



**Department of Legislative Services
Office of Legislative Audits**

**Department of Human Services
Social Services
Administration (SSA)**

Report Dated November 20, 2017



Department of Legislative Services

Office of Legislative Audits

Audit Overview

- SSA supervises, directs, and monitors social services programs, including foster care, adoption and guardianship, and child protective services conducted by the State's 24 local departments of social services (LDSSs).
- Our audit focused primarily on SSA's procedures and controls for fulfilling its responsibilities with regard to these programs, and in particular, its efforts to ensure compliance with laws, regulations, and policies relating to these programs.
- Our report included 14 findings, 2 (Findings 6 and 14) of which were repeated from our preceding audit report on SSA.
- OLA determined that SSA's accountability and compliance level was unsatisfactory, in accordance with the rating system OLA established in conformity with State law. The primary factors contributing to the unsatisfactory rating were the significance and quantity of the audit findings.



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Audit Overview

According to the Children’s Electronic Social Services Information Exchange (CHESSIE), the computerized child welfare information system used by SSA and the LDSSs, social services program activity processed during fiscal year 2016 totaled approximately \$270 million.

Fiscal Year 2016 Expenditures Processed via CHESSIE			
Expenditure Category	Number of Children During Year	Number of Providers / Parents	Expenditures (In millions of dollars)
Treatment Foster Care	2,249	33	\$ 71.1
Group Foster Care	1,368	63	64.1
Adoption Assistance	7,092	4,785	63.0
Guardianship Assistance	3,057	2,168	25.6
Family Foster Care	2,648	1,490	12.5
Teen Mother Foster Care	101	8	4.1
Other Foster Care	636	453	2.3
Subtotal (Maintenance)	17,151	9,000	\$ 242.7
Ancillary Funds			27.5
Total Expenditures			\$ 270.2



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Key Findings

- SSA did not have a comprehensive quality assurance process to ensure that child welfare programs were being effectively administered by the LDSSs.
 - SSA lacked adequate procedures to
 - monitor the LDSSs to ensure that foster children were placed in the least restrictive environment and received certain required services;
 - ensure that the LDSSs complied with State regulations regarding initial approval of foster care providers and ongoing monitoring of foster care providers, adoptive parents, and guardians; and
 - maximize federal funds available to the State for costs incurred for child welfare programs.
 - SSA did not adequately monitor
 - the timeliness of child neglect and abuse investigations by the LDSSs;
 - the timeliness of required assessments of controlled substance-exposed newborns; and
 - SSA's timely notification to the LDSSs of children born to parents with terminated parental rights or any necessary follow-up action by the LDSSs.
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Quality Assurance Program (Finding 1)

SSA did not have comprehensive quality assurance processes in place to ensure that certain critical program services and functions were effectively completed by the LDSSs in accordance with State law and regulations, as well as SSA policy.

Those program services and functions included, for example

- approving and monitoring foster care providers and placing children with appropriate providers;
- ensuring that children in care receive specified services, such as medical and dental care, within required timeframes; and
- timely assessment and investigation of child abuse allegations.

A comprehensive quality assurance process includes implementation of effective monitoring procedures of specific program activities and implementation and oversight of quality assurance reviews of cases conducted at each LDSS.



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Program Monitoring (Finding 2)

SSA had not established procedures to monitor the LDSSs to ensure there was documentation supporting the performance of certain critical requirements relating to the placement and care of foster children.

The following table indicates the results of our test of 57 children in foster care for documentation and proper recording in CHESSE of five such requirements. Fiscal year 2016 payments for these children totaled \$2.3 million.

(Two requirements did not apply to all 57 children.)

Results of our Test of Foster Care Requirements				
Foster Care Requirements	Tested	Documentation Not Provided	Documentation Provided – Not Recorded in CHESSE	Total
Legal Basis for Child Entering Foster Care	57	9	0	9
Effort to Place with Relatives	57	35	0	35
Medical Exam since Child Entered Foster Care	57	12	10	22
Dental Exam since Child Entered Foster Care	53	14	10	24
Attended School During Fiscal Year 2016	27	8	6	14
Total	251	78	26	104



Program Monitoring (Finding 2 – cont.)

- The 26 cases for which there was no documentation of a medical or dental exam since entering foster care related to children who had been in foster care for 20 months to 17 years.
- Although periodic reports of services provided to children in foster care were generated from CHESSE, as noted by our test, documented services were often not recorded in CHESSE. Consequently, these reports could not be relied on to accurately reflect services provided.

The lack of documentation and accurate reporting disclosed by our review restricted SSA's ability to effectively monitor and ensure the delivery of required services.

Subsequent to the completion of our field work, and almost one year after our initial inquiries, SSA was able to provide us with certain additional documentation that reduced the total number of discrepancies noted in the table from 104 to 88. This included previously missing court orders associated with the initial placement of 9 children (“Legal Basis for Child Entering Foster Care”).



Program Monitoring (Finding 3)

SSA did not establish procedures to ensure the LDSSs appropriately approved family foster care providers, and verified the continued eligibility of providers, adoptive parents, and guardians, in accordance with State regulations. Our testing found several instances of required documentation, such as provider background checks, site visits, and training that was not included in CHESSIE.

- SSA did not periodically identify all new providers added to CHESSIE and examine documents to confirm that all requirements were met.
 - SSA did not ensure the LDSSs conducted quarterly visits with providers and those providers received annual training, as required by State regulations.
 - SSA did not ensure that LDSSs verified, through annual redeterminations, the continued eligibility of providers, adoptive parents, and guardians. Redeterminations assess the child's environment and the continued eligibility of adoptive parents and guardians for payment assistance. For 7 of 20 providers reviewed, it had been 17 to 28 months since the last redeterminations were recorded in CHESSIE.
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Federal Funds (Finding 5)

SSA lacked adequate procedures to ensure that federal reimbursement was received for costs incurred on behalf of all children, in foster care or in the adoption and guardianship assistance programs, who were eligible for reimbursement under Title IV-E of the Social Security Act.

- Of 36 children tested for which federal funding was not being received, 18 (50%) were either incorrectly determined by the LDSSs to be ineligible, or incorrectly recorded as ineligible for reimbursement in CHESSE, resulting in a potential loss of federal funds totaling \$1 million (as of February 2017) of which \$259,000 was unrecoverable due to federal time limits. (See next slide)
- SSA's selected reviews of federal fund eligibility determinations made by the LDSSs only addressed eligible cases and excluded those deemed ineligible.
- Based on the results of our testing, a comprehensive review of the eligibility determination for all children deemed ineligible (approximately 7,000 as of January 2017) appears warranted.



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Federal Funds (Finding 5 - cont.)

Activity Tested	Children Tested	Findings from Test Results
Initial Eligibility Determination Test	25	For 14 children, SSA could not provide required eligibility determination worksheets to document the initial eligibility decision or those worksheets lacked preparer or approval signatures.
		For 9 children, either the eligibility determination was incorrect or it was improperly recorded, resulting in the failure to obtain federal reimbursement totaling \$308,000 of which \$73,000 was not recoverable.
Redetermination Test	11	For 10 children, SSA could not provide eligibility redetermination worksheets.
		For 9 children, originally the services were correctly deemed ineligible, but subsequent changes related to the provider resulted in their current eligibility. Since these children were currently with approved providers, SSA could have requested reimbursements of \$690,000 since as early as December 2010; \$186,000 of this amount was no longer recoverable.



Federal Funds (Finding 6)

SSA did not maximize the recovery of federal funds for 9 of the 14 children tested who were eligible for Supplemental Security Income (SSI).

- For 4 children eligible for both SSI and Title IV-E funding, neither funding source was obtained.
- For 5 children, SSI recoveries were not maximized, resulting in losses totaling \$56,100.
 - As of February 2017, SSI totaling \$42,000 had not been collected for 3 children since they entered foster care, dating back to 2014.
 - For 1 child, SSI was not collected until 21 months past the date the child entered foster care, resulting in a loss of \$9,000.
 - For 1 child eligible for both SSI and Title IV-E funding, the IV-E funding was requested instead of SSI, resulting in a loss of federal funds of \$5,100.

When children are eligible for both funding sources, it is SSA's responsibility, in conjunction with the LDSSs, to ensure that the maximum amount of funds is obtained as allowed under federal guidelines.



Child Protective Services (Finding 7)

SSA did not establish oversight procedures, including a review of available CHESSIE reports, to ensure that the LDSSs conducted reviews and investigations of allegations of child abuse or neglect within timeframes established by SSA policy and State law. According to CHESSIE reports:

- Investigations were deemed warranted for 1,176 of the 3,048 allegations received in July 2016, but 208 of those 1,176 allegations were not initially determined to be warranted for investigation for at least 2 days, although SSA requires a determination within 2 hours.
- 976 of the 3,498 investigations completed between May and July 2016 were not completed within 60 days from receipt of the related allegation as required by State law. For 265 of the 976 cases, the reports indicated that the investigations concluded that abuse or neglect had occurred.
- As of August 2016, 332 allegations had been under investigation for 60 days or more of which 23 (associated with 12 different LDSSs) had been open for more than a year.



Child Protective Services (Findings 8 and 9)

- SSA did not establish oversight procedures to ensure the LDSSs completed and approved the required formal safety assessment and family risk assessments of controlled substance-exposed newborns within the required timeframes. For example, family risk assessments were not prepared timely for 3 of the 10 cases reviewed. Further, CHESSE reports distributed to LDSSs by SSA were missing useful information for monitoring assessments, such as child's name and birth date. During FY 2016, LDSSs were notified of 1,959 controlled substance-exposed newborns (**Finding 8**).
 - SSA lacked adequate procedures to ensure that, as required by State law, it immediately notified the appropriate LDSS of children born to individuals who previously had their parental rights terminated for abuse or neglect. The LDSS requires notification in order to review its records and determine whether to assess the family situation and offer any services. According to SSA records, from October 2015 to August 2016, there were 89 children born to such individuals and our test of 8 cases found 2 where the LDSS was not notified until we brought the matter to SSA's attention (9 months after SSA became aware of the cases) (**Finding 9**).
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Other Findings

- SSA had not established procedures to ensure that the children who remained in foster care, adoption, and guardianship programs after they reached the age of 18 were eligible to do so (**Finding 4**).
- SSA did not ensure that overpayments made to certain providers of child placement services were identified and resolved in a timely manner (**Finding 10**).
- SSA had not established procedures to ensure that monthly adoption assistance payments to an adoptive parent were suspended, terminated, or, as permitted, renegotiated with the adoptive parent if the adopted child was subsequently moved to an out-of-home placement, such as foster care (**Finding 11**).
- Ancillary expenditures, such as for specialized training and personal care supplies, to further support children in social services programs were not adequately controlled (**Finding 12**).



Other Findings (cont.)

- Adoption assistance rates paid by the LDSSs in excess of the maximum permitted were not always approved by SSA as required (**Finding 13**).
- SSA did not ensure that payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements (**Finding 14**).



Conclusions

SSA should:

- establish comprehensive quality assurance processes to ensure that child welfare programs are effectively and properly administered by the LDSSs and records are properly maintained;
 - establish adequate procedures to monitor and ensure:
 - compliance with all critical social service program requirements,
 - maximum federal reimbursement is obtained for all children eligible for Title IV-E funding and SSI,
 - child abuse and neglect allegations and investigations are conducted and completed timely, and
 - assessments associated with controlled substance-exposed newborns and those children born to individuals whose parental rights have been terminated for abuse or neglect are addressed and completed timely; and
 - ensure that all social service program payments are proper, including the adjustment and recovery of payments when appropriate.
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