

Office of the Auditor General
Follow-Up Report on Prior Audit Recommendations

Families First of Michigan Program
Michigan Department of Health and Human Services

May 2015

State of Michigan Auditor General
Doug A. Ringler, CPA, CIA

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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Report Summary

Follow-Up Report

Families First of Michigan (FFM) Program

Michigan Department of Health and Human Services (MDHHS)

Report Number:
431-2784-13F

Released:
May 2015

We conducted this follow-up to determine whether MDHHS had taken appropriate corrective measures in response to the material condition noted in our March 2014 audit report.

Prior Audit Information	Follow-Up Results		
	Conclusion	Finding	Agency Preliminary Response
Finding #1 - Material condition Improvement needed for FFM Program contract compliance case record reviews. Agency agreed.	Partially complied	Reportable condition exists. See <u>Finding #1</u> .	Agrees

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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Doug A. Ringler, CPA, CIA
Auditor General

May 13, 2015

Mr. Nick Lyon, Director
Michigan Department of Health and Human Services
Grand Tower
Lansing, Michigan

Dear Mr. Lyon:

I am pleased to provide this follow-up report on the one material condition (Finding #1) and two corresponding recommendations reported in the performance audit of the Families First of Michigan Program. That audit report was issued and distributed in March 2014. Additional copies are available on request or at <http://audgen.michigan.gov>.

Our follow-up disclosed that the Department had complied with one recommendation and had partially complied with the other recommendation. A reportable condition exists related to contract compliance case record reviews (Finding #1). As a result, we have issued one rewritten recommendation.

We appreciate the courtesy and cooperation extended to us during our follow-up. If you have any questions, please call me or Laura J. Hirst, CPA, Deputy Auditor General.

Sincerely,

A handwritten signature in dark ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler
Auditor General

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INTRODUCTION, PURPOSE OF FOLLOW-UP, AND PROGRAM DESCRIPTION

INTRODUCTION

This report contains the results of our follow-up of one material condition* (Finding #1) and two corresponding recommendations reported in our performance audit* of the Families First of Michigan (FFM) Program, Department of Human Services (DHS), issued in March 2014.

In April 2015, after our performance audit, Executive Order No. 2015-4 created the Michigan Department of Health and Human Services (MDHHS) and abolished DHS.

PURPOSE OF FOLLOW-UP

To determine whether MDHHS had taken appropriate corrective measures to address our corresponding recommendations.

PROGRAM DESCRIPTION

The FFM Program provides an in-home services alternative to out-of-home placement of children because of substantiated child abuse*, child neglect*, or delinquency*. MDHHS's goals* for the FFM Program include keeping families together safely by diminishing or removing the risk as family strengths are identified and reducing Michigan's out-of-home placements for high-risk children. MDHHS contracts with 12 social service agencies to provide FFM Program intervention* services to referred families. The FFM Program supports MDHHS's efforts to comply with a federal mandate to take reasonable efforts* to prevent the unnecessary out-of-home placement of children. In April 2015, after our performance audit, Executive Order No. 2015-4 created MDHHS and abolished DHS.

* See glossary at end of report for definition.

PRIOR AUDIT FINDING AND RECOMMENDATIONS; AGENCY PLAN TO COMPLY; AND FOLLOW-UP CONCLUSION, RECOMMENDATION, AND AGENCY RESPONSE

FINDING #1

Audit Finding Classification: Material condition.

Summary of the March 2014 Finding:

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, such as periodic follow-up evaluations with the families and contacts with the referring caseworkers.

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.

Recommendations Reported in March 2014:

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

AGENCY PLAN TO COMPLY

Michigan Compiled Laws and administrative procedures required MDHHS to develop a plan to comply with the audit recommendations within 60 days after release of the March 2014 audit report.

DHS indicated on April 1, 2014 that it had developed a work group to evaluate the requirements in the FFM Handbook (which was last updated in 1999) so that the FFM Program can be effectively managed with available resources and newer technology.

DHS also stated that management had implemented a process to track the case file reviews and had met with DHS training staff so that core training and supervisor training can place emphasis on the deficiencies cited.

**FOLLOW-UP
CONCLUSION**

MDHHS complied by performing necessary case record reviews.

FFM, in most respects, ensured that contract agencies adhered to contracts.

Our follow-up noted:

- a. Complied. We reviewed the contract compliance case record review schedule and verified that case record reviews occurred.
- b. Complied. We verified that record reviews were tracked and performed.
- c. Complied. We reviewed case records and noted that the contractual agencies performed 3-, 6-, and 12-month follow-up evaluations.
- d. Complied. We reviewed case records and noted that the contractual agencies made the required initial contact with the referring caseworker within four days of the referral.
- e. Did not comply. We reviewed 19 case records and noted that in 6 (32%) of the records, the contractual agencies did not contact referring caseworkers in accordance with case closure requirements which require a termination conference no later than seven days prior to the closure of the case. In these instances, a termination conference was held within seven days of the case closure in 4 of the cases but not seven days prior to case closure. There was no termination conference held in 2 of the cases.
- f. Complied. We reviewed case records and noted that the contractual agencies documented the date or reason of prior FFM Program referrals.

**FOLLOW-UP
RECOMMENDATION**

We recommend that the FFM Program ensure that the contractual agencies contact referring caseworkers to comply with case closure requirements.

**FOLLOW-UP
AGENCY
RESPONSE**

MDHHS provided us with the following response:

MDHHS agrees with the finding. MDHHS will further increase its emphasis on compliance with the seven-day meeting requirement as well as the casework documentation of the referring worker's acceptance of the meeting request and the actual meeting during agency site visits, technical assistance visits, and regional cluster meetings with contractor agencies. Contract agency compliance will be monitored through site visits and case record reviews. This process of monitoring will be followed on an on-going basis toward achievement of compliance.

FOLLOW-UP SCOPE AND PERIOD

FOLLOW-UP SCOPE

We interviewed FFM Program personnel and reviewed their corrective action plans to determine the status of compliance with the recommendations related to the material condition. We assessed FFM Program's efforts to perform contract compliance case record reviews, to review the required minimum number of case records during contractual reviews, and to determine if FFM Program contractual agencies complied with FFM Program contract provisions by judgmentally selecting FFM Program reviews and contractual locations. Our scope included visits to two contractual agencies to review 39 contractual case records.

PERIOD

Our follow-up was performed during February and March 2015.

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.
delinquency	Antisocial or criminal behavior by children or adolescents.
DHS	Department of Human Services.
FFM	Families First of Michigan.
goals	Intended outcomes of a program or an entity to accomplish its mission.
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.
MDHHS	Michigan Department of Health and Human Services.

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.

