



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
950-0215-05

Child Welfare Services(CWS)

State Court Administrative Office (SCAO)

Released:
September 2007

The Michigan Supreme Court is responsible for the general administrative supervision of all courts in the State and establishes rules for practice and procedure in all courts through the SCAO. The SCAO's mission is to provide leadership and to promote effective, efficient, equitable, uniform, and accessible court and justice system services to advance the highest quality of justice in Michigan. The SCAO created CWS to help the courts expedite permanent placement for foster care children. In fiscal year 2004-05, the State had 21,376 children in foster care.

Audit Objective:

To assess the effectiveness of CWS's efforts to identify barriers that inhibit permanent placement for foster care children.

Audit Conclusion:

We concluded that CWS's efforts were moderately effective in identifying barriers that inhibit permanent placement for foster care children. We noted three reportable conditions (Findings 1 through 3).

Reportable Conditions:

CWS did not ensure that the local foster care review boards (LFCRBs) consistently identified in their finding and recommendation reports, as barriers to permanent placement, instances that LFCRBs found to be the Department of Human Services' (DHS's) inappropriate removal of foster care children from foster care homes (Finding 1).

The Foster Care Review Board (FCRB) did not include statutorily required reporting elements in its annual reports (Finding 2).

The SCAO needs to seek amendatory legislation to compel the cooperation of DHS caseworkers in attending scheduled LFCRB hearings and in providing the LFCRBs with the information pertinent to the cases selected for review (Finding 3).

Noteworthy Accomplishments:

A central component of preparing for the next federal Title IV-E review is to ensure that the State seeks funding only for foster care cases that are Title IV-E compliant. Thus, CWS concentrated on correcting errors related to Title IV-E issues and assisted in drafting legislation that brought State statutes into conformity with federal regulations.

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Audit Objective:

To assess the effectiveness of CWS's efforts to advocate for changes that would expedite permanent placement for children in foster care.

Audit Conclusion:

We concluded that CWS's efforts were moderately effective in advocating for changes that would expedite permanent placement for children in foster care. We noted one reportable condition (Finding 4).

Reportable Condition:

CWS had not fully implemented a comprehensive evaluation process for its Foster Care Review Board Program (FCRBP) and its Court Improvement Program (CIP) (Finding 4).

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Audit Objective:

To assess the effectiveness of CWS's efforts to administer FCRBP in accordance with the provisions of Sections 722.133 - 722.140 of the *Michigan Compiled Laws*.

Audit Conclusion:

We concluded that CWS's efforts to administer FCRBP were effective. However, we noted two reportable conditions (Findings 5 and 6).

Reportable Conditions:

CWS did not retain documentation to validate FCRB data (Finding 5).

The FCRB had not sufficiently improved its documentation practices relating to LFCRB follow-up reviews (Finding 6).

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Subsequent Event:

In October 2006, the Judiciary initiated a reorganization that placed the FCRB and CWS in the Family Services Division of the SCAO.

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Agency Response:

Our audit report contains 6 findings and 6 corresponding recommendations. The Family Services Division's preliminary response indicates that it agrees with 4 recommendations, partially agrees with 1 recommendation, and disagrees with 1 recommendation.

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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September 7, 2007

The Honorable Clifford W. Taylor
Chief Justice of the Michigan Supreme Court
and
Mr. Carl L. Gromek
Chief of Staff and State Court Administrator
Michigan Supreme Court
Michigan Hall of Justice
Lansing, Michigan

Dear Chief Justice Taylor and Mr. Gromek:

This is our report on the performance audit of Child Welfare Services, State Court Administrative Office.

This report contains our report summary; description of agency; audit objectives, scope, and methodology, subsequent event, and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; a description of surveys and summaries of survey responses, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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Description of Agency

The Michigan Supreme Court is responsible for the general administrative supervision of all courts in the State. Also, the Supreme Court establishes rules for practice and procedure in all courts through the State Court Administrative Office (SCAO). The SCAO's mission* is to provide leadership and to promote effective, efficient, equitable, uniform, and accessible court and justice system services to advance the highest quality of justice in Michigan. The SCAO performs its duties under the direction of the Supreme Court and is responsible for providing administrative oversight and management or technical assistance to the judges and staff of the State's 244 trial courts.

In 2003, the SCAO, under the direction of the Chief Justice of the Michigan Supreme Court, created Child Welfare Services (CWS) to help the courts expedite permanent placement for foster care children. CWS addresses this issue through the Foster Care Review Board Program (FCRBP) and the Court Improvement Program (CIP). In fiscal year 2004-05, the State had 21,376 children in foster care*.

In October 2006, the Judiciary initiated a reorganization that placed the Foster Care Review Board (FCRB) and CWS in the Family Services Division of the SCAO.

FCRBP was created by Act 422, P.A. 1984, to improve children's foster care programs throughout the State. FCRBP is administered by the FCRB and includes a program manager, five program representatives, four office assistants, one program assistant, an advisory committee, and 30 local foster care review boards (LFCRBs) consisting of 180 volunteers. The LFCRBs randomly review 2,500 to 3,500 foster care cases annually. Each LFCRB reviews approximately five foster care cases per month. A review includes becoming familiar with the child's history, including the circumstances that brought the child into foster care, prior to the scheduled hearing*. Thirty days prior to the hearing, the FCRB requests the Department of Human Services (DHS) to provide case materials that include DHS's initial assessments and placement plans, progress reports, and the names and addresses of all interested parties. The FCRB informs the interested parties of the date and time of the hearing and requests the presence of

* See glossary at end of report for definition.

the responsible childcare worker; the child, if of age; the foster parent, if applicable; and the child's lawyer.

The LFCRBs document the results of each review in a finding and recommendation report. The report documents the degree of compliance with relevant State and federal laws and makes recommendations to DHS and to the courts in areas that need improvement. The finding and recommendation reports are forwarded to the caseworkers; the DHS supervisors; the foster parents, if applicable; the children's lawyers; and the court.

In addition, the LFCRBs are required by statute to hear appeals from foster parents who may appeal a DHS decision to remove a child from a foster care placement within 3 days of removal. If the LFCRB agrees with the foster parent, the appeal is forwarded to the court for a hearing before a judge. If the LFCRB agrees with DHS, the child is removed and the foster parent has no other recourse. For each appeal heard, the LFCRB prepares a finding and recommendation report that is forwarded to DHS, the courts, and the foster parents.

For all cases reviewed, the LFCRBs collect and summarize data to monitor the quality of services provided to foster care children and their families and to identify problem areas and service gaps that may impede the timely permanent placement of foster care children. The FCRB publishes this information in the FCRB annual report.

FCRBP is funded by State and federal funds. Expenditures for fiscal year 2004-05 were \$1,137,518.

CIP was created by the U.S. Congress in 1993 to improve the quality of litigation in state courts involving abused and neglected children as well as children in foster care. The related federal grant agreements require states to assess their foster care and adoption laws and judicial processes and then develop and implement plans to improve litigation in these cases. In 1995, the SCAO began operating the State's CIP. Expenditures for fiscal year 2004-05 were \$537,992.

Audit Objectives, Scope, and Methodology; Subsequent Event;
and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of Child Welfare Services (CWS), State Court Administrative Office (SCAO), had the following objectives:

1. To assess the effectiveness* of CWS's efforts to identify barriers that inhibit permanent placement for foster care children.
2. To assess the effectiveness of CWS's efforts to advocate for changes that would expedite permanent placement for children in foster care.
3. To assess the effectiveness of CWS's efforts to administer the Foster Care Review Board Program (FCRBP) in accordance with the provisions of Sections 722.133 - 722.140 of the *Michigan Compiled Laws*.

Audit Scope

Our audit scope was to examine the program and other records of Child Welfare Services. 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, performed from August 2005 through May 2006, included examination of CWS's records and activities primarily for the period January 2004 through April 2006.

Audit Methodology

Our preliminary review included interviewing staff; reviewing applicable statutes, policies and procedures, and other reference materials; and obtaining an understanding of CWS's operational activities. In addition, we identified the responsibilities and processes of FCRBP and the Court Improvement Program (CIP). We used the results of our preliminary review to determine the extent of our detailed analysis and testing.

* See glossary at end of report for definition.

To accomplish our first objective, we examined the processes used by CIP and the Foster Care Review Board (FCRB) to identify barriers to the permanent placement of foster care children, including the methodology for collecting, analyzing, and reporting data. We also reviewed the CIP assessment and reassessment to determine if the reassessment included the disposition of the CIP assessment recommendations. In addition, we reviewed CWS's involvement with the federal Child and Family Services Review and Title IV-E* reviews and its responsibilities related to the Department of Human Services' Program Improvement Plan.

To accomplish our second objective, we assessed CWS's efforts to implement court improvements intended to expedite the permanent placement of foster care children. We reviewed CIP and FCRB advisory committee activity and reviewed supporting documentation for implemented initiatives and training materials produced and/or promoted by CWS. We also reviewed documentation supporting CWS involvement with the Program Improvement Plan and CWS's collaborative efforts with other State and private agencies.

To accomplish our third objective, we reviewed CWS's operations and activities related to its oversight of the FCRB. We reviewed the process to recruit and train LFCRB members, including a review of volunteer personnel files. We observed a sample of LFCRB hearings and reviewed the related foster care children case files and finding and recommendation reports. We also reviewed CWS's process for collecting and summarizing data used in FCRB and SCAO annual reports. In addition, we surveyed judges and LFCRB members (see supplemental information).

We use a risk and opportunity based approach when selecting activities or programs to be audited. Accordingly, our audit efforts are focused on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. By design, our limited audit resources are used to identify where and how improvements can be made. Consequently, our performance audit reports are prepared on an exception basis. To the extent practical, we add balance to our audit reports by presenting noteworthy accomplishments for exemplary achievements identified during our audits.

* See glossary at end of report for definition.

Subsequent Event

In October 2006, the Judiciary initiated a reorganization that placed the FCRB and CWS in the Family Services Division of the SCAO.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 6 findings and 6 corresponding recommendations. The Family Services Division's (FSD's) preliminary response indicates that it agrees with 4 recommendations, partially agrees with 1 recommendation, and disagrees with 1 recommendation.

The agency preliminary response that follows each recommendation in our report was taken from FSD's written comments and oral discussion subsequent to our audit fieldwork.

In June 2002, we released our performance audit of the Trial Court Services Division, State Court Administrative Office (05-210-01). At that time, the Trial Court Services Division managed FCRBP and CIP. We followed up two of the three prior audit recommendations within the scope of this audit. We repeated both findings in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

IDENTIFICATION OF BARRIERS TO PERMANENT PLACEMENT

COMMENT

Background: Child Welfare Services (CWS) utilizes the Court Improvement Program (CIP) and the Foster Care Review Board (FCRB) to evaluate the permanency planning services provided by the courts, the Department of Human Services (DHS), and contracted agencies for children and families in the Michigan foster care system. One of the outcomes of these evaluations is the identification of areas within the court, DHS, and contracted agencies in which systemic barriers delay permanent placement or compromise child and family well-being. The local foster care review boards (LFCRBs) utilize finding and recommendation reports to communicate problems identified during appeal hearings to DHS management, the FCRB advisory committee, and other interested parties. The FCRB advisory committee uses the finding and recommendation reports to identify, for presentation in its annual report, the most pronounced barriers to permanent placement. The FCRB annual report helps to inform the Legislature, the Governor, and other interested parties of problems that may impede the timely permanent placement of children in foster care.

Audit Objective: To assess the effectiveness of CWS's efforts to identify barriers that inhibit permanent placement for foster care children.

Conclusion: **We concluded that CWS's efforts were moderately effective in identifying barriers that inhibit permanent placement for foster care children.** Our assessment disclosed three reportable conditions* related to LFCRB finding and recommendation reports, FCRB annual reports, and cooperation with DHS (Findings 1 through 3).

Noteworthy Accomplishments: A central component of preparing for the next federal Title IV-E review is to ensure that the State seeks funding only for foster care cases that are Title IV-E compliant. Thus, CWS concentrated on correcting errors related to Title IV-E issues and assisted in drafting legislation that brought State statutes into

* See glossary at end of report for definition.

conformity with federal regulations. Specifically, CWS implemented the following actions:

- a. Revised all court order forms to include required federal language to improve documentation for hearing decisions.
- b. Provided ongoing Statewide training to court staff, judges, referees, court administrators, and DHS staff on the Adoptions and Safe Families Act of 1997 and applicable Title IV-E federal foster care funding regulations.
- c. Assisted the court and DHS with identifying noncompliant cases. Forty-two Wayne County citizen volunteers along with their program managers spent over 500 hours reviewing 482 DHS files of children determined by DHS to be eligible for Title IV-E funding in Wayne County. Specifically, the FCRB reviewed court orders in each file to assess the orders' conformity with federal eligibility requirements for Title IV-E funding. The resulting information was provided to DHS and the Wayne County Circuit Court to develop protocols and procedures to assist them in the next Title IV-E review.

Michigan's 2004 federal Title IV-E review resulted in a \$320,000 loss of federal financial assistance for foster care children programs. Also, a \$15 million to \$50 million penalty was pending on the State's success in passing the next federal Title IV-E review.

Subsequent to our audit fieldwork completion, the aforementioned Title IV-E review was completed by federal auditors. The federal review concluded that DHS was in substantial compliance with federal eligibility requirements for the period April 1, 2006 through September 30, 2006, thereby avoiding a forced return of federal funds totaling \$22 million.

FINDING

1. LFCRB Finding and Recommendation Reports

CWS did not ensure that LFCRBs consistently identified in their finding and recommendation reports, as barriers to permanent placement, instances that LFCRBs found to be DHS's inappropriate removal of foster care children from foster care homes. As a result, FCRB did not include this information in its database, a primary source of information for its annual report. Thus, the

Legislature and other interested parties who utilize the annual report may not have been informed of all known barriers that impede the timely permanent placement of children in foster care.

Section 712A.13b of the *Michigan Compiled Laws*, which was created to promote placement stability, places limits on the State's ability to change a child's foster care placement. FCRB annual reports have stated that frequent changes in foster care placement significantly contribute to the disruption in treatment and, ultimately, to the inability to permanently place many foster care children.

Our review of 30 LFCRB appeals disclosed 3 (10%) instances in which the DHS caseworker removed a child from a foster care placement without providing the foster parents the due process afforded by law. The LFCRBs did not include the 3 instances in their finding and recommendation reports.

RECOMMENDATION

We recommend that the Family Services Division (FSD) ensure that LFCRBs consistently identify in their finding and recommendation reports, as barriers to permanent placement, instances that the LFCRBs find to be DHS's inappropriate removal of foster care children from foster care homes.

AGENCY PRELIMINARY RESPONSE

FSD informed us that it has changed its forms to fulfill the recommendation but disagrees that Finding 1 qualifies as a reportable condition.

In addition, FSD stated that Section 712A.13b of the *Michigan Compiled Laws* provides that, absent evidence of abuse, DHS must maintain the current placement of a child so long as the foster parent's appeal from a removal is pending before the FCRB. Reading the statute as a whole, FSD thinks that it is unreasonable to expect the FCRB to raise the issue of premature removal in its appeal reports.

FSD also stated that the statute directs the FCRB, in response to a foster parent appeal, to investigate and determine whether the change in placement is in the child's best interest. The statute does not require the FCRB to investigate early removals.

FSD informed us that this limitation of the FCRB's role makes sense under the statutory scheme, which provides that an appeal will be determined promptly and that "the agency may move the child" unless the FCRB disagrees with the change in placement. In that event, the statute states that the case must proceed to a hearing before the court or the Michigan Children's Institute superintendent.

FSD stated that the Legislature did not direct the FCRB to address the issue of early removal because enforcement of that provision is left to the person who has the authority to make a final decision on placement, the judge or the Michigan Children's Institute superintendent. FSD also stated that the FCRB acted logically in restricting itself to the dictates of the statute.

FSD further disagrees that the duty imposed in Finding 1 is supported by Section 722.137 of the *Michigan Compiled Laws*. This statute directs the LFCRB to identify "any barriers to permanency" in its "reviews of permanent wards under subsection (1)(g)." The requirement applies to reviews of permanent wards, not foster parent appeal reports. What is more, as the audit recognizes, Section 712A.13b's restraint on early removal is aimed at placement stability, not permanency. Caseworker turnover and court hearing delays are examples of barriers to permanency. Given the short time frame in which an appeal will be resolved and an early removal can be rectified, FSD believes that it is speculative to characterize early removal as a barrier to permanency.

OFFICE OF THE AUDITOR GENERAL EPILOGUE

Section 722.137 of the *Michigan Compiled Laws* requires the LFCRBs to make findings regarding the identification of any barriers to permanency. This section does not exempt the LFCRBs from disclosing barriers to permanency in their finding and recommendation reports because they came to their attention during the appeal process versus the review process. Because this information was not identified in the review process does not reduce its importance to the welfare of foster care children. Also, FSD's response makes several references to "early removal" of foster care children. The context of the finding is related to "inappropriate removal" of foster care children who were identified by the LFCRBs during the appeal process. Further, the notion that an inappropriate removal of a foster care child is not a barrier to permanency is without reason because FSD recognizes that caseworker turnover and court hearing delays are examples of barriers to permanency. Adding additional process caused by inappropriate

removal of foster care children further delays permanent placement. Finally, the FCRB's vision statement indicates that the FCRB is viewed and valued by the courts, DHS, private child-placing agencies, the Legislature, and the citizens of Michigan as a major source of credible data on the performance of the child welfare system in Michigan. Ignoring data related to the inappropriate removal of foster care children from their placements erodes the value of the data provided by the FCRB.

FINDING

2. FCRB Annual Reports

The FCRB did not include statutorily required reporting elements in its annual reports.

Including statutorily required reporting elements in FCRB annual reports provides legislators, the Governor, and other interested parties with important information about the effectiveness of services provided by the courts and social welfare agencies to foster care children in specific counties or communities.

Section 722.139 of the *Michigan Compiled Laws* (Act 422, P.A. 1984) requires that the State Court Administrative Office (SCAO) publish the FCRB annual report, submit the report to the Legislature and the Governor, and make it available to the public. The statute states that the reporting elements should include an evaluative summary, supplemented by applicable quantitative data, of the activities and functioning of each LFCRB during the preceding year. Our review of the FCRB annual report for fiscal year 2002-03 and the annual report for the combined fiscal years 2003-04 and 2004-05 disclosed that the reports did not include such information.

We noted a similar situation in our June 2002 performance audit of the Trial Court Services Division (05-210-01). In response to that audit report, the SCAO indicated that all statutorily required reporting elements would be included in future annual reports. However, the SCAO has not included all statutorily required reporting elements in FCRB annual reports.

RECOMMENDATION

WE AGAIN RECOMMEND THAT THE FCRB INCLUDE STATUTORILY REQUIRED REPORTING ELEMENTS IN ITS ANNUAL REPORTS.

AGENCY PRELIMINARY RESPONSE

FSD agrees and informed us that all statutorily required information was included as an appendix to the FCRB 2005 annual report and will be included in the FCRB annual report for 2006.

FINDING

3. Cooperation With DHS

The SCAO needs to seek amendatory legislation to compel the cooperation of DHS caseworkers in attending scheduled LFCRB hearings and in providing the LFCRBs with the information pertinent to the cases selected for review.

The absence of DHS caseworkers at the LFCRB scheduled hearings and their failure to provide required case information resulted in ineffective and inefficient use of LFCRB members' and State employees' time; reduced the already limited number of cases reviewed by the LFCRBs; and diminished the potential impact that LFCRBs have on the appropriate placement of foster care children.

Section 722.136 of the *Michigan Compiled Laws* requires that, upon request, DHS is to submit an initial service plan*; a list of names, addresses, and telephone numbers of interested parties; and progress reports to the appropriate LFCRB at least once each six months and to cooperate with and furnish other information requested by the state court administrator.

Our review of the case files and the related finding and recommendation reports for 58 foster care cases disclosed 14 (24%) instances in which the LFCRBs documented that DHS caseworkers did not provide information requested by the LFCRBs. In addition, during February 2006, we observed six LFCRB meetings in Wayne, Saginaw, Washtenaw, and Kalamazoo counties covering 24 of the 58 foster care cases. At one county, 1 of the 5 scheduled hearings was canceled

* See glossary at end of report for definition.

because the DHS caseworker did not attend. At another county, the DHS caseworker did not attend 4 of the 5 scheduled hearings.

DHS caseworkers' attendance at LFCRB hearings and submission of required case information are critical to the LFCRBs' responsibility to:

- a. Develop meaningful findings and recommendations that may help expedite the permanent placement of the child or children involved.
- b. Perform thorough assessments of compliance with federal outcome* measures as established by the Adoption and Safe Families Act of 1997 for each case reviewed.
- c. Undertake complete assessments of compliance with the State's Program Improvement Plan.

The preceding conditions existed even though the LFCRBs notified DHS and requested case materials from DHS two months prior to the scheduled reviews.

RECOMMENDATION

We recommend that the SCAO seek amendatory legislation to compel the cooperation of DHS caseworkers in attending scheduled LFCRB hearings and in providing the LFCRBs with the information pertinent to the cases selected for review.

AGENCY PRELIMINARY RESPONSE

FSD agrees in part and disagrees in part. FSD stated that, for at least a decade, the FCRB has made a concerted effort to engage the cooperation of DHS caseworkers by initiating numerous meetings at the State and local level. The FCRB is unable to compel DHS caseworkers to attend scheduled meetings and provide pertinent information because the FCRB has no authority and no legal means of doing so.

* See glossary at end of report for definition.

FSD also stated that it is willing to join in the pursuit of legislation to correct this problem but thinks it is pointless to hold a judicial office responsible for the inaction of a department in the executive branch. FSD added that, given DHS's disregard of existing statutory requirements, FSD finds it impossible to conceive statutory language that could "compel the cooperation" of DHS.

ADVOCATING FOR CHANGES TO EXPEDITE PERMANENT PLACEMENT

Audit Objective: To assess the effectiveness of CWS's efforts to advocate for changes that would expedite permanent placement for children in foster care.

Conclusion: We concluded that CWS's efforts were moderately effective in advocating for changes that would expedite permanent placement for children in foster care. Our assessment disclosed one reportable condition related to program evaluation (Finding 4).

FINDING

4. Program Evaluation

CWS had not fully implemented a comprehensive evaluation process for its FCRBP and its CIP.

Program effectiveness can often be evaluated and improved by having such a process. Specifically, full implementation of an evaluation process would help CWS determine the outcome of its efforts to advocate for changes in the courts and social welfare agencies and to expedite the permanent placement for children in foster care. In addition, CIP instructions require the highest court to identify indicators of progress or measures and include interim benchmarks, such as quantitative monthly or quarterly projections of the accomplishments for each function or activity. The instructions also require the court to collect and analyze automated and nonautomated data, establish procedures for monitoring implementation and evaluation of improvement efforts, and establish methods to measure progress.

Our review disclosed that CWS had identified performance indicators* and interim benchmarks for its strategic plan. Also, CWS had designed several forms to simplify the extraction of data to assess and evaluate program effectiveness. However, CWS had neither summarized nor analyzed the data to evaluate program effectiveness.

RECOMMENDATION

We recommend that FSD fully implement a comprehensive evaluation process for its FCRBP and its CIP.

AGENCY PRELIMINARY RESPONSE

FSD agrees and stated that it applied for and obtained three federal grants in 2006 to assist in achieving the goals of CIP. The purpose of the grants, among other things, is to expand data sharing with DHS. Access to this information will enable FSD to develop performance criteria and to use those criteria to measure its success in providing safety and permanency to more children in less time. FSD stated that it has begun making progress toward a comprehensive evaluation process.

ADMINISTRATION OF FCRBP

COMMENT

Audit Objective: To assess the effectiveness of CWS's efforts to administer FCRBP in accordance with the provisions of Sections 722.133 - 722.140 of the *Michigan Compiled Laws*.

Conclusion: We concluded that CWS's efforts to administer FCRBP were **effective**. However, our assessment disclosed two reportable conditions related to FCRB data and LFCRB reviews (Findings 5 and 6).

* See glossary at end of report for definition.

FINDING

5. FCRB Data

CWS did not retain documentation to validate FCRB data.

Without accurate data, the SCAO cannot effectively monitor the progress of its programs, evaluate program effectiveness (see Finding 4), and report accurate information in its annual reports. The information contained in the annual report may be useful to legislators, the Governor, and other interested parties for policymaking decisions.

Section 722.133 of the *Michigan Compiled Laws* requires the SCAO to establish a system to monitor the progress of the foster care children assigned to an LFCRB; analyze information gathered by the LFCRBs; and publish annual reports of LFCRB activity, statistics, and findings.

FCRB data includes LFCRB activity, such as the number of foster care cases reviewed, the number of appeals, and the outcomes of appealed cases.

Our review of the FCRB data disclosed the following errors, omissions, and variances:

- a. The LFCRB appeal log shows 472 appeals from October 1, 2002 through February 21, 2006. However, our analysis of the appeal log disclosed 484 appeals during that period. We also noted 70 additional omissions related to the lack of appeal numbers, duplicate numbers, and incomplete entries.

Appeal logs are the source of foster parent appeal statistics and are published annually in FCRB and Michigan Supreme Court annual reports. These annual reports are statutorily required to be submitted to the Legislature and the Governor and are used by the SCAO, the Michigan Supreme Court, and other interested parties. CWS informed us that implementation of a new management information system would address the errors.

- b. The FCRB could not validate the number of LFCRB reviews by county and the number of foster care children reviewed by county published in its fiscal year 2004-05 annual report. Our review disclosed the following discrepancies

between the fiscal year 2004-05 annual report and the county reports (the source of data for the annual report):

LFCRB	County	Case Reviews by County			Children Reviewed by County		
		Per 2005 Annual Report	Per County Reports	Variance	Per 2005 Annual Report	Per County Reports	Variance
1 - 10	Wayne	346	788	442	887	589	298
11	Oakland	42	89	47	100	57	43
12	Macomb	46	98	52	109	71	38
13	Genesee	42	104	62	124	72	52
16	Ingham	42	97	55	97	84	13
21	Kent	48	122	74	124	95	29
22	Kalamazoo	34	79	45	104	75	29
23	Muskegon	37	103	66	100	72	28

CWS could not provide documentation to explain the many differences among the reports. Also, CWS stated that the time needed to reconcile the reports would be problematic considering the staff's present work load.

RECOMMENDATION

We recommend that FSD retain documentation to validate FCRB data.

AGENCY PRELIMINARY RESPONSE

FSD agrees that the FCRB should validate its data entries and maintain a permanent record of its data.

In addition, FSD stated that the duplicate entries in the foster parent appeal log occurred because more than one staff member entered information into the database. This problem, which has been corrected, did not reduce the program's ability to monitor its effectiveness or evaluate its data. The management of FCRB data was disrupted, however, when the system vendor went bankrupt and no longer was able to supply data accurately. FSD now has implemented a new system for entering and retrieving data. This has eliminated previous problems. FSD ultimately will save costs and conserve space by converting to a purely electronic data maintenance system. In the meantime, FSD will maintain such paper records as are necessary to validate FCRB data.

OFFICE OF THE AUDITOR GENERAL EPILOGUE

Considering the significance of the errors, omissions, and variances identified in the finding and FSD's own account that the system vendor's bankruptcy caused a disruption that resulted in the inability to provide accurate data, it is unlikely that FSD had reliable data necessary to effectively monitor and evaluate its programs.

FINDING

6. LFCRB Reviews

The FCRB had not sufficiently improved its documentation practices related to LFCRB follow-up reviews. As a result, the case files did not contain explanations for canceled LFCRB follow-up reviews.

Section 722.137 of the *Michigan Compiled Laws* requires that the LFCRBs conduct follow-up reviews of case materials and progress reports every six months after a case has been initially reviewed. The follow-up reviews are to determine whether the purpose for which the child had been placed in foster care, as described in the initial service plan, is being achieved and whether the plan continues to be appropriate to ensure effective treatment. In addition, Section 722.133 of the *Michigan Compiled Laws* requires the SCAO to establish uniform policies and procedures for CWS and to establish a system to monitor the status of each child who is in foster care and who has been assigned to an LFCRB. The SCAO assigned this responsibility to FCRB.

In our review of 16 foster care cases selected for review by the LFCRBs, we identified 10 cases with no documentation of follow-up reviews. Such documentation would include a finding and recommendation report every six months after the date of the scheduled initial review, regardless of whether the review was held or canceled. Upon our inquiry, FCRB staff provided documents explaining why the scheduled follow-up reviews were canceled.

We noted a similar situation in our June 2002 performance audit of the Trial Court Services Division (05-210-01). In response to that audit report, the SCAO indicated that, in addition to documenting this information on the case summary sheet, an automated tracking system would be used to allow recording when scheduled reviews should take place and to document reasons when a scheduled

review does not take place. At the time of our audit, an automated tracking system had not been implemented.

RECOMMENDATION

WE AGAIN RECOMMEND THAT THE FCRB IMPROVE ITS DOCUMENTATION PRACTICES RELATED TO LFCRB FOLLOW-UP REVIEWS.

AGENCY PRELIMINARY RESPONSE

FSD agrees and stated that, in February 2006, the case postponement policy was updated to require an explanation of the reasons for postponement. FSD also stated that the information will be noted in the case tracking system, which will help to ensure that reviews are rescheduled in a timely manner.

SUPPLEMENTAL INFORMATION

Description of Surveys

We surveyed 216 judges and 114 local foster care review board (LFCRB) members regarding their association with the Foster Care Review Board Program (FCRBP). For the survey of judges, we received 88 (41%) responses from the 216 judges contacted. For the LFCRB members' survey, we received 76 (67%) responses from the 114 LFCRB members contacted. Some respondents did not complete every item on the surveys.

Of the 61 judges who responded to the question regarding familiarity with FCRBP and the related finding and recommendation reports, 4 judges indicated that they were unfamiliar with FCRBP while 57 responses ranged from somewhat familiar to very familiar with FCRBP. Six judges were unfamiliar with FCRBP finding and recommendation reports, and 55 responses ranged from somewhat familiar to very familiar. In addition, when asked whether FCRBP was helpful, 21 judges felt that FCRBP was not helpful while 35 judges' feelings ranged from somewhat helpful to very helpful.

In general, the LFCRB members indicated that they received adequate training and spent 4 to 60 hours a month preparing for reviews. In addition:

- 98% of the respondents indicated that they received case material 7 or more days prior to the hearing.
- 73% of the respondents indicated that the case materials received were usually or always adequate (Finding 3).
- 97% of the respondents indicated that the reviews are infrequently or never canceled because of insufficient case materials (Finding 3).
- 86% of the respondents indicated that hearings were infrequently or never canceled because the caseworker was not present (Finding 3).
- 93% of the respondents feel that process improvements have been made based on the issues identified by the LFCRBs.
- 88% of the respondents feel that the LFCRBs and their reports are valued by the courts.

CHILD WELFARE SERVICES
 State Court Administrative Office
 Foster Care Review Board Program
Summary of Survey Responses - Judges

1. Are you familiar with the Foster Care Review Board's responsibilities and activities?

19 Very familiar
31 Familiar
7 Somewhat familiar
4 Unfamiliar
27 No response

2. Are you familiar with the finding and recommendation reports issued by the local foster care review boards (LFCRBs)?

25 Very familiar
24 Familiar
6 Somewhat familiar
6 Unfamiliar
27 No response

3. Are the LFCRB finding and recommendation reports helpful when making decisions related to the permanency planning for the cases you hear?

3 Very helpful
13 Helpful
19 Somewhat helpful
21 Not helpful
32 No response

4. Is there information that you would like to see included in the LFCRB finding and recommendation reports that is not currently included?

1 Yes
54 No
33 No response

5. Do you have any suggestions to improve the activities or processes of the Foster Care Review Board Program?

12 Yes
39 No
37 No response

CHILD WELFARE SERVICES
 State Court Administrative Office
 Foster Care Review Board Program
Summary of Survey Responses - Local Foster Care Review Board (LFCRB) Members

1. Did you receive the orientation training upon your appointment to the LFCRB?

<u>73 (99%)</u>	Yes
<u>1 (1%)</u>	No
<u>2</u>	No response

2. What is the approximate number of hours you spend each month on LFCRB activities (please include preparation time and actual service)?

<u>17 (24%)</u>	4 to 10 hours
<u>40 (56%)</u>	11 to 19 hours
<u>15 (21%)</u>	20 to 60 hours
<u>4</u>	No response

3. How far in advance do you usually receive case materials for LFCRB hearings?

<u>26 (37%)</u>	More than 13 days prior to the hearing
<u>43 (61%)</u>	7 to 13 days prior to the hearing
<u>2 (3%)</u>	Between 1 and 6 days prior to the hearing
<u>0</u>	The same day as the hearing
<u>0</u>	Usually do not receive case material prior to the hearing
<u>5</u>	No response

4. Do you feel that the case materials generally provide adequate information needed to fulfill your responsibility as an LFCRB member?

<u>2 (3%)</u>	Always
<u>50 (70%)</u>	Usually
<u>17 (24%)</u>	Sometimes
<u>2 (3%)</u>	Rarely
<u>0</u>	Never
<u>5</u>	No response

5. Do the scheduled reviews provide adequate time for discussion of case materials, including information obtained from interested parties, needed to fulfill your responsibility as an LFCRB member?

<u>14 (19%)</u>	Always
<u>49 (69%)</u>	Usually
<u>6 (8%)</u>	Sometimes
<u>2 (3%)</u>	Rarely
<u>0</u>	Never
<u>5</u>	No response

6. How often have hearings been canceled because of each of the following:

	<u>Never</u>	<u>Infrequently</u>	<u>Somewhat Infrequently</u>	<u>Frequently</u>	<u>Always</u>	<u>No Response</u>
Insufficient case materials were provided to proceed with hearing	<u>52 (75%)</u>	<u>15 (22%)</u>	<u>1 (1%)</u>	<u>1 (1%)</u>	<u>0</u>	<u>19</u>
Caseworker(s) was not present	<u>30 (43%)</u>	<u>30 (43%)</u>	<u>6 (9%)</u>	<u>4 (6%)</u>	<u>0</u>	<u>18</u>
Insufficient number of LFCRB members were present	<u>54 (79%)</u>	<u>13 (19%)</u>	<u>1 (1%)</u>	<u>0</u>	<u>0</u>	<u>20</u>

7. Do you feel that process improvements are made based on the issues identified by the LFCRB?

<u>9</u>	(13%)	Significant improvements have been made.
<u>26</u>	(37%)	Improvements have been made.
<u>30</u>	(43%)	Some improvements have been made.
<u>5</u>	(7%)	Improvements have not been made.
<u>10</u>		No response

8. Do you feel that the LFCRB and its reports are valued by the courts?

<u>7</u>	(10%)	Always
<u>31</u>	(45%)	Usually
<u>23</u>	(33%)	Sometimes
<u>7</u>	(10%)	Rarely
<u>1</u>	(1%)	Never
<u>7</u>		No response

9. Do you feel that the LFCRB and its reports are valued by the Department of Human Services?

<u>3</u>	(4%)	Always
<u>28</u>	(41%)	Usually
<u>27</u>	(39%)	Sometimes
<u>9</u>	(13%)	Rarely
<u>2</u>	(3%)	Never
<u>7</u>		No response

GLOSSARY

Glossary of Acronyms and Terms

CIP	Court Improvement Program.
CWS	Child Welfare Services.
DHS	Department of Human Services.
effectiveness	Program success in achieving mission and goals.
FCRB	Foster Care Review Board.
FCRBP	Foster Care Review Board Program.
foster care	Care of a child on a 24-hour basis supervised by a childcare organization.
FSD	Family Services Division.
hearing	A meeting held for an LFCRB and interested parties to discuss a specific foster care child's case.
initial service plan	Initial assessment of a child, family situation and history, and current placement situation. It must include problem identification; date; type of social work contacts; and placement plan, including goals and objectives.
LFCRB	local foster care review board.
mission	The agency's main purpose or the reason that the agency was established.
outcomes	The actual impacts of the program.

performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
performance indicators	Information of a quantitative or qualitative nature used to assess achievement of goals and/or objectives.
reportable condition	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
SCAO	State Court Administrative Office.
Title IV-E	Social Security Act that was created by the Adoption Assistance and Child Welfare Act of 1980. Under this title, abused or neglected children in families eligible for an Aid to Families with Dependent Children grant are eligible for federal participation in the costs of foster care and adoption assistance subsidy. The Act requires that states make reasonable efforts to prevent removal from the family or to reunify the family in order to receive federal funds.

