

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

King George County

Audit Report No. 03-2015

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 King George County Children's Services Act program. The King George County CSA Program provided services and/or funding for 85 at-risk youth and families during fiscal year 2014 and 47 through 3rd quarter ending fiscal year 2015. The audit included review and evaluation of management oversight, operational, and fiscal practices. The King George Community Policy and Management Team (CPMT) demonstrated that efforts were made to ensure that services were provided to eligible youths and families, as evidenced by the following achievements:

- Continual increase in the percentage of youth receiving community based services out of youth receiving all CSA funding services. As of the 3rd quarter of fiscal year 2015, King George has exceeded the statewide target of 50%.
- The average length of stay was reduced across all service placement types from 313 as reported for the fourth quarter fiscal 2014 to 247 as reported for third quarter in fiscal year 2015.

However, there are additional opportunities to effect quality improvements in other areas of the CSA program. Our audit concluded that there were major deficiencies¹ in internal controls that could adversely impact the effective and efficient use of resources, accomplishment of program objectives, as well as compliance with statutory requirements. The following significant issues were identified:

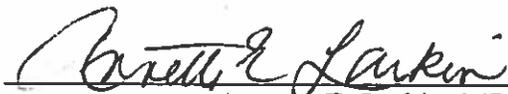
- Client case files did not always contain sufficient information demonstrating compliance with CSA requirements key to coordination and planning by FAPT. Examples of documentation that could not be verified at the time of the review included: Child Adolescent Needs Strengths (CANS) assessments, evidence of utilization reviews, and consent to exchange information forms.
- King George County CSA Program expended an estimated \$158,358 and was reimbursed \$100,954.32 (state share) in Fiscal Years 2013-2015 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 : (1) referral to FAPT did not occur within 14 days of placement and (2) mandatory CANS assessment required to access state pool funds was not completed.
- CSA pool funds were used to fund IEP related services to children in the public school setting. The estimated costs of those services for fiscal year 2014 totaled \$115,687.75 of which the state share reimbursed to the locality was \$74,040.16.

¹ 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.

The Office of Children's Services appreciates the cooperation and assistance provided on behalf of the King George County Community Policy and Management Team (CPMT) and other CSA staff. Formal responses from the King George County CPMT 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

INTRODUCTION

The Office Children's Services has completed a financial/compliance audit of the King George County 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 31, 2015 and covered the period February 1, 2014 through January 31, 2015.

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.

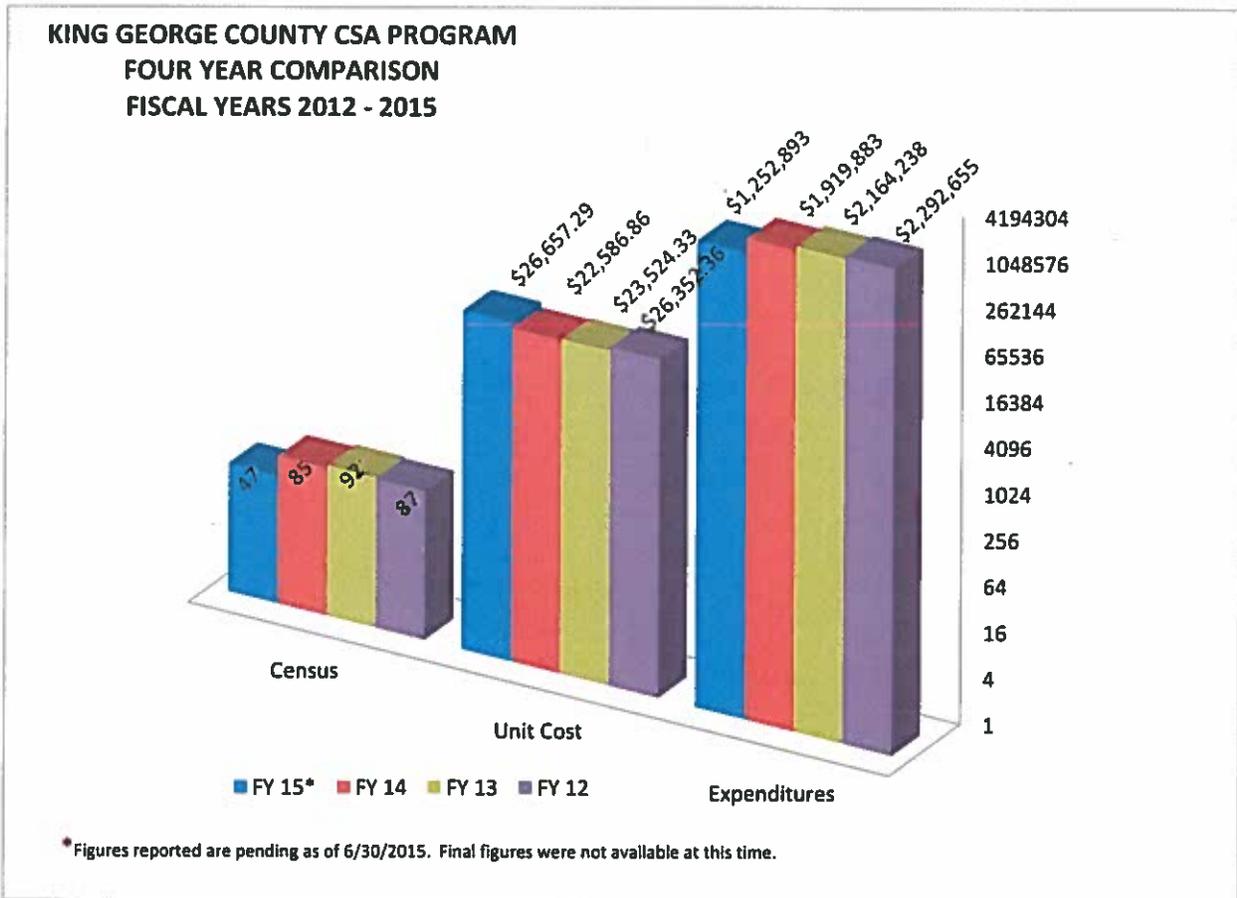
The scope of our audit included all youth and their families who received CSA funded services during fiscal years 2014 - 2015. Audit procedures performed included reviews of relevant laws, policies, procedure, and regulations; interviews with various CSA stakeholders; flowcharts of operational and fiscal processes; various tests and examination of records; and other audit procedures deemed necessary to meet the audit objectives.

BACKGROUND

King George County, located on the Northern Neck and bounded on the north by the Potomac River, was founded in 1720 when land was split from Richmond County, Virginia. It is also the birthplace of James Madison, fourth President of the United States. According to July 1, 2014 published estimates by the Weldon Cooper Center for Public Service - University of Virginia, King George has a population estimate of 24,739. The U.S. Census Bureau, State and County Quick Facts reports the median household income from 2009-2013 as \$81,753.

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. Of the approximate \$270 million appropriated annually by the Virginia General Assembly and local governments to fund CSA, total allocations (state and local funds) for the King George County was \$2.2 million for fiscal year 2014 and fiscal year 2015 was \$1.6 million. Actual net expenditures for fiscal year 2014-2015 (to date) combined totaled \$3.2 million. Based on reported expenditures for fiscal year 2014, the estimated average per capita cost of CSA in King George is \$78.

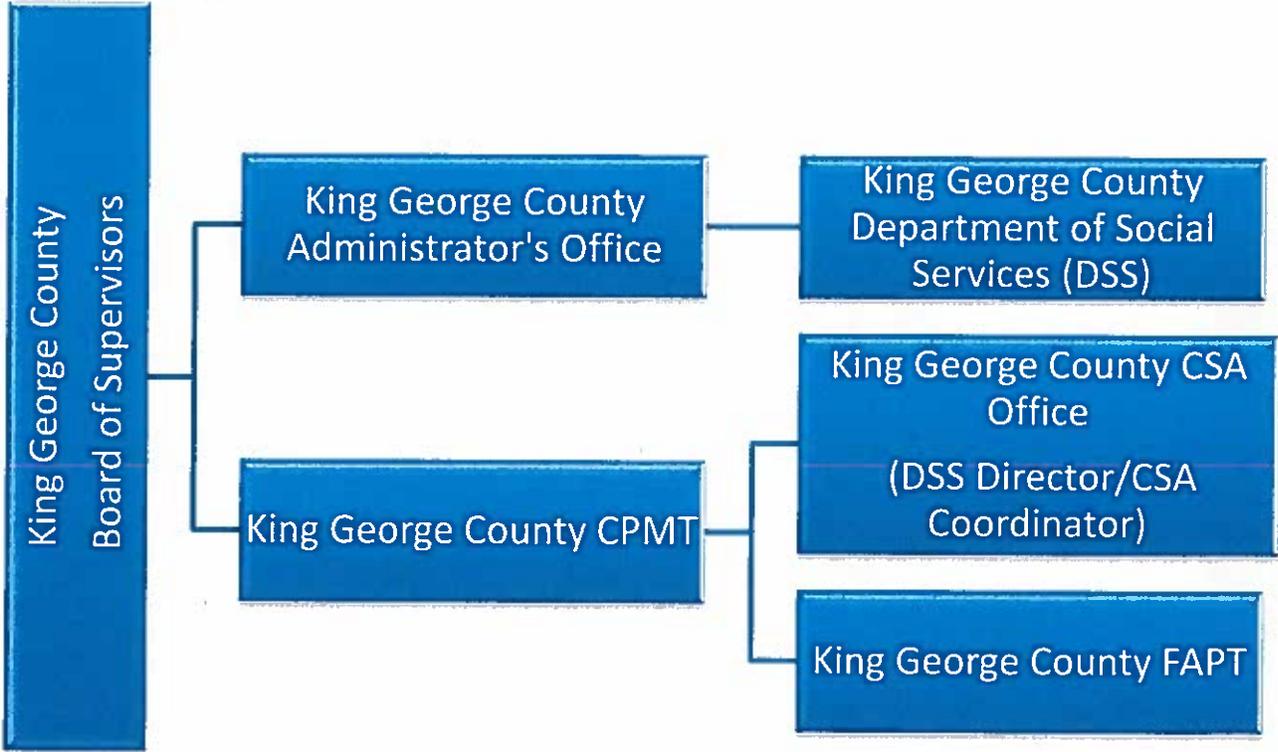
An analysis of King George County CSA expenditures, population, and cost per child (“unit cost”) indicated expenditures and population are declining while the unit cost remains relatively stable. The chart below depicts a comparison for fiscal years 2011 through 2014.



Source: CSA Statewide Statistics, Locality Reports

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 King George County CPMT is supported in this initiative by the “Family Assessment and Planning Team” (FAPT) responsible for recommending appropriate services. The chairperson of the CPMT serves as the CSA Coordinator and the CPMT Fiscal Agent. The local management structure for King George County CSA program is as follows:

**KING GEORGE COUNTY
CHILDREN’S SERVICES ACT PROGRAM
ORGANIZATIONAL CHART**



OBSERVATIONS AND RECOMMENDATIONS

A) PROGRAM ACTIVITIES

Observation 1: Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Ten case files were examined to confirm that required documentation was maintained in support of and to validate FAPT, multi-disciplinary team (MDT) recommendations for services and state pool funding decisions. At least one exception was noted were noted in 100% of the case files reviewed.

Client case files did not always contain sufficient information demonstrating compliance with CSA requirement key to coordination and planning by FAPT. Documentation missing from the client case files or were not available for review included:

Document Descriptions	Exception Rate
• Individual Family Service Plans (IFSP) data elements: measurable outcomes, strengths, needs, discharge planning, current target dates, etc.	60% (6 of 10)
• Child Adolescent Needs Strength (CANS) Assessments (annual, reassessment, and/or discharge)	70% (7 of 10)
• Clinical assessment for community based mental health services (i.e. VICAP; LMHP)	10% (1 of 10)
• Parental co-pay assessment	10% (1 of 10)
• Medicaid authorization for Medicaid eligible services	20% (2 of 10)
• Active consent to exchange information forms	70% (7 of 10)
• Vendor progress reports	20% (2 of 10)
• Vendor placement agreement	10% (1 of 10)
• Evidence of utilization reviews	30% (3 of 10)
• Placement decision page of the Individual Education Plan (IEP)	20% (2 of 10)

Insufficient data collection and poor document management of service planning may lead to increased operational and fiscal inefficiency/ineffectiveness of the local program. Further, the local program is at risk of potential loss of accessibility for reimbursement of the state share of pool fund reimbursements for expenditures authorized based on the service planning recommendation of the FAPT that is not fully compliant with CSA statutes and related policies and procedures required to access state pool funds.

Criteria:

- Code of Virginia (COV) [§ 2.2-5208](#). Family assessment and planning team; powers and duties, Items 4 and 6
- COV [§ 2.2-5209](#). Referrals to family assessment and planning teams.
- COV [§ 2.2-2648 D. 20](#), State Executive Council Powers and Duties

- CSA Policy Manual Section 3.5 Records Management Toolkit, [CPMT Guidelines for Records Management](#) and [CSA Documentation Inventory](#)
- CSA Policy Manual Section 4.3.5, Provision of Services, Paragraph 2

Recommendation: Prior to service planning, the CSA Coordinator and the FAPT should ensure that minimum documentation requirements are met and correspondence is maintained in the client case file or readily accessible in order to substantiate services recommended to CPMT for funding authorization. Periodic case 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: Concur. "King George County does not have a CSA Coordinator, however concurs that FAPT records should be reviewed for accuracy and minimum documentation requirements. The documentation will be reviewed by a designated CPMT member to ensure compliance on a regularly designated date. This will be incorporated in the next revision of the CPMT manual, October 2015."

Observation 2: Client specific utilization reviews are performed in coordination with FAPT service planning activities. The recorded minutes of monthly CPMT meetings document discussions of cases on a client specific level. However, an evaluation of utilization review/utilization management practices of the King George County CSA program indicated that non-financial, aggregate data is not compiled and presented for CPMT review and consideration.

Utilization management reviews of overall service providers and aggregated client outcomes were not evidenced in accompanying management reports. Management reports examined did not provide "local and statewide data ... on the number of children served, children placed out of state, demographics, types of services provided, duration of services, service expenditures, child and family outcomes, and performance measures." Further, the management reports examined did not address "utilization and performance of residential placements using data and management reports to develop and implement strategies for returning children placed outside of the Commonwealth, preventing placements, and reducing lengths of stay in residential programs for children who can appropriately and effectively be served in their home, relative's homes, family-like setting, or their community;" [COV § 2.2-5206 \(13\)](#)."

Criteria:

- [COV§ 2.2-5206](#). Community policy and management teams; powers and duties., Item 13
- CSA Policy Manual Section 8.1, Utilization Management

- Virginia Department of Accounts (DOA), Agency Risk Management Internal Control Standards (ARMICS): (1) Control Environment: Oversight by the Agency’s Governing Board, (2) Information and Communication, and (3)Monitoring

Recommendation: The King George County CPMT should develop and implement a process that requires periodic reporting of aggregate data collected regarding the status of utilization review/utilization management activities. To ensure information presented is useful in CPMT decision making, the CPMT should identify required reporting elements. Refer to Section VII of the CSA [Sample Documentation Inventory and Suggested Model UM Plan](#) for best practice guidelines on data that can be collected for the purpose of utilization management.

Client Comment: No opinion at this time. “The CPMT will review the suggested CSA Sample Documentation Inventory and Suggested Model UM Plan and adjust it accordingly to meet the needs of the CPMT.”

B) FISCAL ACTIVITIES

Observation 3: King George County CSA Program expended an estimated \$158,358 and was reimbursed \$100,954.32 (state share) in Fiscal Years 2013-2015 to cover the cost of services provided to youth and families where service planning activities were not in accordance with CSA requirements. This condition was observed for 5 (50%) of the 10 client cases examined. Affected transactions included payments where services were: (1) referral to FAPT did not occur within 14 days of placement and (2) mandatory CANS assessment required to access state pool funds was not completed. Based upon the conditions cited, the potential that CSA pool funds could be mismanaged is significantly increased. Specifics are detailed in the table below.

Client ID	Fiscal Year	Exception Code	Estimated Questionable Costs** (State Share Only)
A	14	1	\$ 975.07
B	14	2	\$ 107.25
C	13-15	2	\$ 78,252.16
D	14-15	1,2	\$ 2,268.79
E	14-15	2	\$ 19,342.06
ESTIMATED TOTAL			\$ 100,945.32
**Questionable costs were based on report figures: CSA Data Set FY 13-14 Fourth Quarter, CSA Data Set FY 15 – Second Quarter and Thomas Bros. Client Payment History Reports			
EXCEPTION CODES			
1 = Emergency placement: Not referred to FAPT w/in 14 days.			
2 = Mandatory CANS assessment not completed			

Criteria:

- COV § 2.2-5206, Community policy and management teams; powers and duties. Items 6, 8, and 9
- CSA Policy Manual Section 3.1.5 Duties and Responsibilities
- DOA ARMICS, Control Environment, Control Activities: Monitoring

Recommendation:

- Prior to authorizing funding, the CPMT should ensure that the funding requested is an appropriate use of CSA funds. Adequate documentation should be maintained as justification for CPMT funding decisions. The FAPT and CSA Coordinator should ensure that CANS assessments have been completed prior to submitting funding authorization requests to CPMT.
- The CPMT should submit a quality improvement 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:

“King George County complies with CSA policy on the appropriate use of CSA funds, ensuring only those services appropriate for a CSA qualified child is administered. We have addressed in the updated CPMT/FAPT policies and procedures that CANS assessments are completed prior to funds being authorized. Funding is authorized quarterly, with a requirement that a signed copy of the CANS is provided prior to submission of the request for funding. This also ensures the FAPT team comports to the SEC policy on CANS updates as required. The FAPT manual has incorporated a requirement for the FAPT Chair to maintain an automated system to track CANS as well as to ensure compliance.”

“The CPMT, as the result of the audit, has been actively discussing and implementing the recommended changes and will submit a copy of all changes in a quality improvement plan to be reviewed by the OCS Finance Office.”

“In conclusion, we do not concur with the assumption that we have not ensured funding requested is an appropriate use of CSA funds. King George has always complied with the letter and spirit of the CSA policy manual regarding use of CSA funds. We can concur that an issue existed with the CANS assessment and have already rectified the problem in both policy and programming. This concurrence does not mean that an assessment was not completed, the CANS tool was not always utilized. We did not check the box on what our position was because we concur with a portion of the recommendation but feel strongly enough to not concur with the presumption that an assessment was not done, the tool was not utilized correctly.”

“We will submit a Quality Improvement Plan for OCS review. We have actively rectified the situations and have worked diligently to implement the recommended changes. We will provide the adjustments as an attachment to the plan.”

Observation 4:

CSA pool funds were used to fund IEP related services to children in the public school setting. Services identified in the IEP are services that are necessary to meet the educational needs of the child. Services provided in the public school setting are the responsibility of the local public school system. Using the funding request submitted with the CPMT meeting agenda for February 2014 through January 2015, a total of 19 children were identified where CPMT authorized funding for services that were identified in the IEP to be provided in the public school setting. The estimated costs of those services totaled \$115,687.75 of which the state share reimbursed to the locality was \$74,040.16. Based upon the conditions cited, the potential that CSA pool funds could be mismanaged is significantly increased.

Criteria:

- COV [§ 2.2-5206](#), Community policy and management teams; powers and duties. Items 6, 8, and 9
- [COV § 2.2-5211 D](#). State pool of funds for community policy and management teams.
- CSA Policy Manual Section 3.1.5 Duties and Responsibilities
- CSA Policy Manual Section 4.3.2, Responsibilities of CPMT Member Agencies
- CSA Policy Manual Appendix B – Dept. of Education, Local School Division Responsibility, Item 1
- DOA ARMICS, Control Environment, Control Activities: Monitoring

Recommendation:

- Prior to authorizing funding, the CPMT should ensure that the funding requested is an appropriate use of CSA funds. A careful review of services identified in the IEP, placement decision, and setting in which services are to be delivered should be performed.
- The CPMT should review IEP services funded for fiscal years 2013 and 2015 and identify funds expended for IEP services provided in the public school. Upon completion of the review, the CPMT should report results to the Office of Children’s 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).
- The CPMT should submit a quality improvement 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: “King George CPMT ensures in all cases that CSA funds are used in an appropriate manner. The services that were provided and at the core of the discussion of Section 3.2 were in fact provided in the home, outside of the school setting and are not normally provided by our school system. We will concur that the IEP states that the services are to be provided in the school setting, however it should have stated that the services were to be provided in the home, and would allow for an assessment of the in home services in the school setting.

Auditor Comment: Eligibility for funding of services through the state pool of funds, under these circumstances, requires placement of the youth for purposes of special education in an approved private day school educational program. The special education youth identified were placed in a public school educational program, for which the public school system holds financial responsibility for educating students. Therefore, the questioned costs identified are not eligible for CSA state pool funding because the costs are the responsibility of another agency. As an alternative, the school system could have referred the youth to FAPT for consideration of wrap around services for students with disabilities. Upon recommendation from FAPT, funds earmarked for “Wrap Around Services for Students with Disabilities” could have been considered for authorization by the CPMT.

Observation 5: Fiscal practices, accountability, and controls need strengthening. Increased exposure for risk of non-compliance, unauthorized expenditure transactions, and maximizing use of available funds were observed based on local practices regarding purchase orders and parent co-pay collections. Fiscal records examined documented the following risk exposures:

- Non-emergency services were initiated prior to FAPT service planning/recommendation and CPMT authorization of funding. This condition was observed in 50% (5 of 10) client files reviewed. The services included GPS tracking, psychological assessments, IEP services, and counseling. Consequently, purchase orders (POs) were not always used to initiate the purchase of client services. While POs were processed for social services clients, audit staff was unable to verify that purchase orders were completed for public school and court service unit client referrals.
- King George County CPMT has not collected any parental co-pays for fiscal years 2010 through 2015. CSA Pool Fund Refund Reports reviewed did not indicate any payments received from parents or Division of Child Support Enforcement collections.

Criteria:

- COV [§ 2.2-5206](#), Community policy and management teams; powers and duties. Items 6, 8, and 9
- [COV § 2.2-5211 D](#). State pool of funds for community policy and management teams.
- CSA Policy Manual Section 3.1.5 Duties and Responsibilities
- CSA Policy Manual Section 4.3.2, Responsibilities of CPMT Member Agencies
- DOA ARMICS, Control Environment, Control Activities: Monitoring

Recommendation:

- The CPMT should develop and enforce procedures to ensure timely referrals to FAPT for service planning and CPMT funding authorization.
- Prior to processing invoices for payment, the individuals responsible for payment processing should ensure that purchase orders have been completed and appropriately authorized.
- The CPMT should review its policies and practices pertaining to assessment and collection of parent co-pays. Where feasible, the CPMT should seek parental contributions to offset costs incurred in providing services to at-risk youth and families.

Client Comment:

Concur. "The King George County CPMT has redefined the definition of the term emergency services, and how placement must comport to the 14 day rule. The CPMT has revised the FAPT manual to comply with the 14 day rule on all cases and has only made allowances for Foster Care placement but have mandated that FAPT must review the case within a week of placement. The FAPT meetings are now scheduled for 2 days a month to ensure compliance with this requirement."

"The County Finance Department is looking for a standard formatted purchase order for use by the Schools and Court Services Unit. DSS will continue to utilize the current purchase order given it is in the State DSS Financial Policy."

"The King George County CPMT has revisited its parental co-pay policy and clearly defined the documentation to be used to recoup funds where applicable. The CPMT has adopted the use of DCSE for all residential and foster care placements for co-pays and has adopted a sliding scale for non-residential services excluding those services deemed free and appropriate educational services."

C) Statutory Non-Compliance

Observation 6:

Internal controls established by the Code of Virginia, Children's Services Act were not effectively implemented by the community policy and management team in order to safeguard against potential liabilities, conflicts of interest, and separation of duties pertaining to the referral of services and approval of access to CSA pool funds for eligible at-risk youth and families. Two instances were observed that demonstrated that the established controls were not working as intended:

- Statement of Economic Interest filed were not filed in accordance with the Code of Virginia, Conflict of Interest Act for persons serving on the CPMT and FAPT that do not represent a public agency, which includes private provider and parent representatives.
- The current organizational structure of the King George County CPMT includes alternates that serve on FAPT and/or as case managers. The by-laws and policies established by the CPMT do not clearly specify that FAPT and CPMT members serving as alternates for the appointed designee should abstain from voting in funding decisions. This practice potentially impedes the segregation of duties control, by allowing individuals participating in the development of service plans to potentially approve funding request for which they had a part in recommending.

The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are weakened, because the increased opportunity for a single body/individual to engage in the referral, approval, delivery and/or recording of CSA funded services.

Criteria:

- COV § 2.2-5205. Community policy and management teams; membership; immunity from liability. Paragraph 4
- COV § 2.2-5206. Community policy and management teams; powers and duties. Items 2, 5, 6,8, and 9
- DOA ARMICS, Control Activities: Segregation of Duties and Verification

Recommendation:

- The CPMT should ensure that non-public agency representatives serving on the CPMT and FAPT immediately complete and file the required Statement of Economic Interest form.
- To ensure that adequate segregation of duties is maintained in the service planning and funding decision making process, the CPMT should consider a revision to existing policy to clarify delegation of voting authority for alternates represented at CPMT.

Client Comment:

Concur. "The CPMT/FAPT policy manual has been updated to reflect a requirement that a Statement of Economic Interest form be completed by non-public agency representatives serving on CPMT and FAPT. Those forms will be completed and filed with the CPMT Chair by the end of August 2015."

"The CPMT/FAPT policy manual has been updated to reflect clear delegation of voting authority for alternates represented at CPMT/FAPT. The FAPT policy states that no voting member of FAPT may present a case for FAPT funding or case manage that case. The FAPT alternate may present a case or sit in for the regular FAPT member but may not vote on any case that they present or case manage. Where a FAPT member is an alternate on CPMT, that individual will abstain from voting on any case they have presented to FAPT or where they case manage a case before the CPMT."

Observation 7:

The King George County CPMT has established general goals for the King George County CSA program that have been documented in the by-laws and published on their website (<http://www.king-george.va.us/county-offices/department-of-social-services/comprehensive-services-act.php>). However, the 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. The CPMT has not explicitly identified and documented performance measures, objectives, strategies, and target dates to aid 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:

- COV § 2.2-5206. Community policy and management teams; powers and duties. Item 4
- CSA Policy Manual Section 3.1.5 Duties of the CPMT Toolkit, [Coordinated Long Range Planning](#)
- DOA ARMICS, Control Environment, Risk Assessment, and Control Activities.
- OCS Administrative Memo #13-10 [Coordination of Community Assessment Requirements](#)

Recommendation:

The King George County CPMT should coordinate with CSA stakeholders, 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 evaluation of program accountability and effectiveness. The CPMT could initiate the discussion using information collected in the most recent CSA Annual GAP Survey, as well as the Promoting Safe and Stable Families (PSSF) and Virginia Juvenile Community Crime Control Act (VJCCCA) grant proposals that have been completed by the King George County CPMT.

Client Comment: No opinion at this time. "The CPMT will have a stakeholder meeting by December 2015 to initiate the discussion of a formal risk assessment with measurable criteria."

Observation 8: Updating of the current King George County CPMT Policy manual is needed to ensure that the manual includes language to address specific requirements established by the Children's Services Act and CSA policies/procedures adopted by the State Executive Council. Specifically, written policies and procedures have not been established to govern:

- family engagement
- intensive care coordination
- records retention/file management (i.e. active/inactive/closed)
- collection/maintenance of student testing identification data for students receiving congregate or private day education services
- utilization management/utilization reviews
- client appeal process, and
- parental co-pay assessment sliding fee scale.

As a result of these circumstances, compliance requirements of CSA are not being fully met. Further, there is increased risk that existing practices are not always consistently applied.

Criteria:

- COV [§ 2.2-5206](#). Community policy and management teams; powers and duties. Items 1, 3, 17, and 18
- CSA Policy Manual Section 3.1.5.c Family Engagement Toolkit, [Family Engagement Policy adopted by SEC](#)
- CSA Policy Manual Section 3.5 Records Management Toolkit, [CPMT Guidelines for Records Management](#)
- CSA Policy Manual Appendix B, Department of Education Toolkit, [Reporting of Student Testing Identifier to CPMT for IEP Placements in Private Programs](#)
- DOA ARMICS, Control Environment
- Utilization Review/Utilization Management References:
 - [2011 Appropriations Act, Chapter 890, Item 274 § B. 3.](#), Utilization Management
 - CSA Policy Manual Section 8.1 Utilization Management, paragraph 4
 - [Utilization Management Guidelines](#) 
 - [Utilization Review Guidelines](#) 

Recommendation: The King George County CPMT should immediately initiate action to establish policies and procedures that were omitted from the existing manual. In addition, the CPMT should implement a process for managing periodic reviews of local operating manuals to ensure that policies and procedures are developed, documented, and formally adopted by the CPMT that are in accordance with CSA statutory requirements , as well as policies and procedures adopted by the State Executive Council to further evidence compliance.

Client Comment: No opinion at this time. “The CPMT has addressed this concern in its entirety in the latest revision of the FAPT manual. The CPMT and FAPT manuals will be updated annually to ensure compliance with CSA statutory requirements and all other policies adopted by the SEC.”

CONCLUSION

Our audit concluded that there were major deficiencies¹ in internal controls over the King George County CSA program. Conditions were identified that could adversely impact the effectiveness and efficient use of resources, accomplishment of program objectives, as well as compliance with statutory requirements. An exit conference was conducted on July 16, 2015 to present the audit results to the King George County Community Policy and Management Team. Persons in attendance representing the King George County CPMT:

David L. Coman, CPMT Chair/Fiscal Agent
Director, King George Department of Social Services

Robyn Shugart, King George Director of Finance

Anne Bueche, King George County Schools

Steve Dempsey, Sheriff
King George Sheriff's office

Judy Kulyrch, King George Department of Health

Sheila Fincannon, Parent Representative

Fern daSilva, King George Department of Social Services

Representing the Office of Children's Services was Stephanie Bacote, Program Audit Manager. We would like to thank the King George County CPMT and related CSA staff for their cooperation and assistance on this audit.

¹Major 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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David L. Coman
Director

Department of Social Services

Ms. Stephanie Bacote
CSA Program Audit Manager
Office of Children's Services and
Office of Comprehensive Services Act

July 25, 2015

Dear Ms. Bacote:

First and foremost, thank you for all the help and guidance you provided us with during our first ever audit. I have been on the KG CPMT for 20 years now and am happy to see that our processes are now being reviewed and that we may be given more direction in the future. Your visit was very welcomed and you were so nice to work with. I hope that when the next audit is scheduled, you will be here once again.

I have incorporated the forms you have requested. I have also responded to each of the recommendations. Our intent, in keeping with what we discussed, is to submit a comprehensive Quality Improvement plan once we receive the final audit. Given that there has been virtually no oversight in the last 20 years, and that the CSA manual is vague in its definitions, we moved forward in full faith that we were prudent in our expenditures, that children received the services that best met their needs and that we were comporting with the guidance provided in the CSA Manual. We acknowledge our deficiencies and have taken serious measures to comply with the recommendations made as the result of this audit. We look forward to working with you to ensure that we as a community continue to serve our children and to comply with the regulations that govern this funding source. If you have any questions, please contact me at (540) 775-5634 or my email at david.coman@dss.virginia.gov.

Sincerely,

David L. Coman
Director
CPMT Chair

Cc: CPMT Members.