

EXECUTIVE DIGEST

FAMILIES FIRST OF MICHIGAN PROGRAM

INTRODUCTION

This report, issued in July 1998, contains the results of our performance audit* of the Families First of Michigan Program*, Family Independence Agency (FIA).

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

The FIA Division of Community Supportive Services is responsible for operating the Program. The Program is an in-home services alternative for children who are at imminent risk* of out-of-home placement because of substantiated child abuse*, child neglect*, or delinquency*. The protection of children is one of FIA's core responsibilities as identified in its mission* statement:

To help meet the financial, medical, and social needs of individuals and families unable to provide for themselves; to assist those who are capable of becoming self-sufficient through skill building, opportunity enhancement, and family-focused services; and to help protect children and vulnerable

adults from abuse, neglect, exploitation, and endangerment.

Also, the Program assists in the early return of certain children who have been removed from their homes. FIA contracts with government and private social service agencies to provide Program services Statewide.

Program services are available to eligible families 24 hours a day, seven days a week, for four to six weeks primarily in the family's home. Services are directed at crisis intervention, problem resolution, and skill building with linkages to community resources at the end of the intervention* . Services are to be designed to help strengthen and preserve the family. Contract agency caseworkers are required to follow up on the status of the family at 3-, 6-, and 12-month intervals.

As of September 30, 1997, FIA had entered into 64 contracts with 37 contract agencies to provide Program services. FIA had 13 employees (family preservation specialists, administrators, and support staff) overseeing the Program. The contract agencies had approximately 448 employees (caseworkers, administrators, and support staff) implementing the Program. FIA reported that it expended approximately \$19.1 million in the fiscal year ended September 30, 1997 to provide Program services Statewide.

**AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To assess the effectiveness of the Program.

Conclusion: We concluded that the Program has generally been effective in providing a safe alternative to

the out-of-home placement of children who are at imminent risk of being removed from the home. However, our assessment disclosed one reportable condition* related to the evaluation of Program effectiveness (Finding 1).

Noteworthy Accomplishments: The Program has shown that it can be a cost-effective alternative to out-of-home placement for certain eligible children. The reported cost of a family receiving Program services averaged \$4,367 in fiscal year 1996-97 compared to the reported per child cost of foster care of \$12,384 and institutional care of \$56,206. Thus, intensive efforts to safely maintain a child in the parent's home when the child is at imminent risk of out-of-home placement can result in significant savings to the State.

Audit Objective: To assess the effectiveness of the Program in developing and implementing relevant service plans for families with children at imminent risk of removal from their homes and in protecting these children.

Conclusion: We concluded that the Program was generally effective in developing service plans, providing intensive in-home services to referred families, and protecting children in their homes. However, our assessment disclosed one material condition* :

- FIA frequently referred cases to the Program that may not have met eligibility guidelines (Finding 2).

FIA agreed and will comply with our corresponding recommendation.

In addition, we identified other reportable conditions in the areas of establishment of goals for individual family interventions, parent cooperation, contract agency case management, specific assistance funds, and safeguarding of Children's Protective Services case files (Findings 3 through 7).

Noteworthy Accomplishments: The Program places a high priority on the safety of children. As a result, contract agency caseworkers receive extensive initial and ongoing training to help ensure that child safety is considered throughout an intervention. Also, these caseworkers spend, on a daily basis, a significant amount of their time in the families' homes working with the parents and monitoring the safety of the children. Our case reviews confirmed that the contract agencies we visited gave child safety a high priority. It would not be reasonable to expect that FIA could ensure that all children in the Program will always be protected from harm.

Audit Objective: To assess the effectiveness of FIA's contracting and monitoring processes for the Program's contract agencies.

Conclusion: FIA established an effective contracting process to help ensure that contracts with private agencies are bid, reviewed, and awarded on an equitable and competitive basis. However, FIA's monitoring process for contract agencies was generally ineffective. Our assessment disclosed one material condition:

- FIA had not established or implemented a system to provide for comprehensive oversight and monitoring of the Program (Finding 8).

FIA agreed and will comply with our corresponding recommendation.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Families First of Michigan Program. The audit scope included the examination of case files and other records at six county FIA offices located in Berrien, Clare, Kalamazoo, Ogemaw, Saginaw, and Wayne Counties and eight contract agencies that provided services in the six counties. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included examination of FIA and contract agency Program records and activities for the period October 1, 1994 through September 30, 1997.

We reviewed applicable State and federal laws and FIA policies and procedures. We assessed the internal control structure* pertaining to contracting for services, processing of payments, and the oversight and monitoring process. We analyzed and documented the basic design of the Program, and we reviewed trends in Statewide foster care rates.

We assessed Program implementation based on a random sample of cases from the six county FIA offices and eight contract agencies. We reviewed the case files for safety of the children during intervention and evaluated the referral process, including documentation of imminent risk. We also reviewed the Program's definition of success and the

results of an external study of the Program that was completed in 1995. In addition, we assessed FIA workers' satisfaction with the Program.

During our case reviews, we determined the frequency of the families' past involvement with FIA and contract agencies. We also determined to what extent the referring caseworkers were involved in managing the referred cases during intervention. We analyzed how contract agencies established goals for the families, provided services to the families, documented participation and cooperation by the families, and determined the outcome of interventions.

We reviewed the processes used to solicit and evaluate bids and award contracts. We also reviewed the systems developed for contract agencies as well as the systems developed for FIA to oversee the Program.

AGENCY RESPONSES

Our audit report includes 8 findings and corresponding recommendations. FIA's preliminary response indicated that it agreed and will comply with our recommendations.