

Office of Comprehensive Services
CSA Financial/Compliance Program Audits
Orange County CSA Program
Audit No. 05-2014; Period: 10/1/12 – 9/30/13

PRELIMINARY AUDIT OBSERVATIONS

CPMT ADMINISTRATION

- FAPT membership does not comply with CSA code section [§ 2.2-5205](#). The current organizational representation did not include a parent representative for past six months. It was noted program is actively recruiting for a replacement. This represents an internal control weakness for compliance with statutory requirements. **Ref.: Orange County FAPT Policy and Procedures No. F2.A.5, Composition and Terms of Appointment**
- Statements of Economic Interest forms were not completed timely by all non-government employed members of the CPMT and FAPT. Disclosure forms required to be completed annually by January 15th were not completed until October 2013. Other noted observations with the submissions were:
 - The form submitted by the private provider representative on CPMT was not signed. This condition was immediately resolved once brought to the attention of the CSA Coordinator and CPMT Chair.
 - One of two private provider representatives on FAPT had not submitted the form. This condition was immediately resolved once brought to the attention of the CSA Coordinator and CPMT Chair.This represents an internal control weakness for compliance with statutory requirements. **Ref.: COV Sections [§ 2.2-3100](#); [§ 2.2-3101](#); [§ 2.2-3117](#); [§ 2.2-5205](#); [COV § 2.2-5207](#)**
- The CPMT has not documented a formal plan to substantiate coordination of long-range planning, to include a formal risk assessment of the current strengths and needs of the existing system; measurable objectives and strategies, etc. This represents an internal control weaknesses relating to governance, risk management, and compliance with statutory requirements. **Ref.: COV Section [§ 2.2-5206](#), Item 4; CSA Manual 3.1.5 Duties and Responsibilities; Toolkit [Coordinated Long Range Planning](#)**
- The CPMT has not established measurable criteria for evaluating the effectiveness of the local CSA program, which are based upon evaluation of child/family outcomes and provider performance. This represents an internal control weaknesses relating to governance and compliance with statutory requirements. **Ref.: [§ 2.2-5206](#); CSA Manual 3.1.5 Duties and Responsibilities**
- Policies and procedures have not been developed to govern ICC services. An agreement with the CSB was drafted in Sept. 2009, was never signed, and has since expired effective Dec. 2009. This represents an internal control weakness for governance and compliance with statutory requirements. **Ref.: CSA Manual Section 8.2 Intensive Care Coordination; [2011 Appropriations Act, Chapter 890, Item 274 § C.3.d.](#)**
- The CPMT has established a process for collecting and maintaining data on students receiving congregate or private day education services. However, the procedure has not been formally documented and adopted by the CPMT as the local procedure. This represents an internal control weakness for governance and compliance with CSA policies and procedures. **Ref.: CSA Manual Appendix B – Department of Education Tool Kit, [Reporting of Student Testing Identifier to CPMT for IEP Placements in Private Programs](#)**

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- A formal process has not been established for orientating new members to CPMT and FAPT. Further, participation by CPMT and FAPT in continuing education specifically relating to CPMT has been limited. **Ref.: Department of Accounts (DOA) Agency Risk Management and Internal Control Standards (ARMICS), Control Environment, Workforce Competence and Human Resources Development**
- Documentation of the minutes of monthly CPMT meetings was not prepared and approved timely. March '13 – August '13 meeting minutes were not documented until Oct. 9, 2013. For the months of February '13 and July '13, there were no minutes to review. Lastly, the minutes/agenda do not reflect activities to indicate CPMT efforts in monitoring, budgeting, and evaluation operational and financial effectiveness. **Ref. DOA ARMICS, Control Environment (Oversight by the Agency's Governing Board) and Control Activities**

PROGRAM ACTIVITIES

- Case file contents did not contain sufficient documentation necessary to complete case file review to determine eligibility and appropriateness of the use of CSA funds for services recommended by FAPT. Documents missing from case files reviewed included: (1) CANS assessment applicable to the period reviewed, (2) consent to exchange information, (3) IFSP data elements necessary for service planning were omitted, such as presenting problem, child/family history, child/family strengths, and clearly defined service dates (4) vendor contract/treatment plan/progress notes, and (5) parental co-pay assessment. Observed exceptions in 7 of 13 case files reviewed. This represents internal control weaknesses for documentation, records retention, and compliance. **Ref.: CSA Manual Section 3.5 Records Management Toolkit; DOA ARMICS, Control Activities**

<u>Client ID</u>	<u>Exception</u>
196	<ul style="list-style-type: none"> • Missing consent form • Missing CANS covering 7/1/12 to 12/6/12. • IFSP data elements left blank
551	<ul style="list-style-type: none"> • Missing consent form • IFSP data elements left blank
544	<ul style="list-style-type: none"> • Missing consent form • Missing IEP indicating placement decision • IFSP data elements left blank and service dates are not clearly defined. • Missing vendor contract/treatment plan (T. Faulkner)
582	<ul style="list-style-type: none"> • Paper CANS dated 11/11/11; Must be in CANVaS
591	<ul style="list-style-type: none"> • Missing consent form • Missing IEP indicating placement decision • Missing Part A of the IFSPs (evidence of service planning activities) and service dates on Part B are not clearly defined.
599	<ul style="list-style-type: none"> • Missing Part A of the IFSP (evidence of service planning activities)
618	<ul style="list-style-type: none"> • Missing consent form

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<u>Client ID</u>	<u>Exception</u>
620	<ul style="list-style-type: none"> • Missing consent form • IFSP includes services that may have been eligible for funding through adoption assistance, and service dates are not clearly defined. • Missing parental co-pay assessment
717	<ul style="list-style-type: none"> • Missing consent form • IFSP service dates are not clearly defined.
729	<ul style="list-style-type: none"> • Missing consent form prior to 7/13/13 and current does not indicate an expiration date. • Last co-pay assessment dated 3/26/2008. • IFSP data elements left blank. • Missing VICAP/Medicaid Authorization
777	<ul style="list-style-type: none"> • ICC services provided in the absence of established ICC policy and valid ICC contract/service agreement. Purchase order does not describe the scope of services to be provided. • Missing timely notification of transfer to another locality due to residency change.
816	<ul style="list-style-type: none"> • Missing Part A of the IFSP (evidence of service planning activities) and service dates not clearly defined.
825	<ul style="list-style-type: none"> • Missing consent form

If you can provide any of the documentation referenced in the table above that were not available during our site visit, we will gladly schedule a return visit and revise this listing accordingly upon verification.

- Client specific utilization reviews are performed as a part of the FAPT process. However, utilization management reviews have not been documented. A formal process has not been established to monitor and report on program outcomes. Information is reported to the Orange County Board of Supervisors (BOS) based on their established criteria. At the time of this review, the CPMT has not established its own similar criteria or entered into the formal records (meeting minutes) a review of the reports presented to the BOS. It should be noted that the information communicated to the BOS is publicly accessible with the minutes of the BOS meetings. This represents internal control weaknesses for governance, monitoring, and compliance. **Ref.: [COV § 2.2-5206 \(13\)](#); CSA Manual Section 8.1 Utilization Management**

FISCAL ACTIVITIES

- Formal, written financial reports are not presented to the CPMT. It was discussed that the CPMT does receive a verbal account of financial position of the CSA program. Instead, written financial reports are presented to Orange County Board of Supervisors. At the time of this review, the CPMT has not established its own similar criteria or entered into the formal records (meeting minutes) a review of the reports presented to the BOS. It should be noted that the information communicated to the BOS is publicly accessible with the minutes of the BOS meetings. This represents internal control weaknesses for governance, monitoring, and compliance with statutory requirements. **Ref.: [§ 2.2-5206](#) Items 6, 9, and 13; DOA ARMICS, Control Environment and Control Activities**

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- Language in existing local fiscal policies governing the purchase of services allows for verbal agreements as an accepted practice. This represents an internal control weakness pertaining to clear lines of authority and responsibility governing fiscal transaction. **Ref.: DOA ARMICS, Control Environment and Control Activities**
- Local fiscal policies address the approval required for invoices. However, the policy does not address the designation of a CPMT representative authorized to approve contracts and/or purchase orders. This represents internal control weaknesses for governance and compliance with CSA policies and procedures. **Ref.: [§ 2.2-5206](#), CSA Manual Section 3.1.5 Duties of the CPMT Toolkit - [Responsibility for Signing Contracts and Agreements](#)**
- A formal process has not been established for documenting, monitoring, and collecting past due parent co-pay amounts assessed. This represents an internal control weaknesses for governance, safeguarding of assets (CSA funds), economic/efficient use of resources (CSA funds) and compliance with CSA statutory requirements. **Ref.: [2011 Appropriations Act, Chapter 890, Item 274 § F.](#); DOA ARMICS, Control Environment and Control Activities**