



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

Department of Human Resources

Social Services Administration

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Presentation to the Joint Audit Committee

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Department of Legislative Services Office of Legislative Audits

Audit Overview

- The Social Services Administration (SSA) supervises, directs and monitors the social services programs (including the out-of-home placement program) conducted by the local departments of social services (LDSSs), which are located in each of the State's 24 local subdivisions.
- SSA's programs are designed to prevent or remedy abuse, neglect and exploitation of children and families.
- According to SSA's records, the FY 2010 operating costs of SSA and the applicable services by the LDSSs, including payments to group care and foster care providers, totaled \$594 million.
- The audit report included 6 findings, 3 of which were repeated from the preceding audit report.



Key Audit Issues

- SSA was unable to effectively monitor the State's child welfare activities and the local departments of social services (LDSSs) since certain information recorded in the Children's Electronic Social Services Information Exchange (CHESSIE) was incomplete and unreliable. CHESSIE is SSA's automated child welfare information system and serves as a statewide child welfare, foster care, and adoption case management tool.
- SSA did not establish procedures to effectively monitor foster and kinship care placements to ensure that children were not placed with providers in which there was credible evidence of abuse and neglect.
- Certain deficiencies were identified regarding compliance with foster care service requirements and the receipt of certain reports from group home providers.



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CHESSIE

Background:

- CHESSIE serves as the official record for services administered by SSA and is intended to provide workers at the LDSSs with a common, comprehensive information system and provide SSA management with comprehensive and consistent monitoring and data reporting capabilities.
 - CHESSIE consists of seven modules and includes such areas as in-home/family preservation, out-of-home placement, and abuse/neglect investigations. Certain critical information from CHESSIE is reported periodically to the Federal government.
 - CHESSIE was implemented in all LDSSs between February 2006 and January 2007. According to SSA's records, since CHESSIE's inception in March 1996 through June 2010, approximately \$90 million has been expended for development and operational purposes.
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CHESSIE (continued)

Certain CHESSIE modules, including those for abuse/neglect investigations, contained incomplete and unreliable data hampering SSA's ability to effectively monitor and report child welfare activities performed by the LDSSs. **(Finding 1)**

- We compared CHESSIE information to manual LDSS records from June 2009 and noted material discrepancies **(Exhibit A)**. For example, CHESSIE's records had 1,270 fewer cases of abuse/neglect allegations than the LDSSs records, which are deemed more reliable.
 - SSA has not been able to use CHESSIE to effectively monitor the LDSSs' child welfare activities, such as the timeliness of investigations of child abuse. Under State law such investigations must be conducted by the LDSSs within 24 hours of the allegation.
 - SSA was aware that CHESSIE information was incomplete, yet it was used as the source for semi-annual federal reporting.
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Out-of-Home Placements

Background:

- State law requires SSA to establish an out-of-home placement program for children. Through this program, SSA primarily places children with foster care, kinship care and group home providers.
- The primary distinction between foster and kinship care is that foster care providers are paid by SSA and are not related to the child that is placed while kinship providers are not paid and are related to the child that is placed.
- As of June 2010, there were 8,013 out-of-home placements, with 5,894 in foster or kinship care and 2,119 in other placements (e.g., group homes). Payments for out-of-home providers totaled \$222 million in FY 2010.



Out-of-Home Placements (continued)

SSA did not effectively monitor out-of-home placements to ensure compliance with State regulations that children not be placed with certain providers where there was credible evidence of child abuse or neglect. **(Finding 2)**

- A query of CHESSE, which was conducted by SSA at OLA's request, identified 6 providers who from April 2008 to June 2010 had cared for 32 children even though there was credible evidence of abuse or neglect against those providers prior to or during these placements.
 - One foster care provider had received 23 placements that lasted, on average, 34 days even though there was credible evidence of neglect by the provider prior to those placements.
 - Due to aforementioned CHESSE reliability issues, we confirmed these results with SSA management and/or LDSS officials.
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Out-of-Home Placements (continued)

SSA had not ensured compliance with State and federal requirements intended to ensure that all children in foster care receive vital services necessary for their emotional, physical, and educational well-being in a safe environment. **(Finding 3)**

- SSA did not have a process to ensure that foster care children received annual medical exams, as required by State regulations. For 17 foster care children selected for review, SSA could not provide any documentation of medical exams for 9 children.
- SSA did not achieve the required 90% success rate for any of the seven outcome measures (including safety & child and family well-being) in the January 2010 federal Child and Family Services Review (CFSR). A comparison of the January 2010 report and the preceding CFSR report dated May 2007, showed that SSA's performance declined in each of the outcome measures **(Exhibit B)**.



Out-of-Home Placements (continued)

SSA did not have a process in place to ensure that reports from foster care group home providers detailing the disposition of overpayments retained from prior years were obtained. **(Finding 4)**

- Contracts with foster care group home providers stipulate that providers can retain overpayments totaling up to 10% of the annual payments received, for certain allowable purposes. The providers are to annually report the disposition of the overpayments and remaining overpayments that are not used for the allowable purposes are to be refunded to SSA. In FY 2008, overpayments totaled \$5.8 million.
- As of May 2010, our review of five providers with overpayments from FY 2008 totaling \$800,000 disclosed that none of the providers submitted the required report and SSA had not taken any documented follow-up action. Consequently, SSA was unable to determine if the funds were properly expended or should have been refunded to SSA.



Conclusion

SSA should:

- Ensure the completeness and reliability of CHESSE information to enable effective monitoring and reporting of the State's child welfare activities.
- Establish procedures to ensure that children are not placed with providers when there is credible evidence of child abuse or neglect.
- Take appropriate action to ensure compliance with foster care service requirements.
- Establish a process to obtain and review all required annual provider reports detailing the disposition of overpayments retained from prior years.



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Exhibit A (Finding 1)

Table 1
Comparison of CHESSIE Data With LDSS Maintained Data
As of June 2009

	Attribute Reviewed	Number of Cases Per CHESSIE (A)	Number of Cases Per Hand Counts (B)	Net Difference (A-B)	Number of Instances of Cases Recorded in One Source and Not the Other ⁹
1	Number of Findings (for example, substantiated or unsubstantiated) Regarding Abuse/Neglect Allegations	1,896	3,166	(1,270)	1,270
2	Number of Abuse/Neglect Allegation Reports	3,965	3,922	43	669
3	Number of In-Home Services (for example, alcohol counseling) as a Result of a Child Assessment or Investigation	3,847	3,534	313	715
	Total	9,708	10,622	(914)	2,654

⁹ This column accounts for the total number of instances of a case being recorded in one source but not the other (that is, the absolute value) while the, "Net Difference" column is simply the difference between columns (A) and (B).



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Exhibit B (Finding 3)

Table 2
Federal Child and Family Services Review (CFSR)
Outcome Measures (Unaudited)

Outcome Measures	Achieved as of May 2007 ^a	Achieved as of January 2010 ^a	Percentage Point Decrease
Safety			
Children are safe from abuse and neglect	88%	69.6%	18.4
Children are safely maintained at home when possible	92%	40.6%	51.4
Permanency			
Children have permanent and stable living arrangements	67%	22.5%	44.5
Continuity of family relationships is preserved	67%	46.2%	20.8
Child and Family Well-Being			
Families have enhanced capacity to provide for children's needs	70%	29.7%	40.3
Children receive services to meet their educational needs	88%	77.1%	10.9
Children receive services to meet their physical and mental health needs	81%	71%	10

^a The percentages achieved are based on the CFSR results from May 2007 and January 2010. SSA was required by the U.S. Department of Health and Human Services to achieve a 90 percent success rate for each outcome measure.