

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH · 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222
TDD: 217/524-4646



CHICAGO OFFICE:
JAMES R. THOMPSON CENTER · SUITE 4-100
100 WEST RANDOLPH STREET · 60601
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

5-94-41200-10

REPORT DIGEST

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FINANCIAL AND COMPLIANCE AUDIT
(In Accordance with the Single Audit Act of 1984
and OMB Circular A-128)
For the Two Years Ended June 30, 1994**

SYNOPSIS

- The Department needs to increase its staffing of the Child Abuse Hotline phone system to be able to promptly handle the increasing number of calls.
- The Department did not initiate investigations of all instances of alleged child abuse within the 24-hour statutory time frame. This condition has existed since 1978.
- The Department did not make final determinations if child abuse investigations indicated evidence of child abuse within the 60-day statutory time frame. This condition has existed since 1990.
- The Department did not maintain adequate documentation of actions taken in providing child welfare services.
- The Department does not have adequate procedures to monitor agencies which perform licensing examinations of child welfare agencies. This condition has existed since 1990.
- The Department does not always perform background checks of child care facility employees and license applicants.
- The Department is not properly monitoring child care provider contracts to control both contract overpayments and contract advances.
- The Department did not maintain adequate documentation of actions taken by caseworkers in their investigations of alleged child abuse.

{Expenditures and Activity Measures are summarized on the reverse page.}

INTERNET ADDRESS: AUDITOR.GENERAL@ACCESSIL.COM

RECYCLED PAPER · SOYBEAN INKS

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FINANCIAL AND COMPLIANCE AUDIT
For The Two Years Ended June 30, 1994

EXPENDITURE STATISTICS	FY 1994	FY 1993	FY 1992
● Total Expenditures (All Funds)	\$886,526,548	\$725,350,512	\$588,114,516
OPERATIONS TOTAL	\$169,210,654	\$143,923,070	\$141,239,136
% of Total Expenditures	19%	20%	24%
Personal Services	117,402,011	100,966,904	103,574,291
% of Operations Expenditures	69%	70%	73%
Average No. of Employees	3,620	3,128	3,220
Other Payroll Costs (FICA, Retirement)	17,797,874	15,362,252	11,337,469
% of Operations Expenditures	11%	11%	8%
Contractual Services	22,204,896	14,456,445	12,543,660
% of Operations Expenditures	13%	10%	9%
All Other Operations Items	11,805,878	13,137,469	13,783,721
% of Operations Expenditures	7%	9%	10%
GRANTS TOTAL	\$717,315,894	\$581,427,442	\$446,875,380
% of Total Expenditures	81%	80%	76%
● Cost of Property and Equipment	\$16,396,628	\$13,951,129	\$11,925,639

SELECTED ACTIVITY MEASURES	FY 1994	FY 1993	FY 1992
● Reports of Child Abuse and Neglect	136,123	125,337	130,555
● Investigations within 24 hours of report	98.5%	98.0%	97.0%
● Children served -			
- Foster care	13,861	12,048	11,109
- Relative foster care	22,631	17,985	15,004
- Institutional care	<u>4,669</u>	<u>3,782</u>	<u>3,429</u>
Total children	41,161	33,815	29,542

AGENCY DIRECTOR(S)
During Audit Period: Mr. Sterling M. Ryder Currently: Mr. Jess McDonald

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE STAFFING FOR CHILD ABUSE HOTLINE

The Department's Hotline telephone system receives child abuse and neglect reports 24 hours a day, seven days a week. However, at certain times, calls are abandoned by the callers before they can be answered. Other times, messages are taken and staff returns calls when time permits. Department records indicated the following Hotline calls received, abandoned, and messages taken during the audit period:

	<u>1994</u>		<u>1993</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Hotline calls received	369,309	100.0%	334,317	100.0%
Abandoned calls	42,642	11.5	33,909	10.1
Messages taken	138,489	37.5	117,337	35.1

The Abused and Neglected Child Reporting Act states the Department "shall be capable of receiving reports of suspected child abuse or neglect 24 hours a day, 7 days a week". According to Department personnel, there are an adequate number of workers to handle the volume of calls during some hours of the day. The inability to respond to all calls 24 hours a day, seven days a week could prevent the Department from acting promptly, and this could further place a child in danger of abuse or neglect. (Finding 3, page 18)

We recommended the Department increase the number of Hotline workers to ensure the Hotline calls are handled promptly.

Department officials stated they have implemented our recommendation and have reduced the abandonment rate to 8.0% and have reduced the messages taken rate to 25.9%.

FAILURE TO PERFORM ALL CHILD ABUSE INVESTIGATIONS WITHIN 24 HOURS

The Department does not initiate an investigation of every child abuse and neglect case within 24 hours of receipt of the report as required by statute. **This finding has been repeated since 1978.** The Abused and Neglected Child Reporting Act requires investigations "be commenced within 24 hours of receipt of the report". Department statistics indicated there were 1,428 out of 71,539 reports (2.0%) in Fiscal Year 1993 and 1,151 out of 75,514 reports (1.5%) in Fiscal Year 1994 that did not comply with the 24-hour requirement. Department personnel indicated the failure to comply with the 24-hour requirement is primarily due to the large volume of reports. Failure to respond to a report of abuse or neglect within 24 hours is a violation of the Act, and could result in further endangerment to the child. (Finding 1, page 14)

We recommended the Department initiate investigations of all child abuse and neglect reports within 24 hours of receiving the reports.

Department officials stated they accepted our recommendation and that it continues to initiate investigations within 24 hours in 98% of the reports. The Department notes that the 2% out of compliance are generally situations where the child is unavailable, others are initiating the investigation (the child is out of state, for example), or the family has fled. (For previous Department responses, refer to Report Digest Footnote 1.)

NEED TO COMPLETE CHILD ABUSE INVESTIGATIONS IN A TIMELY MANNER

The Department is not determining within 60 days if its investigations of child abuse indicate that credible evidence of abuse or neglect exists. **This finding has been repeated since 1990.** The Abused and Neglected Child Reporting Act states the Department shall determine, within 60 days, whether a report is "indicated" (that is, evidence of abuse or neglect is indicated) or "unfounded". Department statistics indicated there were 6,457 reports out of 71,539 (9.03%) in Fiscal Year 1993 and 10,452 reports out of 75,514 (13.8%) in Fiscal Year 1994 which were not determined as being either "unfounded" or "indicated" within the 60-day required time limit. According to Department personnel, the delay in determining cases is due to an inadequate number of caseworkers to handle the volume of cases in some districts. (Finding 2, page 16)

We recommended the Department determine within 60 days if child abuse investigations reveal evidence of child abuse.

Department officials stated they have accepted our recommendation. The Department states that it experienced the highest rate of growth in child abuse investigations ever during the two years under audit. Due to this extremely high volume, there have been delays in completing all investigations within the 60 days, particularly in Cook County. The Department indicates that since July 1, 1994 the number of overdue investigations has been reduced by 60%. (For previous Department responses, refer to Report Digest Footnote 2.)

LACK OF DOCUMENTATION IN CHILD WELFARE FILES

The Department did not maintain critical documents in child welfare case files. We examined 39 child welfare case files and noted a variety of exceptions where important documents were not retained. The exceptions included:

- 5 or 12.8% of the files lacked current service plans. Service plans are to be developed within 30 days of case opening, and reviewed every 6 months thereafter.
- 7 or 17.9% of the files lacked documents on the monthly visits to the children.
- 10 or 25.6% of the files lacked administrative case reviews. Case reviews are to be conducted within 45 days after temporary custody is awarded to the Department, and at least every 6 months thereafter. (Finding 4, page 20)

We recommended the Department strengthen procedures to insure documentation of the services it provides to children is properly created and retained.

Department officials stated they have accepted, and are in the process of implementing, our recommendation.

NEED TO IMPROVE MONITORING OF PRIVATE AGENCIES

The Department does not have adequate procedures to monitor private agencies who perform licensing examinations of child welfare agencies. **This finding has been repeated since 1990.** The Department relies heavily on private monitoring agencies to certify family foster homes, however, no procedures have been implemented to adequately monitor the private agencies' compliance with Department licensing standards. At June 30, 1994, 6,619 of the 9,940 foster family homes licensed by the Department had been certified by private agencies. According to Department personnel, the Department is in the process of developing new policies and procedures for the monitoring of these agencies but, due to the lack of staff, they have not yet been completed. (Finding 6, page 26)

We recommended the Department allocate sufficient resources to complete the process of developing new policies and procedures for the monitoring of private agencies.

Department officials stated their belief that its process of monitoring private agencies who perform and recommend licensing of foster homes is adequate. The Department also stated that its own licensing staff conduct licensing studies of these private agencies every two years and monitor their performance at least annually. The private agency licensing staff help the foster families fill out the licensing applications, conduct home studies, schedule fingerprinting, and submit all completed licensing information to the Department with a recommendation regarding licensure. The Department's licensing staff review all licensing information of the foster families submitted by the private agencies prior to a decision on licensure. (For previous Department responses, refer to Report Digest Footnote 3.)

FAILURE TO COMPLETE CRIMINAL BACKGROUND INVESTIGATIONS

The Department does not always perform background checks of child care facility employees and license applicants. During our review of 50 licensing files, we noted no evidence to indicate background checks had been performed for two child care facilities and two Department foster homes. Agency personnel indicate a lack of procedures and sufficient supervisory review are the reasons some background checks are not performed. The Child Care Act of 1969 requires each child care facility employee and license applicant to authorize an investigation at the Department Central Register to determine if the employee or applicant has been a perpetrator in a report of child abuse or neglect. The failure to conduct all background checks increases the possibility that children will be exposed to abusive or neglectful situations. (Finding 7, page 27)

We recommended Department personnel carefully review the licensing documents to ensure that all background checks have been performed.

Department officials stated they have accepted, and are in the process of implementing, our recommendation.

NEED TO IMPROVE THE MONITORING OF CONTRACTS

The Department is not properly monitoring child care provider contracts, resulting in overpayments to providers. Also, the Department is advancing money to certain providers. At June 30, 1994 and June 30, 1993, child care providers, those who provide care for children in

Department custody, owed the Department a total of approximately \$13.1 million and \$4.6 million, respectively, for child care overpayments and advances. These amounts represent balances due from more than 2,500 and 1,800 providers in fiscal years 1994 and 1993, respectively.

Of the total receivables balance at June 30, 1994 and 1993, approximately \$9.6 million and \$2.8 million, respectively, consisted of contract advances to institutional providers. Institutional child care providers provide services to children in the custody of the Department who require intensive or specialized services as well as emergency placement services. According to the contracts, prepayments are to be recaptured during the last months of the fiscal year. Department personnel indicated that it is necessary to advance monies to child care providers to serve as an incentive to the providers to participate in the program by limiting their risks. Department personnel also indicated it takes 60-75 days to process the providers' first payments at the beginning of each fiscal year. Therefore, providing advances minimizes providers' cash flow problems. During fiscal years 1994 and 1993, 54 and 28 institutional providers, respectively, received advances from the Department. Department personnel indicated that virtually all institutional providers are receiving advances in fiscal year 1995. (Finding 8, page 28)

We recommended the Department monitor the receivables and contracts on a monthly basis and follow up on late provider financial reports. We also recommended the Department annually evaluate the need to enter into contracts requiring prepayments to providers.

Department officials stated they have accepted, and are in the process of implementing improved procedures, monitoring and controls over the receivables and contract advances. The Department will annually evaluate the need to enter into contracts requiring prepayment to providers. The Department will also monitor and request outstanding provider reports.

LACK OF DOCUMENTATION IN CHILD PROTECTIVE FILES

Child protective investigation files lack proper documentation, and do not always comply with procedures established by the Department. Of the 50 child protective files selected for testing, five could not be located. Of the 45 remaining files, documentation of the following could not be located:

	# of files reviewed <u>with exceptions</u>	% of files reviewed <u>with exceptions</u>
CANTS forms (Child Abuse Neglect Tracking System)		
Supporting documentation for form CANTS 1	1	2%
Supporting documentation for form CANTS 2	16	36%
Notice to subjects of a report form CANTS 8	19	42%

The CANTS 1 form is the original input form completed by the Hotline workers when the reports come in. The CANTS 2 (Final Finding Report) form is completed in the field offices by the child protective workers. It summarizes the investigations and arrives at determinations on the reports. The CANTS 8 form is provided by the Department to serve as notices to the subjects of reports of the existence of the reports and their rights.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	16	36
Repeated audit findings	9	11
Prior recommendations implemented or not repeated	27	3

SPECIAL ASSISTANT AUDITORS

Kerber, Eck & Braeckel were our special assistant auditors assigned to the audit.

DIGEST FOOTNOTES

#1: FAILURE TO PERFORM ALL CHILD ABUSE INVESTIGATIONS WITHIN 24 HOURS

1992: "The Department agrees with the finding and recommendation. The 24-hour compliance rate has been approximately 98% despite expanded jurisdiction, staff shortages, increased volume, and Departmental reorganization.

1990: "The Department agrees with the finding and recommendation. The enhanced CANTS computer system will enable the Department to more accurately assess the compliance rate.

1988: "The Department agrees with the finding. The Department completed fiscal 1988 with a 97.3%, 24-hour compliance rate. Despite a 9.7% increase in child abuse and neglect report volume in fiscal 1989, the Department has maintained a 96.7% compliance rate."

The finding was first presented in our 1978 report.

#2: NEED TO COMPLETE CHILD ABUSE INVESTIGATIONS IN A TIMELY MANNER

1992: "The Department agrees with the finding and recommendation. The Department has begun a review of all reports that were not determined within the 60-day time limits, and where not extension was requested."

1990: "The Department agrees with the finding and recommendation. Enhancement of the CANTS computer system will allow for a closer tracking of overdue reports.

The finding was first presented in our 1990 report.

#3: NEED TO IMPROVE MONITORING OF PRIVATE AGENCIES

1992: "The Department agrees with the finding and recommendation. The B.H. Consent Decree requires that all private agencies be held accountable to the same extent that the Department is accountable in the provision of child welfare services. Pursuant to this requirement, the Department is developing comprehensive tools for use by the private agencies. As the Department's licensing rules are reviewed and revised, private agencies will be trained on the new requirements. The Department will ensure that the rule, materials, and training provide sufficient direction and guidance in evaluation and monitoring to the private agencies."

1990: "The Department agrees with the finding and recommendation. The Department is currently developing a plan which would include revision of the licensing standards for child welfare agencies, upgrading the classification and reducing workloads for agency and institution licensing representatives; and, possible reallocation of relative foster home staff to agency monitoring activities as more relative cases are transferred to the private sector."

The finding was first presented in our 1990 report.

In addition, we noted cases where the nature of the cases required additional specific actions from the caseworkers:

<u>Actions required</u>	<u># of cases requiring actions</u>	<u># of cases with required actions not taken</u>	<u>% of files with required actions not taken</u>
Notification of police within 24 hours in appropriate cases	7	2	29%
Inclusion of affidavit documenting reasonable efforts determination in notifying parents and guardians when the Department takes protective custody (Finding 5, page 23)	13	13	100%

We recommended the Department complete and maintain the proper documentation in the child protective investigation files, and that the Department inform appropriate personnel of the procedures to be followed during investigations.

Department officials stated they have accepted, and are in the process of implementing, our recommendation.

OTHER FINDINGS

The remaining findings are less significant and have been given appropriate attention by the Department. We will review the Department's progress toward the implementation of our recommendations in our next audit. Of 36 findings presented in our prior audit, only 9 are repeated with the Department taking action on 27 prior findings.

Mr. Jess McDonald, the Department's Director, provided the Department's responses.

AUDITORS' OPINION

Our auditors stated the June 30, 1994 financial statements of the funds administered by the Department are fairly presented.



WILLIAM G. HOLLAND, Auditor General

WGH:KMM:jr
May 18, 1995