

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

***Mathews County
Self-Assessment Validation***

Audit Report No. 30-2022

June 9, 2023



Office of Children's Services
Empowering communities to serve youth



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

June 9, 2023

Tiffany Gordon, CPMT Chair/Fiscal Agent
Mathews County Department of Social Services
536 Church Street
P.O. Box 925
Mathews, VA 23109

RE: Mathews County CSA Program Self-Assessment Validation (SAV)
Final Report, File No. 30-2022

Dear Ms. Gordon:

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year (FY) 2022, the Mathews 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. Based on the review and examination of the self-assessment workbook and supporting documentation provided by the Mathews County CSA program completed on February 1, 2022, and covering the period of January 1 through December 31, 2021, our independent validation:

Concur Partially Concur Does Not Concur

with the conclusion reported by the Mathews County CPMT that significant observations of non-compliance or internal control weaknesses were found in the design or operation of the processes or services conducted. The explanations for our assessment results are as follows:

The Mathews County CPMT concluded that there were significant non-compliance and/or internal control weakness observations noted. A summary of non-compliance and/or internal control weaknesses reported by the CPMT is included in Attachment A to this report. Validation procedures also identified an internal weakness not originally reported by the CPMT. Specifics pertaining to the Mathews County CSA Program are detailed on pages 2-3.

SIGNIFICANT INTERNAL CONTROL WEAKNESS

1. Mathews County CSA policies and procedures (last revised November 2021) are inconsistent with established state CSA requirements and/or best practices to govern local CSA programs. Clear policies are necessary to facilitate and communicate the CPMT's expectations in implementing CSA and ensure the program is administered per state and local requirements. Opportunities for policy alignment and to clarify inconsistencies were noted as follows:

Section 5.2.6: Collection Responsibility, Page 27. The parental co-payment policy requires parents to pay the assessed co-payment directly to the service provider. At the same time, the CSA Office deducts the assessed parental contribution from the vendor invoice. This policy and practice undermine the accuracy of financial reporting of actual parental contribution collected and inappropriately defers responsibility for collection to the provider. This practice assumes that the service provider collects the full co-pay required of the parent. The likelihood of misstatements in the Pool Fund Reimbursement Reports is significantly increased because it reports the reduced expenditure without acknowledgment of the parent contribution as the cause and misrepresents actual expenditures due to the disparity that may exist between the assessed co-payment initially deducted by the CSA program and the actual co-payment collected by the service provider. Further, responsibility for collecting assessed parental contributions rests with the CPMT per Appropriation Act, which states in Item 292. E.: "Pursuant to subdivision 3 of § 2.2-5206, Code of Virginia, Community Policy and Management Teams shall enter into agreements with the parents or legal guardians of children receiving services under the Children's Services Act."

RECOMMENDATIONS

The CPMT should strongly reconsider its policy of provider collection of parental co-pays. In doing so, the CPMT should ensure that Pool Fund Reimbursement Requests accurately capture parental contributions and establish procedures to document and collect delinquent accounts.

CLIENT COMMENT

The Mathews CPMT concurs the parental co-pay policy should be revised. This is on the agenda for the August CPMT meeting.

INTERNAL CONTROL WEAKNESS

2. Internal controls established to ensure financial transactions are complete, accurate, and timely were not working as intended. The service name description was not appropriately referenced, indicating the funded service. This detail is provided in data reports that support continuous quality improvement monitoring efforts, which depend upon complete, accurate, and reliable information. The errors lessen the reliability and integrity of data used in CSA pool expenditure and utilization reports. Table A illustrates the financial reporting error.

Table A- Financial Reporting Errors – Service Name Description CSA Policy 4.5 Fiscal Procedures			
Client	Incorrect Services Name Code	Correct Service Name Code	Period
A	#6 Crisis Stabilization Services	#10 Individual Support Services	Jun 2021 – Feb 2022
B	#6 Crisis Stabilization Services	#10 Individual Support Services	Jan 2021 – Dec 2021

RECOMMENDATIONS

The CSA Office and fiscal staff should periodically review completed financial reports to ensure transactions are recorded in the appropriate expenditure categories and utilize the correct service name descriptions. Identified discrepancies should be immediately corrected.

CLIENT COMMENT


The Mathews CPMT concurs with the recommendation of periodic review of financial reports to reconcile expenditures.

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 thirty (30) days from receipt of this report. We ask that you notify this office as quality improvement tasks identified to address significant observations are completed. OCS will conduct a follow-up validation to ensure the quality improvements have been implemented as reported.

Tiffany Gordon, CPMT Vice-Chair
Mathews County CSA Program SAV
June 9, 2023
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We want to thank the Mathews County CPMT, CSA staff, and partners for their contributions to completing the CSA Self-Assessment Workbook. We also want to acknowledge the excellent assistance and cooperation provided by Gretchen Carson, CSA Coordinator, during our review. Ms. Carson's efforts enabled the audit staff to resolve any questions/concerns observed during the validation process. Please feel free to contact us should you have any questions.

Sincerely,


Rendell R. Briggs, CAMS
Program Auditor


Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Ramona Wilson, Mathews County Administrator
Gretchen Carson, CSA Coordinator

Attachment

ATTACHMENT A



**CSA Self-Assessment Validation
Mathews County CSA Program Audit- SAV
Summary of Self-Reported Significant Non-Compliance and Internal Control Weaknesses**

Observation	Criteria	Prior Audit Repeat Observation	Quality Improvement Plan Submitted	Quality Improvement Plan Action Date
Mathews County FAPT has a vacant parent representative.	COV 2.2-5207	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Appointed May 2022
The Mathews County CSA does not have an established policy regarding the process/frequency for review of all policies and procedures.	ARMICS ¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/11/22 Completed
The Mathews County CSA has an established policy regarding the frequency of educating applicable stakeholders on local CPMT-approved policies, procedures, resources, and services; however, it was not written into the policy manual.	ARMICS ^{1,2}	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/11/22 Completed

ARMICS (Department of Accounts, Agency Risk Management, and Internal Control Standards):

- ¹Control Activities: Documentation
- ²Control Environment: Governance, Policies, and Procedures