

FOLLOW-UP REVIEW
OF THE
FAMILIES FIRST OF MICHIGAN PROGRAM
FAMILY INDEPENDENCE AGENCY

April 2002

“...The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.”

– Article IV, Section 53 of the Michigan Constitution

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AUDITOR GENERAL

April 22, 2002

Mr. Douglas E. Howard, Director
Family Independence Agency
Grand Tower
Lansing, Michigan

Dear Mr. Howard:

This is our report on our follow-up review of the 2 material findings (Findings 2 and 8) and related recommendations reported in the performance audit of the Families First of Michigan Program, Family Independence Agency. That audit report was issued and distributed in July 1998; however, additional copies are available on request.

Our review disclosed that the Family Independence Agency had complied with 1 recommendation and had initiated corrective action but had not yet fully complied with 1 recommendation.

If you have any questions, please call me or Michael J. Mayhew, C.P.A., Deputy Auditor General for Audits.

AUDITOR GENERAL

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FAMILIES FIRST OF MICHIGAN PROGRAM FAMILY INDEPENDENCE AGENCY FOLLOW-UP REVIEW

INTRODUCTION

This special report contains the results of our follow-up review of the material findings and related recommendations reported in the performance audit of the Families First of Michigan Program, Family Independence Agency (FIA). The performance audit contained 2 material findings (Findings 2 and 8) and 6 other reportable conditions.

PURPOSE OF REVIEW

The purpose of this follow-up review was to determine whether FIA had taken appropriate corrective measures in response to the 2 material findings.

BACKGROUND

The FIA Division of Community Supportive Services is responsible for program development, awarding of competitively bid contracts, and oversight and monitoring activities for the Families First of Michigan Program. The Program was established by the Legislature in 1988 to provide an in-home services alternative to out-of-home placement of children because of substantiated child abuse, child neglect, or delinquency. The Program supports FIA's efforts to comply with a federal mandate to take reasonable efforts to prevent the unnecessary out-of-home placement of children.

The protection of children is one of FIA's core responsibilities as identified in its current mission statement:

Through community leadership, the FIA helps to improve the quality of life in Michigan by protecting children and vulnerable adults, delivering juvenile justice service, and providing support to strengthen families and individuals striving for independence.

The Program was designed as an intensive service which is to be available 24 hours a day, seven days a week, for four to six weeks and is provided primarily in the family's home. County FIA caseworkers from Children's Protective Services, Delinquency, and Foster Care programs are responsible for referring eligible families to the Program based on specific eligibility criteria. Generally, caseworkers from contracted social service agencies are to provide services to no more than two families at a time and provide a mixture of services using family assessments to assist families by teaching, modeling, and reinforcing parenting. These services are directed at crisis intervention, problem resolution, and skill building, along with linkages to other community resources at the end of the intervention. Contract agency caseworkers provide services in the home in the belief that this is the location where families will respond most effectively. As a result, they are able to monitor the safety of children in the home through almost daily contact. 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 following completion of the intervention.

Goals of the Program include:

1. Safety of the child
2. Prevention of unnecessary out-of-home placements
3. Improved family functioning
4. Cost effectiveness

To be eligible for the Program, a family is required to have at least one child who is at imminent risk of an out-of-home placement because of substantiated child abuse, child neglect, or delinquency. Foster care workers can, under certain circumstances, also refer children who are in out-of-home care and are being

reunited with their families. This is to provide for a smooth, early transition back into their homes. Children in foster care are only eligible for referral to the Program when it is determined that reunification is not appropriate without intensive services. In addition, families with children at risk of homelessness or harm because of domestic violence, but not yet at imminent risk of removal because of abuse or neglect, are eligible to receive Families First services from a domestic violence service program. At least one parent must agree to participate in the intervention.

As of September 30, 2001, FIA had entered into 63 contracts with 1 government and 62 private social service agencies to provide Program services throughout the State. These contract agencies participate in an extensive and ongoing training program. Contract agency caseworkers are trained to follow the Homebuilders Model (the Program's Model) and are required to follow specific documentation standards to help ensure consistent implementation of the Program on a Statewide basis.

As of September 30, 2001, FIA had 12 employees (family preservation specialists, administrators, and support staff) overseeing implementation of the Program and monitoring activities of the FIA county offices and contract agencies. The contract agencies had approximately 488 employees (caseworkers, administrators, and support staff) implementing the Program. FIA reported that it expended approximately \$20.6 million in the fiscal year ended September 30, 2001. This included \$20.1 million for contract agencies to provide Program services Statewide and approximately \$491,000 for Program administration.

SCOPE

We interviewed Families First of Michigan Program management and staff. Also, we reviewed pertinent policies, procedures, records, and activities.

FOLLOW-UP REVIEW RESULTS

EFFECTIVENESS IN DEVELOPING AND IMPLEMENTING SERVICE PLANS AND PROTECTING CHILDREN

FINDING

2. Appropriateness of Referrals

RECOMMENDATION

We recommend that FIA refer only eligible cases to the Program in compliance with Program eligibility guidelines.

AGENCY PRELIMINARY RESPONSE

FIA agreed and will comply with this recommendation. The finding indicates that potentially ineligible cases were frequently referred to the Program. However, FIA believes that only some of the cases were not properly referred. FIA's review of the 68 cases indicated that many were eligible, although documentation may have been poor. FIA will improve training and contract monitoring no later than October 1, 1998 for county FIA offices and contract agencies to help ensure maximum utilization of funds for eligible families.

EPILOGUE

Documentation provided to us did not support FIA's response that its review of ". . . the 68 cases indicated that many were eligible, although documentation may have been poor."

FOLLOW-UP REVIEW CONCLUSION

FIA revised a number of its policies and procedures related to ensuring that only eligible cases are referred to and provided services by the Program. For example, FIA clarified its basis for identifying imminent risk to ". . . Any condition or set of conditions that pose an immediate threat to child and/or community safety that would likely result in out-of-home placement." Also, FIA's revised intake procedures now require supervisory review of re-referral cases. Further, FIA provided training sessions on Program eligibility and routinely reviewed the availability of Program services to eligible families.

In addition, FIA established an oversight and monitoring system for performing case file reviews and making contacts with contract agencies. We analyzed 26 case file reviews conducted during fiscal year 1999-2000. Our analysis disclosed that at least 25 (96%) of the 26 cases were eligible for Program services.

We conclude that FIA had complied with the recommendation.

EFFECTIVENESS OF CONTRACTING AND MONITORING PROCESSES

FINDING

8. Program Oversight and Monitoring

RECOMMENDATION

We recommend that FIA establish and implement a system to provide comprehensive oversight and monitoring of the Program.

AGENCY PRELIMINARY RESPONSE

FIA agreed and will comply with this recommendation. FIA informed us that it has established a committee to review the oversight and program monitoring process. The committee is expected to complete its activities by September 30, 1998. In addition, FIA also informed us that it implemented a self-evaluation process for contract agencies on October 1, 1997.

FOLLOW-UP REVIEW CONCLUSION

FIA revised a number of its policies and procedures related to establishing and implementing a system to provide oversight and monitoring of the Program. FIA implemented the use of a comprehensive, standardized case file review form and defined the minimum number and percentage of case file reviews to be completed by FIA and contract agency staff. Also, FIA defined the minimum requirements for FIA staff making contacts with contract agencies.

However, FIA did not effectively monitor compliance with case file review requirements. We reviewed fiscal year 1999-2000 annual reports prepared by FIA for the 63 contract agencies. These 63 contract agencies served between

8 and 171 families each, with an average of 67 families served. Our review disclosed considerable noncompliance with case file review requirements. For example:

- a. Family preservation specialists, contract agency trainers, and/or the FIA quality assurance coordinator often did not review the minimum number of required contract agency case files.

The Families First of Michigan Handbook (Section V, page 86) requires that an FIA family preservation specialist, contract agency trainer, and/or the FIA quality assurance coordinator review a minimum of 4 case files per contract year. These individuals did not review at least 4 case files for 26 (41%) of the 63 contract agencies for fiscal year 1999-2000. The number of case files reviewed for these 26 contract agencies ranged from 0 to 3, with an average of 2.4 files reviewed.

- b. Contract agency supervisors often did not review the minimum number of required contract agency case files.

The Handbook (Section V, page 189) requires that contract agency supervisors review a minimum of 2 case files each month, which equates to at least 24 case files per year. The supervisors did not review the minimum number of case files for 43 (68%) of the 63 contract agencies for fiscal year 1999-2000. The number of case files reviewed for these 43 contract agencies ranged from 0 to 23, with an average of 10.7 files reviewed.

- c. Contract agency supervisors and program managers often did not review the minimum number of required contract agency case files.

The Handbook (Section V, page 109) requires that contract agency supervisors and program managers review a minimum of 20% of the contract agency case files per contract year. The supervisors and program managers did not review the minimum 20% of the case files for 17 (27%) of the 63 contract agencies for fiscal year 1999-2000. The percentage of case files reviewed for these 17 contract agencies ranged from 0% to 19%, with an average of 12% of the files reviewed.

Although FIA had established a system to provide comprehensive oversight and monitoring of the Program, based on our review of annual reports, we conclude that FIA had not yet fully implemented the system and, therefore, had not fully complied with the recommendation.