



# COMMONWEALTH of VIRGINIA

## OFFICE OF CHILDREN'S SERVICES *Administering the Children's Services Act*

February 18, 2016

Mark E. Thompson, CPMT Chair  
30th District CSU  
122 Municipal Avenue  
Gate City, VA 24251

RE: Scott County CSA Program Self-Assessment Validation, File No. 38-2014

Dear Mr. Thompson,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2013-2015, the Scott County Community Policy and Management Team (CPMT) has completed and submitted the results of the self assessment audit of your local Children's Service Act (CSA) Program by the established due date of January 31, 2014. An on-site visit was scheduled and conducted by OCS Program Auditors on November 17, 2015 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 Scott County CSA program, our independent validation:

Concurs                       Partially Concurs                       Does Not Concur

with the conclusion reported by the Scott County CPMT that no significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted on behalf of the Scott County CSA program. The explanation for our assessment results are as follows:

***The Scott County Community Policy and Management Team concluded that there were no significant non-compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified major deficiencies<sup>1</sup> indicating non-compliance and internal control weaknesses in the local CSA program. Non-compliance with the statutory requirements of CSA is considered significant because the local program is not operating fully in accordance with the laws of the Commonwealth. 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***

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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.

*program is operating accordingly. Such breakdowns in an organization's internal control structure are considered significant. Specifics pertaining to the Scott County CSA Program are detailed below.*

<b>SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES</b>	
<p>Internal controls established by CSA statutes and local policy were not effectively implemented by the CPMT in order to safeguard against conflicts of interest pertaining to the referral of services and approval of access to CSA pool funds by eligible youth and their families.</p> <p>Non-public members serving on the CPMT did not complete the Statement of Economic Interest (SOEI) form as required by statute. Through further inquiry, it was determined that Scott County CSA requires only non- public members serving on the CPMT and the Family Assessment and Planning Team (FAPT) to complete the SOEI form once during the year of appointment. During the period under review, the Code of Virginia requires annual disclosure of economic interest.</p> <p>Based on the increased possibility that required parties may not have appropriately disclosed personal interests, the effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds could be significantly reduced.</p>	
<p><b>CRITERIA:</b> COV Sections: § 2.2-3100; § 2.2-3101; § 2.2-3115; § 2.2-3117; § 2.2-5205; § 2.2-5206; § 2.2-5207; DOA Agency Risk Management and Internal Control Standards, Control Activities</p>	
<b>RECOMMENDATION:</b>	<p>The CPMT for Scott County should ensure that the SOEI form is completed immediately for all non-public participating members serving on the CPMT and the FAPT. Effective July 1, 2015, filing requirement of the Virginia Conflict of Interest Act were revised. Specifics of the changes are noted in Code of Virginia 2.2-3115..</p>
<b>CLIENT COMMENT:</b>	<p>“All non-public participating members of CPMT and FAPT have completed the Statement of Economic Interest Form as of this date. “</p>

**SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES**

Adequate measures have not been established and/or implemented by the Scott County 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. Moreover, Scott County CPMT has not identified goals and objectives for its locality to assess overall program performance.
- A formal process documenting utilization management (UM) activity has not been implemented by Scott County. Program oversight by the CPMT has not included review and/or assessment of specific reports that summarizes in aggregate program outcomes to demonstrate accomplishments of local program goals and objectives and effectiveness of the services provided correlated with the funds expended.

**CRITERIA:** COV § 2.2-5206, Items 4, 6, and 13, 2011 Appropriations Act, Chapter 890, Item 274 § C.3.d., DOA Agency Risk Management and Internal Control Standards, Control Environment

<b>RECOMMENDATION:</b>	<p>As required by CSA statute, the CPMT must develop a 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.</p> <p>The CPMT should develop a formal process for documenting utilization management (UM) activities which summarize aggregate program outcomes to demonstrate accomplishment of local program goals and objectives and effectiveness of the services provided correlating to the funds expended.</p>
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<b>CLIENT COMMENT:</b>	<p>“CPMT began the process of developing a long range plan at the January meeting.”</p>
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<b>SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES</b>	
<p>The local management structure of Scott County CSA Program does not have the required membership of its CPMT established by CSA statute. Scott County's Community Service Board (CSB) contracts with Frontier Health- a private not for-profit 501 C3 behavior health organization –to provide direct services to it's citizenry. The CPMT has designated Frontier Health to serve in dual roles as their CSB representative and their private provider representative The Code of Virginia§ 37.2-501 has established the CSB as a public body not a private provider. In addition, the Code of Virginia §2.2-5205 states that membership of the CPMT must include the local agency heads or their designees of the community services board established pursuant to § 37.2-501 and the team shall also include "a representative of a private organization or association of providers for children's or family services if such organizations or associations are located within the locality". Therefore, individuals serving in those capacities should be independent of one another.</p>	
<p><b>CRITERIA:</b> COV § 2.2-5200 COV § 2.2-5205 COV§ 37.2-501</p>	
<b>RECOMMENDATION:</b>	<p>Scott County CPMT should recruit a private provider separate from Frontier Health to serve on their CPMT to ensure compliance with the statute.</p>
<b>CLIENT COMMENT:</b>	<p><b>"Scott County has already secured a private provider separate from Frontier Health to serve on FAPT. This individual is with Family Preservation Services; her first FAPT meeting was in January 2016. The process has been initiated with the County Administrator to advertise for a private provider to serve on CPMT."</b></p>

<b>SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES</b>	
<p>Documentation of service planning activities requires strengthening to ensure compliance with program requirements. Three of nine case files (33%) reviewed by Scott County CSA office 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. Each client case files reviewed omitted documentation to demonstrate compliance with CSA requirements key to the coordination and service planning by FAPT. Data omitted from case files reviewed were two (2) consent to exchange information, evidence of parental consent and participation in service planning and two (2) discharge Child and Adolescent Needs and Strengths assessments (CANS).</p>	
<p>Insufficient data collection and poor document management in service planning may affect efficiency and effectiveness 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.</p>	
<p><b>CRITERIA:</b> COV § 2.2-5208; CSA Manual section 3.6 Mandatory Uniform Assessment Instrument (Adopted December 18, 2007, Updated May 12, 2008); § 2.2-5210. Information sharing; confidentiality. Family Engagement Policy adopted by SEC March 25, 2010</p>	

<b>RECOMMENDATION:</b>	<ul style="list-style-type: none"> <li>• The CPMT should ensure that all required documentation (i.e. consent to exchange information) is maintained in client case files.</li> <li>• CANS assessments (initial, re-assessment and discharge) should be completed in CANVaS and maintained in client records in accordance with Scott County’s Utilization Review Policy.</li> <li>• The CPMT should ensure family participation in all aspects of the service planning is evident in the client case file.</li> </ul>
<b>CLIENT COMMENT:</b>	<ol style="list-style-type: none"> <li>1. <b>“All foster care youths now have Consent to Exchange Information forms in their FAPT files.</b></li> <li>2. <b>All FAPT records have current CANS assessments, and cases are monitored for completion of CANS at appropriate times</b></li> <li>3. <b>Efforts have been made to involve family members of youths in foster care in the FAPT process. Documentation will show efforts.”</b></li> </ol>

<b>SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESSES</b>	
<p>Policies, procedures, and guidelines established by the CPMT did not include a policy on Intensive Care Coordination (ICC) as required in the Code of Virginia. Scott County CPMT updated and adopted their current policies and procedure manual in January 2014. However, the updated version did not include an ICC policy. Through further inquiry, it was determined that Scott County’s CSB does not provide ICC services, hence the omission of the policy.</p>	
<p>The CPMT’s duties and responsibilities to establish a policy is not contingent upon whether their CSB will provide ICC services. Where the CSB was previously the sole provider for ICC services, the State Executive Council (SEC) ICC policy adopted April 30, 2013 expanded the pool of providers to include privately operated vendors as long as the provider is trained in the Fidelity Wraparound (HFW) model. The purpose of the policy is to govern the provision of services and ensure consistency in application of identified requirements regardless of the service provider.</p>	
<p><b>CRITERIA:</b> § 2.2-5206.(17). SEC policy Intensive Care Coordination effective July 1, 2014.</p>	
<b>RECOMMENDATION:</b>	<p>Scott County CPMT revised current policies and procedures manual does not include an ICC policy. Going forward Scott County should update policies and procedures when necessary to reflect current state and local CSA practices and requirements..</p>
<b>CLIENT COMMENT:</b>	<p><b>“Scott County CPMT has initiated efforts to prepare an ICC policy at the February CPMT meeting.”</b></p>

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The Office of Children's Services respectfully requests that you submit a quality improvement plan to address the observations outlined in this report no later than 30 days from receipt of this report. In addition, we ask that you notify this office as quality improvement tasks identified are completed. OCS will conduct a follow up validation to ensure the quality improvements have been implemented as reported.

We would like to thank the Scott County Community Policy and Management Team and related CSA staff for their contributions in completing the CSA Self-Assessment Workbook. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin  
Program Auditor

cc: Scott Reiner, Interim Executive Director  
Kathie Noe, County Administrator  
Stephanie Bacote, OCS Program Audit Manager