. All services provided to a child in TFC should be reported in the TFC category; however, expenditures for the family such as counseling should be reported in CBS.

The above errors lessen the reliability and integrity of financial data used in the financial reporting of the CSA pool funds and performance reporting of data set information.

Criteria:

CSA Manual Section 3.1.5, Duties and Responsibilities; CSA FY12 Pool Fund Expenditures Categories and Definitions; CSA Manual Section 4.5.3, Disbursement Procedures, Toolkit Disbursement Procedure Overview; DOA Agency Risk Management and Internal Control Standards, Control Activities

Recommendation:

Harrisonburg/Rockingham CPMT and CSA Coordinator should ensure that expenditures are recorded in the appropriate categories. The CSA Coordinator should correct the data set reporting for ICC services for FY 2015. Periodic reviews should be performed and results communicated to the CPMT, no less than annually, to validate the accuracy of the financial and performance reporting of CSA related expenditures.

Client Comments:

“We concur with this finding. A review was completed of all CSA cases receiving ICC services to ensure proper coding in Thomas Brothers system had occurred. The Harrisonburg/Rockingham CSA will include during our FAPT trainings for case managers how to properly use the service type codes when completing their IFSPs.”

## CONCLUSION

Our audit concluded that there were major deficiencies in internal controls<sup>1</sup> over the Harrisonburg/Rockingham CSA program, particularly in reference to governance and accountability. Conditions were identified pertaining to the current management structure, operating, and fiscal practices of the locally administered program that could adversely impact the effective and efficient use of resources, as well as non-compliance with statutory requirements. An exit conference was conducted on July 21, 2015, to present the audit results to the Harrisonburg/Rockingham CPMT. Persons in attendance representing the Harrisonburg/Rockingham CPMT were. Stephen King Co-Chair, Anne Lewis, CPMT Co-Chair, Don Driver, Rockingham DSS Director, and Christine Thompson, CSA Coordinator. Representing the Office of Children's Services was Annette Larkin, Program Auditor. We would like to thank the Harrisonburg/Rockingham Community Policy and Management Team and related CSA staff for their cooperation and assistance on this audit.

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<sup>1</sup>Major deficiency is defined as an internal control deficiency or combination of deficiencies that severely reduces the likelihood that the entity can achieve its' objectives." Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework, May 2013.

## **REPORT DISTRIBUTION**

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