

# Audit Report Highlights

Children and Family Services (DCFS)

October 2021

Total Potential Recoveries<sup>1</sup> = None

Total Cost Savings<sup>2</sup> = Minimal

2021 DCFS Budget<sup>3</sup> = \$165 million

County Annual Budget<sup>4</sup> = \$1.4 billion

## Why DIA Did This Audit



An audit was conducted to assure adequate controls exist over the operation of DCFS programs. The audit was approved as part of the 2021 Audit Plan. It was placed on the Plan due to attainment of a risk rating of high on the Annual Risk Assessment. DCFS scored high due to the size of the agency, high amount of revenue and expenditures, previously identified fraud, high reliance on vendors, and high compliance risk. The audit period under review was January 1, 2020 through December 31, 2020. The purpose of this audit was to:

1. Asses internal controls for higher risk DCFS programs and how those controls mitigate fraud,
2. Assure DCFS was in compliance with program guidelines. This included internal Policies and Procedures and state laws.

## What DIA Found

The DCFS programs appeared well managed. However, DIA noted the following internal control or compliance issues:

- Duplication of manual entry due to a lack of a system interface between dual systems used to maintain case records and effect payments.
- Lack of documented justification or approvals for Add-On rates for Foster Care.
- Inconsistent usage of placement search documentation relative to Foster Care placements.
- Payment errors due to utilization of incorrect daycare rates.
- Incorrect payments for Foster Care stipends and expense reimbursements.
- Adoption payments occurring after age of 18.
- Incorrect usage of Federal Medical Assistance Percentages (FMAP), which caused incorrect Adoption subsidy payments.
- Non-compliance with various OAC or DCFS Policies for all programs due to missing documentation.

Recommendations have been rated by priority: High, Moderate, Low, or Business Process Improvement.

The report contains 32 recommendations:

0 **High** – 30 days to complete

21 **Moderate** – 90 days to complete

10 **Low** – 180 days to complete

1 **Process Improvement**- No Action Required

<sup>1</sup> Total amount that could potentially be recovered from overpayments or other revenue sources.

<sup>2</sup> The amount the County could potentially save annually by implementing recommendations. Cost savings may not be identified.

<sup>3</sup> Budget amount reported on OBM's 2021 Adopted Departmental Budget Summary.

<sup>4</sup> The County Annual Budget includes operating appropriations from all County funds.



# Audit Report Highlights

Children and Family Services (DCFS)

October 2021

## Background

Children and Family Services (DCFS) consists of approximately 750 employees who support the mission of assuring children at risk of abuse and neglect are protected and nurtured within a family and with the support of the community as we strive to end the over-representation of people of color in the child-welfare system. To achieve these goals, DCFS is composed of departments such as Foster Care and Adoptions that match children with families.

The Foster Care program works to place children into suitable kinship or foster homes that meet the child's individual needs. They also recruit, train, and conduct home studies for potential foster parents, and kinship caregivers. Children in Foster Care still may have a legal relationship with their birth parents who may remain in contact. Foster Care providers seeking custody where the child's legal relationship with the birth parents does not exist can pursue an adoption.

In cases when a child comes into the permanent custody of DCFS, the Adoption program seeks to find a forever family that meets the child's individual needs. Adoptive parents are legally the parent of the child, and no relationship with the birth parents needs to be maintained. The adoption process involves an application, training, home study, matching, and post-adoption services.



## What DIA Recommended

DIA provided the DCFS management with recommendations for improving internal controls and compliance.

DCFS is working to address the issues noted in this report. Based on their responses, we believe corrective action will be taken to mitigate the risks identified. Management responses follow each recommendation in the report. Recommendations we made included:

- To update systems utilized to either have payments processed in case management system or make updates to current systems to increase efficiency and add controls to update fields.
- Maintain all Add-On and Level of Care documentation and ensure there is proper justification, approval, and tracking for both.
- Utilizing consistent placement search documentation that indicates factors that were considered in ultimate placement decision.
- Maintaining all fully executed documentation that is required by OAC or DCFS Policies and ensure adequate supervisory review/approval is performed as needed.
- All updated FMAP rates should be utilized to calculate County portion of Adoption Assistance.
- Monthly review of child's age to assure payments are correctly adjusted or terminated.
- Require childcare providers to submit rates to DCFS during the application stage so that DCFS can be advised when determining the maximum allowable rate for that provider.
- Create a form to be approved by Sr. Management stating the justification for use of any non SUTQ certified childcare provider.
- Retain case records within their Traverse electronic document repository.
- Incorporate any process changes into DCFS Policy, as needed.

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*Internal Audit would like to express our appreciation for the cooperation and assistance received from DCFS during this audit. The strides made help improve the County's efficiency and accountability.*

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# Internal Audit Report

Cuyahoga County, Ohio  
Department of Internal Auditing

**Children and Family Services Audit**  
**Department of Health and Human Services**  
**January 1, 2020- December 31, 2020**

**Director of Internal Auditing: Monica Houston, CPA,  
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*Release Date 11/30/2021*





**CUYAHOGA COUNTY  
DEPARTMENT OF INTERNAL AUDITING**

**INTERNAL AUDIT REPORT  
Department of Children and Family Services  
Cover Letter**

October 15, 2021

To: Director of Children and Family Services Cynthia Weiskittel and current management of Children and Family Services

The Department of Internal Auditing (DIA) has conducted an audit of programs within the Department of Children and Family Services (referred to throughout this report as “DCFS”) for the period of January 1, 2020 through December 31, 2020. Our main objective was to conduct an audit to identify higher risk programs within DCFS and to assess the internal controls relative to the mitigation of fraud and compliance with program guidelines. After obtaining an appropriate understanding of the processes and risk, DIA determined that processes around the establishment of Foster Care and Adoption subsidies contained the highest risk. Additionally, we reviewed the Kinship Permanency Incentive Program to assess DCFS’s response to fraudulent payments which occurred in 2019.

To accomplish our objectives DIA conducted interviews with management and staff regarding procedures used for DCFS programs. In addition, we conducted control and substantive testing, as well as reviewed contracts, the Ohio Revised Code (ORC), and Ohio Administrative Code (OAC) to assess compliance.

Our audit procedures disclosed internal control weaknesses related to documenting OAC and/or Internal Policy compliance regarding certification, qualification, and reimbursement of Foster Care and Adoption subsidies and services. In addition, we identified an opportunity for increased efficiency relative to the duplication of efforts for data input requirements within two applications. This report provides the details of our findings. We are confident corrective action has been taken or will be taken to mitigate the risks identified in this audit report.

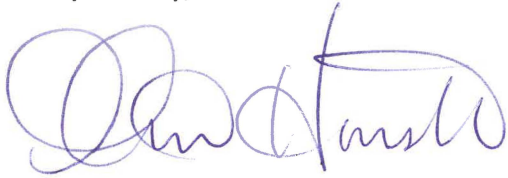


We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the internal control structure to future periods is subject to the risk that procedures may become inadequate due to changes in conditions, or that the degree of compliance with the procedures may weaken.

DIA would like to express our appreciation to DCFS staff and management, and interrelated departments that assisted throughout the process for their courtesy and cooperation during this audit especially as such occurred during a time of significant crisis for the County. A draft report was provided to DCFS's management for review. Management responses are included within the audit report.

Respectfully,



Monica Houston, CPA, CGMA, CFE, CIDA  
Director of Internal Auditing

Cc: Cuyahoga County Council  
William Mason, Chief of Staff  
Greg Huth, Law Director  
Michael C. O'Malley, Cuyahoga County Prosecutor  
Catherine Tkachyk, Chief Innovation Officer (Executive Agency Audit Liaison)



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## Glossary

<b>Statewide Automated Child Welfare Information System (SACWIS)</b>	SACWIS is a state-maintained system that all county Children and Family Services agencies must utilize. It is a case management system that records accurate and current data on child outcomes that can be used in decision making and program modification.
<b>DCFS Fiscal System (FACTS)</b>	FACTS is the DCFS fiscal system. It is used to prepare files which are sent to County Accounts Payable for processing and issuing of check or ACH payments.
<b>Ohio Dept. of Jobs and Family Services (ODJFS)</b>	State agency that has some oversight of the County DCFS. They may conduct reviews of different DCFS processes and issue findings. Based on these findings, DCFS may be required to create an improvement plan.
<b>Step-Up to Quality (SUTQ)</b>	Rating and improvement system administered by the Ohio Dept. of Education and ODJFS, that recognizes and promotes learning and developmental programs that meet quality program standards that exceed the basic licensing regulations for childcare providers.
<b>Lawson</b>	Cuyahoga County's financial accounting system.
<b>Level of Care (LOC)</b>	Children in the custody of DCFS are assigned a Level of Care based on an assessment tool. The score is calculated 1-6 (one being the lowest) based on the answers given to the questions on the tool. The score can be used to determine placement location for foster homes and associated per diem rates.
<b>Kinship Permanency Incentive Program (KPIP)</b>	State program that provides time-limited incentive payments to families caring for their kin. Families are allowed a total of eight incentive payments at six month intervals. The initial payment is \$525 per child and each subsequent payment is \$300 per child. DCFS approves the payments but since 2020 it is paid by the State of Ohio.
<b>Public Children Services Agency (PCSA)</b>	Public Children Services Agency is the term most frequently used in Ohio Administrative and Revised Code when describing agency responsibilities. County DCFS takes this role.
<b>Adoption Assistance (AA)</b>	A monthly adoption subsidy payment to adoptive families of a child with special needs that meets federal Title IV-E criteria. This type of assistance

is the most prevalent type of adoption subsidy payment in Cuyahoga County.

**State Adoption Maintenance Subsidy (SAMS)**

A monthly adoption subsidy payment to adoptive families of a child with special needs that does not meet federal Title IV-E criteria.

**Monthly Adoption Assistance Statewide Maximum (MAASM)**

The amount set by OAC 5101:2-40-05 and updated in ODJFS Procedure Letters that the AA subsidy payment to the adoptive families cannot exceed per OAC 5101:2-49-05.

**Federal Medical Assistance Percentage (FMAP)**

A federal financial participation rate in state assistance expenditures promulgated in the Federal Register. This FMAP rate is used to calculate the federal, state and County portions of Adoption Assistance paid to adoptive families.

**Ohio Administrative Code (OAC)**

The rules adopted by the agencies of the state of Ohio. State agencies adopt rules to carry out the policies and intent of laws passed by the General Assembly. The rules are collected and published in the Ohio Administrative Code.

**Worker of Record (WOR)**

The Worker of Record is DCFS staff member who is the case officer for children in the DCFS system. Their responsibilities entail meeting with children monthly to ensure that they are receiving the requirements of the child's case plan and going to required visitations or court appointments.

## Report Details

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### Purpose

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The purpose of this audit was to conduct a comprehensive examination of various programs within DCFS that DIA deemed higher risk for fraud and program guidelines.

The Audit Committee approved DIA's 2021 audit plan to include an audit of DCFS programs. DCFS programs were identified as an area of high risk on the Annual Risk Assessment due to the high dollar value associated with these programs across the various DCFS Divisions, and the visibility of the agency within the County with frequent



interactions with the general public. Also, the known fraud that occurred in 2019 relating to a former employee having payments directed to themselves. We conducted our review through inquiry and testing of expenditures during the audit period. DIA evaluated processes for compliance with existing policies, contractual agreements, and applicable legal statutes.

The audit included review and evaluation of procedures, practices and controls as deemed necessary.

## Audit Objectives

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The objectives of this audit were to determine whether DCFS:

### Control conscious environment

Adequate level of internal control awareness; proper separation of duties; existence of a proper monitoring system; appropriate authorization/approval of expenditures; and adequate safeguarding of financial, physical, and information assets.

- Is operating in a control conscious environment with adequate controls for various DCFS programs and how those programs mitigate fraud
- Was in compliance with program guidelines. This includes internal Policies and Procedures and state laws

## Scope

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To accomplish our objectives, we focused on the programs of Kinship, Foster Care, and Adoptions for the audit period January 1, 2020- December 31, 2020. Interviews with management and staff were conducted to document the controls in place and determine if they were designed appropriately. Additionally, tests of transactions and controls were performed to determine if controls were operating effectively and in compliance with applicable legal statutes.

## Methodology

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DIA made inquiries to gain a general understanding of DCFS's processes relating to various programs to determine their risk level relating to fraud and compliance risk. DIA considered the impact of the programs from a financial perspective. DIA also considered any coverage to certain programs or processes that the Ohio Department of Jobs and Family Services (ODJFS) or State Auditors may provide. DIA determined that Kinship, Foster Care, and Adoptions programs warranted further review. DIA reviewed ORC and OAC to identify compliance requirements. It was determined that OAC provides the specific administrative rules required for the Kinship, Foster Care, and Adoptions programs. DIA tested these programs for compliance with OAC

requirements or established DCFS policies and procedures. Also, DIA tested that there were controls over the payments made relating to these programs. This included, but not limited to, such controls as:

- Adequate supporting documentation and approval for add-on per diems, training reimbursements, and nonrecurring adoption expenses.
- Documentation of placement searches for children entering foster care.
- Reviews to ensure appropriateness of payments and termination of payments based upon policy or approved agreement.
- Justification for adoption subsidy rates provided to families.

DIA reviewed payments made to Network and Agency Foster caregivers and verified that the children were in the care of the provider during the period for which payment was issued. DIA also verified that rates paid for Foster Care and Daycare agreed with established pay schedules or contract rates. Also, that there was review conducted between the State Automated Child Welfare Information System (SACWIS) and the DCFS Fiscal System (FACTS) system to assure that the rates were correct and matching.

Adoption payments were reviewed for proper demonstration of special needs for Adoption Assistance and that the correct Federal Medical Assistance Percentage (FMAP) was utilized for the County's portion of Adoption Assistance. Also, that the Adoption payment rates were equal to or less than Foster Care Maintenance and Monthly Adoption Assistance Statewide Maximum (MAASM) amounts.

To test controls and compliance, DIA used payments made to vendors and families in 2020 to generate populations. These payments were extracted from the County Lawson system and from pay registers maintained by DCFS.

## **Background**

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DCFS works to assure children at risk of abuse and neglect are protected and nurtured within a family and with the support of the community. Safety, permanency, and well-being are the goals for every child and family that DCFS encounters. Employees investigate allegations, assess child safety and risk contributors, and help stabilize families that have been weakened through poverty, illness, or crisis. DCFS provides safe and appropriate placement for children in County custody, and helps achieve permanency through reunification, legal custody or adoption. For the purposes of this audit DIA focused on Kinship, Foster Care, and Adoptions programs.



## Kinship

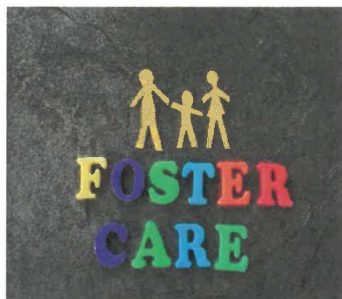


Kinship Care is when a child is placed with a relative caregiver as opposed to going to a foster home environment. They may be placed there by DCFS or the Court system. On December 31,2020 there were 966 children placed with kin out of 2,772 children in DCFS Placement (35%). Regardless of how they are placed, Kinship caregivers are eligible for Kinship Permanency Incentive (KPI) payments. These payments are applied by DCFS but are paid by the State. OAC 5101:2-40-04 requires that applicants have legal custody of the child, the caregiver be a resident of Ohio, gross income not exceed 300% of the federal poverty guidelines, the child reside with the caregiver, and the placement to have been assessed by the public children services agency (PCSA).

As part of the DCFS application, the Kinship caregiver must show documentation of child custody, proof of income, and a copy of child's report card or vaccination records for redeterminations. If approved, the first payment is for \$525 per child. The applicants can then reapply every six months for an additional \$300 per child up until a maximum of eight payments. There were a total of 617 approved applications for \$209,625 in 2020. There was a fraud perpetrated by a former DCFS employee from February 2018-September 2019 in which \$169,000 of KPI payments were stolen. As a result, processes have changed and ODJFS now processes KPI payments instead of the County. Child information in SACWIS must now be entered by the Worker of Record (WOR) and it cannot be altered later. The WOR cannot approve Kinship Permanency Incentive Program (KPIP) eligibility and approvers cannot alter relationship status between child and Kinship caregiver.

## Foster Care

There are two main components of Foster Care. They are Network and Agency Foster Care.



**Network Foster Care-** Network Foster Care consists of care that takes place in a congregate setting or foster homes that are outside of the County. There are approximately 55 contract providers that the County utilizes to provide foster care when a child has been taken into custody by DCFS. On December 31, 2020 there were 1,392 children of the 2,772 children (50%) in DCFS custody that were in Network Foster Care. There is one master contract that gets approved by County Council for all of the contract providers.

The Placement Division of DCFS fills out a Level of Care (LOC) document which indicates the needs of the child. They will then match the needs of the child with the provider that has available space and is willing to accept the child while following OAC and County Policies and Procedures. Once placed, the County pays the providers monthly based on the number of children housed with each provider and based on the contract rate established for each level, as established by the LOC document. The rates are set on a per diem basis and meant to be mostly all-inclusive. The per diem rates fluctuate anywhere between \$18.39-\$504.93, depending on the provider and the LOC. The provider is then to provide housing, food, clothing, and other necessary items as part of this per diem rate. On a case-by-case basis, DCFS may authorize an added amount the contract rate in order for a provider to take a child that may require extra care. The County may also provide payments for medication, transportation, or other services that the Network providers supply to children. In 2020, there were a total of 777 payments for \$56,588,686 for Network Foster Care.



**Agency Foster Care-** Agency Foster Care consists of foster care that takes place in a personal home that is approved by the County. There are approximately 300 agency foster homes that DCFS can utilize for child placement. On December 31, 2020 there were 302 children placed with Agency Foster Homes out of 2,772 children (11%) in DCFS Placement.

DCFS is responsible for receiving applications for potential foster parents and approving state licenses to the applicants if they meet the requirements of being a



Foster Home as established by OAC 5101:2-7-02 and OAC 5101:2-7-12. These include such requirements as a background check, references, medical history, financial history, home safety inspection, and training requirements. The licenses are valid for a two-year period then must be recertified. The Foster parents may stipulate the type of child that they are willing to foster. This includes such characteristics as gender, age, ethnicity, or behavioral tendencies. Once a child is placed with Foster family they are paid by the County on a monthly basis for the number of days that the child was in their care. The per diem rate is based on the child’s age. In addition, there is also a clothing stipend provided monthly to help offset the cost of providing clothes to the child. They may also be provided with reimbursements for required or medical training taken, qualified respite care, or mileage reimbursements for transporting children to required medical appointments. There was a total of \$2,415,131 paid in 2020 as part of monthly payments to Agency Foster Care providers.

Daycare assistance is also available to Foster Care and Kinship caregivers. If the caregiver works full or part-time and there is no one else at the home to provide care for the child, then the County may pay a selected Step-Up to Quality (SUTQ) daycare provider for childcare assistance. The caregiver may select any provider they wish as long as they are SUTQ certified. If they are not, they need approval from DCFS to use the selected provider. There are maximum payment amounts established based on the age of the child. Anything in excess of these amounts is to be paid by the caregiver. Authorization is for a six-month period and then it must be determined if still eligible for daycare. The daycare providers will invoice the County directly on a monthly basis, based on the number of days that the child received service.

The following table details the daycare payments for DCFS in 2020:

	No. of Payments	\$ of Payments
Foster Daycare	475	\$546,400
Kinship Daycare	1,302	\$1,745,889
<b>Total</b>	<b>1,777</b>	<b>\$2,292,289</b>

Source: Lawson Financial Data

## Adoptions



The Adoption Subsidy and Post Adoption services (Adoptions) are utilized when a family is going to adopt a child. The Adoptions unit negotiates with the adoptive family to achieve agreement of a subsidy payment amount that will encourage adoption. Negotiations take place according to relevant OAC rules and take into consideration the special needs of the child. The amount of Adoption Assistance (AA) that is negotiated must not exceed certain maximum amounts prescribed by the OAC. These amounts are the foster care maintenance that the adoptive family was receiving if the child were in foster care, and the MAASM as promulgated by the ODJFS.

For the adoptive family to receive the AA subsidy, the adopted child must qualify for federal Title IV-E assistance. Eligibility for federal Title IV-E is determined by criteria such as the age of the child and length of any time in foster care. Children that do not meet the federal requirements of Title IV-E can still receive subsidy payment in the form of State Adoption Maintenance Subsidy payments (SAMS) or other state programs. To receive SAMS, the child must not be Title IV-E eligible and the family's gross income must not exceed 120% of the median income of a family of the same size. The adoptive family will receive its AA or SAMS subsidy payment monthly.

The AA payments are the most prevalent type of adoption subsidy in the County and are paid from federal, state and County funds. In 2020 there were 23,981 AA payments totaling \$2,838,297, compared to 977 SAMS payments totaling \$258,207. The AA payment arrives to the family in two checks: one from the state with combined federal and state portions, and another from the County with the County's portion. The amount that the County pays in AA is based on the negotiations between the adoptive family and DCFS, and the Ohio FMAP rate.

## Commendable Practices

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Cuyahoga County  
Division of Children  
& Family Services



DIA commends DCFS for of the work they perform in supporting children in need for Cuyahoga County. The DCFS staff seemed very knowledgeable about the work being performed for DCFS programs and the responsibility of finding suitable homes for children. Also, DIA noted DCFS often exceeds compliance requirements for the programs. We commend and thank DCFS for their cooperation during the audit especially as such occurred during the challenging crisis created by COVID-19. Based on the results of our audit, we believe DCFS's has made improvements in the Kinship Permanency Incentive process. Also, that the Foster and Adoptions program has made positive changes.



## Priority Level Criteria for Recommendations

<b>High</b>  <b>(P1)</b>	<b>Highest-Ranking Officer's immediate attention</b> is required. Corrective action is strongly recommended ( <u>30 days</u> ).
	<ul style="list-style-type: none"> <li>• Financially material loss or potential loss</li> <li>• Lack of or failure of internal controls requiring considerable time and resources to correct</li> <li>• Non-compliance with laws, regulations, and policies resulting in significant loss of funds, fines, or restrictions</li> <li>• Significantly negative effect on the County's reputation or public perception</li> </ul>
<b>Moderate</b>  <b>(P2)</b>	<b>Senior Management's attention</b> is required. Corrective action is recommended ( <u>90 days</u> ).
	<ul style="list-style-type: none"> <li>• Financial loss or potential loss</li> <li>• Internal controls exist but they are not effective, or they are not consistently applied</li> <li>• Non-compliance with laws, regulations, and policies resulting in loss of funds, fines, or restrictions</li> <li>• Negative effect on the County's reputation or public perception</li> </ul>
<b>Low</b>  <b>(P3)</b>	<b>Management's attention</b> is required. Corrective action is recommended ( <u>180 days</u> ).
	<ul style="list-style-type: none"> <li>• Financial loss or potential loss is minimal</li> <li>• Internal controls exist, but could be improved</li> <li>• Non-compliance with laws, regulations, and policies is a minimal risk</li> <li>• No effect on the County's reputation or public perception</li> </ul>
<b>Business Process Improvement</b>  <b>(P4)</b>	<b>Management or supervisory attention recommended but not required</b>
	<ul style="list-style-type: none"> <li>• Process improvement recommendation</li> <li>• Financial loss or potential loss is minimal or not applicable</li> <li>• Non-compliance with laws, regulations, and policies is a minimal risk or not applicable</li> <li>• No effect on County's reputation or public perception</li> </ul>

In an effort to assist the auditee in making the best use of their resources, we have prioritized the recommendations according to the table above.

## Findings and Recommendations

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### Kinship Program Findings

#### **FINDING KPIP Application Missing Items**

Applications for Kinship Payments were missing required documents. The KPIP provides temporary financial support for minor children in the legal and physical custody of relatives or other kinship caregivers. The KPIP is designed to promote permanent commitments by kinship caregivers, by helping defray some of the costs of caring for children.

OAC 5101:2-40-04(C) allows for a total of eight incentive payments. The first is \$525. Each successive payment is for \$300 per child. Caregivers may receive the initial payment and reapply at six-month intervals for subsequent payments. OAC 5101:2-40-04 (E) allows eligibility for the KPIP when all of the following criteria are met:

- *On July 1, 2005 or thereafter, a court issued an order granting legal custody or guardianship to the kinship caregiver(s). A temporary court order is not sufficient to meet this requirement.*
- *The minor child resides with the kinship caregiver(s). If the child is on temporary leave from the kinship caregiver's home (e.g., hospitalization, mental health treatment or respite) and the kinship caregiver retains legal custody or guardianship this shall not preclude eligibility for KPIP.*
- *The kinship caregiver(s) is a resident of the state of Ohio.*
- *The gross income of the kinship caregiver's family does not exceed three hundred per cent of the federal poverty guidelines.*
- *The placement has been assessed and approved by the PCSA or private child placing agency (PCPA).*

OAC 5102:2-40-04(F) further states: *Kinship caregivers shall apply for KPIP by submitting the following to the PCSA:*

- *The JFS 01501 "Application for Kinship Permanency Incentive".*
- *Verification that the caregiver has obtained legal custody or guardianship on or after July 1, 2005.*
- *Verification of income.*

OAC 5101:2-40-04(G) states *"When the kinship caregiver(s) submits an application for re-determination, the PCSA shall review the eligibility requirements in section (E) of this rule with the*

*kinship caregiver(s) to ensure the requirements continue to be met by the kinship caregiver's family."*

The County KPIP application includes an Important Reminders section which states:

*"First time applicants must include a copy of custody paperwork and proof of income for any items listed on application."*

*"Redetermination applications must provide proof of income for any items listed on application, copy of most recent report card or attendance record for school aged children, and a copy of current shot records or preschool/daycare attendance record for non-school aged children."*

*"If the requested paperwork is not submitted along with the application, the application will be returned."*

DIA tested a sample of 25 Ohio KPIP payments to verify all were approved and complied with OAC and DCFS policy requirements. This consisted of 8 initial incentive payments and 17 redeterminations. During testing, it was noted:

- Seven of the 25 (28%) sampled KPIP payments did not include support documentation of all reported income included on the KPIP application as required by OAC 5102:2-40-04(F). Each of the income reported on the applications that were missing income support were below the 300% poverty level guidelines necessary for approval of payment.
- Six of the 17 (35%) sampled KPIP redetermination payments did not have a report card/attendance record or updated shot history as required by the application.

Due to missing these requirements it was determined that 10 of the 25 (40%) of the approved payments did not meet the established criteria to be considered a proper payment.

It can be difficult to get applicants to submit all documents necessary for every application.

SACWIS does not specifically require documenting if individual application items (e.g. income support or report cards) were received. Also, with COVID closing many buildings and schools, DCFS was more willing to take verbal acknowledgment from applicant of circumstances not changing since initial application. This is more the standard procedure, per ODJFS email, of confirming residency during home inspection initially and confirming residency at reapplication with verbal acknowledgment.

## **Risk to the County if Not Corrected**

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Without all required documentation, there is an increased risk of approving applicants for payment who may not meet all eligibility criteria. Lack of supporting documentation for all application listed income items makes it difficult to determine if income was accurately



reported. Also, a lack of DCFS required application items needed to confirm residency of child makes it difficult to determine if the residency requirements have been met. These are both requirements of OAC 5101:2-40-04. By not having this documentation there could be a loss of confidence in the County involvement in the KPIP that has been restored with changes made at the County and State level to improve controls in the program.

## Recommendations

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1. (P2) All required application items should be received/reviewed prior to approval in SACWIS for the State to make a payment to the applicant.
2. (P3) If it is determined that report cards are not necessary to confirm residency with kinship caregiver than it should be removed from application reminders. Or if another step is taken to confirm residency (i.e. home check), it should be documented how they are in compliance with OAC within SACWIS. Procedures should be updated to reflect what documents and review steps are necessary for approval of applications.

### **Management's Response:**

1. ***CCDCFS has recently updated the practice expectations to be in alignment with ODJFS expectations for administration of KPIP. Current review procedures are satisfactory for the administration of the KPIP program. The department supervisors will periodically communicate to staff the program expectations. Supporting those efforts with the following:***
  - a. ***All initial KPIP application are routinely reviewed by the KPIP supervisor.***
  - b. ***KPIP Supervisor will review case content expectations with KPIP staff and have staff sign that that they understand these expectations.***
  - c. ***Additionally, KPIP Supervisor will review a random sampling of KPIP redetermination files during monthly staff conferences to provide feedback and support to KPIP staff.***
2. ***ODJFS representative for the KPIP program, states "rule 5101:2-40-04 does not require you (DCFS)" to collect any specific document to verify the child resides with the kinship caregiver." ODJFS provided this additional guidance to CCDCFS; "most counties would verify the child's residence by a visit to the home at least initially, and then by verbally verifying with the caregiver at the redeterminations.***
  - a. ***Based on this guidance, CCDCFS will document this verbal verification in SACWIS for each redetermination and update our KPIP Procedures accordingly.***

**Target Date for Completion: November 15, 2021**

### FINDING Agency Foster Home License

Agency Foster Homes were not properly certified as per OAC 5101:2-5-20(L) for initial certification or by OAC 5101:2-5-24(E) for recertification and were not properly approved and/or documented as per DCFS Policy 6.02.20. Agency Foster Homes require a certification from the Ohio Department of Jobs and Family Services. DCFS approves foster parents for certification via SACWIS. Certifications are valid for two years, thereafter recertification is required. OAC 5101:2-5-20 and OAC 5101:2-5-24 stipulate requirements for initial certification and recertification, respectively. Examples of requirements needed for Foster Home certification includes:

- In home interview with DCFS staff;
- Criminal records check;
- Abuse and neglect search of SACWIS;
- Physical exam;
- Immunization records;
- Proof of income;
- Preplacement training;
- Fire inspection;
- Safety Audit;

OAC 5101:2-5-20(L) states:

*“The agency shall document in each record that the applicant has been evaluated by an assessor to determine the applicant’s compliance with all homestudy requirements and the suitability of the applicant to be certified as a foster caregiver considering all household members and the availability of appropriate accommodations for any foster child that may be placed in the home.*

*(1) In completing the evaluation, a written narrative shall be compiled, signed by the assessor, and approved by the supervisor, indicating approval or denial of the application.*

*(2) The evaluation shall be a completed JFS 01673.”*

OAC 5101:2-5-24(E) states in part:

*“If a foster caregiver(s) has re-applied for a foster home certificate at least thirty days prior to the expiration of a current certificate, an assessor shall complete a JFS 01385, “Assessment for Child Placement Update”, ensure that the foster caregiver(s) remains in compliance with the requirements set forth in Chapters 5101:2-5 and 5101:2-7 of the Administrative Code, and determine the continued suitability of the caregiver to serve as a foster caregiver.”*

In addition, DCFS Policy 6.02.20 for Foster Home recertifications states in part:

*“Safety Audit (JFS 01348) requires supervisory signature” and Assessment for Child Placement Update (JFS 01385) requires supervisory review and signature.”*

It is noted in the Purpose section of Policy 6.02.20 that *“The actions described in this document are performed in SACWIS.”* SACWIS is the system of record for Agency Foster Homes.

During the work performed DIA determined that seven of 60 Agency Foster Homes (12%) did not have the completed Assessment of Placement (JFS 01673) or Update to Placement (JFS 01385) and updated Safety Audit (JFS 01348). These items are required to be completed and maintained by OAC 5101:2-5-20(L) for initial certification or by OAC 5101:2-5-24(E) for recertification. DIA also concluded that they lacked SACWIS entries documenting approvals or signatures for the Safety Audit or Update to Placement documents as required by DCFS Policy 6.02.20.

Approvals through SACWIS is what generates certifications. Foster Home files with support may be incomplete because of inconsistent adherence to record keeping processes. Checklists were utilized to assure all criteria were met for certifications but there was still required documentation that was not present in the foster parent physical files.

## **Risk to the County if Not Corrected**

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By not having the required documentation for initial or recertification it cannot be determined that the Foster Home was properly approved for a State Certification, as required by OAC. If Foster Homes were not properly certified than the County may have increased liability if something detrimental happened to a child in care.

## **Recommendations**

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1. (P2) Copies of all documentation that is required for initial and each subsequent recertification should be maintained in Agency Foster Home foster parent files. Included with this should be the Assessment of Placement forms and updates. These forms should be approved by a supervisor.

### ***Management’s Response:***

***ODJFS oversee the state’s foster care system and inspects a sampling of the agency’s foster homes every two years. Additional steps are underway to scan all foster care documents that are not kept within the SACWIS system into Traverse. These efforts will support the***



**agency's goal to ensure adequate access to all initial and subsequent recertification documents.**

- a) Copies of all initial and recertification documentation is maintained in SACWIS and beginning in 2019, the agency along with 87 of the 88 counties in Ohio began the implementation of a new document management system called Traverse. Foster care records and other departmental forms that are not stored in SACWIS are being scanned into Traverse and will be electronically stored in the program's database.**

**Target Date for Completion: Scanning is ongoing**

## **FINDING Incorrect Foster Home Payment Amounts**

DCFS lacked support and made incorrect payments for excess expenses to Foster Parents, in some instances payments were not properly authorized. DCFS Policy 6.02.13 allows for Agency Foster Parents to receive payments for monthly clothing stipends, reimbursement for mileage and parking fees when transporting a foster child to authorized medical, counseling, therapy, or family visits, and reimbursement for completion of training that is required to be a licensed foster care provider. These amounts are added to the monthly per diem checks that are sent to Foster Parents.

The allowable clothing stipend is based on the age of the child as detailed in the graph below.

<b>Age of Child</b>	<b>Clothing Stipend (Monthly)</b>
0-4	\$21.52
5-11	\$30.30
12 and over	\$39.33

Mileage or parking reimbursement are to be recorded on a Travel Expense Report Form that is to be submitted to the foster parent's Resource Manager. The Expense report is signed and approved by the DCFS worker and supervisor. The Resource Manager will submit a Purchase Authorization for the total amount and this will also get approved by the Chief or Administrator.

Potential Foster Parents are required to complete 36 hours of pre-service training as part of the Foster Home License process. Training reimbursement is based on a rate of \$10 per hour up to 36 hours (\$360) for required Foster Parent training courses. Training reimbursements are not paid until licensed as foster parents. The date, location, topic, number of hours, and trainer is tracked by the DCFS staff to assure the foster parents are completing their required training.

DIA tested a sample of 60 Agency Foster Care payments. These payments included monthly per diem stipends for 78 children. The following incorrect monthly per diem payment amounts to Agency Foster Parents were noted:

- Two of 78 (3%) tested clothing stipends were for an incorrect rate based on the child’s age during the month of payment. Both foster families should have been receiving a \$39.33/month stipend, as they were 12 years old, but only received \$30.30/month for 2020.

Of the 60 tested payments, 15 had extra expenses added such as travel expenses or required training costs. The following incorrect extra expense payment amounts to Agency Foster Parents were noted:

- One of 15 (7%) tested payments which included other expenses (training/travel) had a payment amount that did not agree to supporting documentation resulting in an invoice overpayment totaling \$83.95.
- Two of 15 (13%) tested payments with other expenses included mileage reimbursements using a non-IRS reimbursement rate for the reimbursement. DCFS policies do not specifically require IRS rates is to be used however these were the only tested reimbursements in which the IRS rate was not used (see table below);

	<u>Miles Reported</u>	<u>Reimbursement Rate Used</u>	<u>Total Amt. Paid</u>	<u>2019 IRS Reimbursement Rate</u>	<u>Recalculated Reimbursement</u>	<u>Over/(Under) Variance</u>
1	176	\$0.6264	\$110.25	\$0.58	\$102.08	\$8.17
2	240.78	\$0.6264	\$150.82	\$0.58	\$139.65	\$11.17
<b>Total</b>	<b>416.78</b>		<b>\$261.07</b>		<b>\$241.73</b>	<b>\$19.34</b>

- Two of 15 (13%) tested payments with other expenses included training costs, for \$60 and \$30 in which support could not be provided that showed applicable training hours took place during the time period paid. Support of proper DCFS approval also could not be provided for these items as to the hours completed during the month of payment.

The IRS reimbursement rate was most often utilized but is not required as such in DCFS Policies. Proper approval did not take place on all expense payments as some payments were not issued in the correct amount per the supporting documentation.

### **Risk to the County if Not Corrected**

Not having thorough review of expenses being reimbursed by Agency Foster Care staff and DCFS Fiscal can lead to possible overpayments or inability to substantiate payments.

## Recommendations

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1. (P2) During review and approval process, supervisors should ensure that all supporting documentation is present, that the rates used are correct, and that all totals are correctly calculated. These steps may be added to Policies and Procedures to emphasize the importance and diligence needed during supervisor review. Another alternative to ensure the adequacy of the review would be to add an attestation statement to the cover page that requires the supervisor to sign off as attestation to performing these specific steps.
2. (P3) Use of standardized, published rates such as those published by the IRS should be required and the requirement added to Policies and Procedures to ensure consistency in reimbursements.
3. (P2) A review of date of birth to stipend amounts should be performed on a monthly basis to assure as children age they are moved into the correct payment level within FACTS.

### *Management's Response:*

1. *Supervisors and manager routinely review submitted mileage expense reports for accuracy prior to final submission for payment. A home visit checklist was created to assist agency staff and supervisors with oversight. Supervisors will review the checklist during conference with staff and periodically review expectations.*
2. *The IRS rate was added to the report template and will be adjusted annually (when applicable).*
3. *Tickler reports are generated out of SACWIS and reviewed by the supervisors monthly.*

*Target Date for Completion: December 31, 2021*

## **FINDING Agency Foster Home Add on Support**

Documentation to support the payment of Add-On Rates is not sufficiently maintained and properly approved. Also, the process in which Add-On payments are approved appears to be inconsistent. Agency Foster Care rates are based on an established pay rate structure. In some circumstances, an added rate may be given to the foster care provider to take a child (Add-On Rates). Add-On Rates are meant to offset additional costs necessary due to a medical condition



or to incentivize a difficult placement. Add-On Rates can be in any amount. DCFS Policy 6.02.13 relates to Agency Foster Care, states in part:

3. *“The Child’s Worker of Record or Resource Manager may initiate the request for special board rate consideration by completing the Request for Board Rate Add-On Form in collaboration with the foster caregiver. The caregiver may be required to provide the agency additional documentation of the need and/or costs associated with the need.”*

4. *“The completed and signed Request for Board Add-On Form along with all supporting documentation is to be forwarded to the designated Resource Management Senior Supervisor. The Senior Supervisor will make the final approval decision.”*

In 2020, Agency Foster Care costs included 136 payments for Add-On Rates. These were not unique payments as many were the same amount every month for the same children. DIA tested Agency Foster Care payments which included Add-On Rates for 11 children that were found within the sampled 60 Foster Care payments.

DIA noted the following regarding the usage of Add-On Rates.:

- Six of 11 (55%) Add-On Rate payments did not have documentation noted in file. This includes having the required Request for Board Rate Add-On Form or supporting documentation detailing the need as required by DCFS Policy.
- One of 11 (9%) Add-On Rate payments for \$5 only had approval noted until Sept. 2020 however payments continued through all of 2020.
- One of 11 (9%) Add-On Rate payments for \$5 did not have the approval of the Supervisor or Chief noted. The only approval noted was from the Resource Manager. The Policy only states that Resource Manager approval is needed but there is a section for Supervisor and Chief approval that was completed on others.
- One of 11 (9%) Add-On Rate payments for \$5 did not have the approval of the Resource Manager. However, it was approved by a Supervisor and Chief. It did not indicate the amount of the add-on, or the effective date and end date.

Using an Add-On Rate is sometimes necessary in order to get the child placed into a safe environment. There was inconsistent practice of maintaining documentation in a standard file location.

### **Risk to the County if Not Corrected**

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By not maintaining required Add-On rate documentation, it cannot be determined if DCFS policies are being correctly followed. Add-On rates are at a higher risk of fraud as they are

deviations from established pay structures and thus need extra documentation, approval, and management.

## Recommendations

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1. (P2) All Add-On Rates should have documented justification as to necessity and proper approval for it, as required by DCFS Policy. This documentation should be maintained as part of the Agency Foster Home file.
2. (P2) DCFS should maintain a tracking log of active Add-On Rates that contains the amount and approved dates for the Add-On. This can be compared to FACTS and Agency Payroll Reports to ensure that approved Add-On timeframes are not exceeded.
3. (P3) DCFS Policy 6.02.13 should be clarified as to what level of approval is needed for Agency Foster Care Add-On Rates and where documentation is to be stored. Then DCFS should adhere to those procedures on whom is needed to approve Add-On Rates and storage location.

### *Management's Response:*

1. *An agency licensed foster parent may request consideration for a "special board rate" add-on at any point in the placement. The add-ons are designed to support foster parents in parenting children who have extenuating special needs. The add-on is in addition to the standard per diem the foster parent receives. Supporting documentation may come from doctors, psychologist, psychiatrist, or school personnel to support the individualized request, and maintained in the foster care file. Supervisors will re-educate staff on the expectations for completeness of all documents, including all required signatures prior to approval.*
2. *Add-on approvals are time limited and entered into the FACTS database with a designated end date. Placement supervisors assist with tracking expiration dates to ensure timeliness of review. The current review and approval practice is sufficient, however, to ensure consistency in practice, supervisors will complete a refresher with staff on the expectations.*
3. *The foster care senior manager and supervisors will review policy 6.02.13*

*Target Date for Completion: December 31, 2021*

## **FINDING Network Foster Home- Add on Support and LOC**

Non-Contract Rates for Foster Care were not properly documented and approved. Network Foster Care child placement rates are based on terms established within the contracts with each provider. In some circumstances, a Non-Contract Rate may be given to the foster care provider to take a child. Non-Contract Rates are meant to offset additional costs necessary due to a medical condition or to incentivize a difficult placement. Non-Contract Rates can be in any amount.

All children placed into Foster Care by DCFS are required to be assessed using an LOC tool. Responses on the child's known history results in a score from 1-6 (one being the lowest). This information is sent out to Network providers when looking for placement options for children. The per diem contract rates with providers are based on program levels. With per diem rates for level one being lowest and increasing with each additional level. OAC 5101:2-42-05 and DCFS Policy 6.01.03 state in part *"Children are placed in the least restrictive environment possible and in a manner consistent with the child's best interests and special needs."* Children are sometimes placed at a higher level than what the LOC tool calculated because there may be difficulty in finding placement for a child based on their original assessed score. Thus, it becomes a similar situation to Non-Contract Rates.

DIA tested 130 charges within a sample of 60 Network Foster Care payments. Of the 130 charges, 117 were for Foster Care per diem payments. The remaining 13 charges included miscellaneous travel costs and translation services. The 117 child per diem charges included 24 with rates unsupported by the terms of the applicable contract (Non-Contract Rates).

DIA noted the following regarding the usage of Non-Contract Rates and LOC placements:

- All 24 (100%) Non-Contract Rates lacked formal justification or approval noted for the additional non-contract rates beyond initialed approval noted in FACTS.
- In 24 of 113 (21%) eligible per diem payments, a child was placed at a higher LOC than what the LOC tool calculated. There was no formal justification as to need for placement at a different level. There is also no noted approval other than SACWIS and FACTS review that assures consistent rates were used between two systems.
- In 14 of 117 (12%) per diem payments, no LOC tool score could be provided to document DCFS placement staff considered the need of the child.

Placing a child at a higher LOC and/or using a Non-Contract Rate is sometimes necessary in order to get the child placed into a safe environment. There are not Policies and Procedures that address utilizing a Non-Contract Rates or placing children at different care levels than the LOC tool calculates.



## Risk to the County if Not Corrected

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By not having a consistent form of documentation used and approval noted on it, there is an increased risk that a Non-Contract Rate may be given in error or for a time period unintended. Also, by placing a child at a higher LOC than what the LOC tool calculated, it becomes difficult to know if the child is being placed in the least restrictive environment, as per OAC 5101:2-42-05. The County may also pay more than required to have a child placed. Non-Contract Rates are at a higher risk of fraud as they are deviations from established contract amounts and thus need extra documentation, approval, and management.

## Recommendations

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1. (P2) All Non-Contract Rates, and placement deviations from the LOC tool should have documented justification as to necessity and proper approval for it. This could be done using a created form or documentation similar to the Agency Foster Care Board Rate Add-On Form.
2. (P3) Non-Contract Rates, and LOC placement adjustments for Network Foster Care should be addressed within written Policies and Procedures. This should include proper approval levels and form of documentation that is acceptable. Also, where the documentation will be stored at.
3. (P2) Level of Care documentation should be maintained for each placement. This information should be scanned into the Traverse system.

### ***Management's Response:***

1. ***PCSAO's are not required to complete a level of care tool (LOC). For CCDCFS, the LOC tool is unique to Cuyahoga County and serves two purposes: to be a guide for determining the intensity and severity of a youth's placement needs; and to serve as a guide around appropriate per diem support to address the youth's individual needs. Many of the other counties in Ohio do not use a LOC tool and it is not a required component for placement. When there are deviations in the LOC tool and a higher or lower rate is required, placement staff will document the justification for each child's placement on the "Placement Referral Form and Documentation of Placement Search" template. This form is included with each placement and signed off on by a supervisor and senior manager.***
2. ***The placement Senior Manager will review with leadership the appropriateness of capturing the daily work expectations for placement staff within the agency's policy and procedure manual.***

3. *The LOC data is currently being maintained in the new database created by the agency's IT department and any new tool is being uploaded into the Traverse program.*

**Target Date for Completion: December 31, 2021**

## **FINDING Foster Home- Placement Search Documentation**

Placement decisions for children entering Foster Homes are not clearly or consistently documented. The Placement staff within DCFS is responsible for placing children that are in the custody of DCFS to various Foster Care settings. DCFS adheres to OAC 5101:2-42-05 and their own internal Policies and Procedures (6.01.03) regarding child placement. DCFS's internal Policies and Procedures comply with the OAC requirement.

DCFS's internal Policies and Procedures state in part the following:

*"Children are placed in the least restrictive environment possible and in a manner consistent with the child's best interests and special needs according to the following factors:*

- *Efforts are made to ensure that all placements are located within close proximity to the home and neighborhood from which the child was removed or to the home where the child will be placed permanently.*

Documenting how it was determined where children were placed is a critical step to assuring the Placement considered listed requirements in the OAC and DCFS Policies. As well as to assure that placements were performed in a transparent manner that is taking the child's best interests into account.

DIA reviewed 125 children per diem payments that were valid for placement searches for Network Foster Care and noted the following:

- The proximity of the placement to the child's neighborhood is not documented on placement search documentation and could not be determined if taken into consideration for 125 of 125 (100%) of placements.
- Ten of 125 (8%) had inadequate documentation, i.e. emails only, of placement search efforts.
- For 82 of 125 (66%) no placement search documentation could be located for the child and the placement selected.

It is not required in the OAC or DCFS Policies to perform a certain type of placement search or the documentation to maintain. The Placement Division has to place a high volume of children resulting in a high volume of paperwork to maintain. They strive to get children placed in a safe housing environment as quickly as possible. The Placement Division has also not always utilized

a consistent form to document the placement search that was conducted. The most current documentation of placement search form prioritizes consideration as 1) relative placement, 2) DCFS licensed Foster Homes, 3) In-State contracted providers, and 4) group homes.

In addition, children may be placed multiple times with different providers. Each placement will typically be it's own file. There may be multiple placement files for the same child organized by the date of placement. Also, not every placement requires a new search. If the case plan is for the child to eventually return to their original placement than a new search may not be conducted.

### **Risk to the County if Not Corrected**

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Lack of consistently documenting how the placement search was conducted or how the placement decision was made makes it difficult to determine if County Procedures or State laws were followed. There is also an increased risk of fraud associated with possible steering of children to certain providers.

### **Recommendations**

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1. **(P2)** DCFS should consistently have a placement search form included with the child placement file. This form should include documentation relative to the proximity of the child's home or permanent placement and justification as to why a particular provider was selected. The form should be approved by a supervisor. If the placement form is not needed due to particular circumstance then it should be noted as not needed. If a placement search is not necessary, then an explanation should be provided as to why it is not necessary.
2. **(P3)** The requirement for use of placement search documentation should be added to DCFS Policies and Procedures. This should include the type of acceptable documentation, type of approval needed, and how documentation will be maintained and stored.

#### ***Management's Response:***

1. ***CCDCFS is working to ensure that a placement search form will be included in the child's placement file. Since April of 2020, placement search forms have been consolidated and are included on the "Placement Referral Form and Documentation of Placement Search" template. The current form is meant to be a supplement to SACWIS and includes information on the child's home school district and the flow of the***



*document walks the staff through least to most restrictive placement options. All out of county placements must be approved by a supervisor, and this is captured on the last page of the current form. Forms are being stored on the shared drive and staff are working to upload them into Traverse.*

2. *See response above*

**Target Date for Completion: December 31, 2021**

## **FINDING Duplicate Systems**

During our review DIA noted that DCFS must use two systems to successfully effect the placement of children into foster care and allow the foster care provider to be paid; however, the systems do not communicate with each other thus necessitating the dual entry of information. Entry information can include the provider with whom the child is placed, placement date, the applicable placement level and rate, and necessary child identification information. We further noted that documentation of the review performed to ensure input accuracy between the two systems is not adequately maintained. The Placement Division is responsible for placing children in the custody of DCFS into foster care. To do this, the staff must make entries about where the child is to be placed within the SACWIS system, as required by the state. This information includes the date and location of placement, the level that the child is being placed at, and the applicable rate being used. DCFS staff must also input this information again into the FACTS system for payments to be made to the providers.

There is no automated control that will prevent staff from entering different information and rates between the two systems. As a compensating control, there is a review process in which the staff will print out screen shots of the SCAWIS and FACTS system to show that the information is accurate and matches each other. The supervisors will then review these screenshots and initial and date to note their review. These screenshots become a part of the placement file for the child which is to be maintained in paper form and within the Traverse electronic document repository.

DIA reviewed 117 system inputs to determine if inputs were accurate and approval was documented. There were 73 instances (62%) in which supervisor review of accuracy and approval of SACWIS and FACTS system inputs for Network Foster Care placements were not documented. It should be noted that DIA did not identify any differences in rate inputs between SACWIS and FACTS for any of the 117 system inputs reviewed.

The following table estimates the amount of time and economic cost Placement staff and supervisors spend to duplicate input work and perform an accuracy review:

<u>Position Titles</u>	<u>Pay Rate for 2021</u>	<u>Time Taken (hours) per case</u>	<u>Average case load per year (entire division)</u>	<u>Time Taken (hours) per year</u>	<u>Payroll costs per year</u>
Social Serv. Worker 3	\$28.86	0.167	3500	583.33	\$16,835
Social Serv. Superv.	\$33.68	0.033	3500	116.67	\$3,929
<b>Total</b>				<b>700</b>	<b>\$20,764</b>

It is not a written Policy and Procedure that this review take place or that the documentation of the review be kept in a certain format or storage location. There can be multiple placement files for a child over time which makes it difficult to locate correct placement files requiring review. In addition, there is a high volume of children placements on an annual basis.

Duplication of rate input is a result of SACWIS being a mandated system that must be used statewide by Public Child Welfare Agencies. FACTS is a legacy system that must be used in order to generate payment information. DCFS lacks an interface to efficiently automate the transfer of information between the two systems.

### **Risk to the County if Not Corrected**

By having to work within multiple systems there is a loss of efficiency of operations. There is also an increased risk of errors between the two systems and, as manual review of input to required to ensure accuracy in both systems, there is increased use of labor. By not documenting reviews of SACWIS and FACTS rate inputs, there is no way to confirm supervisor reviews occur and thus an increased risk of errors.

### **Recommendations**

1. (P3) DCFS should work with IT to eliminate the need of dual entry within two systems. If this cannot be achieved, the possibility for manual reviews to be noted in the systems in a manner that provides an audit trail should be assessed.

2. (P2) If a change of systems or enhanced automation of current systems cannot be completed, then the Placement Division should ensure that a documented review of the rates in SACWIS and FACTS is performed and maintained upon a new placement or change of rates. This should also be a part of the scanned information into the Traverse document storage system.
3. (P3) The performance of a SACWIS and FACTS review should be included in the written Policies and Procedures (P&P) for placement. P&P should also cover how the documentation of the review should be maintained.

***Management's Response:***

1. ***CCDCFS management agrees that the elimination of dual entry within the FACTS and SACWIS systems would help increase efficiency and decrease the likelihood of data entry inconsistencies. Collaborative efforts are underway to transition completely out of FACTS. The goal is to pay all agency rosters out of SACWIS by mid-year 2022.***
2. ***The Placement Senior Manager will consult with the Traverse experts as well as members of the performance evaluation team to determine the best options to store internal record verifications.***
3. ***The Placement Senior Manager will consult with the Policy Review Committee to determine the best options for maintenance of review documentation.***

***Target Date for Completion: December 31, 2021***

## **FINDING Incorrect Childcare Rates Authorized**

DCFS paid an incorrect rate to daycare providers based on the age of the child. DCFS Policy Number 6.02.13 allows for DCFS Foster and Kinship caregivers to utilize childcare services if they work full or part time and do not have someone available to care for a child. DCFS has established maximum payment amounts based on the age of the child. Any amount over these rates is to be paid by the Foster or Kinship caregiver. The Foster or Kinship caregiver may select any provider they want provided they follow DCFS policy which requires childcare providers to be SUTQ certified or approval has been granted due to extenuating circumstances.

The foster or kinship caregiver must submit an application to DCFS. DCFS may approve childcare support for a six-month period. A letter is sent to the childcare provider indicating the approved child, the authorized six-month period, and the maximum rate that the County will pay based on the age of the child. The below table shows the maximum allowable rates:

<b>Daycare</b>			
<b>Age of Child</b>	<b>Daily Cap</b>	<b>FT Weekly</b>	<b>PT Weekly</b>
0 thru 17 months	\$41.78	\$208.91	\$125.35
18 thru 35 months	\$37.87	\$189.37	\$113.62
3 thru 5 (not in kindergarten)	\$33.68	\$168.40	\$101.04
5 and over (in school)	\$27.84	\$139.20	\$83.52

DIA reviewed 40 invoices from childcare providers for children in Foster Care. This included services for 111 children from 35 different childcare providers totaling \$71,224. During the review, it was noted that 4 of the 111 (4%) payments tested were for rates higher than the DCFS established maximum allowable rate based on the child’s age at the time of six-month authorization. The following table summarizes the payment variances:

<b>Child</b>	<b>Age at Authorization</b>	<b>Paid Rate</b>	<b>Days in Care</b>	<b>Paid Amt.</b>	<b>Max Pay Rate</b>	<b>Max allowable Pay</b>	<b>Variance</b>
1	5	\$ 30.00	19	\$ 570.00	\$ 27.84	\$ 528.96	\$ 41.04
2	5	\$ 33.68	21	\$ 707.28	\$ 27.84	\$ 584.64	\$ 122.64
3	5	\$ 33.68	17	\$ 572.56	\$ 27.84	\$ 473.28	\$ 99.28
4	5	\$ 33.68	19	\$ 639.92	\$ 27.84	\$ 528.96	\$ 110.96
<b>Total</b>				<b>\$2,489.76</b>		<b>\$2,115.84</b>	<b>\$373.92</b>

The Notice of Daycare Placement and Payment form which authorizes the six-month period and maximum rate, shows the child date of birth but there is no place to enter the child’s age in years or months. There is also no place to indicate if the child is in school or not. Without these fields it is more difficult for DCFS staff to determine applicable rates as the child may have recently progressed into another age bracket and thus effect the maximum County reimbursement level.

### **Risk to the County if Not Corrected**

The inadequate identification of pivotal payment variables may result in inadequate authorization and review of payments which may result in inaccurate payments to providers.



## Recommendations

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1. (P2) The Notice of Day Care Placement and Payment Form should be modified to record the child's age in years and months at the time of authorization and the status of if the child is in school or not. This should be reviewed by the Supervisor and Sr. Manager that are approving the form. This information should also be entered into the Child Care Access Database at the time the authorization is approved.

### *Management's Response:*

*CCDCFS has edited the Placement and Payment form to include the child's age. Workers and supervisors are asked to routinely review whether a child is school age. The database has been revised to track the child's date of birth and age.*

**Target Date for Completion: October 8, 2021**

## FINDING Childcare Rates and SUTQ

Utilization of non-SUTQ providers without justification. DCFS Policy Number 6.02.13 allows for DCFS Foster and Kinship caregivers to utilize childcare services if they work full or part time and do not have someone available to care for a child. DCFS has established maximum payment amounts based on the age of the child. Any amount over these rates is to be paid by the Foster or Kinship caregiver. The Foster or Kinship caregiver may select any provider they want provided they adhere to the requirements of DCFS Policy Number 6.02.13 and supplemental DCFS Daycare Authorization Procedures noted below:

- *"All foster caregivers must use a SUTQ county certified day care center or certified in-home day care provider (for infants only) in order to be eligible for financial assistance".*
- *"If there are extenuating circumstances that the Kinship Caregiver needs to or would like to use a licensed day care provider other than a SUTQ provider they must contact their WOR. The WOR will put this in writing why they would like to use this specific daycare provider. This documentation is reviewed by the Sr. Manager and a determination is made if an exception can be granted and what rate will be paid."*
- *"If the daycare charges are equal to the dollar amount allowed, the provider will receive that dollar amount. If the charges are under the allowable maximum amount the provider will be reimbursed the amount charged. At no time will any provider be paid more than their published day care rate based on the age of the child."*

The foster caregiver must submit an application to DCFS. DCFS may approve childcare support for a six-month period. A letter is sent to the childcare provider indicating the approved child, the authorized six-month period, and the maximum rate that the County will pay based on the age of the child.

DIA reviewed 40 invoices from childcare providers for children in Foster Care. The invoices were for the provision of services for 111 children from 35 different childcare providers totaling \$71,224. During the review, it was noted that:

- Two of the 35 childcare providers tested (6%) were not SUTQ certified within the ODJFS SUTQ database. Neither payment had a documented justification or approval for use of a non-SUTQ provider. These two providers accounted for 2 of the 111 payments (2%) and totaled \$516 (<1%).

DIA also observed that DCFS does not require published rates be provided and considered when approving the maximum rates allowed to be paid to a childcare provider. DIA noted the following:

- Eighty-five of the 111 (77%) childcare payments tested were at the maximum amount allowable for the child per DCFS approved payment rates.
- There is also no established procedure that requires childcare provider rates to be submitted to DCFS prior to invoicing.

DIA looked at available websites for the 35 childcare providers included in testing to compare any published rates with established maximum allowable rates. It was noted that of the 14 payments in which published rates could be found on the childcare provider website that rates were all paid at the published rates, which were less than the maximum allowable per DCFS.

DCFS lacks an established form for a WOR to document when extenuating circumstances justify the use of a non-SUTQ provider and an established review process to assure a selected provider was SUTQ certified. DCFS was not cognizant of the risk presented in not obtaining published rates prior to determining maximum rates.

### **Risk to the County if Not Corrected**

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Established maximum amounts may be greater than the rate that the facility normally charges and hence the County may overcharged for services provided.

Also, not following DCFS established procedures on non-SUTQ providers could lead to inconsistencies in operations which could lead the childcare program to functioning in a manner other than management's intentions. As there could be an increased risk that a non-SUTQ certified provider would not meet County expectations for vetting of childcare providers.

## Recommendations

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1. (P3) DIA recommends that DCFS require childcare providers submit their rates for various age groups during the application stage and that such be reviewed when determining the maximum allowable rate stated in the approval letter. DCFS should maintain a file that can be updated on a yearly basis for each provider in usage indicating the rates for age groups. This should be noted as part of the procedures for signing up a new vendor or yearly updates for ongoing providers.
2. (P2) DCFS should follow their established policies and procedures regarding utilizing SUTQ providers. If a provider is not SUTQ certified, there should be a form detailing justification and documenting Sr. Manager approval. This documentation should be maintained with other childcare authorization documentation.
3. (P3) DCFS should enhance current Policies and Procedures to include steps on required review of providers to assure they are SUTQ certified and the approval process for documentation when utilizing non-SUTQ providers.

### ***Management's Response:***

1. ***CCDCFS caregiver resource management department completed the necessary steps to update the process for childcare documentation and authorization. This includes verification of provider rates, guidance around SUTQ requirements as well as the approval process.***
2. ***See response #1.***
3. ***See response #1.***

***Target Date for Completion: September 7, 2021***

### **FINDING Subsidy Paid Past the Age of 18**

Adoptive families received AA payments past the adopted child's age of 18 without an agreement to extend the payments past this age.

OAC 5101:2-49-04(A) states:

*"AA is available for an eligible child whose adoptive parent(s) enter into an initial AA agreement prior to the child's eighteenth birthday through the end of the month of the child's eighteenth birthday."*

Once the adoptive child reaches the age of 18, payments can be extended if a new AA Agreement is agreed upon and if the child demonstrates a qualifying condition that warrants an extension per OAC 5101:2-49-04(B).

DCFS Fiscal staff need to manually stop payments within the FACTS payment generating system as the FACTS system does not automatically stop payments at the age of 18. A monthly report is generated using DCFS Fiscal software to identify adopted children over the age of 18. This report is then manually reviewed by DCFS Fiscal staff who then must make the required adjustments within FACTS to stop the payments.

In 2 of 55 (4%) AA payments tested, the child's 18<sup>th</sup> birthday occurred in 2020, yet payments were still made to the adoptive family for a duration of time past the birthday. The case records did not contain an AA Agreement justifying an extension as required per OAC 5101:2-49-04(B). The County has not sought to recoup these funds.

In one case, AA payment was made for the period 16 days past the month end following the adopted child's 18<sup>th</sup> birthday resulting in an excessive payment of \$59.17. In a second case, AA payments were made for the period 12 months and 13 days past the month end following the adopted child's 18<sup>th</sup> birthday resulting in excessive payments of \$1,172.92.

Fiscal staff overlooked terminating scheduled payments within FACTS during their review process and payment continued in error.

In the case where payments continued for greater than 12 months, a mistake was made by DCFS staff in the calculation of the AA Agreement's term length. At the time this contract was negotiated, contract terms needed to be manually calculated, thus increasing the risk for error that subsidy payments could be contracted for a term extending past the adopted child's age of 18. Current contracts have terms automatically calculated only lasting to the child's 18<sup>th</sup> birthday. The miscalculation allowed AA payments to appear legitimate until the adopted child reached age 19 instead of 18.



## Risk to the County if Not Corrected

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Unauthorized subsidy payments to adoptive families for an adoptive child older than age 18 unnecessarily increases the County's expenditures. These payments can result in a notable loss if done amongst multiple families over extended periods. Further, funds may be difficult, expensive, and/or time consuming to recoup in a legal process.

## Recommendations

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1. (P2) The County should seek an automated solution that can automatically terminate payments after the age of 18 where there is no agreement to extend subsidy.
2. (P2) At the end of every month, DCFS Fiscal should continue to perform a review of the age of adoptive children receiving AA payments to ensure that no family had received a payment past the adoptive child's 18<sup>th</sup> birthday. Management should sign off documenting that the review was completed. This manual review should occur until an automated solution is enabled or if automation is determined not feasible.

### ***Management's Response:***

***We no longer create or maintain adoptive payments from FACTS. Prior to August of 2021 payments from this system had their end dates calculated manually. This contributed to both errors that have been cited. We are now generating adoptive payments from one system which is fully automated. The system (SACWIS) automatically generates the end date which is associated with the child's 18th birthday. As a result of this we do not anticipate that any of the previous errors will persist.***

***Target Date for Completion: September 1, 2021***

## **FINDING Incorrect Subsidy Payment Amounts**

The County paid AA subsidies to adoptive families during 2020 in amounts inconsistent with AA negotiated agreements and the FMAP rates for Ohio. Adoptive families receive AA from Federal, State and County governments. Each paying its own portion of the AA amount negotiated with DCFS. The Federal and State portions arrive on one check from Ohio, and the County pays the

remainder on a County issued check. The County should make AA payments to the adoptive families in amounts according to the following:

- The amount agreed upon between DCFS and the adoptive family (See OAC 5101:2-49); and
- Ohio's level of federal participation for AA programs as measured by the FMAP rate for the relevant period (See 42 USC § 674). Due to the COVID-19 pandemic, the federal government adjusted FMAP rates to provide greater assistance:
  - FMAP rate for payments made 1/1/20 to 5/31/20 is 63.02%
  - FMAP rate for payments made 6/1/20 to 10/31/20 is 69.22%
  - FMAP rate for payments made 11/1/20 to 12/31/20 is 69.83%

DCFS Fiscal used the correct FMAP rates except for payments occurring 11/1/20 to 12/31/20 where the prior period's 69.22% rate was continued.

In five of the 55 (9%) AA payments reviewed, the County's portion of the subsidy was calculated based on amounts not supported by an AA Agreement within case records. These inconsistencies resulted in total net underpayments of \$486.61 consisting of:

- A net underpayment of \$258.80 (\$443.70 in underpayments and \$184.90 in overpayments) for the period 1/1/20-5/31/20 when the FMAP rate was 63.02%.
- A net underpayment of \$227.81 (\$350.93 in underpayments and \$123.12 in overpayments) for the period 6/1/20-10/31/20 when the FMAP rate was 69.22%.

For all AA payments, the County's portion of subsidy paid to the adoptive family during the period 11/1/2020 to 12/31/2020 was based on incorrect FMAP rates for Ohio. The FMAP rate had increased to 69.83% for these 2020 payments, yet a rate of 69.22% continued to be used in calculating payment amounts. These inconsistencies resulted in overpayments of \$274.24 during 2020 amongst the DIA tested samples selected. DIA also performed an analysis of all AA payments between 11/1/2020 and 12/31/2020 and calculated a total overpayment of \$8,390.55 for all AA payments as a result of this incorrect FMAP rate usage.

For the County payments made during the periods 1/1/2020 to 10/31/2020, DCFS Fiscal staff entered AA amounts into FACTS that were not supported by an AA Agreement.

For the County payments made during the period of 11/1/2020 to 12/31/2020, a change in FMAP rate for Ohio was not updated by DCFS for AA payments to any adoptive family. The update for this period was overlooked by DCFS Fiscal staff as the narrow difference between the rate used and the rate established for Ohio was deemed immaterial (i.e., 69.22% and 69.83%).

## Risk to the County if Not Corrected

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Overpayments to adoptive families may result in lost funds as they can be difficult, time consuming, and/or expensive to recoup. Underpayments may expose the County to legal liabilities from the adoptive family. Inaccurate payments become more difficult to remedy towards the conclusion of the AA payments where corrective adjustments per OAC 5101:2-49-08(F) are not possible if the amount of overpayment adjustment needed exceeds the amount of remaining subsidy to be paid.

## Recommendations

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1. (P2) A policy should be adopted that the DCFS Fiscal staff member inputting the AA amount into FACTS must have a copy of the fully executed AA Agreement to ensure accurate transcription.
2. (P2) Management of DCFS Fiscal should perform a monthly review of AA amounts entered in the FACTS system and sign an approval document to vouch that month's amounts were entered correctly. This requirement should be incorporated into DCFS policy and procedures.
3. (P2) Any updated FMAP rates for Ohio should be used to calculate the County's portion of AA regardless of the significance of the rate change from the previous period.

### ***Management's Response:***

***The FMAP rates are entered annually into the DCFS fiscal maintenance tables that were used to calculate the local portion of the AA payments to be issued for the new Federal Fiscal Year which begins in October of each year. This was an inadvertent rate error that occurred for a 2-month period in 2020 that was immediately adjusted when realized. Moving forward this would not be an issue since DCFS implemented the processing of payments of the AA local share to parents directly from the SACWIS system and the FMAP rates are input for the calculation by the State.***

***Target Date for Completion: August 2021***

## **FINDING Missing and Unsigned Documents**

Adoption records were lacking documentation required to be maintained by the OAC, or the documents were not properly signed. The OAC governs the adoption process, subsidy payment negotiations, and records that must be maintained by a PCSA such as DCFS. Doing so documents all necessary steps were taken to ensure the well-being of adoptive children. The following items relating to AA payments should be completed, signed where appropriate and maintained by DCFS:

- Form JFS 01673 Homestudy per OAC 5101:2-48-16(CC) and OAC 5101:2-49-17(B)(11)
- Form JFS 01690 Documentation of the Pre-Adoptive Staffing per OAC 5101:2-48-16(J)
- Form JFS 01610 Child's Permanency Data Planning Summary per OAC 5101:2-48-16(T)
- Form JFS 01451 Title IV-E Adoption Assistance Application per OAC 5101:2-49-17(B)(1)
- The Adoption Assistance Agreement per OAC 5101:2-49-06(A)
- Supporting documentation for special needs per OAC 5101:2-49-05(D) and OAC 5101:2-49-03

The following items related to SAMS payments should be completed, signed where appropriate and maintained by DCFS:

- Form JFS 01654 Adoptive Placement Agreement per OAC 5101:2-44-12(B)(1)
- Final Decree of Adoption per OAC 5101:2-44-12(B)(10)
- Child Study Inventory per OAC 5101:2-44-12(B)(13)
- Form JFS 01673 Homestudy per OAC 5101:2-44-12(B)(15)
- Form JFS 01614 Redetermination or Amendment of State Adoption Subsidy
- Supporting documentation for special needs per OAC 5101:2-44-06(A)(5)(g)

DIA reviewed a total of 60 Adoption payments made during 2020. Of this total, 55 were for AA, 3 were for SAMS, and 2 were for nonrecurring expenses. DIA reviewed the adoption records related to these payments to assess completeness and OAC compliance.

Missing documentation or signature approvals in case records were found in the following instances:

### **Adoption Assistance**

- Form JFS 01673 Homestudy was not found in 4 of 55 (7%) case records.
- Form JFS 01690 Documentation of the Pre-Adoptive Staffing meeting was not found in 18 of 55 (33%) case records.
- Form JFS 01690 Documentation of the Pre-Adoptive Staffing meeting was missing supervisor signatures in 6 of 55 (11%) case records.
- Form JFS 01690 Documentation of the Pre-Adoptive Staffing meeting was not signed by any attendees in 17 of 55 (20%) case records.



- Form JFS 01610 Child's Permanency Data Planning Summary was not found in 15 of 55 (27%) case records.
- Form JFS 01451 Title IV-E Adoption Assistance Application was not found in 1 of 55 (2%) case records.
- In 6 of 55 (11%) AA Agreements were not signed by a DCFS Authorized Representative.
- In 32 of 55 (58%) case records, special needs supporting documentation from a qualified professional in accordance with OAC Rule 5101:2-49-03(A)(2)(h) was not found demonstrating the adoptive child having a substantial risk for developing a condition. It should be noted that in each instance there were other special needs noted and documented that would make the child eligible to receive AA.

### **State Adoption Maintenance Subsidy**

- In 3 of 3 (100%) records, special needs supporting documentation in accordance with OAC 5101:2-44-06(A)(5) was not found, demonstrating substantial risk for developing a condition as diagnosed by a qualified professional. There was only an Approval of State Adoption Subsidy form indicating risk as a special need of the adoptive child being found in the case record.
- In 1 of 3 (33.3%) records, the following items were not found:
  - Form JFS 01654 Adoptive Placement Agreement
  - Final Decree of Adoption
  - Child Study Inventory
  - Form JFS 01673 Homestudy
- In 2 of 3 (67%) records, form JFS 01614 Redetermination or Amendment of a State Adoption Maintenance Subsidy was not signed by a DCFS representative for all periods of 2020.

As there are numerous OAC requirements, forms to complete in the adoptions process, and children under the care of DCFS for multiple years. DCFS staff overlooked signing documents or lost them in a file. There was no approved checklist in the tested samples to show that all documents were obtained and signed as needed prior to considering an adoption record file complete. Prior to commencement of this audit, Adoptions implemented a checklist that it uses to ensure proper documentation is obtained for cases beginning in 2021.

### **Risk to the County if Not Corrected**

By not maintaining documents or obtaining the requisite signatures, the following impacts occur:

- The County is non-compliant with OAC. Following the OAC for supporting documentation of special needs, contracts and other adoption documents creates a stable method that promotes consistency of operations.

- The County is exposed to additional risk of legal liability in the event of a contract dispute. When evidence of a contract is not memorialized with a document signed by all parties to the agreement, its details are more difficult to determine.
- Case records with missing documents cannot be consulted if information on an adoptive child or family is needed in the future.

## Recommendations

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1. (P2) All forms prescribed by the OAC should be maintained by DCFS in addition to scanning new documents into the Traverse system (see Recommendation 4 below). Placing copies of all files needed throughout the subsidy negotiation process allows staff to consult the case file if the adoptive family or child's information needs to be reviewed and promotes compliance with OAC case record requirements.
2. (P2) DCFS should require all parties to sign forms where prompted. This action ensures that the form is completed. Executing agreements reinforces the notion that they are mutual between DCFS and the adoptive family.
3. (P2) DCFS should adequately document the assessment and/or consideration of special needs as required by the OAC. If the supporting documentation is not available, then a note such as "not documented," should be stated in the case record so that staff reviewing the file can know if further documentation is necessary to retrieve.
4. (P3) New Adoption case documents should be scanned into the Traverse system so that they can still be viewed in the event the hard copy is misplaced.
5. (P2) Any checklist used by Adoptions to ensure proper documentation should be maintained in the case record. It should include those items required and listed in OAC 5101:2-49-17(B) for AA cases and OAC 5101:2-44-12(B) for SAMS cases.

### ***Management's Response:***

1. ***Policy 14.00.00 Records Retention, Storage, Maintenance and Access has been updated as of 9/1/21 to include uploading case record documents in Traverse.***
2. ***This is currently a requirement. At least 25-30 adoption assistance case records that were audited had an adoption finalization that occurred prior to 2010 and the current management team.***
3. ***The adoption subsidy request form has been updated to include this information.***
4. ***Please see the response to #1.***

5. *The checklist which includes to the OAC requirements for cases is not maintained in the case record file. Managers will review with staff opportunities to include this document in the scanned record when capacity/resources become available.*

**Target Date for Completion: November 15, 2021**

## **FINDING Lack of Documented Negotiation Rationale**

DCFS does not document strategy or rationale when negotiating an AA or SAMS amount with an adoptive family. There are no formal Policies and Procedures or laws requiring DCFS to document the rationale and strategy used when negotiating an AA or SAMS subsidy amount for an adoptive family. Families are eligible to receive monthly AA or SAMS subsidies after adopting a child. These subsidies usually last until the adopted child reaches 18 years of age. DCFS Adoptive Services establishes AA and SAMS subsidy amounts by considering the following factors per OAC 5101:2-49-03, 5101:2-49-05, and 5101:2-44-06:

- Child's medical conditions;
- Mental health of the child;
- Future risk of conditions;
- Difficulty to place;
- Child's age;
- Input from the adoptive family on the amount of subsidy they feel is appropriate.

Although not required by formal Policies and Procedures or law, documenting the strategy and rationale of how subsidy amounts are negotiated can set a precedent on the method of how DCFS performs negotiations and ensures consistency in the process. In addition to creating a consistent standard of how negotiations occur, such would serve to eliminate ambiguity in why a specified subsidy was negotiated. Documentation of strategy and rationale may also be used as a guide for future negotiators or as a foundation for a training program.

Negotiation by DCFS with the adoptive family requires a balancing of factors and qualitative assessments prior to mutual agreement being reached. The 55 sampled AA payments ranged anywhere from \$300.00-\$1,500.00 per month. The three sampled SAMS payments ranged from \$500.00-\$510.00 per month. None of total 58 adoption records included a documented strategy or rationale as to how the AA or SAMS subsidy amount was negotiated and agreed upon between DCFS and the adoptive family.

There are no formal Policies and Procedures or laws requiring DCFS to document the rationale and strategy used when negotiating an AA or SAMS subsidy amount for an adoptive family. Current management, knowledgeable about how to reach a negotiated amount that will satisfy

both DCFS and the adoptive family to incentivize adoption, may find it unnecessary to formally document.

### **Risk to the County if Not Corrected**

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By not documenting the strategy and rationale of how subsidy amounts are negotiated, the risk increases that AA and SAMS amounts could be erroneously or fraudulently inflated resulting in excess cost to the County. Additionally inconsistent outcomes may occur creating disparity amongst families served by DCFS.

### **Recommendations**

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**(P4)** DCFS should develop a templated document to be kept on file that memorializes the rationale and strategy used in negotiating AA and SAMS subsidies with adoptive families. This document and the methodology should be a part of written Policies and Procedures.

#### ***Management's Response:***

***CDCFS adheres to OAC Rule 5101:2-49-05 (Initial determination of the Title IV-E adoption assistance (AA) monthly payment amount when negotiating subsidy and established a general notification template. There is no monetary value designated to begin the negotiation process as each child's needs are individualized. Although current practice meets OAC guidelines, management will review subsidy practice when resources become available.***

***Target Date for Completion: December 31, 2021***