



Department of Legislative Services  
Office of Legislative Audits

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**Department of Human Resources  
Social Services Administration**

Report dated October 6, 2008

Presentation to  
Joint Audit Committee

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### Audit Overview

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- Audit report included 9 findings, 4 of which were repeated from the preceding audit report.
- Social Services Administration (SSA) supervises, directs, and monitors the social services programs conducted by the local departments of social services in each of the State's 24 subdivisions.
- These programs (including the foster care program) are intended to prevent or remedy abuse, neglect, and exploitation of children and families
- SSA's fiscal year 2007 costs for SSA and local department operations, including payments to group care and foster care providers, totaled approximately \$543 million.



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### Key Audit Issues

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- Many of the deficiencies in SSA's monitoring the local departments' delivery of services were attributed to implementation and functionality problems with the Children's Electronic Social Services Information Exchange (CHESSIE) system, which cost \$67.6 million through June 30, 2007.
  - Compliance with State and federal foster care service requirements had not been ensured.
  - The sufficiency of child welfare caseload ratios had not been established, as required by State law.
  - Fiscal monitoring needed improvement in certain areas to ensure that:
    - available federal funding is obtained;
    - local departments are using the most cost-effective providers; and
    - payments to group care providers are fully justified and overpayments are returned to DHR, as appropriate.
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### CHESSIE Implementation

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- Critical components of the CHESSIE system had not been successfully implemented, resulting in inaccuracies and preventing SSA from effectively monitoring foster care activities. (Finding 1)
  - Incomplete and inaccurate case records were found; for example, > 2,500 foster care placements were not recorded.
  - The reasons for federal funding ineligibility of certain children in foster care were not documented, hindering the resolution of the disqualifying factors. (see also Finding 5)
  - CHESSIE did not interface effectively with the DHR Client Information System (CIS) to ensure comprehensive integration of cases with all DHR programs.
  - CHESSIE did not interface properly with FMIS to allow DHR to pay providers directly.
  - Required federal reporting information could not be produced with CHESSIE.



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### Foster Care Service Requirements

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- SSA had not ensured compliance with foster care service requirements established by State and federal regulations. (Finding 2)
    - The Child Welfare and Adult Services Performance Review System (CAPS) that was used to routinely monitor compliance with critical State regulations was discontinued after November 2004.
    - The required success rate was not met for 6 of the 7 outcomes in the federally-mandated Child and Family Services Review (CFSR) in either the November 2003 federal review or DHR's May 2007 self-assessment.
    - CAPS objectively measured documented compliance with specific service actions (e.g., children attending school within five days of placement, required dental exams received, and if caseworkers met with each child every three months), whereas CFSR subjectively evaluated outcomes (e.g., children receive services to meet their educational and physical health needs).
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## Child Welfare Caseloads

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- SSA was unable to adequately monitor the sufficiency of the child welfare caseload ratios of the local departments of social services, as required by State law. (Finding 3)
    - SSA has not been able to generate competent and reliable information on local department caseload ratios from either the long-existing CIS or the newly-implemented CHESSE system.
    - In a February 2007 report, the Child Welfare League of America (CWLA) recommended an increase in caseworkers and supervisors, but cautioned the increases may not be accurate due to severe shortcomings in DHR's data collection process.
    - CWLA strongly recommended that DHR complete a Maryland-specific task and workload analysis to ensure sufficient child welfare staff were available to meet CWLA caseload standards. As of March 24, 2008, such a task and workload analysis had not been completed.
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### Central Registry

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- A reliable and accurate single registry source of information about individuals known to be guilty of child abuse or neglect or found responsible for indicated abuse or neglect did not exist. (Finding 4)
    - State law allows DHR to retain identifying information on maltreators, but does not specify how to maintain that information.
    - Central registry information is required to be available to law enforcement personnel who are investigating a report of suspected abuse or neglect, as well as to SSA and local department protective service staff.
    - Information maintained on maltreators is fragmented and what is available may be found in CIS, CHESSIE or paper files.
    - The current condition of central registry records could impact the reliability and accuracy of information needed by investigators, SSA and local department staff, as well as required reports to the federal government.
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### Financial Monitoring Issues

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- Procedures were inadequate to ensure that all available federal funding was obtained for certain services provided to eligible foster care children, and inadequate substantiation for federal funds obtained resulted in \$3.7 million of federal disallowances. (Findings 5 and 8, and Background)
- SSA did not monitor the local departments to ensure that children were placed with the most cost-effective group foster care providers. (Finding 6)
- Annual audit reports of expenditures by group foster care providers were not received and reviewed timely to ensure that payments to the providers were used appropriately and to identify any overpayments for recovery. (Finding 7)





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### Conclusion

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SSA should:

- Ensure that that essential features of CHESSE are fully operational and that all data in CHESSE is accurate and complete.
- Take appropriate action to ensure compliance with foster care service requirements established by State and federal regulations.
- Ensure the reliability of staffing caseload data, complete the task and workload analysis and take the necessary action to achieve the caseload requirements of State law.
- Pursue the creation of a consolidated, comprehensive registry of child abuse and neglect and ensure that all maltreators are identified in the central registry records.
- Enhance its financial monitoring and documentation practices.