



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

PERFORMANCE AUDIT
OF THE

FAMILIES FIRST OF MICHIGAN PROGRAM

DEPARTMENT OF HUMAN SERVICES

March 2014



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

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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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
431-2784-13

Families First of Michigan Program

Department of Human Services

Released:
March 2014

The Families First of Michigan (FFM) Program is an intensive and short-term in-home services alternative to out-of-home placement of children. The Department of Human Services (DHS) contracts with social service agencies throughout the State to provide FFM Program services to eligible families with at least one child who is at imminent risk of an out-of-home placement because of substantiated child abuse, child neglect, or delinquency. DHS is responsible for program development, oversight, and monitoring activities for the FFM Program.

Audit Objective:

To assess the effectiveness of DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions.

Audit Conclusion:

We concluded that DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions were moderately effective. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

Material Condition:

DHS did not always perform contract compliance case record reviews of FFM Program contractual agencies or review the required minimum number of case records during the reviews. In addition, FFM Program contract compliance case record reviews did not ensure that FFM Program contractual agencies complied with FFM Program contract provisions (Finding 1).

Reportable Condition:

DHS did not always review FFM Program contractual agencies' staff training records to ensure that FFM Program contractual agencies complied with contract requirements for staff training (Finding 2).

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Audit Objective:

To assess the effectiveness of DHS's efforts to evaluate the FFM Program's outcomes.

Audit Conclusion:

We concluded that DHS's efforts to evaluate the FFM Program's outcomes were moderately effective. We noted one reportable condition (Finding 3).

Reportable Condition:

DHS did not consistently use complete and accurate information in its evaluation of the FFM Program (Finding 3).

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Agency Response:

Our audit report contains 3 findings and 4 corresponding recommendations. DHS's preliminary response indicates that it agrees with 3 recommendations and generally agrees with 1 recommendation.

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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>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General



STATE OF MICHIGAN
OFFICE OF THE AUDITOR GENERAL
201 N. WASHINGTON SQUARE
LANSING, MICHIGAN 48913
(517) 334-8050
FAX (517) 334-8079

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

March 11, 2014

Ms. Maura D. Corrigan, Director
Department of Human Services
Grand Tower
Lansing, Michigan

Dear Ms. Corrigan:

This is our report on the performance audit of the Families First of Michigan Program, Department of Human Services.

This report contains our report summary; a description of program; our audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; and a glossary of abbreviations and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's response at the end of our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

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

Sincerely,

A handwritten signature in black ink that reads "Thomas H. McTavish".

Thomas H. McTavish, C.P.A.
Auditor General

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Description of Program

The Family Preservation and Prevention Services Program Office within the Bureau of Child Welfare, Department of Human Services (DHS), is responsible for program development, oversight, and monitoring activities for the Families First of Michigan (FFM) Program*. The FFM Program is an intensive and short-term in-home services alternative to out-of-home placement of children because of substantiated child abuse*, child neglect*, or delinquency*. DHS's goals* for the FFM Program include keeping families together safely by diminishing or removing risks as family strengths are identified and enhanced and significantly reducing Michigan's out-of-home placements for high-risk children. The FFM Program supports DHS's efforts to comply with a federal mandate to make reasonable efforts* to prevent the unnecessary out-of-home placement of children.

DHS Children's Protective Services, foster care, and juvenile justice staff refer eligible families to the FFM Program for services. To be eligible for FFM Program services, 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. In addition, under certain circumstances, foster care workers may also refer children who are in out-of-home foster care and in reunification with their families in order to provide a smooth, early transition back into their homes. Children in foster care are only eligible for referral to the FFM Program when DHS determines that family reunification is not appropriate without intensive services and/or the Family Reunification Program is not available.

DHS contracts with 12 social service agencies to provide FFM Program intervention services to referred families. An FFM Program caseworker, employed by the contractual agency, is available to the family 24 hours a day, 7 days a week during the 4- to 6-week intervention* period and provides FFM Program services in the family's home so that the FFM Program caseworker may monitor the safety of children while teaching skills and reinforcing strengths through regular and frequent contact with the family. The FFM Program caseworker assists the family by establishing individual family goals designed to reduce the risk of out-of-home placement and increase child safety while providing services that are directed at crisis intervention, problem

* See glossary at end of report for definition.

resolution, and skill building. In addition, the FFM Program caseworker assists the family with linking to other community resources. DHS requires FFM Program caseworkers to participate in an extensive pre-service core training* program and an ongoing in-service training program.

At the conclusion of the FFM Program intervention period, the FFM Program caseworker, together with the DHS referring staff, determine an ongoing plan for the family that will assist the family members to maintain the progress that they achieved during the FFM Program intervention. Also, subsequent to the FFM Program intervention period, DHS requires FFM Program caseworkers to follow up on the status of each family at 3-month, 6-month, and 12-month intervals to assess whether the family continues to remain intact.

DHS central office family preservation staff monitor the FFM Program contractual agencies for compliance with contractual provisions for FFM Program service delivery and FFM Program staff training requirements. DHS central office family preservation staff perform on-site and desk reviews that include examinations of FFM Program case records, FFM Program service delivery records, and FFM Program referral pattern records. The reviews also include examination of contractual agencies' 3-month, 6-month, and 12-month follow-up evaluations with families after the delivery of FFM Program services. In addition, DHS central office family preservation staff assess the FFM Program contracted agencies' compliance with specific FFM Program documentation standards to help ensure consistent implementation of the FFM Program on a Statewide basis.

DHS established the following desired outcomes for the FFM Program:

- 90% of families served will avoid an out-of-home placement for three months following termination of FFM Program services.
- 85% of families served will avoid an out-of-home placement for six months following termination of FFM Program services.
- 75% of families served will avoid an out-of-home placement for twelve months following termination of FFM Program services.

* See glossary at end of report for definition.

DHS evaluates the effectiveness* of the FFM Program based on these FFM Program services outcomes and submits an annual report to the Legislature.

DHS expended approximately \$37.5 million during the period October 1, 2010 through April 30, 2013 for FFM Program services. As of April 30, 2013, the FFM Program had 8 employees who were responsible for FFM Program development, oversight, and monitoring activities for the 12 FFM Program contractual agencies.

* See glossary at end of report for definition.

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

Audit Objectives

Our performance audit* of the Families First of Michigan (FFM) Program, Department of Human Services (DHS), had the following objectives:

1. To assess the effectiveness of DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions.

2. To assess the effectiveness of DHS's efforts to evaluate the FFM Program's outcomes*.

Audit Scope

Our audit scope was to examine the records and processes related to the Department of Human Services' administration of the Families First of Michigan Program. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered the period October 1, 2010 through April 30, 2013.

Audit Methodology

We conducted a preliminary survey of FFM Program operations to gain an understanding of FFM Program activities in order to establish our audit objectives and methodology. During our preliminary survey, we interviewed DHS's FFM Program management and staff; reviewed applicable State laws; examined the FFM Handbook; reviewed FFM Program contract language; reviewed FFM Program policies and procedures; and analyzed available FFM Program records, data, and statistics to obtain an understanding of FFM Program operational activities and internal control*, including the monitoring of FFM Program contractual agencies. We also interviewed DHS family

* See glossary at end of report for definition.

preservation training staff to gain an understanding of the training process and requirements for contractual agency FFM Program caseworkers and supervisors. We performed an on-site visit at an FFM Program contractual agency and interviewed the FFM Program manager, supervisors, and staff to gain an understanding of the contractual agency's processes, procedures, and internal control related to FFM Program service delivery activities. During our visit, we examined selected FFM Program case records to determine the contractual agency's compliance with selected FFM Program contract requirements for case record documentation; performance and timeliness of required meetings; completion of service plans; and proper and timely completion of 3-month, 6-month, and 12-month follow-up evaluations with the family after case closure. In addition, we reviewed the training records of selected FFM Program staff to determine the agency's compliance with FFM Program contract minimum training requirements. Further, we obtained an understanding of the FFM Program contractual agency's billing process for FFM Program service delivery activities and DHS's payment process to the FFM Program contractual agency.

To accomplish our first audit objective, we interviewed key DHS staff and FFM Program contractual agency staff to determine the processes that DHS used to monitor FFM Program contractual agencies' compliance with FFM Program contract provisions. We examined the FFM Program contract language and the FFM Handbook to gain an understanding of FFM Program contract requirements. We reviewed DHS's records of contract compliance reviews it conducted of the 12 FFM Program contractual agencies during our audit period. We examined the checklist tool that DHS used for on-site contract compliance reviews for completeness. We judgmentally selected a sample of 6 FFM Program contractual agencies and performed on-site reviews of the records of FFM Program activities at each selected contract agency. We selected and tested a random sample of 125 FFM Program client case records for compliance with FFM Program contract provisions to determine the effectiveness of DHS's monitoring of the FFM Program agencies' compliance with FFM Program contract requirements. We selected and tested a random sample of 18 FFM Program contractual staff training records for compliance with FFM Program contract provisions to determine the effectiveness of DHS's monitoring of the FFM Program agencies' compliance with FFM Program contract requirements. We selected and tested a random sample of 12 billings for compliance with FFM Program contract provisions to determine the effectiveness of DHS's monitoring of the FFM Program agencies' compliance with FFM Program contract requirements. We also examined the Child Welfare League of America's

Standards of Excellence for Services to Strengthen and Preserve Families with Children recommendations of training for all social workers and staff members providing or assisting in the provision of family-centered casework services and intensive family-centered crisis services.

To accomplish our second objective, we interviewed key DHS staff and FFM Program contractual agency staff to determine the processes that DHS used to measure and evaluate established FFM Program outcomes. We examined DHS's policies, procedures, and FFM Program contract language to determine DHS's requirements for evaluation of the FFM Program's outcomes. We conducted an on-site inspection of supporting documentation at 6 FFM Program contractual agencies to validate FFM Program information that the agencies recorded in the Families First Information System (FFIS). Specifically, we compared information recorded in FFIS for FFM Program client 3-month, 6-month, and 12-month follow-up evaluations with the FFM Program agencies' corresponding case record documentation for a random sample of 125 FFM Program client cases to determine the accuracy of the FFIS information. We also compared placement data that the FFM Program contractual agencies recorded in FFIS with the FFM Program contractual agencies related case records and other supporting documentation to determine the accuracy of the FFIS placement information. In addition, we performed an analytical review of the placement data entered into FFIS for all FFM Program cases within our audit period, including an analysis of blank fields and unknown placements*, to determine the completeness of the FFIS information. We recalculated the fiscal year 2009-10 FFM Program outcomes as reported by DHS in the fiscal year 2013-14 DHS program description using placement data from FFIS and the formula provided by DHS to validate DHS's reported results. We also recalculated the FFM Program outcomes excluding FFM Program cases that closed early (within 28 days) to determine the potential impact on reported FFM Program outcomes. We further recalculated DHS's FFM Program outcomes using an assumption that all blank FFIS status fields for FFM Program cases with completed intervention services from October 1, 2010 through April 30, 2013 represented a non-intact family at 12 months to determine the potential impact on reported FFM Program outcomes. We compared the recalculated outcome percentages with DHS's reported outcome percentage and with the FFM Program goal percentage for intact families at 12 months following FFM Program intervention to determine and evaluate variances. We reviewed a random sample of 125 FFM Program case records to determine if families that received FFM

* See glossary at end of report for definition.

Program services were cooperative and whether the families achieved the defined goals of the FFM Program intervention. We also examined the Child Welfare League of America's Standards of Excellence for Services to Strengthen and Preserve Families with Children recommendations for evaluating contracted agencies providing family preservation services.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary survey. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 3 findings and 4 corresponding recommendations. DHS's preliminary response indicates that it agrees with 3 recommendations and generally agrees with 1 recommendation.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments at the end of our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DHS to develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agencies to take additional steps to finalize the plan.

We released our prior performance audit of the Families First of Michigan Program, Family Independence Agency (43-350-97), in July 1998. Within the scope of this audit, we followed up 7 of the 8 prior audit recommendations. DHS complied with 3 of the 7 prior audit recommendations. We rewrote the other 4 prior audit recommendations for inclusion in Findings 1 and 3 of this audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

EFFECTIVENESS OF EFFORTS TO MONITOR COMPLIANCE WITH CONTRACT PROVISIONS

COMMENT

Background: During the period October 1, 2010 through April 30, 2013, the Department of Human Services (DHS) referred families in crisis to 12 Families First of Michigan (FFM) Program contractual agencies that were responsible to provide FFM Program services, and DHS paid the FFM Program contractual agencies \$37.2 million for the services. DHS's Child Welfare Contract Compliance Unit (CWCC) was responsible for conducting contract compliance case record reviews of the FFM Program contractual agencies between October 1, 2010 and September 30, 2012. Beginning October 1, 2012, DHS central office family preservation staff assumed responsibility for conducting contract compliance case record reviews of FFM Program contractual agencies.

Audit Objective: To assess the effectiveness of DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions.

Audit Conclusion: We concluded that DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions were moderately effective.

Our audit conclusion was based on our audit efforts as described in the audit scope and audit methodology sections and the resulting material condition* and reportable condition* noted in the comments, findings, recommendations, and agency preliminary responses section.

Our audit efforts disclosed one material condition and one reportable condition related to DHS's performance of contract compliance case record reviews and contractual staff training records reviews (Findings 1 and 2, respectively). In our professional judgment, the material condition is more severe than a reportable condition and could impair management's ability to operate effectively and/or efficiently. Also, in our professional judgment, the reportable condition is less severe than a material condition but represents an opportunity for improvement.

* See glossary at end of report for definition.

We took into consideration both quantitative and qualitative factors in reaching a conclusion on the effectiveness of DHS's efforts to monitor the FFM Program agencies' compliance with contract provisions. We considered the total number of case record reviews that DHS conducted throughout our audit period and the significant percentage of reviews that DHS did not conduct during the first two-thirds of our audit period. We also considered the significance of DHS's implementation of a new case record review process that began October 1, 2012. We considered the significance of contract compliance error rates that we noted and the potential impact of the noncompliance on the FFM Program. Further, we considered the training requirement exceptions that we noted in relation to the total and type of required training sessions that FFM Program contractual staff completed. Because our audit efforts noted that DHS performed all 36 required contractual agency contract reviews after October 1, 2012, generally complied with 83% of the individual contract provisions we tested, and all FFM Program contractual agency staff tested completed DHS's required comprehensive core training, we determined that a conclusion of moderately effective was appropriate. We believe that the results of our audit efforts provide a reasonable basis for our audit conclusion for this audit objective.

FINDING

1. Contract Compliance Case Record Reviews

DHS did not always perform contract compliance case record reviews of FFM Program contractual agencies or review the required minimum number of case records during the reviews. In addition, FFM Program contract compliance case record reviews did not ensure that FFM Program contractual agencies complied with FFM Program contract provisions. As a result, FFM Program contractual agencies did not always comply with FFM Program contract provisions and DHS could not ensure that FFM Program contractual agencies consistently provided families in crisis with the appropriate assistance to help prevent out-of-home placement of children at imminent risk of removal from their home.

The FFM Handbook (Section V, page 88) requires that a DHS family preservation specialist, contractual agency trainer, and/or quality assurance coordinator annually review a minimum of four case records per FFM Program contractual agency to monitor contract compliance.

We examined DHS's records of FFM Program contractual agency case record reviews for the 12 FFM Program contractual agencies for the period October 1, 2010 through April 30, 2013. In addition, we randomly selected and performed on-site reviews of 125 FFM Program case records, including the related 375 3-month, 6-month, and 12-month follow-up evaluations, at 6 judgmentally selected FFM Program contractual agencies to determine the effectiveness of DHS's FFM Program contract compliance case record review process. Our review disclosed:

- a. DHS did not perform 47 (65%) of 72 required FFM Program contract compliance case record reviews during the period October 1, 2010 through September 30, 2012. The FFM Handbook required DHS's CWCC to conduct 72 contract compliance case record reviews at the 12 FFM Program contractual agencies during this period. During the period October 1, 2012 through April 30, 2013, DHS central office family preservation staff performed all 36 contract compliance case record reviews required; however, DHS did not include any of the case records not previously reviewed by CWCC for contract compliance in any of the 36 reviews.
- b. DHS did not meet the minimum review of 4 case records for each FFM Program contractual agency contract year for 9 (25%) of the 36 reviews that DHS performed during the period October 1, 2012 through April 30, 2013. On average, DHS reviewed approximately 3 case records for each of these 9 FFM Program contractual agency reviews. The FFM Handbook required DHS central office family preservation staff to review a minimum of 4 case records during each compliance case record review.
- c. DHS did not ensure that FFM Program contractual agencies performed 94 (25%) of the 375 3-month, 6-month, and 12-month follow-up evaluations in accordance with FFM Program contract requirements. Our review found that the FFM Program contractual agencies' records did not support that the contractual agency worker made an in-person contact or attempted a home visit or documented who the worker contacted for the follow-up evaluations. The FFM Program contract requires that FFM Program contractual agencies perform these follow-up evaluations to verify where the children are living.

- d. DHS did not ensure that FFM Program contractual agency workers made the required initial contact with the referring DHS local office caseworker within four days of the referral in 15 (12%) of 125 case records that we reviewed. The FFM Program contract requires that the contractual agency worker meet with the DHS local office referring caseworker within four days of the referral. A timely initial contact between the DHS referring caseworker and the FFM Program contractual agency is important to help DHS ensure that the FFM Program contractual agency addresses the family's goals and progress in a timely manner and that continuance in the FFM Program is appropriate.

- e. DHS did not ensure that FFM Program contractual agency workers met with the DHS local office referring caseworker at a time no later than seven days prior to the anticipated case closure in 9 (7%) of 125 cases records that we reviewed. The FFM Program contract requires that the contractual agency worker discuss, in person, termination recommendations with the DHS local office referring caseworker no later than seven days prior to the anticipated closure of the case. A timely meeting at case closure between the DHS referring caseworker and the FFM Program contractual agency worker is important to help DHS ensure that the FFM Program contractual agency's termination recommendations are appropriate and determine whether the FFM Program services have sufficiently reduced the imminent risk of the child's removal from the home.

- f. DHS did not ensure that FFM Program contractual agency workers documented in FFM Program case records the date or reason of prior FFM Program referrals in 11 (9%) of 125 case records that we reviewed. In addition, FFM Program contractual agency workers did not obtain the required DHS central office family preservation specialist approval for 3 of these 11 case records. The FFM Program contract requires that a known second referral, for any given family, can only occur if it has been 90 days since the prior referral. The FFM Program contract required that a DHS central office family preservation specialist approve second referrals that do not meet the 90-day criteria. In addition, the contract requires a DHS central office family preservation specialist to approve subsequent referrals. Proper documentation of a family's previous FFM Program referrals is important to help DHS determine if subsequent FFM Program referrals are appropriate.

DHS informed us that the DHS staff responsible for conducting the contract compliance case record reviews of FFM Program contractual agencies had competing priorities because of the Modified Settlement Agreement that prevented them from conducting all of the required reviews. DHS also informed us that staff reviewed the number of case records that they could during the time on-site at the FFM Program contractual agencies. In addition, DHS informed us that, during the time the responsibility for conducting contract compliance case record reviews of FFM Program contractual agencies shifted, DHS had a high turnover in staff that may have precluded the completion of some FFM Program compliance case record reviews.

RECOMMENDATIONS

We recommend that DHS perform contract compliance case record reviews of all FFM Program contractual agencies and review the required minimum number of case records during the reviews.

We also recommend that FFM Program contract compliance case record reviews ensure that FFM Program contractual agencies comply with FFM Program contract provisions.

AGENCY PRELIMINARY RESPONSE

DHS stated:

DHS agrees. DHS has developed a work group to evaluate the requirements in the FFM Handbook, which was last updated in 1999, so that the Program can be effectively managed with available resources and newer technology. The Program management has implemented a process to track the case file reviews. The Program management has met with DHS training staff so core training and supervisor training can place emphasis on the deficiencies cited.

FINDING

2. Contractual Staff Training Records Reviews

DHS did not always review FFM Program contractual agencies' staff training records to ensure that FFM Program contractual agencies complied with contract requirements for staff training. As a result, FFM Program contractual agencies did

not always comply with staff training requirements and DHS increased the risk that contractual agency staff may not have had the skills required to provide families with the services that are the basis of the FFM Program model.

Section 722.629 of the *Michigan Compiled Laws* provides that DHS shall ensure a continuing education program for department, probate court, and private agency personnel. DHS stipulates through its contracts with FFM Program contractual agencies that FFM Program agency staff are required to attend training provided by DHS within specified time lines. In addition, the Child Welfare League of America's Standards of Excellence for Services to Strengthen and Preserve Families with Children recommends that child welfare agencies provide an orientation to contractual agencies and provide its services, pre-service training, and in-service training for all social workers and staff members providing or assisting in the provision of family-centered casework services and intensive family-centered crisis services.

Although DHS reviewed FFM Program contractual agency staff training records as a part of FFM Program contract compliance case record reviews during the period October 1, 2010 through September 30, 2012, DHS did not always conduct these case record reviews (see Finding 1, part a.). DHS informed us that it discontinued reviewing staff training records as a part of the FFM Program contract compliance case record reviews that DHS conducted after September 30, 2012.

We reviewed the staff training records for a random sample of 18 FFM Program contractual agency staff from 6 judgmentally selected FFM Program contractual agencies for the period October 1, 2010 through April 30, 2013 to determine whether the FFM Program contractual agencies complied with FFM Program contract requirements for staff training. Our review disclosed:

- a. Three (60%) of the 5 FFM Program contractual agency new hire staff who had completed their core training did not attend the required training courses for working with substance affected families, self-awareness, and domestic violence within one year after completion of their core training. On average, the 3 new hire staff did not complete the working with substance affected families and the self-awareness training courses until 11 months after they were required to complete the trainings. The FFM Program contract requires

FFM Program contractual agency new hire staff to complete training courses for working with substance affected families, self-awareness, and domestic violence within one year after completing their core training.

- b. Four (40%) of 10 FFM Program contractual agency staff who required job shadowing did not have documentation in the FFM Program case record to support that job shadowing took place. The FFM Program contract requires each new FFM Program worker to shadow a supervisor for at least one case. In addition, the FFM Program contract requires the FFM Program supervisor to shadow at least one case for the worker before the FFM Program contractual agency can assign the worker FFM Program family cases. The FFM Program contractual agency had assigned these 4 staff to FFM Program family cases.

- c. Two (18%) of 11 FFM Program contractual agency staff required to complete special topics training during our review period did not complete all required special topics trainings. The FFM Program contract requires FFM Program contractual agency program managers, supervisors, and workers to attend a specified number of special topics trainings within the contract term.

DHS informed us that the DHS staff responsible for conducting the contract compliance case record reviews of FFM Program contractual agencies during the period October 1, 2010 through September 30, 2012 had competing priorities because of the Modified Settlement Agreement that prevented them from conducting all of the required reviews. In addition, DHS informed us that it had not assigned responsibility to conduct reviews of FFM Program contractual agencies' compliance with staff training requirements after September 30, 2012.

RECOMMENDATION

We recommend that DHS review FFM Program contractual agencies' staff training records to ensure that FFM Program contractual agencies comply with contract requirements for staff training.

AGENCY PRELIMINARY RESPONSE

DHS stated:

DHS generally agrees. DHS will evaluate the core and supervisory training frequency and class size so that new contractual agency staff can meet the training requirements. In addition, DHS will evaluate the core training and supervisory training content to better address job shadowing documentation. Further, DHS will evaluate its processes so it can better monitor compliance with the training requirements.

EFFECTIVENESS OF EFFORTS TO EVALUATE PROGRAM OUTCOMES

COMMENT

Audit Objective: To assess the effectiveness of DHS's efforts to evaluate the FFM Program's outcomes.

Audit Conclusion: We concluded that DHS's efforts to evaluate the FFM Program's outcomes were moderately effective.

Our audit conclusion was based on our audit efforts as described in the audit scope and audit methodology sections and the resulting reportable condition noted in the comments, findings, recommendations, and agency preliminary responses section.

Our audit efforts disclosed one reportable condition related to FFM Program evaluation (Finding 3). In our professional judgment, this reportable condition is less severe than a material condition but represents an opportunity for improvement.

We took into consideration both quantitative and qualitative factors in reaching a conclusion on the effectiveness of DHS's efforts to evaluate the FFM Program's outcomes. We considered the significant error rates noted in our testing of FFIS data that DHS used to evaluate and report FFM Program outcomes. We also considered the potential impact of DHS's use of incomplete FFIS placement status on DHS's reported outcomes for the FFM Program. Because DHS did not include 15% of families served in its evaluation of FFM Program outcomes and 12% of the FFIS placement codes we reviewed differed from the case record documentation, a risk existed that DHS's

evaluation of FFM Program outcome results could be unreliable and a conclusion of moderately effective was appropriate. We believe that the results of our audit efforts provide a reasonable basis for our audit conclusion for this audit objective.

FINDING

3. FFM Program Evaluation

DHS did not consistently use complete and accurate information in its evaluation of the FFM Program. Without complete and accurate information, DHS reduced its ability to accurately measure FFM Program effectiveness.

The Child Welfare League of America's Standards of Excellence for Services to Strengthen and Preserve Families and Children recommends that agencies providing family-centered services should regularly evaluate the effectiveness of their services in terms of quality assurance and client satisfaction. The evaluation should be used to assess program performance in meeting the goals and outcomes of the program.

The FFM Program contract requires that contractual agencies contact, in-person, the most involved parent in each family served by the FFM Program and administer a follow-up evaluation at 3, 6, and 12 months after termination according to guidelines established by DHS. If a home visit is not possible, contractual agencies shall attempt and document at least five attempts to contact the family by telephone. The contractual agency is also contractually required to input follow-up evaluation data from case record logs into FFIS. From the inputted information, DHS determines the overall effectiveness of the FFM Program in keeping families intact with home, relative home, or adopted home placement. DHS annually reports the FFM Program outcomes to the Legislature.

Our review of DHS's process to evaluate FFM Program effectiveness disclosed:

- a. DHS did not include all families served in its FFM Program evaluation.

The FFM Program contractual agencies submit monthly utilization reports of case closure activity to DHS. We compared the monthly utilization reports for fiscal years 2010-11 and 2011-12 to the related case record data reported in FFIS. We determined that 224 (15%) of 1,538 families who received FFM

Program services were included in the FFM Program contractual agency utilization reports, but not within FFIS. DHS received the utilization reports; however, DHS was not aware of the missing cases because it did not complete a reconciliation of the utilization reports to FFIS data to ensure completeness.

- b. DHS did not use complete FFIS placement status data for all families served in its FFM Program evaluation.

FFM Program contractual agencies reported the placement status of children at 3-month, 6-month, and 12-month intervals after intervention services were completed. However, DHS did not ensure that FFM Program contractual agencies consistently reported the actual number of children with home, relative home, or adopted home placement. As a result, we determined that 4%, 6%, and 13%, respectively, of the placement status data fields were blank in FFIS for cases with completed intervention services from October 1, 2010 through April 30, 2013.

- c. DHS did not use accurate FFIS placement data in its FFM Program evaluation.

We reviewed 125 FFM Program case records at 6 contractual agencies, which consisted of 375 required follow-up evaluations. We determined that case record notes for 40 (11%) of 375 follow-up evaluations did not accurately support the placement codes recorded on the 3-month, 6-month, or 12-month follow-up evaluation logs in the case records. In addition, we determined that the 3-month, 6-month, and 12-month follow-up evaluation log placement codes for 43 (12%) of 375 follow-up evaluations did not agree with the placement codes within FFIS.

DHS informed us that it did not verify the completeness and accuracy of FFIS data when performing monitoring of the case records. DHS relied on FFM Program contractual agencies to correctly input data into FFIS.

RECOMMENDATION

We recommend that DHS consistently use complete and accurate information in its evaluation of the FFM Program.

AGENCY PRELIMINARY RESPONSE

DHS stated:

DHS agrees. DHS, in conjunction with the Department of Technology, Management, and Budget, will develop ad hoc reports from the FFIS data warehouse to compare with the contract agency utilization reports. DHS will follow up with the contractual agencies, as necessary, to resolve differences between the reports so that reporting the information is consistent.

GLOSSARY

Glossary of Abbreviations and Terms

child abuse	Harm or threatened harm to a child's health or welfare by a parent, legal guardian, or any other person responsible for the child's health or welfare or by a teacher or teacher's aide that occurs through nonaccidental physical or mental injury, sexual abuse, sexual exploitation, or maltreatment.
child neglect	Harm or threatened harm to a child's health or welfare by a parent, legal guardian, or any other person responsible for the child's health or welfare that occurs through either of the following: (1) Negligent treatment, including the failure to provide adequate food, clothing, shelter, or medical care, or (2) Placing a child at an unreasonable risk to the child's health or welfare by failure of the parent, legal guardian, or any other person responsible for the child's health or welfare to intervene to eliminate the risk when that person is able to do so and has, or should have, knowledge of the risk.
core training	A seven-day series of preservice training provided to all FFM workers and supervisors.
CWCC	Child Welfare Contract Compliance Unit.
delinquency	Antisocial or criminal behavior by children or adolescents.
effectiveness	Success in achieving mission and goals.
Families First of Michigan (FFM) Program	A program that provides an alternative to the out-of-home placement of children because of substantiated child abuse, child neglect, or delinquency when the safety of the children can be reasonably assured. Services are made available to a family 24 hours a day, 7 days a week, for 4 to 6 weeks primarily in the family's home. Services are designed to address situations that may have placed the family in a crisis,

to help stabilize the family, and to refer the family for longer term services in an effort to strengthen and preserve family.

FFIS	Families First Information System.
goal	An intended outcome of a program or an entity to accomplish its mission.
imminent risk	The risk that a child will be removed from the parents' care because of serious child abuse, child neglect, or delinquency.
internal control	The plan, policies, methods, and procedures adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.
intervention	To become involved in the family's dynamics, including the ongoing care of the children in a family involved in child abuse, child neglect, or delinquency to help ensure that the children are adequately protected from additional harm.
material condition	A matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
mission	The main purpose of a program or an entity or the reason that the program or the entity was established.

outcome	An actual impact of a program or an entity.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
reasonable efforts	Efforts to provide services to families to prevent the out-of-home placement of abused or neglected children.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
unknown placement	The placement code used by an FFM Program worker when the worker is unable to determine where a child is living at the time of the 3-month, 6-month, or 12-month follow-up evaluation.

