



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

COMPLIANCE EXAMINATION

For the Two Years Ended: June 30, 2010

FINANCIAL STATEMENT AUDIT

For the Year Ended: June 30, 2010

Release Date: June 28, 2011

Summary of Findings:

Total this audit: 13

Total last audit: 15

Repeated from last audit: 10

SYNOPSIS

- The Department's initial financial statements did not comply with generally accepted accounting principles and a reclassification was necessary.
- Child welfare and foster care files lacked complete and timely prepared documentation.
- The Department's child abuse investigations did not always fully comply with State law. For instance, the Department:
 - Did not always determine whether reports of child abuse and neglect were "unfounded" or "indicated" within 60 days. The Department, however, continues to improve and the percentage of determinations not in compliance has declined.
 - Failed to initiate some investigations of child abuse and neglect within 24 hours of receipt. The Department, however, has continued to make improvement over the past two years.
- All required child deaths were not reviewed timely and all child death review teams did not meet each quarter.

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

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FINANCIAL AUDIT
For the Year Ended June 30, 2010
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

EXPENDITURE STATISTICS	2010	2009	2008
Total Expenditures.....	\$ 1,228,287,579	\$ 1,283,671,192	\$ 1,270,018,774
OPERATIONS TOTAL.....	\$ 848,388,997	\$ 340,107,539	\$ 333,779,913
% of Total Expenditures.....	69.1%	26.5%	26.3%
Personal Services.....	199,851,836	182,171,237	190,577,074
Other Payroll Costs (FICA, Retirement).....	14,841,891	51,923,648	45,760,345
All Other Operating Expenditures.....	633,695,270	106,012,654	97,442,494
AWARDS AND GRANTS.....	\$ 379,898,582	\$ 943,552,530	\$ 936,233,061
% of Total Expenditures.....	30.9%	73.5%	73.7%
REFUNDS.....	\$ -	\$ 11,123	\$ 5,800
% of Total Expenditures.....	0.0%	0.0%	0.0%
Total Receipts.....	\$ 330,253,742	\$ 354,358,220	\$ 391,771,840
Average Number of Employees.....	2,968	3,053	3,130

SELECTED ACTIVITY MEASURES (unaudited)	2010	2009
Hotline Calls.....	282,211	258,237
Children served in:		
Regular foster care.....	4,675	4,412
Specialized foster care.....	3,258	3,170
Relative care.....	6,223	5,982
Residential placements.....	1,390	1,344
Independent living.....	823	758
Finalized adoptions.....	1,397	1,339

AGENCY DIRECTOR	
During Examination Period:	Mr. Erwin McEwen
Currently:	Mr. Erwin McEwen

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**LACK OF FINANCIAL REPORTING REVIEW
PROCEDURES**

The Department did not have adequate review procedures in place to ensure the Department's financial statements for the year ended June 30, 2010 were accurately prepared.

**Financial statements required a
\$912,000 reclassification**

The Department's financial statements were adjusted to correct for the reporting of net assets as a result of our audit. A reclassification in the Department's statement of net assets was made to report net assets invested in capital assets totaling \$912,000 and to correspondingly decrease the amount previously reported as unrestricted net assets.

Failure to implement appropriate internal control procedures over financial reporting could lead to future misstatements of the Department's financial statements. (Finding 1, page 12)

We recommended the Department continue in its efforts to implement internal control procedures to assess the risk of material misstatements of the Office's financial statements and to identify such misstatements during the financial statement preparation process.

Department agrees with auditors

Department officials agreed with the entry to reclassify activity as net assets invested in capital assets.

INCOMPLETE CHILD WELFARE FILES

The Department's Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely. During our review of 57 case files, we noted:

**Child case files incomplete and not
prepared timely**

- 5 administrative case reviews (ACRs) were not performed or were not performed timely.
- 92 ACR notifications were not sent timely or at all.
- 7 Family Assessment Factor Worksheets were not maintained in the case file or the Department's automated case information.
- 10 medical and dental consent forms were not completed and/or were outdated.
- 37 initial placement checklists were not completed.
- 37 Permanency Planning Checklists were not completed and maintained in the case files.
- 5 Placement and Payment Authorization Forms were not maintained in the case files.
- 7 children's pictures were not maintained in the case files.
- 13 children's fingerprints were not maintained in the case files.

We also noted one child's name was listed twice in the Department's database, yet a hard copy case file could not be located for this child. In addition, the Department's database did not contain a service plan for this child.

The Department's Administrative Procedures prescribe deadlines and documentation requirements for file maintenance. The failure to follow established Department procedures, regulations and State law concerning the welfare of children could result in inadequate care, unauthorized services, or misuse of State funds. (Finding 2, pages 13-16) **This finding was first reported in 1998.**

We recommended the Department continue in its efforts to develop ways to automate various recordkeeping functions and that the Department follow the procedures established concerning the welfare of children. We also recommended the fulfillment of those procedures be adequately documented.

Department agrees with auditors

Department officials agreed with our recommendation and stated they will continue to stress the importance of adequate and timely documentation for the cases identified in our finding as well as for all child and family cases. (For the previous agency response, see Digest Footnote #1.)

OVERDUE CHILD ABUSE AND NEGLECT DETERMINATIONS

Some child abuse and neglect determinations were not timely completed

Reports of child abuse and neglect were not always determined within 60 days as required by the Abused and Neglected Child Reporting Act. The Act states the Department shall determine, within 60 days, whether a report is "unfounded" or "indicated" and provides that the Department may extend the period up to an additional 30 days for good cause. Department statistics indicate the following noncompliance:

Historical Analysis

Fiscal Year	Total Reports Requiring Determinations	Determinations Not In Compliance	Percent of Determinations Not in Compliance*
2010	67,051	68	0.10%
2009	68,716	229	0.33%
2008	67,831	819	1.21%
2007	67,732	538	0.79%
2006	66,593	1,060	1.59%
2005	66,550	1,140	1.71%
2004	62,069	1,294	2.08%
2003	58,956	952	1.61%
2002	59,080	492	0.83%
2001	59,003	226	0.38%

* Note: The statistics above show the Department has made improvement during the past two years.

Failure to make timely determinations of reports of abuse and neglect could delay the implementation of a service plan and result in further endangerment of the child, and is a violation of the Act. (Finding 3, pages 17-18) **This finding was first reported in 1998.**

We recommended the Department determine reports of child abuse or neglect in compliance with the time frame mandated by the Abused and Neglected Child Reporting Act.

Department agrees with auditors

Department officials stated they will continue to make diligent efforts to reach the 100% compliance timeframe set forth in the Abused and Neglected Child Reporting Act. (For the previous agency response, see Digest Footnote #2.)

INITIATION OF CHILD ABUSE AND NEGLECT INVESTIGATIONS

Some child abuse and neglect reports not investigated timely

The Department did not initiate an investigation of every child abuse and neglect case within 24 hours of receipt of the report as required by the Abused and Neglected Child Reporting Act. Department statistics indicate the following noncompliance:

Historical Analysis

<u>Fiscal Year</u>	<u>Total Investigations</u>	<u>Investigations Not In Compliance</u>	<u>Percent of Investigations Not in Compliance*</u>
2010	67,377	97	0.14%
2009	68,732	83	0.12%
2008	67,951	112	0.17%
2007	67,766	179	0.26%
2006	66,918	154	0.23%
2005	66,793	260	0.39%
2004	62,311	268	0.43%
2003	59,397	220	0.37%
2002	59,241	517	0.87%
2001	60,054	141	0.23%

* Note: The statistics above show the Department has made improvement during the past two years.

Failure to respond to a report of abuse or neglect within 24 hours could result in further endangerment to the child and is a violation of the Act. (Finding 4, pages 19-20) **This finding was first reported in 1998.**

We recommended the Department continue to strive to initiate investigations of all child abuse and neglect reports within 24 hours of receiving the report as mandated by the Abused and Neglected Child Reporting Act.

Department agrees with auditors

Department officials stated they will continue to make efforts to reach 100% compliance with the statute, and that it

is always the Department's goal to initiate reports within 24 hours. (For the previous agency response, see Digest Footnote #3.)

NONCOMPLIANCE WITH CHILD DEATH REVIEW TEAM ACT

The Department's child death review teams did not have adequate controls to demonstrate that all child deaths were reviewed timely and did not all meet at least once each calendar quarter as required by the Child Death Review Team Act (Act) (20 ILCS 515/20). The Department's child death review teams are responsible to conduct reviews of every child death for deceased children who are:

- a ward of the Department;
- the subject of an open service case maintained by the Department;
- a child who was the subject of an abuse or neglect investigation at any time during the 12 months preceding the child's death; and
- any other child whose death is reported to the State central register as a result of alleged child abuse or neglect which report is subsequently indicated.

The Act requires that child death review teams perform reviews of child deaths not later than 90 days from the completion of the Department's investigation, or if no investigation within 90 days after obtaining information necessary to complete the review. During our examination period, the child death review teams were in the process of developing procedures to document dates that child death information was received and the subsequent dates that reviews had been performed in order to demonstrate compliance with their mandated duties. Accordingly, not all information is complete. However, we noted the following with respect to the information recorded in the Department's database:

Some child death reviews not performed timely

- For mandated cases in which the review was completed and a date the investigation closed was provided, we noted 79 of 95 reviews for Fiscal Year 2010 were conducted an average of 164 days after the close of the investigation. In addition, 76 of 97 reviews for Fiscal Year 2009 were conducted an average of 163 days after the close of the investigation.
- For mandated cases in which the review was completed and there was not a date for the investigation being closed, we noted 51 of 63 reviews for Fiscal Year 2010 were conducted an average of 163 days from the date the case was entered into the database. In addition, 30 of 64 reviews for Fiscal

- Year 2009 were conducted an average of 164 days from the date the case was entered into the database.
- 6 mandated cases for Fiscal Year 2010 were not documented as having received a review.

Teams did not always meet each quarter

There were nine child death review teams located throughout the State. The Act requires that each review team meet at least once in each calendar quarter. We noted the Springfield child death review team did not meet during the first quarter of Fiscal Year 2009. (Finding 5, pages 21-23)
This finding was first reported in 2008.

We recommended the Department continue in its efforts to implement controls to ensure child death review teams adequately document their compliance with the Child Death Review Team Act. All child death reviews should be conducted within the time period established by the Act, and child death review teams should meet no less than once each calendar quarter.

Department agrees with auditors

Department officials agreed with the finding and reported they are working to address the causes for the delays noted. (For the previous agency response, see Digest Footnote #4.)

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Department. We will review progress toward the implementation of our recommendations during the next examination.

AUDITORS' OPINION

Our auditors stated the Department's June 30, 2010 financial statements are fairly presented in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:cmd:pkp

AUDITORS ASSIGNED

Our special assistant auditors for these engagements were Sikich, LLP.

DIGEST FOOTNOTES

#1 – INCOMPLETE CHILD WELFARE FILES – Previous Agency Response

2008: The Department agrees and will continue to stress the importance of adequate and timely documentation for those cases identified in the auditors' finding as well as for all child and family cases.

To remediate the ACR deficiencies, a corrective action plan was implemented immediately after field work in August, 2008 where the ACR Managers in Cook County reviewed their Office Administrator's log from January 2008 through August 2008 and provided a report of any case that was not completed and/or showed missing information. Efforts were put forth to locate all missing information which was then data entered into the system; and, a monthly report is now prepared identifying cases with missing information, why it is missing, and measures being taken to complete the work. Additionally, for any ACR that is missed, ACR staff work to reschedule the ACR within the cycle month or those originally scheduled during the last week of the month that are missed are re-scheduled within the first week of the following month where possible.

To address the deficiencies in the areas of Medical & Dental Consent forms, Initial Placement Checklists, Permanency Planning Checklists, and Placement & Payment Authorization Forms, the Department, in FY09, implemented regular monitoring systems in each region. Regional managers have been given the responsibility to implement a monitoring/review process that will ensure that the above referenced documents are current and in each case file. The status of this monitoring process will be discussed in weekly meetings with Regional Administrators and quarterly meetings with all supervisors/managers.

The Department contracted with a new vendor for fingerprinting, Accurate Biometrics, effective October 18, 2007. In July 2007, the fingerprints and photograph process was piloted in Cook County where 191 children were printed and photographed. On November 1, 2007, Accurate Biometrics began printing and fingerprinting throughout the state. Between November 1, 2007 and April 1, 2008 a total of 2,627 children have been printed and photographed. Since the initiation of the contract and pilot additional children have been printed and photographed in order to bring case files current.

#2 – OVERDUE CHILD ABUSE AND NEGLECT DETERMINATIONS – Previous Agency Response

The Department will continue to make diligent efforts to improve on the 98.8% and reach the 100% compliance timeframe set forth in the Abuse and Neglect Child Reporting

Act (ANCRA) for making final determinations. The on going focus of the Department is to develop opportunities and strategies to maintain our compliance of timely completions of investigative reports per ANCRA. Child Protection Investigators are procedurally required to coordinate with law enforcement on serious cases and obtain medical and/or coroner results prior to closing a case.

Critical vacancies also play a sufficient role, when a team has vacancies there are delays in the disposing of the investigation in 60 days. The Division of Child Protection is currently monitoring these cases weekly and developing action plans to get the completed. We are utilizing on going recruitment and filling of vacancies.

#3 – INITIATION OF CHILD ABUSE AND NEGLECT INVESTIGATIONS - Previous Agency Response

The Department will continue to make efforts to reach 100% compliance with the statute. It is always the Department's focus to initiate reports in 24 hours.

The computer system malfunction is quickly identified through analysis of system design and work is initiated within SACWIS to correct the problem so it will not be repeated. The data error of the initiation date and time include situations where an AM was entered and it should have been PM and vice versa, and an after hours initiation of a good faith attempt by after hours worker who did not enter their information before the primary worker enters their in-person contact. Worker performance errors are situations in which the assigned worker has not made an attempt or in person contact with the alleged victim within the 24 hour timeframe. Corrective action is taken with the employee responsible for the non-compliance and is progressive.

#4 – CHILD DEATH REVIEWS NOT TIMELY - Previous Agency Response

The Department agrees the reviews should be completed timely and has initiated a plan to correct the causes for delay:

- Full time Child Death Review Team (CDRT) staff now have access to appropriate computer systems and are able to complete internal system checks. This will help ensure that mandated cases are identified and reviewed within the required time frame.
- Contracts and staffing for the fiscal year are completed timely so there will be no time period during which staff will not be available to conduct CDRT work.
- Logging of CDRT work will start on the date the teams are given the cases rather than the date they actually review the case at the meetings.
- We have worked with IDPH and we should have access to online death certificates by July 2009, to assist with the timeliness of obtaining death

certificates and remove those time periods when large numbers of death certificates are received at one time.

- We have requested notification from the Child Protection Division as to when death investigations are completed so we can start our process and have cases assigned within the 90 days.
- When any of the nine regional teams have identified a backlog of cases, we will request that the team meets more frequently to review the cases.
- A process has been established to track meetings of the nine regional teams to ensure a minimum of one meeting per quarter. If meetings get cancelled for any reason and teams are at risk of not meeting the mandate the meetings will be rescheduled for a different day in the same month.