

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

***Harrisonburg/ Rockingham
Self-Assessment Validation***

Final Audit Report No. 35-2020

May 17, 2022



Office of Children's Services
Empowering communities to serve youth

Report Disclaimer

Due to the COVID-19 pandemic, onsite visits to validate management's conclusions have been suspended until further notice. In lieu of onsite visits, self-assessment validation activities were conducted remotely.



COMMONWEALTH of VIRGINIA

Scott Reimer, M.S.
Executive Director

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

May 17, 2022

Ande Banks, CPMT Chair
Harrisonburg City Manager's Office
409 South Main Street
Harrisonburg, VA 22801

Patricia Davidson, CPMT Chair
Rockingham County Finance Department
P.O. Box # 1252
Harrisonburg, VA 22803

RE: Harrisonburg/Rockingham CSA Program Self-Assessment Validation
Final Report, File No. 35-2020

Dear Mr. Banks and Ms. Davidson,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2020, the Harrisonburg/Rockingham 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. Based on the review and examination of the self-assessment workbook and supporting documentation provided by the Harrisonburg/Rockingham CSA program completed April 15, 2020 and covering the period June 1, 2019 through May 31, 2020, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Harrisonburg/Rockingham CPMT that 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 Harrisonburg/Rockingham CSA Program. The explanations for our assessment results are as follows:

The Harrisonburg/ Rockingham CPMT concluded that there were only non-significant compliance and/or internal control weakness observations noted. A summary of non-compliance and/or internal control weaknesses reported by the CPMT are included as Attachment A to this report. However, validation procedures identified major deficiencies¹ indicating non-compliance in the local CSA program as well internal control weaknesses not identified by the CPMT. 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

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.

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 are detailed below.

**SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESS
 OBSERVATION - REPEAT**

1. During the period of review, 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. Foster care maintenance costs totaling \$8,394.65 (state and local share) were funded by CSA on behalf of nineteen (19) Title IV-E eligible clients. Code of Virginia (COV) [§ 2.2-5211](#) states “the community services board, the local school division, local social services agency, court service unit or Department of Juvenile Justice shall continue to be responsible for providing services identified in individual family service plans that are within the agency’s scope of responsibility and that are funded separately from the state pool.” However, CSA Refund Reports for FY 2018-2020 show that Harrisonburg/Rockingham had not reported any IV-E refunds during that period. A data match of IV-E and CSA funded foster care maintenance payments yielded the results shown in Tables A and B below: (Table A: Rockingham County Clients A-through H, Table B Harrisonburg Clients I through S)

Table A

Rockingham County		
Clients	Questioned Cost	State Share
A	\$141.45	\$80.53
B	\$131.60	\$74.92
C	\$896.00	\$510.09
D	\$670.54	\$381.74
E	\$150.00	\$85.40
F	\$411.63	\$234.34
G	\$307.98	\$175.33
H	\$1,350.00	\$768.56
Subtotal		\$2,310.90

Table B

Harrisonburg City		
Clients	Questioned Cost	State Share
I	\$272.57	\$142.83
J	\$0.31	\$0.16
K	\$1,638.72	\$858.69
L	\$879.10	\$460.65
M	\$289.45	\$151.68
N	\$124.34	\$65.15
O	\$132.16	\$69.25
P	\$5.67	\$2.97
Q	\$137.09	\$71.84
R	\$331.03	\$173.46
S	\$525.00	\$275.10
Subtotal		\$2,271.78

**SIGNIFICANT NON-COMPLIANCE AND INTERNAL CONTROL WEAKNESS
OBSERVATION CONTINUES – REPEAT**

A similar non-compliance observations referenced in this report were also identified in the prior audits report issued July 31, 2015 and August 30, 2018. The Harrisonburg-Rockingham CPMT submitted and reported to OCS a completed Quality Improvement Plan (QIP). The CPMT, as the governing body, is responsible for on-going monitoring of the QIP to ensure timely implementation of the plan and the actions taken are continuously working as intended.

2. Documentation of utilization review (UR) of service planning activities requires strengthening to ensure compliance with program requirements and best practices. Utilization reviews of services documented in the approved service plans and funded by the state pool were not performed in 5 (71%) of the 7 client records examined. COV §2.2-5208 item 5 (iv) task the FAPT to “provide regular monitoring and utilization review of the services and residential placement for the child to determine whether the services and placement continue to provide the most appropriate and effective services for the child and his family”. This non-compliance observation was also identified in the prior two (2) audit reports issued July 31, 2015 and August 30, 2018. The Harrisonburg-Rockingham CPMT submitted and reported to OCS a completed QIP. The CPMT, as the governing body, is responsible for on-going monitoring of the QIP to ensure timely implementation of the plan and the actions taken are continuously working as intended.
3. Written policies and procedures are not consistent with established CSA statutes, policies, guidance, and/or best practices. Further, some local policies and procedures do not reflect the current, actual practices of the local CSA operation. A review of Harrisonburg/ Rockingham County Office of Children’s Services Policies and Procedures manual 4th Editions noted the following opportunities for improvement:
 - a) Local policy states that the COV and CSA policy requires FAPT referral/assessment within 14 working days of a new placements, and the maximum time allowed between referral and review is 14 working days. The statement is misrepresents statutory requirements. COV §2.2-5209, requires emergency placements be assessed by FAPT or an approved MDT within 14 days of admission and the emergency placement is approved at the time of placement.
 - b) In an effort to compensate service providers for “time spent working on services for a client outside of office hours (i.e. direct therapy)”, local policy allows CSA funds to be expended for case consultation, court appearances, and the generating of documentation. The policy states “These are services by a counselor for work with/for the case manager outside of actual counseling sessions.” COV [§ 2.2-5211](#) states “the community services board, the local school division, local social services agency, court service unit or Department of Juvenile Justice shall continue to be responsible for providing services identified in individual family service plans that are within the agency’s scope of responsibility and that are funded separately from the state pool.” Services provided by a counselor “for work with/for the case manager” are within the scope of responsibility of the agency represented by the case manager.

An internal control observation regarding policies and procedures was also identified in a prior audit report dated July 31, 2015. The CPMT, as the governing body, is responsible for ensuring operating policies and procedures align with COV, CSA and partnering agencies policies. Errors and /or inconsistencies within the policies and procedures manual could unintentionally lead to the misapplication of policies by CSA stakeholders.

RECOMMENDATIONS

1. Prior to authorizing funding, the CPMT should ensure that the proposed expenditure meets the criteria for CSA funding i.e., meeting all federal and state requirements. Specifically, ensuring that expenditures are not eligible for other funding sources such as Title IV-E. Documentation should be maintained as justification for CPMT funding decisions.
2. The CPMT should submit a quality improvement plan, for review by the OCS Finance Office, including whether the CPMT agrees with the observations regarding questioned costs. Upon review and recommendations presented by OCS Finance staff, the CPMT will be notified of the final determination made by the Executive Director based on SEC approved policy 4.7 Response to Audit Findings of whether the identified actions are acceptable or any additional actions that may be required.
3. In accordance with COV §2.2-5208 item 5 (iv) and local policy, the CPMT should ensure that the FAPT performs UR of all services recommended and funded by the state pool. Periodic review of individual client records should be conducted by person(s) independent of FAPT to verify compliance.
4. The CPMT should review and revise policies and procedures manuals ensuring they align with the COV, SEC policy manual and all other relevant partnering agency manuals. In addition, policy and procedures should reflect the actual practices of the program.

CLIENT RESPONSES

1. "CPMT will ensure that all proposed expenditure meets the criteria for CSA funding and ensure that expenditures are not eligible for other funding sources such as Title IV-E. HRSSD CSA has recently add a new position, FAPT Admin Assistance with CSA finance background to help ensure funding requirements are met as well as case records include documentation on justification for all CPMT funding decisions. HRSSD CSA will submit quality improvement plan. Many changes, challenges and improves have occurred over the past two years as CSA moved under HRSSD in April 2020. Continued improvements are being put in place to ensure a successful program."
2. "FAPT will routinely perform UR on cases in which services are funded by the state pool. Currently the CSA QA position is vacant though the agency has made an offer to a qualified candidate. HRSSD CSA will submit a new quality improvement plan, ensure timely implementation and utilize the OCS forms."
3. "HR CPMT has already changed and approved our policy to address item (a). Our agency practices were in alignment with the COV emergency placement policy but the wording in our policy manual was incorrect. Currently an in depth review of our current CSA policy manual is being conducted by our CSA Coordinator, and our policy review team. Upon completion, the CPMT will ensure that the new CSA policy manual aligns with the COV and other child serving agencies policies. In addition, the CPMT will ensure services identified in individual family service plans that are within another child serving agency's scope of responsibility will not be funded by state pool funds."

SIGNIFICANT NON-COMPLIANCE CONTINUES

4. Statement of Economic Interest Forms (S/O/E/I) were not completed by non-public members serving on the CPMT and Family Assessment and Planning Team (FAPT) in accordance to the COV § 2.2-3117 and OCS Administrative Memo 18-02. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are significantly reduced on the basis that personal interest were potentially not appropriately disclosed by required parties engaged in service planning and funding decisions.

RECOMMENDATIONS

Statement of Economic Interest Forms (S/O/E/I) were not completed by non-public members serving on the CPMT and Family Assessment and Planning Team (FAPT) in accordance to the COV § 2.2-3117 and OCS Administrative Memo 18-02. The effectiveness of the controls to ensure accountability and appropriate use of CSA pool funds are significantly reduced on the basis that personal interest were potentially not appropriately disclosed by required parties engaged in service planning and funding decisions.

CLIENT REPOSES

“Statement of Economic Interest Forms will be completed by non-public members serving on Harrisonburg Rockingham CPMT and FAPT. Current non-public members (if no SOEI form is completed) a new SOEI form will be completed by July 1, 2022 and new members prior to serving on a team.”

SIGNIFICANT INTERNAL CONTROL WEAKNESS

5. Data integrity and the reliability of information reported by Harrisonburg/Rockingham CSA office to OCS needs improvement. Financial reporting errors pertaining to expenditure refunds were pervasive throughout the period of review, indicating that internal controls for review and monitoring to ensure data accuracy and integrity are not working as intended. CSA Refund Reports for FY 2018-2020 show that Harrisonburg/Rockingham has not reported any Title IV-E refunds during that period (see Exhibit A below). Further analysis of FY 20 transactions determined that reclaimed IV_E refunds totaling \$60,735.33 for Rockingham and \$24,189.40 for Harrisonburg were erroneously reported as Vendor Refunds. It is to be noted that in FY 21 Harrisonburg/Rockingham started reporting IV-E Refunds.

Exhibit A

FY	FIPS	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
20	165	Rockingham	77,785.39	1,493.14	29,675.80	69,762.15	-	-	178,716.48
19	165	Rockingham	79,172.20	3,257.29	41,480.00	74,113.43	-	-	198,022.92
18	165	Rockingham	145,167.28	2,701.49	16,473.00	52,632.91	-	-	216,974.68
20	660	Harrisonburg	72,385.48	-	8,848.00	43,536.47	-	-	124,769.95
19	660	Harrisonburg	46,148.22	1,889.88	4,945.75	42,486.11	-	-	95,469.96
18	660	Harrisonburg	52,066.90	213.60	16,491.61	24,943.56	-	-	93,715.67

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RECOMMENDATIONS

The CPMT should conduct an immediate review of refunds for the current fiscal year to ensure they are reported in the correct refund category.

CLIENT REPOSSES

“HRSSD CSA has processed refunds for the current fiscal year to ensure they are reported in the correct refund category.”

We would like to thank the Harrisonburg/Rockingham Community 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 Celest Williams, Director of Harrisonburg Rockingham Social Services and her staff during our review. Mrs. Williams’ efforts enabled the audit staff to resolve any questions/concerns that we observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,



Annette E. Larkin, MBA
Program Auditor



Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Stephen King, Rockingham County Administrator
Tonya Morris, CPMT Fiscal Agent
Brandi Smith, CSA Coordinator
Attachment



CSA Self-Assessment Validation
Henry/Martinsville CSA Program Audit- SAV
Summary of Self-Reported Non-Compliance and/or (Non-significant) Internal Control Weakness

Observations	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date
1. Each CPMT shall ensure collection of child specific documentation to demonstrate compliance with the CSA. Such documentation shall include, at minimum, <ul style="list-style-type: none"> • Assessment data, including completed CANS • Vendor Treatment plans • Vendor Progress Reports 	SEC Policy Manual and CSA User Guide Policy Manual, Section 3.5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Completed 6/30/21
2. Training of new staff members and community partners.	ARMICS Information and Communication	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Completed 6/30/21