



COMMONWEALTH of VIRGINIA

Scott Reiner, M.S.
Executive Director

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

September 17, 2018

Mr. Mark Thompson, CPMT Chair
30th District Court Service Unit
122 Municipal Avenue
Gate City, VA 24251

RE: Scott County CSA Program Self-Assessment Validation, File No. 48-2018

Dear Mr. Thompson,

In accordance with the Office of Children's Services (OCS) Audit Plan for Fiscal Years 2018, 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. An on-site visit was scheduled and conducted by OCS Program Auditors on June 21, 2018 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 CPMT concluded that there were only non-significant compliance and/or internal control weakness observations noted. However, validation procedures of the locally prepared CSA Self-Assessment Workbook identified deficiencies indicating non-compliance 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. Specifics pertaining to the Scott County CSA Program are detailed on page two (2).

SIGNIFICANT NON-COMPLIANCE and REPEAT 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 as follows:
- A. The Virginia Department of Social Services (VDSS) Foster Care Manual requires that the Virginia Enhanced Maintenance Assessment Tool (VEMAT) be administered within 60 days of placement to receive payments above the basic maintenance rate for children in foster care for the purpose of meeting the child’s need for additional support and supervision. During this 60-day window, an emergency rate of \$1,120 is allowable. A valid VEMAT was not completed within the allotted timeframe for one case tested. The emergency rate was reimbursed through CSA pool funds. VDSS policy states that CSA funds shall not be accessed to pay enhanced maintenance when the VEMAT has not been used; the local department must use local only funds for payments. The total cost equaled \$1,120, resulting in questioned cost of \$766.75 (state share).
 - B. In accordance with VDSS Broadcast 9128 dated May 5, 2015 and the VDSS Adoption Manual, local departments shall utilize adoption assistance funding for payments of maintenance and foster care services when adoption assistance agreements are signed on or after June 1, 2015. “Effective June 1, 2015, local departments will no longer have the option to utilize foster care funds after the effective date of the Adoption Assistance Agreement.” For the same client mentioned above, the signed adoption assistance agreement was effective March 1, 2018; however, CSA pool funds were used to cover day care services for the month of March. The total cost equaled \$440, resulting in questioned cost of \$301.22 (state share).

The State Executive Council (SEC) Denial of Funds policy adopted on June 23, 2011 states that CSA pool funds can be withheld if a locality fails to comply with, or is in violation of statutory requirements and policies, whether they are specific to the CSA or promulgated by participating agencies.

CRITERIA: VDSS Child and Family Services Manual E. Foster Care Section 17 Funding Maintenance Cost; VDSS Child and Family Services Manual F. Adoption Section 2.13 Adoption Assistance Agreement; VDSS Broadcast 9128; CSA Policy Manual 4.6

- 2) Statement of Economic Interest (SOEI) forms were not completed by non-public members on FAPT as required by statute. 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. This observation was identified in the prior audit report dated February 18, 2016.

CRITERIA (COV) Sections: § 2.2-3100; § 2.2-3117; and § 2.2-5207

RECOMMENDATIONS

- 1) The CPMT should ensure that all requirements for compliance with State CSA policies and procedures are met prior to accessing CSA pool funds. 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 of whether the identified actions are acceptable or any additional actions that may be required.

RECOMMENDATIONS CONTINUED
2) The CPMT should ensure that the SOEI form is completed immediately for all non-public participating members serving on FAPT. Completed forms should be filed with the clerk of the local governing body, per the guidance provided in OCS Administrative Memo #18-02 January 2018.
CLIENT COMMENTS
“The first noted questions about Expenditure Reimbursement for one case. We do concur with your assessment on that case.” “The second noted question concerning the Statement of Economic Interest Forms for FAPT members. Our local FAPT has never completed those forms previously, but we will implement that requirement as to be in compliance with the COV.”

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. We also would like to acknowledge the excellent assistance and cooperation that was provided by Lisa Overbey, CSA Coordinator during our on-site visit. Their efforts enabled the audit staff to resolve quickly 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
Freda R. Starnes, Scott County Administrator
Mitzi Owens, CPMT Fiscal Agent
Lisa Overbey, CSA Coordinator
SEC Finance and Audit Committee