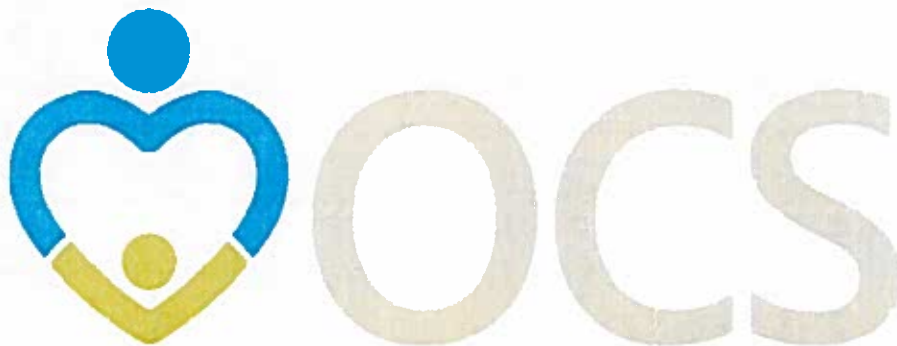


***CHILDREN'S SERVICES ACT
PROGRAM AUDIT***

***Frederick County
Self-Assessment Validation***

Final Audit Report No. 23-2022

January 17, 2023



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 Reamer, M.S.
Executive Director

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

January 17, 2023

Denise Acker, CPMT Chair
Northwestern Community Service Board
209 W. Criser Rd. Ste. 300
Front Royal, VA 22630

RE: Frederick County CSA Program Self-Assessment Validation
Final Report, File No. 23-2022

Dear Ms. Acker,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Year 2022, the Frederick 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 Frederick County CSA program completed March 4, 2022, and covering the period November 1, 2020 through October 31, 2021, our independent validation:

Concurs Partially Concurs Does Not Concur

with the conclusion reported by the Frederick 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 Frederick County CSA Program. The explanations for our assessment results are as follows:

The Frederick County 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 a deficiency indicating non-compliance in the local CSA program 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. Specifics are detailed on page 2.

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS

1. 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. Per Code of Virginia (COV) § 2.2-5212, access to the state pool of funds includes the use of a uniform assessment instrument and process. The Child and Adolescent Needs and Strengths (CANS) Assessment is the approved uniform assessment instrument per CSA Policy 3.6 Mandatory Uniform Assessment Instrument (Adopted December 18, 2007, Revised December 13, 2018). CSA Policy states that the CANS assessment is required initially, annually, and upon discharge from the CSA process. An annual CANS had not been completed timely for one (1) client case file examined, resulting in \$12,940.11 in questioned costs, of which \$7,313.75 represents the state share. The applicable period of service was January 2021 through November 2021.

2. COV §2.2-5207 requires completion of the Statement of Economic Interest (SOEI) filing by non-public officials designated as members of the FAPT. Guidance provided in OCS Administrative Memo #18-02 [Statement of Economic Interest Filings for FAPT and CPMT Members](#) directs that the forms be completed upon appointment and filed with the clerk of the local governing body, who is responsible for maintaining these filings as public records for five years. Non-public members on the FAPT did not complete the SOEI form. This internal control established by CSA statutes and operating guidance was not effectively implemented by the CPMT as a safeguard against conflicts of interest.

3. Parental co-payment collections between FY 19-21 (refer to exhibit A) have not been reported in accordance with CSA Policy 4.5.2.e, *Pool Fund Reimbursement*. Instead, Frederick County's parental co-payment policy for community-based services requires the parents to pay the assessed co-payment directly to the service provider. The assessed parental contribution is deducted from the authorized funding amount when the purchase order is issued, and the co-pay may be divided based on percentage if there are multiple providers. 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 actually collects the full co-pay required by 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 also 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.

Exhibit A

LEDERS Refunds Report for FY 2019-2021

<https://www.csa.virginia.gov/OCSPoolReports/PoolReports/RefundReport>

FY	FIPS	Locality	Vendor Refunds	Parental Co-Pay	SSA, SSI, VA, Benefits	Support through DCSE	Reclaimed under IV-E	Other	Total
19	69	Frederick	11,181.13	-	24,735.16	23,117.67	14,611.29	7,796.85	81,442.10
20	69	Frederick	15,120.16	-	18,813.66	32,573.71	(893.68)	5,873.13	71,486.98
21	69	Frederick	16,064.84	-	36,524.00	28,285.28	(17,355.91)	15,309.23	78,827.44

SIGNIFICANT NON-COMPLIANCE OBSERVATIONS CONTINUED
<p>Further, responsibility for the collection of assessed parental contributions rests with the CPMT in accordance with 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."</p>
RECOMMENDATIONS
<ol style="list-style-type: none"> 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. Adequate documentation, such as but not limited to, verification of administration of annual CANS assessment, 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. The CPMT should ensure all parties not representing a public agency complete the SOEI forms upon appointment and maintain filing in accordance with the Administrative Memo 18-02 dated January 16, 2018. 4. 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 that procedures are established to document and collect delinquent accounts.
CLIENT COMMENTS
<ol style="list-style-type: none"> 1. "CANVaS query by auditor identified missing CANS. CSA Coordinator contacted case manager seeking missing CANS, which were immediately provided to CSA office and subsequently submitted to auditor. CANS assessment date appears to be completed on time, however were entered after initial audit query was made." 2. "Concur" 3. "The CSA Coordinator does not fully concur with all assertions outlined in MDP #2 (Audit Observation 3). In accordance with CSA Policy 4.5.2.e, expenditures and refunds are reported within the appropriate expenditure reporting categories. Because Frederick County did not receive any parental contributions during the specified time range, no refunds in that category were reported. The amount reported is the amount spent and is therefore not a misrepresentation of gross expenditures. Submitted data represents the actual expenditure by Frederick County. <p>In accordance with COV § 2.2-5206, Frederick County CPMT policy requires the assessment of a parental contribution for services, except where disallowed by law or under certain circumstances approved by CPMT. Following completion of the assessment, the copayment amount is determined, and the appropriate form is signed, establishing an agreement between the parents/legal guardians and CPMT."</p>

The Office of Children's Services respectfully requests that you submit a quality improvement plan (QIP) to address the observation outlined in this report no later than 30 days from receipt of this report. We ask that you notify this office as QIP 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.

We would like to thank the Frederick County Community Policy and Management Team and CSA staff and partners 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 Jackie Jury, CSA Coordinator. Ms. Jury'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,



Annette E. Larkin, MBA
Program Auditor



Stephanie S. Bacote, CIGA
Program Audit Manager

cc: Scott Reiner, Executive Director
Michael L. Bolhoefer, County Administrator
Sharon Kibler, CPMT Fiscal Agent
Jackie Jury, CSA Coordinator

Attachment



CSA Self-Assessment Validation
Caroline County 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/Status
<u>Governance</u> : The CPMT has not developed consequences for any breach of its Code of Ethics.	ARMICS-Governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Completed
<u>Governance</u> : Frederick County does not have a system in place to solicit feedback regarding the effectiveness of the program from stakeholders.	ARMICS - Monitoring Information and Communication	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/31/22 In progress
Governance: CPMT lacks a formal training policy.	ARMICS – Training	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6/30/23 In progress
<u>Governance</u> : Placing notice of meeting in a prominent location; placing notice at the Office of the Clerk.	COV§ 2.2-3707 Information and Communication	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Completed
<u>Parental Contributions</u> : Parental copay screening for one client was partially complete, missing paystubs, and not signed by parent.	§ 2.2-5206 § 2.2-5208 ARMICS-Control Activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/31/22 In progress
<u>Mandatory Uniform Assessment Instrument</u> : The comprehensive annual CANS assessment was missing for one client.	§ 2.2-5212 Local Policies and Procedures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Complete
<u>Records Management</u> : Documentation missing from one client records included: signed purchase order,	SEC Policy 3.5	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Completed