



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Financial Audit for the Year Ended June 30, 2016 and
 Compliance Examination for the Two Years Ended June 30, 2016

Release Date: May 11, 2017

FINDINGS THIS AUDIT: 16				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	0	0	0	2014		16-6	
Category 2:	5	11	16	2012		16-8, 16-11, 16-12, 16-14	
Category 3:	0	0	0	2010		16-9	
TOTAL	5	11	16	2008		16-10	
				2002		16-7	
				1998		16-1, 16-2, 16-3	

FINDINGS LAST AUDIT: 17

SYNOPSIS

- (16-1) Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.
- (16-2) The Department made untimely determinations of whether reports of child abuse and neglect were “indicated” or “unfounded”.
- (16-3) The Department failed to timely initiate investigations for reports of child abuse and neglect.
- (16-9) The Department did not increase and maintain the number of bilingual staff as required by the State Services Assurance Act for FY2008.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FINANCIAL AUDIT
For the Year Ended June 30, 2016
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

EXPENDITURE STATISTICS	2016	2015	2014
Total Expenditures.....	\$ 1,086,914,774	\$ 1,117,864,778	\$ 1,129,142,449
OPERATIONS TOTAL.....	\$ 297,601,094	\$ 299,502,677	\$ 304,252,734
% of Total Expenditures.....	27.4%	26.8%	26.9%
Personal Services.....	201,874,895	204,761,576	207,021,830
Other Payroll Costs (FICA, Retirement)..	14,843,237	15,069,651	15,245,221
All Other Operating Expenditures.....	80,882,962	79,671,450	81,985,683
AWARDS AND GRANTS.....	\$ 789,305,030	\$ 818,354,491	\$ 824,881,223
% of Total Expenditures.....	72.6%	73.2%	73.1%
REFUNDS.....	\$ 8,650	\$ 7,610	\$ 8,491
% of Total Expenditures.....	0.0%	0.0%	0.0%
Total Receipts.....	\$ 401,444,065	\$ 380,027,837	\$ 376,314,921
Average Number of Employees (Unaudited)	2,535	2,598	2,630
SELECTED ACTIVITY MEASURES (Unaudited)	2016	2015	2014
Hotline Calls.....	245,388	222,719	231,536
Children served in:			
Regular foster care.....	3,830	4,001	4,093
Specialized foster care.....	2,338	2,436	2,664
Relative care.....	6,769	6,428	6,311
Residential placements.....	1,104	1,207	1,331
Independent living.....	597	669	727
Finalized adoptions.....	1,560	1,838	1,495
AGENCY DIRECTOR			
During Examination Period:	Bobbie Gregg - Acting (through 1/19/15)		
	Dr. Cynthia L. Tate - Acting (1/20/15 to 2/15/15)		
	George H. Sheldon - Acting (2/16/15 to 1/12/16)		
	George H. Sheldon (1/13/16 to present)		
Currently:	George H. Sheldon		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INCOMPLETE CHILD WELFARE FILES

Child welfare cases lacked required and timely documentation

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 60 case files, we noted:

Required forms were not completed timely

- Thirty (50%) Registration/Case Opening Forms were not completed timely.
- Thirteen (22%) Statewide Automated Child Welfare Information System (SACWIS) Risk Assessments were not completed timely.
- Fifty-four (90%) Initial Service Plans were not completed timely.
- Fifty-six (93%) Integrated Assessments were not completed timely.
- Three (5%) children's pictures were not found in the case files or in SACWIS.
- Thirty-eight (63%) children's fingerprints were not indicated as being taken and maintained in SACWIS or in case files.
- Five (8%) Initial Placement Checklists were not found in files.
- Three (5%) files lacked Permanency Planning Checklists or Permanency Court Orders or Placement Agreements.
- Three (5%) Placement & Payment Authorization Forms were not maintained in the case files.
- Thirty-seven (62%) Child Identification Forms were not maintained in the case files.

Required documentation not found in case files

Failure to follow established Department procedures, regulation and State law concerning welfare of children could result in inadequate care, unauthorized services or misuse of State funds. (Finding 1, pages 12-14) **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 follows the procedures established

concerning the welfare of children. The fulfillment of those procedures should be adequately documented.

Department agrees with auditors

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

CHILD ABUSE AND NEGLECT DETERMINATIONS NOT MADE TIMELY

The Department did not make timely determinations in 444 of 77,052 (0.58%) and in 279 of 66,714 (0.41%) reports of child abuse and neglect referred to the Department during fiscal years 2016 and 2015, respectively, of whether the reports were “indicated” or “unfounded” as required by the Abused and Neglected Child Reporting Act (Act).

The Department’s Monitoring/Quality Assurance Division compiled the following statistics:

Untimely determinations made of child abuse and neglect

Fiscal Year	Total Reports Requiring Determinations	Determinations Not In Compliance	Percentage of Determinations Not in Compliance
2016	77,052	444	0.58%
2015	67,714	279	0.41%
2014	67,705	1,846	2.73%
2013	66,918	2,386	3.57%
2012	65,499	884	1.35%
2011	63,023	115	0.18%
2010	67,051	68	0.10%
2009	68,716	229	0.33%
2008	67,831	819	1.21%
2007	67,732	538	0.79%

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 2, pages 15-16) **This finding was first reported in 1998.**

We recommended the Department determine reports of child abuse or neglect in compliance with the timeframe mandated by the Act.

Department agrees with auditors

Department officials agreed with the recommendation and stated they will continue to make all efforts to determine 100% of reports of child abuse and neglect within the timeframe mandated by the Abused and Neglected Child Reporting Act. *(For the previous agency response, see Digest Footnote #2.)*

INITIATION OF INVESTIGATION OF CHILD ABUSE AND NEGLECT

The Department did not timely initiate an investigation for 332 of the 78,383 (0.42%) reports of child abuse and neglect in fiscal year 2016, and for 144 of the 67,708 (0.21%) reports in fiscal year 2015.

The Department's Monitoring/Quality Assurance Division compiled the following statistics:

	Fiscal Year	Total Investigations	Investigations Not In Compliance	Percentage of Investigations Not in Compliance
Investigations not initiated timely	2016	78,383	332	0.42%
	2015	67,708	144	0.21%
	2014	67,720	179	0.26%
	2013	66,891	147	0.22%
	2012	65,963	274	0.42%
	2011	63,011	116	0.18%
	2010	67,377	97	0.14%
	2009	68,732	83	0.12%
	2008	67,951	112	0.16%
	2007	67,766	179	0.26%

Failure could result in endangerment of child

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 Abused and Neglected Child Report Act. (Finding 3, pages 17-18) **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 Act.

Department agrees with auditors

Department officials agreed with the recommendation and stated they will continue to make all efforts to attain 100% compliance with the statute to initiate all reports of child abuse and neglect within twenty four hours. *(For the previous agency response, see Digest Footnote #3)*

NONCOMPLIANCE WITH THE STATE SERVICES ASSURANCE ACT FOR FY2008

The Department did not increase and maintain the number of bilingual staff as required by the State Services Assurance Act for FY2008 (Act).

Number of bilingual staff is insufficient

At June 30, 2007 the Department had 154 bilingual frontline staff. Therefore, it is required by the Act to maintain a bilingual staffing level of 194. However, the Department's number of bilingual staff on June 30, 2016 was 161.

Because the Department has not increased and maintained its level of bilingual staff, it is in noncompliance with the Act. (Finding 9, page 25). **This finding was first reported in 2010.**

We recommended the Department comply with the Act or, alternatively, if determined that the bilingual staffing level required by the Act is not representative of its needs, seek a legislative remedy to the statutory requirement.

Department agrees with the auditors

Department officials accepted our recommendation and stated they continue to increase the number of bilingual direct service staff. As of March 31, 2017, the Department stated they have filled 178 positions towards its goal of 194 bilingual direct service staff. (*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 the Department's progress towards the implementation of our recommendations in our next audit.

AUDITOR'S OPINION

The auditors stated the financial statements of the Department as of and for the year ended June 30, 2016, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Department for the two years ended June 30, 2016, as required by the Illinois State Auditing Act. The accountants stated the Department complied, in all material respects, with the requirements described in the report.

This financial audit and compliance examination was conducted by Sikich, LLP.

SIGNED ORIGINAL ON FILE

BRUCE L. BULLARD
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:APA

DIGEST FOOTNOTES

#1 – INCOMPLETE CHILD WELFARE FILES

2014: 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. The Department will also strive to continually update written procedures as changes and requirements in case practices are identified, approved and adopted. Communications to caseworkers and supervisors take place through announcement on the Department's intranet and email, through notes to automated case recordkeeping releases, training, and written Policy, Procedure, and Administrative Procedures. All Policy, Procedure and Administrative Procedure are available through the Department's intranet and web site.

The requirement for photos and fingerprints is for the purpose of notifying law enforcement with a recent photo, and for fingerprints to identify a deceased child. The Department had maintained the photos and fingerprints for children at all times; some were maintained in the paper record, some were in the SACWIS electronic file, and some were in both. At all times, the Department was able to produce the records if needed in support of why we keep them for identification purposes.

To address the deficiencies in the areas of Medical & Dental Consent forms, Family Assessment Factor Worksheets, Initial Placement Checklists, Permanency Planning Checklists, Placement & Payment Authorization Forms, the Department initiated a detailed review of the noted deficiencies. Once the cases were reviewed, a plan was put into place to obtain or complete the required documentation. Also, the Department has implemented quality assurance reviews in each region to see if all required documents get into case files. Regional managers have been given the responsibility to implement monitoring/review processes that will ensure that documents in case files are current. The status of this monitoring process is discussed in weekly meetings with Regional Administrators and quarterly meetings with all supervisors/managers.

To address the issuance of notices regarding administrative case review hearings, the Department is reviewing the detail and identifying circumstances surrounding the timing. As the review progresses any changes to rule, procedure, or practice that may be needed will be initiated.

#2 – CHILD ABUSE AND NEGLECT DETERMINATIONS

2014: The Department will continue to make diligent efforts to improve on the 97.3% in order to reach the 100% compliance timeframe set forth in the Abused and Neglected Child Reporting Act (ANCRA) for making final determinations. During the FY2014 timeframe, the Department had analyzed the case specific data and the causes for the increase in untimely determinations and noted that a high number of cases reached day 61 or 62 before supervisory or managerial level approval was completed in SACWIS. 792 investigations were approved by a supervisor or Area Administrator on day 61 or 62 of the investigation.

Child Protection management identified the problem before the end of FY14 and put steps in place to remedy these problems, and we continue to closely monitor overdue reports on a weekly basis. FY15 to date we have 142 overdue investigations statewide so the percentage should be much lower this fiscal year.

The Division of Child Protection is currently monitoring these cases weekly and developing action plans for identified issues while hiring and training additional investigative staff as needed to ensure our effort to help reduce delays and meet our 100% compliance timeframe.

#3 – INITIATION OF CHILD ABUSE AND NEGLECT INVESTIGATIONS

2014: The Department will continue to make efforts to reach 100% compliance with the statute. It is always the Department's goal to initiate reports within 24 hours. The Department recognizes the importance of the 24 hour mandate on new reports of abuse/neglect as it relates to ensuring safety and well-being of children. After a significant increase in the missed 24 hour mandate percentage in FY2012, the Department committed to increasing the number of child protection staff statewide.

An agency reorganization in FY2013 led to increased child protection staff and a reduction in caseload sizes. This response contributed to the significant decrease in missed 24 hour mandates during FY2013 and FY2014, as noted above. The Department remains focused on ensuring child protection caseloads remain at a manageable level. Vacancies are filled quickly based on monthly reviews of workload volume to ensure adequate staff. Data entry/computer errors and individual worker performance errors contribute to the remaining non-compliance reports. Efforts are taken to correct data errors and to address performance issues as they occur. These efforts resulted in reducing the number of missed 24 hour mandates.

#4 – NONCOMPLIANCE WITH THE STATE SERVICES ASSURANCE ACT FOR FY2008

2014: The Department accepts the finding. Considering the reduction in the number of children in care and the reduction in total number of staff, the Department has and continues to maintain the Interpretative Services necessary which is available to all direct service workers. The Department works to maintain staffing levels to meet the needs to manage caseload and believes the statute could be changed. The Burgos Consent Decree of 1977, a federal mandate, requires the Department of Children and Family Services to provide services in Spanish to Spanish speakers and those requesting services in Spanish. The consent Decree legally covers only the Cook and Aurora regions but its principles are applied statewide.

The Burgos Consent Decree requires that DCFS and all of its vendors comply in providing services in Spanish to Spanish speakers. The Decree requires that all direct service staff as well as their supervisors take their Burgos training annually. It requires that DCFS offices that service Spanish-speaking families be staffed with Spanish speaking direct service workers. The Office of Latino Services (OLS), under the Office of Affirmative Action, is charged with implementing the policies and procedures associated with Latino Services and issues for the Department of Children and Family Services. Moreover, it coordinates with private agencies that have contracts with DCFS, oversees translations and interpretations between Spanish and English while communicating with Spanish speaking clients and individuals, develops strategies for recruitment of Spanish bilingual foster parents, provides oversight in retention and recruitment of Hispanic/bilingual applicants for positions in DCFS, and helps DCFS monitor compliance of the Burgos Consent Decree.

The Department is not disregarding the State Services Assurance Act for FY2008. The Department has made efforts to meet this mandate and will continue to do so, while addressing the needs of all the clients it serves and will continue to fill as many bilingual positions as possible considering the current budget restrictions, intake caseloads, and number of non-English clients served. DCFS will continue to maintain translation services, continue its recruitment efforts targeted to bilingual vacancies, and continue programs such as career development, self-development and training programs targeted to its bilingual employees.