



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

July 23, 2013

Ms. Jane D. Crawley, Chairman
Henrico County Policy & Management Team
Henrico County CSA Program
P.O. Box 90775
Henrico, VA 23273

RE: Henrico County CSA Self Assessment Validation, File No. 32-2013

Dear Ms. Crawley,

In accordance with the Office of Comprehensive Services' (OCS) Audit Plan for Fiscal Years 2013-2015, the Henrico County Policy and Management Team (HPMT) has completed and submitted the results of the self assessment audit of your local CSA Program by the established due date of January 31, 2013. An on-site visit was scheduled and conducted by OCS Program Auditors on June 18, 2013 to perform the independent validation phase of the process.

Based on the review and examination of the self assessment workbook and supporting documentation provided by the Henrico County CSA program, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Henrico Policy and Management Team. We agree that no significant observations of non-compliance were found in the design or operation of the processes or services conducted on behalf of Henrico County CSA. However, we do not agree with the HPMT's conclusion that no significant internal control weaknesses were identified. The explanation for our assessment results are as follows:

The Henrico County Policy and Management Team concluded that there were only non-significant compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook indicated that there were significant internal control weaknesses in the local CSA program. An adequate system of internal controls is contingent upon consistent and proper application of established policies and procedures affecting CSA funded activities, as well as monitoring oversight by the governing authority to ensure that the program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics pertaining to the Henrico County CSA Program are detailed on page 2.

SIGNIFICANT INTERNAL CONTROL WEAKNESSES

- The HPMT authorizes the funding of specialized and/or medical payment stipends for foster care services that meets the definition of enhanced maintenance as described in the Virginia Department of Social Services Foster Care Manual Section 17.2.1. However, the HPMT does not ensure that the appropriate and authorized assessment tool (Virginia Enhanced Maintenance Assessment Tool a.k.a VEMAT) is used to determine the stipend amounts. In lieu of the VEMAT, eligibility for the stipend is based on “applicable items from the Virginia Child and Adolescent Needs and Strengths Assessment (CANS) that will require special action by the foster parent” and the amount is determined by a stipend fee scale approved by the HPMT. This condition was applicable for 2 of the 5 client records examined. However, the total amount of specialized and medical stipends maybe significantly higher as this practice has continued since the VEMAT was implemented October 1, 2010.

	Period Covered	Total Stipends Paid
Client A	August 2012 – May 2013	\$9,386.13
Client B	March 2011 – August 2011	\$4,893.10

Per Code of Virginia § 2.2-2648, The SEC has the responsibility to: “20. Deny state funding to a locality, in accordance with subdivision 19, where the CPMT fails to provide services that comply with the Comprehensive Services Act (§ 2.2-5200 et seq.), any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § 2.2-5211.”

- Per the HPMT’s funding authorization policy, the CSA Coordinator or designee is responsible for the authorization of funding of services recommended by the FAPT. However, the CSA Coordinator also facilitates the FAPT meetings on occasion. This activity presents a risk to segregation of duties control for service planning and funding approvals.

RECOMMENDATION: The Henrico Policy and Management Team should immediately discontinue the practice of authorizing and distributing specialized and medical stipend payments and implement VDSS policies and procedures for determining enhanced maintenance, to include use of the VEMAT. The HPMT should also consult with the OCS regarding reimbursement of state share of costs incurred for stipend payments meeting the criteria of enhanced maintenance that were not applied in accordance with VDSS policies for determining enhanced maintenance. Further, we recommend that the CSA Coordinator abstain from the decision making on the referral of services when facilitating the FAPT meeting and document such action in the IFSP and/or FAPT notes.

OTHER NON-SIGNIFICANT INTERNAL CONTROL WEAKNESSES

- The HPMT acknowledges that performance measures have not been formally documented. However, a corrective action plan was not submitted in relation to this process. The CSA Coordinator indicated that this was an agenda topic for the next HPMT meeting.
- HPMT funding policies tasks the CSA Coordinator or designee with the responsibility to authorize funding requests. However, identification of the authorized designee has not been formally documented. An un-named designee increases the opportunity that services could be authorized for funding by an individual acting outside of the scope of their responsibility.
- The HPMT adopted a risk assessment frequency of “as needed” in lieu of designating a specific interval. Such practices could lead to extended periods without completing a thorough risk assessment. CSA staff indicated that intentions are to perform risk assessments no less than annually. However, the proposed timeframe was not formally documented.
- A Memorandum of Agreement with the Community Services Board for the provision of intensive care coordination (ICC) services expired June 30, 2010. While ICC services were never purchased, the agreement should be updated/renewed prior to its expiration in the event those services are ever needed.

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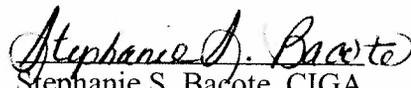
RECOMMENDATION: The HPMT should consider: (1) incorporating a succession list to ensure only those persons identified are appropriately authorizing funding requests and that others are aware of this process; (2) updating their ICC policy to reflect recent policy changes adopted by the State Executive Council, along with the update/renewal of the MOA with the CSB to provide ICC services; and (3) formally documenting Henrico County CSA program performance measures and the intervals for which risk assessment of the CSA program will be completed.

The Office of Comprehensive Services respectfully requests that you submit a corrective action plan to address the observations outlined on page 2 no later than 30 days from receipt of this report. You may use the template included in the CSA Self-Assessment Workbook. The workbook may be accessed via:

http://www.csa.virginia.gov/html/Program_Audit/Program_Audits_information.cfm.

We would like to thank the Henrico County Policy and Management Team and related CSA staff 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 Carol Jellie, CSA Coordinator and Terry Painter-Beals, Business Manager (Henrico Dept. of Social Services) during our on-site visits. Their efforts enabled the audit staff to quickly, and in some cases immediately, resolve any questions/concerns that were observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Stephanie S. Bacote, CIGA

Program Auditor

cc: Susan C. Clare, Executive Director
John Vithoukias, Henrico County Manager
Hugh Field, CPMT Fiscal Agent
Controller, Henrico County Department of Social Services
Carol Jellie, CSA Coordinator