

Office of the Auditor General
Performance Audit Report

**Interstate Compact Programs:
Interstate Compact on the Placement of Children
and Interstate Compact for Juveniles**
Michigan Department of Health and Human Services

December 2017

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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Office of the Auditor General

Report Summary

Performance Audit

Interstate Compact Programs (ICP): Interstate Compact on the Placement of Children (ICPC) and Interstate Compact for Juveniles (ICJ)

Michigan Department of Health and Human Services (MDHHS)

Report Number:
431-0273-15

Released:
December 2017

The ICPC ensures protection and services to children placed across state lines for foster care, adoption, and residential facility placements by establishing procedures to verify that interstate placements are safe, suitable, and able to provide proper care for a child. The ICJ governs the movement of delinquent juveniles, on probation or parole, who are traveling across state lines or are placed with a parent, relative, or legal guardian in another state. The MDHHS interstate compact office administers ICPC and ICJ activities in Michigan by working with other states' central compact offices, local placement agencies, MDHHS local county offices, and Michigan courts.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of MDHHS's efforts to ensure the safe placement of children across state lines.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
For the cases we sampled, MDHHS did not monitor the performance of monthly face-to-face visits for Michigan children placed in other states and could not document that 1/2 of the required visits had occurred. Also, MDHHS did not obtain nearly 2/3 of the required supervision reports for Michigan children placed in other states and did not prepare over 1/3 of the required supervision reports for children placed in Michigan (Finding #1).	X		Agrees

Audit Objective			Conclusion
Objective #2: To assess whether MDHHS complied with certain required programmatic time frames for the placement of children across state lines.			Partially complied
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS provided non-expedited home study reports to sending states an average of 100 days late in over 25% of the instances we reviewed and received over 40% of sampled reports from other states an average of more than 100 days late. MDHHS had limited procedures in place for monitoring the completion of home study report requests (Finding #2).	X		Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS did not provide placement decisions within 6 months to requesting states for 30% of the sampled non-expedited or non-residential facility requests for the placement of children in Michigan. Of these untimely placement decisions, 50% were for children with relatives in Michigan and were, on average, over 5 months late. MDHHS had limited procedures in place for monitoring the timeliness of placement decisions (<u>Finding #3</u>).	X		Agrees

Audit Objective			Conclusion
Objective #3: To assess the effectiveness of MDHHS's efforts to ensure the appropriate transfer and supervision of juveniles across state lines.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
For the home evaluations we sampled, MDHHS did not obtain criminal history checks for over 70% of the adults residing in proposed homes for out-of-state juveniles relocating to Michigan. In addition, MDHHS could not demonstrate that nearly 90% of the home evaluations included a Central Registry check for all identified adult household members (<u>Finding #4</u>).	X		Agrees
For sampled juveniles, MDHHS did not conduct over 20% of the required monthly face-to-face visits or consistently conduct visits within the juveniles' homes when required (<u>Finding #5</u>).	X		Agrees
The ICJ compact administrator had not established a process to monitor the family divisions of the circuit courts' compliance with the ICJ, and 3 of the 4 courts that we surveyed in counties that border other states indicated some level of noncompliance. MDHHS had not fully developed an ICJ training and education plan for court officials, and a survey of court judges, probation officers, and court administrators indicated that nearly half of respondents desired additional training related to ICJ processes (<u>Finding #6</u>).	X		Partially agrees

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Doug A. Ringler, CPA, CIA
Auditor General

December 20, 2017

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

Dear Mr. Lyon:

This is our performance audit report on the Interstate Compact Programs: Interstate Compact on the Placement of Children and Interstate Compact for Juveniles, Michigan Department of Health and Human Services.

We organize our findings and observations by audit objective. Your agency provided preliminary responses to the recommendations at the end of our fieldwork. The *Michigan Compiled Laws* and administrative procedures require an audited agency to develop a plan to comply with the recommendations and submit it within 60 days of the date above 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.

I need to draw your attention to this report's scope section. It identifies two instances in which the audit experienced delays. I appreciated the opportunity to discuss these issues with you in more detail and I am hopeful that our meeting will continue recent improvements in cooperation.

Although Section 13.101 of the *Michigan Compiled Laws* requires departments to produce all records upon our demand, we are respectful of the time constraints on auditees as they address their daily job responsibilities along with our needs. I am not aware of any instances in which we demand immediate system access. Typically, access occurs within a few days - sometimes as much as a couple of weeks; however, our system access was delayed during this audit for several months while our offices worked through legal, IT system, and other issues.

Thank you for your understanding and efforts to provide more timely response to audit requests. Improved cooperation and communication between our offices should negate the need for us to report any future delays to the Governor and Legislators in their governance roles and will foster better collaboration as we both work to administer our offices efficiently and effectively.

Sincerely,

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

Doug Ringler
Auditor General

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AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

SAFE PLACEMENT OF CHILDREN ACROSS STATE LINES

BACKGROUND

The Interstate Compact on the Placement of Children (ICPC) was created to ensure cooperation among states regarding conditions and requirements for the interstate placement* of children. The ICPC is a uniform law that has been enacted by all 50 states, the District of Columbia, and the U.S. Virgin Islands. This interstate cooperation helps to ensure that each child* that is placed across state lines receives the maximum opportunity to be placed in a suitable environment and with persons or institutions having appropriate qualifications and facilities to provide the necessary and desirable type of care.

A sending state* retains jurisdiction over the child while placed across state lines sufficient to determine all matters in relation to the custody, supervision, care, treatment, and disposition of the child, as if the child had remained in the sending state. The receiving state* is responsible for performing all supervision activities, such as face-to-face visits, and providing written supervision reports*, including updates on the child's placement, to the central compact office in the sending state.

Each state appoints an ICPC compact administrator and one or more deputy administrators who oversee or perform the day-to-day tasks associated with the administration of the ICPC. The American Public Human Services Association's (APHSA's) Guide to the ICPC indicates that the compact administrator is designated to serve as the central clearing point for all referrals for interstate placements and that after a placement is approved and the child is moved into the state, the compact administrator is responsible for overseeing the placement as long as it continues. In addition, ICPC regulations require that each state establish a procedure for all ICPC referrals to and from the state to be made through a central compact office.

The *Michigan Compiled Laws* provide the ICPC compact administrator with the power to promulgate rules and regulations to carry out the ICPC effectively. The term compact administrator, as defined by APHSA and used in this report, refers to both the person appointed as the compact administrator and those persons to whom the responsibility for day-to-day operation of the compact has been administratively designated. Michigan's ICPC compact administrator, deputy administrators, and interstate compact office are located within the Michigan Department of Health and Human Services' (MDHHS's) Children's Services Administration Division.

In Michigan's decentralized child welfare environment, many ICPC activities, such as home studies, licensing requests, and supervision services, are referred to and carried out by

* See glossary at end of report for definition.

child welfare caseworkers* located in MDHHS local county offices and contracted agencies.

From October 1, 2012 through March 10, 2016, there were 540 ICPC cases for 729 out-of-state children placed in Michigan and 448 ICPC cases for 562 Michigan children who were placed in other states.

AUDIT OBJECTIVE

To assess the effectiveness* of MDHHS's efforts to ensure the safe placement of children across state lines.

CONCLUSION

Moderately effective.

**FACTORS
IMPACTING
CONCLUSION**

- MDHHS caseworkers completed the required home study* prior to placement for all sampled cases requesting that a child be placed in Michigan.
- MDHHS caseworkers conducted all of the required criminal history checks and Central Registry checks for all sampled home studies that were requested by other states for the placement of children in Michigan.
- The MDHHS interstate compact office obtained the required home study from the receiving state prior to placement for all sampled cases requesting the placement of a Michigan child in another state.
- The MDHHS interstate compact office received an assertion and support from other states that all of the required criminal history and Central Registry checks had been conducted for 93% of the sampled home studies requesting the placement of Michigan children across state lines.
- The appropriate Michigan licensure or waiver was in place at the time of placement for all sampled cases in which an out-of-state child was placed in a foster home or residential facility* in Michigan.
- Material condition* related to monitoring and documenting caseworkers' monthly face-to-face visits and supervision reports and preparing, submitting, and receiving supervision reports for interstate placed children (Finding #1).

* See glossary at end of report for definition.

FINDING #1

Improvements needed in the monitoring and documentation of caseworkers' face-to-face visits and in supervision reports for interstate placed children.

Regular face-to-face contacts and supervision reports are key in verifying and communicating the status of a placed child's ongoing safety and welfare.

MDHHS could not consistently support that it conducted all required face-to-face visits with sampled children placed in Michigan.

MDHHS needs to improve its monitoring and documentation of caseworkers' face-to-face visits and supervision reports for interstate placed children. Also, improvements are needed in the preparation, submission, and receipt of supervision reports provided to and obtained from other states. Improvements would help ensure that caseworkers are regularly verifying and appropriately reporting the status of the safety and well-being of children placed in Michigan and Michigan children placed in other states.

Requirements

- ICPC regulations require a child welfare caseworker, in the state where a child is placed, to conduct monthly face-to-face visits, with a majority occurring in the child's placement location.
- ICPC regulations require prompt notification to the sending state if significant issues are identified.
- MDHHS policy requires caseworkers to document face-to-face contacts within five business days.
- The Modified Settlement Agreement and Consent Order* (MSA) and its successor, the Implementation, Sustainability, and Exit Plan* (ISEP), require MDHHS caseworkers to visit children placed in Michigan twice per month for the first two months of a placement.
- ICPC regulations require child welfare caseworkers to complete supervision reports for out-of-state placed children once every 90 days, based on the face-to-face visits, and to submit the reports to the sending states.

Tests Performed and Results

Tests in relation to face-to-face visits:

- We reviewed records for 28 out-of-state children placed in Michigan, requiring 228 monthly face-to-face visits between October 2012 and April 2016.
- We reviewed records for 21 Michigan children placed in other states, requiring 131 visits during the same time period as above.

Results:

- MDHHS lacked documentation for 19 (8%) of the 228 visits related to 8 children placed in Michigan:
 - ▶ Documentation was insufficient to support that from 1 to 6 monthly visits for each of these 8 children had occurred.

* See glossary at end of report for definition.

- ▶ One child was placed for 7 months prior to his/her adoption* and there were no documented visits.
- ▶ Four (21%) of the 19 undocumented visits related to the first 2 months of a placement for 3 children.

MDHHS could not document that 1/2 of required monthly visits had occurred for sampled Michigan children placed in other states.

- The MDHHS interstate compact office did not monitor the performance of monthly visits for Michigan children placed in other states and could not document that receiving states had conducted 65 (50%) of the 131 required monthly visits for 13 (62%) of the Michigan children:
 - ▶ Documentation was insufficient to support that 1 to 13 monthly visits occurred for these 13 children.
 - ▶ No documentation existed for any monthly visits for 4 (19%) of these children.

Tests in relation to supervision reports:

- We randomly sampled 31 cases requiring supervision reports that represented 27 out-of-state children placed in Michigan and 15 Michigan children placed in other states.

Results:

- MDHHS did not prepare 26 (37%) of the 70 required reports for 14 (52%) children placed in Michigan.

This included missed reports for 2 to 4 consecutive quarters for 5 children, no reports for 5 children, and sporadically missed reports for 4 children.

- MDHHS did not timely provide 17 (39%) of the 44 reports it prepared for other states relating to 10 (37%) children. The reports were between 31 and 465 days late.
- MDHHS did not obtain 25 (66%) of the 38 reports from other states for 13 (87%) of the Michigan children.

This included missing reports for 2 to 5 consecutive quarters for 7 children, no reports for 3 children, and sporadically missed reports for 3 children.

MDHHS did not prepare over 1/3 of the required supervision reports for sampled out-of-state children placed in Michigan or obtain approximately 2/3 of the required supervision reports for sampled Michigan children placed in other states.

* See glossary at end of report for definition.

- MDHHS did not timely obtain 8 (62%) of the 13 reports from other states for 7 (47%) Michigan children. The reports were between 32 and 91 days late.
- Our review did not identify any documented safety issues or unmet needs within the supervision reports that MDHHS prepared or obtained for the sampled children.

Why These Conditions Occurred

The ICPC compact administrator did not always exercise his mandated authority throughout the State's decentralized child welfare environment to ensure that MDHHS caseworkers consistently documented their performance of the required monthly face-to-face visits for the out-of-state children placed in Michigan. In addition, the interstate compact office did not have defined policies or procedures for monitoring receiving states' performance of monthly face-to-face visits for Michigan children placed in other states. The interstate compact office also informed us that it did not have an established process to ensure that MDHHS consistently prepared, timely provided, and regularly obtained supervision reports and relied on the MDHHS caseworkers to make sure that the appropriate reports were provided to and received from other states.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of the significant exception rates; the critical role of face-to-face contact with placed children; the importance of supervision reports, which serve as the key communication source between states during a child's placement; and the potential impact that inconsistent or nonexistent face-to-face contact and supervision reports could have on MDHHS's ability to ensure a child's safety and well-being while placed across state lines. The lack of documentation also contributed to the materiality because with no proof that the visits occurred, for auditing purposes, we must presume that they did not occur.

RECOMMENDATIONS

We recommend that MDHHS improve its monitoring and documentation of caseworkers' face-to-face visits and supervision reports for interstate placed children.

We also recommend that MDHHS improve its preparation, submission, and receipt of supervision reports provided to and obtained from other states.

**AGENCY
PRELIMINARY
RESPONSE**

MDHHS provided us with the following response:

MDHHS agrees. MDHHS is in the process or has implemented several corrective actions such as:

- *MDHHS has begun the process to include ICPC functionality in the Michigan Statewide Automated Child*

Welfare Information System (MiSACWIS) as well as utilization of a new ICPC case management system (NEICE). This will enhance MDHHS documentation of monthly face-to-face visits with children placed in Michigan, and provide a mechanism for monitoring of monthly face-to-face visits of Michigan children placed in other states. This will also aid MDHHS in the preparation of, and allow for tracking of, required supervision reports to other states with children placed in Michigan, as well as provide tracking capabilities of timely receipt, or follow-up, of supervision reports for Michigan children placed in other states.

- *MDHHS has modified the ICPC access database to track supervision reports pending full ICPC functionality in MiSACWIS and implementation of NEICE. ICPC staff have created reports from the access database to monitor receipt of supervision reports and follow up with MDHHS staff (for outgoing reports) and other states (for incoming reports) as necessary.*
- *A centralized email account has been created for ICPC which allows for improved monitoring and tracking of incoming and outgoing ICPC work. MDHHS introduced the new ICPC mailbox address and procedures for communication with ICPC staff during the November 2017 monthly supervisory call. The State ICPC webpage has also been updated with the new email account address.*
- *ICPC began participating in monthly supervisory calls with MDHHS local office supervisors in June of 2017 to provide education and clarification on ICPC requirements, policies and processes, including preparation and submission of supervision reports. Minutes from these calls are distributed to MDHHS Business Service Center analysts and private agency analysts with instructions to distribute them to MDHHS local office child welfare supervisors and staff and private agency supervisors and staff.*

TIMELY PLACEMENT OF CHILDREN ACROSS STATE LINES

BACKGROUND

Prior to placing a child across state lines, ICPC regulations require that states receive an approved placement decision from the state where a child will be placed. The Association of Administrators of the Interstate Compact on the Placement of Children has established time frames for completing home studies and providing placement decisions and expiration time frames for approved placements. Also, MDHHS has established additional time frames within its ICPC policies to help ensure timely placement decisions.

Each ICPC case is classified as either expedited or non-expedited. The intent of an expedited case is to shorten the length of time to complete home studies and make placement decisions in order to minimize any potential trauma to a child. Expedited cases are sought when a child is four years of age or younger; for emergency placements; when unexpected dependency occurs because of a sudden incarceration, incapacitation, or death of a parent or guardian; or when a child has a substantial relationship with the proposed placement resource.

When the MDHHS interstate compact office receives a request from another state for the placement of a child in Michigan, the office forwards the home study request to child welfare caseworkers at an MDHHS local county office or contracted agency for completion. After the home study and any applicable licensure or waiver verification is completed, the caseworker sends the information back to the interstate compact office for the compact administrator, or designee(s), to approve or deny based on the caseworker's recommendation. The interstate compact office then sends the home study, licensing, and approval information to the requesting state to make the final placement decision for the child.

Between October 1, 2012 and March 10, 2016, MDHHS provided placement decisions for 1,805 ICPC cases for 2,583 out-of-state children to be placed in Michigan, including 131 (7%) cases for 203 (8%) children with expedited placement requirements. In addition, MDHHS received placement decisions from out-of-state agencies for 1,287 ICPC cases for 1,791 Michigan children to be placed in other states, including 50 (4%) cases for 74 (4%) children with expedited placement requirements.

AUDIT OBJECTIVE

To assess whether MDHHS complied with certain required programmatic time frames for the placement of children across state lines.

CONCLUSION

Partially complied.

**FACTORS
IMPACTING
CONCLUSION**

- MDHHS timely completed all sampled expedited home study reports requested from other states.
- MDHHS made placement decisions within the appropriate time frames for all sampled expedited and residential facility placement requests from other states.
- Material conditions related to:
 - Monitoring and timely completion of non-expedited home study reports for the proposed out-of-state placements of children within and outside of Michigan (Finding #2).
 - Timeliness and monitoring of interstate placement decisions for non-expedited requests (Finding #3).

FINDING #2

More timely home study reports needed to help minimize potential delays for children with proposed out-of-state placements.

MDHHS needs to improve its monitoring and timely completion of non-expedited home study reports for the proposed out-of-state placements of children within and outside of Michigan. Timely assessment helps states minimize delays and reduce the length of time children remain in potentially less favorable situations.

Requirements

ICPC regulations require that:

- The state proposing an out-of-state placement must request a home study be completed by the state to which the child will be sent.
- The receiving state's central compact office must provide a completed home study report as quickly as possible, but not more than:
 - 60 calendar days after receipt of the request for non-expedited requests.
 - 20 business days after the receipt of the request for expedited requests. A decision is also to be provided with an expedited request.

Tests Performed

We randomly sampled 98 records requesting a home study report and assessed MDHHS's related timeliness and monitoring. We reviewed:

- 46 non-expedited and 8 expedited requests for proposed placements of 84 children within Michigan.
- 43 non-expedited and 1 expedited requests for the proposed placements of 67 Michigan children in other states.

Results

- MDHHS completed and returned 12 (26%) of the 46 non-expedited home study reports an average of 100 calendar days later than the 60-day requirement, involving placements of 19 (23%) children within Michigan. MDHHS timely completed and returned all of the expedited home study reports sampled.
- MDHHS received 18 (42%) of the 43 out-of-state non-expedited home study reports an average of 103 calendar days late, related to the placements for 27 (40%) children. MDHHS timely received all of the requested expedited home study reports sampled.

MDHHS was late in returning more than 25% of sampled non-expedited home study reports to other states and received more than 40% of sampled reports from other states late.

MDHHS's monitoring of past due home study report requests was limited to sending monthly e-mail communications.

- MDHHS's monitoring procedures for home study report requests were limited to only:
 - ▶ Sending periodic e-mail reminders to caseworkers every 20 days, until the report due date, and then monthly e-mail reminders until the home study report was completed.
 - ▶ Sending monthly e-mails to the other states' central compact offices requesting the status of a requested report, after it was overdue, with no further action until the next monthly e-mail.

Why These Conditions Occurred

The ICPC compact administrator did not consistently exercise his mandated authority throughout the State's decentralized child welfare environment to ensure that MDHHS caseworkers timely completed home study reports requested by other states. In addition, neither MDHHS nor the interstate compact office had defined additional monitoring procedures for overdue home studies that MDHHS requested from other states beyond the once-a-month status request e-mails.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of the substantial exception rates and the impact of timely home studies on expeditious placement decisions (see Finding #3) and because non-expedited cases comprised the vast majority of ICPC cases during the audit period.

RECOMMENDATION

We recommend that MDHHS improve its monitoring and timely completion of non-expedited home study reports for the proposed out-of-state placements of children within and outside of Michigan.

AGENCY PRELIMINARY RESPONSE

MDHHS provided us with the following response:

MDHHS agrees. MDHHS is in the process or has implemented several corrective actions such as:

- *MDHHS has begun the process to include ICPC functionality in MiSACWIS as well as utilization of a new ICPC case management system (NEICE). This will allow for better tracking capabilities for timely completion of home study reports for the proposed placements of out-of-state children in Michigan and allow for improved monitoring of timeliness of home study reports requested from other states.*
- *MDHHS will utilize the ICPC access database to more efficiently monitor receipt of home study reports pending full ICPC functionality in MiSACWIS and*

implementation of NEICE. The existing access database report has been enhanced to allow for improved monitoring of receipt of home study reports and follow up with MDHHS staff (for outgoing reports) and with other states (for incoming reports) as necessary.

- *A centralized email account has been created for ICPC which allows for improved monitoring and tracking of incoming and outgoing ICPC work. MDHHS introduced the new ICPC mailbox address and procedures for communication with ICPC staff during the November 2017 monthly supervisory call. The State ICPC webpage has also been updated with the new email account address.*
- *ICPC began participating in monthly supervisory calls with MDHHS local office supervisors in June of 2017 to provide education and clarification on ICPC requirements, policies and processes, including timely completion of home study reports. Minutes from these calls are distributed to MDHHS Business Service Center analysts and private agency analysts with instructions to distribute them to MDHHS local office child welfare supervisors and staff and private agency supervisors and staff.*

FINDING #3

More consistency needed in providing timely non-expedited placement decisions and monitoring the non-expedited placement decisions requested from other states.

MDHHS did not consistently provide timely placement decisions and needs to strengthen its monitoring of placement decisions for non-expedited requests from other states. Timely interstate placement decisions are essential in helping to minimize the length of time a child remains in a potentially less favorable placement, and MDHHS's placement decisions for non-expedited requests were sometimes several months late.

Requirements

- ICPC regulations require states to receive an approved placement decision prior to placement.
- ICPC regulations require states to provide a final approval or denial of placement within 180 calendar days from receipt of the request from a sending state. This 6-month window is to accommodate licensure or other foster care* and adoption home study requirements that are applicable in the receiving state.
- For expedited placement decisions, the receiving state must provide the final approval or denial within 20 business days from receipt of the request and for residential facility placements within 3 business days.
- MDHHS policy indicates that completion of the foster care licensure of a relative's* home does not have to occur prior to the placement of an out-of-state child.
- The MSA and its successor, the ISEP, allow MDHHS to place children with a relative prior to licensure after MDHHS visits the home and determines that it is safe.
- MDHHS policy requires caseworkers to consider the requirements of both states when making placements, but the receiving state's rules and policies regarding foster care licensure may supersede the sending state's requirements.

Tests Performed

We randomly sampled 112 records with placement decisions that should have occurred from October 1, 2012 through March 10, 2016 and reviewed the timeliness and monitoring of requested decisions:

- Sixty-one records should have contained placement decisions for 91 children within Michigan, including 14 (23%) records for expedited and residential facility placements.

* See glossary at end of report for definition.

- Fifty-one records should have contained placement decisions made by other states for 75 Michigan children, including 6 (12%) expedited and residential facility placements.

Results

Timeliness of MDHHS's placement decisions for children from other states to be placed in Michigan:

MDHHS did not provide timely placement decisions for 30% of the sampled non-expedited or non-residential facility requests for the placement of out-of-state children in Michigan.

- MDHHS did not provide placement decisions within 6 months to requesting states for 14 (30%) of the 47 non-expedited or non-residential facility requests for 22 children:
 - ▶ Decisions were an average of 3 months late for 15 of the children.
 - ▶ No placement decisions had been made as of March 10, 2016 for 7 children. These decisions were an average of 5 months late at that time.
- We noted specific concerns associated with 7 (50%) of the late placement decisions because they were for children to be placed with a relative in Michigan and these placements could have been authorized after an approved home study; however, the MDHHS interstate compact office required the relative to be licensed first:

Of the untimely placement decisions noted in our sample, 50% were for the placement of children with relatives in Michigan. These decisions were, on average, over 5 months late.

- ▶ These placement decisions involved 11 children and were an average of over 5 months late, with 1 remaining outstanding for almost 9 months. We also observed 3 more such instances, incidental to testing our sampled cases involving 7 children. For 2 of these cases, MDHHS was an average of 4 months late and for the third case 2.5 months late.
- ▶ The 18 children from the 7 sampled cases and the 3 additional cases were all from states that allowed placement with a relative prior to licensure.
- ▶ The MDHHS interstate compact office informed us that its practice was to approve a relative placement request only after licensing the relative because some sending states require relative licensure prior to a placement. However, not all sending states require relatives to complete licensure prior to a placement, and MDHHS's Relative Caregiving Guide indicates that Michigan's licensing process for a foster home takes approximately 3 to 6 months to complete, which could unnecessarily delay placement if licensure is not required.

- ▶ MDHHS's practice to wait until an approved relative was licensed was contrary to MDHHS policy and to the MSA's and ISEP's principles to keep children with relatives in a family-like setting for their well-being.
- We did not note any significant timeliness issues in the 14 expedited and residential facility placement decisions reviewed.

Timeliness and monitoring of placement decisions requested from other states for the placement of Michigan children:

- The interstate compact office did not receive placement decisions within 6 months from other states for 5 (11%) of 45 requests. The placement decisions for these 9 children were received an average of 5 months late.
- We did not note any significant timeliness issues in the 6 expedited and residential facility placement decisions reviewed.
- The interstate compact office typically limited its monitoring of placement decisions to sending a monthly status request e-mail to the caseworker or the applicable out-of-state central compact office.

Why These Conditions Occurred

The ICPC compact administrator did not consistently exercise his mandated authority throughout the State's decentralized child welfare environment to ensure that MDHHS caseworkers timely completed their portion of the placement decision process, and neither MDHHS nor the interstate compact office had defined additional follow-up procedures for overdue placement decisions beyond the monthly status requests.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of the significant exception rates, the importance of timely placement decisions for children who are waiting to be placed, and the average length of time non-expedited placement decisions remained outstanding and because non-expedited cases comprised the vast majority of ICPC cases during the audit period.

RECOMMENDATION

We recommend that MDHHS consistently provide timely placement decisions and strengthen its monitoring of placement decisions for non-expedited requests from other states.

**AGENCY
PRELIMINARY
RESPONSE**

MDHHS provided us with the following response:

MDHHS agrees. MDHHS is in the process or has implemented several corrective actions such as:

- *MDHHS has begun the process to include ICPC functionality in MiSACWIS as well as utilize a new ICPC case management system (NEICE). This will enhance MDHHS' tracking capabilities to ensure timelier placement decisions requested by other states for placement of out-of-state children into Michigan. This will also aid MDHHS in the monitoring of placement decisions requested from other states for out-of-state placements.*
- *MDHHS has modified the ICPC access database to allow for tracking of licensure status in regard to placement decisions pending full ICPC functionality in MiSACWIS and implementation of NEICE. The existing access database report has been enhanced to allow ICPC staff to better monitor receipt of placement decisions and follow up with MDHHS staff (for outgoing decisions) and other states (for incoming decisions) as necessary.*
- *In September of 2016, MDHHS changed its business process to allow for relative placements pending licensure, if permitted by the sending state, which allows for quicker placement of children with relative caregivers.*
- *A centralized email account has been created for ICPC which allows for improved monitoring and tracking of incoming and outgoing ICPC work. MDHHS introduced the new ICPC mailbox address and procedures for communication with ICPC staff during the November 2017 monthly supervisory call. The State ICPC webpage has also been updated with the new email account address.*
- *ICPC began participating in monthly supervisory calls with MDHHS local office supervisors in June of 2017 to provide education and clarification on ICPC requirements, policies and processes, including timely placement decisions. Minutes from these calls are distributed to MDHHS Business Service Center analysts and private agency analysts with instructions to distribute them to MDHHS local office child welfare supervisors and staff and private agency supervisors and staff.*

TRANSFER AND SUPERVISION OF JUVENILES ACROSS STATE LINES

BACKGROUND

The Interstate Compact for Juveniles (ICJ) was created by Public Act 56 of 2003 (Sections 3.691 - 3.692 of the *Michigan Compiled Laws*) to ensure cooperation among states regarding the cooperative supervision or return of juveniles*, delinquents, and status offenders. The ICJ is a uniform law that has been enacted by all 50 states, the District of Columbia, and the U.S. Virgin Islands. The joint and cooperative action among the ICJ states helps to:

- Ensure that the adjudicated juveniles and status offenders subject to the ICJ are provided adequate supervision and services in the receiving state as ordered by the adjudicating judge or parole authority in the sending state.
- Ensure that the public safety interests of the citizens, including the victims of juvenile offenders, in both the sending and receiving states are adequately protected.
- Return juveniles who have run away, absconded, or escaped from supervision or control or have been accused of an offense to the state requesting their return.
- Provide for the effective tracking and supervision of juveniles.
- Establish procedures to manage the movement between states of juvenile offenders released to the community under the jurisdiction of courts, juvenile departments, or any other criminal or juvenile justice agency which has jurisdiction over juvenile offenders.
- Ensure immediate notice to jurisdictions where defined offenders are authorized to travel or to relocate across state lines.

The *Michigan Compiled Laws* provide authority to designate a compact administrator who is responsible for the administration and management of the State's supervision and transfer of juveniles. The compact administrator, and designee(s), acts as the central point of contact where all communication between states on ICJ issues shall be transmitted. The *Michigan Compiled Laws* also require the compact administrator to monitor compliance with rules governing interstate movement of juveniles and to initiate interventions to address and correct

* See glossary at end of report for definition.

noncompliance. Organizationally, the ICJ compact administrator and designees are located within the MDHHS interstate compact office.

The family division staff of the circuit courts located in Michigan's 83 counties are often responsible for carrying out activities related to the transfer and supervision of juveniles across state lines in compliance with the ICJ. In addition to court staff, MDHHS local county office child welfare caseworkers and contracted agencies perform duties related to the transfer and supervision of juveniles, such as conducting home evaluations and face-to-face visits with juveniles and preparing progress reports.

ICJ rules indicate that the agency with legal custody of a juvenile must initiate a request to transfer supervision of a juvenile across state lines through the applicable office that handles a state's ICJ activities. A sending state submits a referral to the receiving state, and the receiving state completes the related home evaluation and provides the sending state a final approval or disapproval. The sending state maintains responsibility until supervision is accepted by, and the juvenile has arrived in, the receiving state. The receiving state then assumes supervision duties for the juvenile.

MDHHS policy requires caseworkers to complete monthly visits with supervised juveniles. ICJ rules also require that the receiving state furnish written progress reports to the sending state on no less than a quarterly basis while the juvenile remains under supervision. When the receiving state closes a juvenile's supervision case, it must notify the sending state's central compact office that supervision by the receiving state is no longer required.

The ICJ also provides for notification between states when juveniles are temporarily authorized to transfer across state lines through the use of travel permits* and helps states communicate to facilitate the return of juveniles who have run away, absconded, or escaped or have been accused of an offense.

From October 1, 2012 through March 10, 2016, the MDHHS interstate compact office handled a total of 878 cases for out-of-state juveniles and a total of 371 cases for Michigan juveniles. The 878 out-of-state cases included 424 requests for transfer of supervision to Michigan, 50 return-to-state cases, and 404 travel requests. The 371 Michigan juvenile cases included 72 requests for transfer of supervision to other states, 126 return-to-state cases, and 173 travel requests.

* See glossary at end of report for definition.

AUDIT OBJECTIVE

To assess the effectiveness of MDHHS's efforts to ensure the appropriate transfer and supervision of juveniles across state lines.

CONCLUSION

Moderately effective.

**FACTORS
IMPACTING
CONCLUSION**

- MDHHS conducted an ICJ home evaluation for all sampled requests received from other states for juveniles relocating to Michigan and timely completed 85% of the requests. The remaining 15% ranged from 2 to 16 days late.
- MDHHS received 92% of requested home evaluations for sampled Michigan juveniles relocating to another state timely or received an explanation for a delay.
- MDHHS timely submitted referrals for supervision to receiving states or maintained sufficient documentation to explain delays for 92% of sampled referrals.
- MDHHS prepared and timely submitted 91% of the sampled quarterly progress reports to the sending states for juveniles who were being supervised in Michigan.
- The MDHHS interstate compact office implemented a new policy during the audit period to ensure that supervising agencies confirmed juveniles' return to Michigan from travel status. MDHHS had confirmed that all juveniles in travel status after the date the policy was implemented returned to Michigan when their travel was completed.
- The MDHHS interstate compact office implemented a new policy during the audit period for routing incoming travel permits to the appropriate MDHHS local county office. The interstate compact office appropriately forwarded travel permits to the applicable local county office for 80% of juveniles on travel permits to Michigan after the policy was implemented.
- Material conditions related to:
 - Completing criminal history and Central Registry checks for relocating juveniles across state lines (Finding #4).
 - Conducting monthly face-to-face visits with out-of-state juveniles placed in Michigan (Finding #5).
 - Monitoring family divisions of the circuit courts' compliance with the terms of the ICJ and improving the training and education plan for court officials (Finding #6).

FINDING #4

Improvements needed to ensure that home evaluations consistently include background checks for adults living in proposed residences prior to relocating juveniles.

MDHHS did not always ensure that the home evaluations conducted for relocating juveniles across state lines included criminal history and Central Registry checks for all adults living within the proposed residence. These background checks help states assess whether a juvenile's planned relocation is in the best interest of the juvenile.

Requirements

- ICJ rules require a state to request a home evaluation when relocating a juvenile to another state for supervision.
- MDHHS policy requires caseworkers to obtain a criminal history check and a Central Registry check on all adult household members of a proposed Michigan residence.
- Prior to January 1, 2016, MDHHS policy required local county offices and the family divisions of the circuit courts to request that receiving states conduct criminal history and Central Registry checks on all adult household members of a proposed residence.

Tests Performed

We sampled 56 home evaluations that MDHHS completed at the request of other states from October 1, 2012 through March 10, 2016. MDHHS identified a total of 118 adults residing in the proposed Michigan residences. In addition, we sampled 12 home evaluations from the same period that MDHHS requested from other states. We reviewed the sampled records to determine whether MDHHS had obtained the appropriate criminal history and Central Registry checks during its home evaluations and had requested that receiving states conduct the checks during their home evaluations.

Results

MDHHS obtaining criminal history checks:

- MDHHS did not obtain criminal history checks for 84 (71%) of the 118 adults residing in 39 (70%) of the proposed homes for juveniles relocating to Michigan. MDHHS subsequently obtained criminal history checks for 21 of these 84 adults; however, it was between 14 days and over 2 years after MDHHS had completed the corresponding home evaluations:

- ▶ We used the Michigan Department of State Police's Internet Criminal History Access Tool (ICHAT) to help assess the criminal history records of the 63 adult household members not checked. For 37 members, the results did not disclose any felony convictions that would have prevented placement. For the remaining 26 adults, MDHHS did not maintain sufficient identity information, such as the adult's full name and date of birth, to allow for an ICHAT records check.

MDHHS did not obtain criminal history checks for over 70% of the adults residing in the proposed homes for sampled juveniles relocating to Michigan.

Why This Occurred

MDHHS informed us that not all caseworkers may have been aware of the requirement to conduct the criminal history checks for all adult household members. The MDHHS interstate compact office also informed us that it may not have always immediately followed up with the caseworker if it noted during its review of a completed home evaluation that a criminal history check had not been completed.

MDHHS could not demonstrate that it had completed a Central Registry check for 87% of the identified adults in the sampled home evaluations for juveniles relocating to Michigan.

MDHHS conducting Central Registry checks:

- MDHHS could not demonstrate that 50 (89%) of the 56 home evaluations that MDHHS completed included a Central Registry check for 103 (87%) of the 118 identified adult household members in the proposed homes for juveniles relocating to Michigan:
 - ▶ We reviewed the Central Registry for 96 of the 103 adults and determined that 1 juvenile was placed in a home with an adult that was listed in the Central Registry as an identified perpetrator of child abuse and/or neglect. In addition, MDHHS had placed 2 juveniles in homes with an adult household member that was listed in the Central Registry as a previous perpetrator of improper supervision of these same juveniles. MDHHS did not maintain sufficient identity information in its records, such as the full name and date of birth, of the remaining 7 adults; therefore, we were unable to conduct checks.

Michigan's supervision for all 3 of the juveniles discussed in the preceding paragraph had terminated at the time of our case file testing. We noted that MDHHS had conducted multiple face-to-face visits with 2 of the juveniles during their supervision. We also noted that MDHHS attempted a contact with the other juvenile 20 days after supervision commenced; however, the juvenile could not be located. MDHHS immediately notified the sending state, filed a violation report*, and closed the supervision case as permitted by ICJ rules.

Why This Occurred

MDHHS informed us that not all caseworkers may have been aware of the requirement to conduct the Central Registry checks. In addition, although MDHHS policy requires that a Central Registry check be performed, MDHHS does not specify where or how the caseworker should document the results of the check. The MDHHS interstate compact office also informed us that it may not have always immediately followed up with

* See glossary at end of report for definition.

caseworkers during its review of the completed home evaluation if a Central Registry check had not been completed.

MDHHS requesting that other states conduct background checks:

MDHHS did not request that other states conduct criminal history and/or Central Registry checks for adult household members during the home evaluation process for Michigan juveniles who were relocating to other states.

- MDHHS did not request that other states complete a criminal history check and a Central Registry check on adult household members for the 12 sampled home evaluations for juveniles relocating from Michigan to other states. None of MDHHS's records contained documentation that it had requested the criminal history and Central Registry checks. All of the requests that we reviewed were made prior to January 1, 2016:
 - ▶ We surveyed the 12 other states to determine if they had conducted criminal history or Central Registry checks as a part of the home evaluations. Nine states responded to our survey and confirmed that the home evaluations did not include a criminal history or a Central Registry check for the adult household members. Three states did not respond.

Why This Occurred

MDHHS updated its policy on January 1, 2016 to no longer require a request for other states to conduct criminal history and Central Registry checks on all adult household members when completing a home evaluation. MDHHS indicated that the change was because ICJ rules do not require these checks. In contrast, MDHHS continues to require Michigan's local county caseworkers to complete the checks when performing the home evaluations requested by other states because MDHHS considers the background checks an important component of a home evaluation.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of the considerable exception rates and the potential safety risks to juveniles.

RECOMMENDATIONS

We recommend that MDHHS ensure that the home evaluations conducted for relocating out-of-state juveniles into Michigan include criminal history and Central Registry checks for all of the adults living in the proposed residence.

We also recommend that MDHHS reevaluate the risks associated with discontinuing its practice to request that the home evaluations conducted for the relocation of Michigan's juveniles to other states include criminal history and Central Registry checks for all adults living in the proposed residence.

**AGENCY
PRELIMINARY
RESPONSE**

MDHHS provided us with the following response:

MDHHS agrees. MDHHS is in the process or has implemented several corrective actions such as:

- *MDHHS elected to remove the policy requirement for checks on outgoing referrals as there was no legal basis for them and not all states have registries; therefore, MDHHS cannot enforce requests of other states. Beginning in February of 2017, MDHHS resumed making requests for criminal history and Central Registry checks for out-of-state placement requests for Michigan juveniles.*
- *MDHHS issued an ICJ program instruction in March 2017 describing criminal history and Central Registry check requirements for out-of-state juveniles coming into Michigan, which augmented ICJ policy updated in January of 2016. MDHHS began internal monitoring for applicable checks following issuance of the program instruction.*
- *ICJ began participating in monthly supervisory calls with MDHHS local office supervisors in June of 2017 to provide education and clarification on ICJ requirements, policies and processes. Minutes from these calls are distributed to MDHHS Business Service Center analysts and private agency analysts with instructions to distribute them to MDHHS local office child welfare supervisors and staff and private agency supervisors and staff.*
- *MDHHS will revise policy to incorporate the Program Instruction regarding documentation requirements.*

FINDING #5

Improvements needed in conducting monthly face-to-face visits with out-of-state juveniles placed in Michigan.

MDHHS did not conduct over 20% of the required monthly visits with sampled juveniles.

MDHHS did not always conduct monthly face-to-face visits with out-of-state juveniles placed in Michigan or conduct visits within the juveniles' homes every other month. Maintaining regular contact helps MDHHS to consistently monitor a juvenile's progress toward meeting the goals outlined in the juvenile's service plan and helps to ensure the continued suitability of the home for the juvenile and the community.

Requirements

- ICJ rules require MDHHS to use the same standards of supervision that prevail for its own juveniles when supervising juveniles sent from other states.
- MDHHS policy requires caseworkers to conduct monthly face-to-face visits with juveniles and to conduct the visit in the juvenile's home at least every other month.

Tests Performed

We reviewed MDHHS's records for 48 sampled out-of-state juveniles placed in Michigan to determine if MDHHS met the requirements for face-to-face visits. MDHHS was required to conduct 383 face-to-face visits with the 48 juveniles from October 2012 through February 2016.

Results

- MDHHS did not conduct a total of 90 (23%) of the 383 required monthly visits. These 90 missed visits reflected that:
 - ▶ 23 (48%) of the 48 sampled juveniles missed at least one monthly visit. MDHHS missed between 1 and 14 required visits with each of these 23 juveniles.
 - ▶ 4 (8%) of the 48 sampled juveniles received no monthly visits. MDHHS was required to conduct between 1 and 5 monthly visits with each of these 4 juveniles.
- MDHHS did not conduct in-home visits every other month for 5 (10%) of the sampled juveniles. MDHHS was not in the home of these juveniles for 2 to 9 consecutive months.

Why These Conditions Occurred

The ICJ compact administrator did not always exercise his mandated authority throughout the State's decentralized child welfare environment to ensure that MDHHS caseworkers consistently conducted monthly face-to-face visits with out-of-state juveniles placed in Michigan. In addition, the ICJ compact administrator had not established a monitoring process within the MDHHS interstate compact office to help ensure that the required monthly face-to-face visits had occurred with juveniles.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of the critical role of face-to-face contact with juveniles; the significant exception rate related to the number of missed visits with juveniles; the percentage of sampled juveniles with missed face-to-face visits, including some juveniles who received no monthly visits from MDHHS; and the potential impact of irregular or nonexistent face-to-face contact with juveniles on MDHHS's ability to ensure the ongoing safety of the juvenile and the community.

RECOMMENDATION

We recommend that MDHHS conduct monthly face-to-face visits with out-of-state juveniles placed in Michigan and conduct visits within the juveniles' homes every other month.

**AGENCY
PRELIMINARY
RESPONSE**

MDHHS provided us with the following response:

MDHHS agrees. MDHHS is in the process or has implemented several corrective actions such as:

- An ICJ Program Instruction was issued in February 2017 to address visit requirements. MDHHS began reviewing monthly visits within MiSACWIS in March 2017 with results being tracked on a spreadsheet for internal monitoring. MDHHS Children's Service Agency issued a communication in November 2017 regarding visit requirements, which reached a broader audience than the program instruction.*
- ICJ began participating in monthly supervisory calls with MDHHS local office supervisors in June of 2017 to provide education and clarification on ICJ requirements, policies and processes. Minutes from these calls are distributed to MDHHS Business Service Center analysts and private agency analysts with instructions to distribute them to MDHHS local office child welfare supervisors and staff and private agency supervisors and staff.*
- MDHHS is in the process of developing a MiSACWIS change control request to include system alerts for ICJ cases which will prompt workers and/or supervisors regarding visits.*

FINDING #6

Improvement needed in monitoring and training family division staff and court officials.

The ICJ compact administrator needs to improve the monitoring of the family divisions of the circuit courts' compliance with the ICJ. In addition, the compact administrator needs to improve Michigan's training and education plan for court officials regarding the regulation of interstate movement of juveniles. These improvements would increase the likelihood that juveniles are consistently and appropriately transferred across state lines in compliance with the intent and rules of the ICJ, that noncompliance is identified and timely corrected, and that the public safety interests of victims and the community are protected.

Organizationally, the ICJ compact administrator is located within the MDHHS interstate compact office; however, it is the family division staff of the circuit courts located in Michigan's 83 counties that are often responsible for carrying out activities related to the transfer and supervision of juveniles across state lines in compliance with the ICJ.

Requirements

The *Michigan Compiled Laws* indicate that the State's compact administrator is responsible for:

- The administration and management of the State's supervision and transfer of juveniles subject to the terms of the ICJ.
- The rules adopted by the Interstate Commission for Juveniles.
- Policies adopted by the Michigan State Council for Interstate Juvenile Supervision (MSCIJS) under the ICJ.

The *Michigan Compiled Laws* also require the courts and MDHHS to enforce the ICJ and take all actions necessary and appropriate to effectuate the ICJ's purpose and intent. Some of the mandated purposes of the ICJ are to:

- Monitor compliance with rules governing interstate movement of juveniles and initiate interventions to address and correct noncompliance.
- Ensure immediate notice to jurisdictions where defined offenders are authorized to travel or to relocate across state lines.
- Coordinate training and education regarding the regulation of interstate movement of juveniles for officials involved in such activity.

Tests Performed

We interviewed the compact administrator and selected court staff regarding the monitoring of courts and their compliance with certain terms of the ICJ. We also reviewed a random sample of juveniles authorized to travel or relocate across state

lines. In addition, we analyzed the results of an MSCIJS-requested survey of the courts' staff regarding their general awareness of ICJ processes and educational resources.

Results

Monitoring of courts' compliance with terms of the ICJ:

- The ICJ compact administrator had not established a process to monitor the courts:
 - We judgmentally surveyed 4 Michigan courts in counties that border other states. Three of the 4 courts indicated some level of noncompliance with ICJ rules, such as following verbal agreements with courts in other states instead of working through the MDHHS interstate compact office and not consistently using travel permits for juveniles who travel to other states.
 - We sampled 9 cases for Michigan juveniles who transferred across state lines from October 1, 2012 through March 10, 2016. All of the cases discussed below are from additional courts other than the 3 that indicated some level of noncompliance with ICJ rules. We noted:
 - ▶ For 3 (33%) of 9 juveniles, the courts did not notify the MDHHS interstate compact office prior to the juvenile's movement to another state. Also, for 1 juvenile, the interstate compact office did not immediately notify the receiving state when it received the referral from the court. These 3 juveniles were in the receiving states an average of 92 days prior to the notification. Two of the juveniles were adjudicated sex offenders and were in the receiving states for 38 and 95 days prior to notification. For 2 of the juveniles, the responsible courts maintained documentation to support that the courts had supervised the juveniles during the time between the juveniles' movement and the receiving state's acceptance of supervision.
 - ▶ For 2 (22%) of 9 juveniles, the courts did not maintain documentation to support that they had supervised the juveniles prior to the receiving state's acceptance of supervision. These 2 juveniles were adjudicated for a traffic incident causing death and joyriding and lived in the receiving states for 47 and 178 days, respectively, prior to the receiving states accepting supervision.

Three of the 4 courts surveyed in counties that border other states indicated some level of noncompliance with ICJ rules.

The courts did not properly notify the MDHHS interstate compact office prior to the juvenile's movement into another state for 33% of sampled cases.

Why This Occurred

The courts informed us that they were not always aware of certain ICJ requirements or that they elected to use different measures for border counties because of the close proximity and the ease of using alternative measures.

Training and education of court officials:

- The ICJ compact administrator had not fully developed a training and education plan for court officials.

We obtained a survey of court staff requested by the MSCIJS to evaluate the courts' awareness of ICJ processes. ICJ staff within the MDHHS interstate compact office conducted the survey between February 18, 2016 and April 18, 2016. Responses were received from 37 individuals representing 31 (57%) of Michigan's 54 courts. This survey of court judges, probation officers, and court administrators indicated the courts' need and desire for additional training related to ICJ processes and educational resources.

The survey respondents indicated the following:

- 18 (49%) confirmed an interest in additional ICJ training.
- 9 (24%) were not aware that MDHHS has a State ICJ compact administrator who processes and oversees management of all inbound and outbound ICJ cases.
- 13 (35%) were not familiar with the National ICJ Commission Web site and 8 (22%) indicated that they were familiar with the Web site but had never used it. This Web site provides valuable information, such as the purpose of the ICJ, legal requirements, availability of online training, and information about the Juvenile Interstate Data System.
- 15 (41%) were not familiar with the Judge's Toolkit that is available on the National ICJ Commission Web site and 8 (22%) indicated that they were familiar with the Toolkit but had never used it. The Judge's Toolkit is designed to provide quick and easy access to information needed by judges and attorneys involved with ICJ cases.
- 10 (27%) respondents were not familiar with the ICJ rules and the Court Benchbook that are available on the National ICJ Commission Web site and 10 (27%) indicated that they were aware that these resources were available but

A 2016 survey of court judges, probation officers, and court administrators indicated that almost half of all respondents had an interest in additional ICJ training.

had never used them. The ICJ rules are the agreed-upon procedures, and standards between compacting states and the Court Benchbook provides guidance to judges and court personnel to help ensure compliance with ICJ rules.

Why This Occurred

MDHHS informed us that the MDHHS interstate compact office provided training on an informal and as-needed basis only when requested by a court.

Why This Finding Is Considered Material

We consider this finding to be a material condition because of MDHHS's lack of monitoring of the courts' compliance with ICJ rules; the percentage of border courts that acknowledged some level of noncompliance with ICJ rules; the likelihood that border courts carry out a greater number of the interstate transfers of juveniles in Michigan; the insufficient training plan for court staff, coupled with a high level of interest for additional training; and survey respondents' unfamiliarity with available educational resources and tools.

RECOMMENDATIONS

We recommend that the ICJ compact administrator improve the monitoring of the family divisions of the circuit courts' compliance with the ICJ.

We also recommend that the compact administrator improve Michigan's training and education plan for court officials regarding the regulation of interstate movement of juveniles.

AGENCY PRELIMINARY RESPONSE

MDHHS provided us with the following response:

MDHHS partially agrees. MDHHS will work with the courts to establish a process for monitoring ICJ activities and will develop a training protocol; however, MDHHS will need to rely on the State Court Administrative Office (SCAO) to assist with monitoring and ensure compliance. MDHHS is in the process or has implemented several corrective actions such as:

- *MDHHS will work with SCAO to develop a monitoring protocol to track compliance with the ICJ.*
- *MDHHS has developed an ICJ compliance guide and training plan for court officials and will work with SCAO to implement the training plan.*
- *MDHHS will provide training to court staff as delineated in the training plan.*
- *In March of 2017, MDHHS provided input for a probation officer manual for ICJ via the Michigan Judicial Institute. In March of 2017, MDHHS distributed an ICJ Bench Card to SCAO.*

DESCRIPTION

ICPC and ICJ programs, sometimes referred to jointly as the Interstate Compact Programs (ICP) within this report, are located within MDHHS's Children's Services Administration Division. The MDHHS interstate compact office administers ICPC and ICJ activities in Michigan by working with other states' central compact offices, local placement agencies, MDHHS local county offices, and Michigan courts.

The ICPC was created by Public Act 114 of 1984 (Sections 3.711 - 3.717 of the *Michigan Compiled Laws*) to ensure cooperation among states regarding conditions and requirements for interstate placement of children. The ICPC ensures protection and services to children placed across state lines for foster care, adoption, and residential facility placements by establishing procedures to verify that interstate placements are safe, suitable, and able to provide proper care.

From October 1, 2012 through March 10, 2016, the MDHHS interstate compact office received 2,037 case referrals for 2,914 out-of-state children to be placed in Michigan and sent 1,449 case referrals for 2,042 Michigan children to be placed in other states.

The ICJ was created by Public Act 56 of 2003 (Sections 3.691 - 3.692 of the *Michigan Compiled Laws*) to ensure cooperation among states regarding the cooperative supervision or return of juveniles, delinquents, and status offenders. The ICJ governs the movement of delinquent juveniles, on probation or parole, who are traveling across state lines or are placed with a parent, relative, or legal guardian in another state.

From October 1, 2012 through March 10, 2016, the MDHHS interstate compact office handled 878 cases for out-of-state juveniles and 371 cases for Michigan juveniles.

Although both the ICPC and ICJ programs have designated compact administrators, it is important to note that the specific compact administrators for each program are not involved in the day-to-day activities and instead the responsibilities are held by the deputy compact administrators for each program. The MDHHS interstate compact office had four full-time staff as of January 2017.

AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION

AUDIT SCOPE

To examine MDHHS's ICP activities and other records related to the placement of children across state lines, the timeliness of interstate placements, and the transfer and supervision of juveniles across state lines. 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.

Generally accepted government auditing standards require us to report significant constraints imposed upon the audit approach. We encountered 3 issues that necessitate reporting:

1. We experienced a considerable delay in MDHHS providing us access to the Michigan Statewide Automated Child Welfare Information System (MiSACWIS), which contained vital information pertinent to our auditing procedures.
2. We experienced a significant delay in MDHHS providing us access to records that contained needed federal Criminal History Record Information (CHRI) to facilitate our validation of the appropriateness and safety of the homes that were approved for the placement of children and the relocation of juveniles to Michigan.
3. For Michigan children and juveniles relocated in other states, we were unable to obtain CHRI to fully validate the appropriateness and safety of the out-of-State homes. We addressed this impairment by directing our auditing procedures toward examining MDHHS's efforts to obtain, document, and monitor the home studies and evaluations from other states for the placement of children and the relocation of juveniles.

PERIOD

Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered October 1, 2012 through April 30, 2016.

* See glossary at end of report for definition.

METHODOLOGY

We conducted a preliminary survey to gain an understanding of ICP processes, programs, and activities in order to establish our audit objectives, scope, and methodology. During our preliminary survey, we:

- Interviewed MDHHS management and staff.
- Reviewed applicable sections of the *Michigan Compiled Laws*, Michigan administrative rules, ICPC regulations, ICJ rules, and MDHHS policies and procedures related to ICP.
- Analyzed available ICP records, data, and statistics.
- Conducted walk-throughs of MiSACWIS, the Juvenile Interstate Data System, and the ICPC access database as applicable for both ICPC and ICJ operations.
- Contacted other states' central compact offices to inquire about their processes with regard to their interactions with the MDHHS interstate compact office.
- Performed preliminary testing of:
 - Selected ICPC case files to determine if MDHHS complied with select ICPC requirements for sending and receiving cases and to assess the accuracy of the ICPC access database.
 - Selected ICJ case files to determine if MDHHS complied with select ICJ requirements for sending and receiving cases.

OBJECTIVE #1

To assess the effectiveness of MDHHS's efforts to ensure the safe placement of children across state lines.

To accomplish this objective, we:

- Randomly sampled from the population of open and closed ICPC cases from October 1, 2012 through March 10, 2016, consisting of 2,495 cases for out-of-state children to be placed in Michigan and 1,960 cases for Michigan children to be placed in other states. We performed the following audit procedures:
 - Inspected all sampled case files for required documentation and communication.
 - Reviewed 50 sampled cases for out-of-state children with proposed Michigan placements and 41 cases for Michigan children with proposed out-of-state placements to determine if home studies were completed prior to a child's placement.

- Reviewed 30 sampled approved placement cases for out-of-state children placed in Michigan and 16 sampled approved placement cases for Michigan children placed in other states to determine if appropriate criminal history and Central Registry checks were performed prior to placement.
- Performed checks to corroborate the criminal history record assertions documented in sampled home study requests using the Michigan Department of State Police's ICHAT to the extent possible.
- Completed Central Registry checks to help validate the Central Registry record assertions documented in the sampled home study requests.
- Assessed 13 sampled foster home and residential facility placement requests for placements during our audit period in Michigan to determine if the appropriate licensure or waivers were obtained.
- Examined 21 sampled cases for out-of-state children placed in Michigan and 16 sampled cases for Michigan children in out-of-state placements where all case files had placement decisions during our audit period to determine if all required monthly face-to-face visits and progress reports were documented.
- Conducted an overall data analysis of the parental placement population to assess the frequency of parental placement case types. We also contacted 10 judgmentally selected MDHHS local county offices to discuss parental placements and verify policy awareness. Because we judgmentally selected these offices, we could not project our results to the entire population.
- Analyzed 7 judgmentally selected private adoption cases to determine compliance with ICPC regulations. Because we judgmentally selected these cases, we could not project our results to the entire population.
- Conducted analytical review procedures related to placements for the entire population.

We selected random samples to eliminate bias and to enable us to project results to the intended population.

OBJECTIVE #2

To assess whether MDHHS complied with certain required programmatic time frames for the placement of children across state lines.

To accomplish this objective, we:

- Randomly sampled cases from our population of open and closed cases from October 1, 2012 through March 10, 2016, consisting of 2,495 cases for out-of-state children to be placed in Michigan and 1,960 cases for Michigan children to be placed in other states. We performed the following audit procedures:
 - Analyzed 54 sampled cases for out-of-state children with proposed Michigan placements and 44 sampled cases for Michigan children with proposed out-of-state placements to determine the timeliness of home studies conducted during our audit period.
 - Reviewed 61 sampled cases for out-of-state children with proposed Michigan placements and 51 sampled cases for Michigan children with proposed out-of-state placements to determine the timeliness of placement decisions conducted during our audit period.
- Conducted analytical review procedures related to timeliness standards for the entire population.

We selected random samples to eliminate bias and to enable us to project results to the intended population.

OBJECTIVE #3

To assess the effectiveness of MDHHS's efforts to ensure the appropriate transfer and supervision of juveniles across state lines.

To accomplish this objective, we:

- Used various methods, including random sampling, to select cases representative of the population of open and closed ICJ cases from October 1, 2012 through March 10, 2016, consisting of:
 - 424 juvenile transfers of supervision and 404 travel cases for out-of-state juveniles coming into Michigan.
 - 72 juvenile transfers of supervision and 173 travel cases for Michigan juveniles going to other states.

- Performed the following audit procedures:
 - Analyzed 53 cases to assess MDHHS's timeliness in completing the home evaluations requested from other states.
 - Analyzed 13 cases to determine if the MDHHS interstate compact office timely submitted the referral to the receiving states and that the receiving states timely completed the requested home evaluations.
 - Reviewed 56 home evaluations for out-of-state juveniles with proposed placements in Michigan to assess whether MDHHS completed the appropriate criminal history and Central Registry checks.
 - Conducted criminal history checks using the Michigan Department of State Police's ICHAT for sampled home study requests for which MDHHS had maintained sufficient information necessary to complete the check.
 - Completed Central Registry checks for sampled home study requests for which MDHHS had maintained sufficient information necessary to complete the check.
 - Reviewed 12 home evaluations for the proposed out-of-state placement of Michigan juveniles to determine if MDHHS requested that the appropriate criminal history and Central Registry checks be performed.
 - Inspected case files for 48 juveniles with placements in Michigan to determine if MDHHS timely completed all required monthly face-to-face visits.
 - Reviewed 40 juveniles under Michigan supervision to assess if MDHHS timely prepared and returned all required quarterly progress reports to the sending states.
 - Examined 11 cases to determine if MDHHS confirmed that Michigan juveniles in travel status returned to the State.
 - Reviewed 9 cases to determine if MDHHS sent authorized travel permits or obtained receiving state approval prior to sending juveniles to receiving states.

- Inspected 15 cases for juveniles traveling to Michigan to determine if the MDHHS interstate compact office informed the MDHHS local county offices that juveniles were traveling to their counties.
- Judgmentally selected 4 of 83 Michigan counties and then randomly sampled 16 juvenile court cases from those counties and reviewed the courts' compliance with ICJ policies and procedures for juveniles transferring across state lines.
- Analyzed a survey requested by MSCIJS and conducted by ICJ staff within the MDHHS interstate compact office that inquired about ICJ training needs at the court level.

We selected random samples to eliminate bias and to enable us to project results from those sample items to the intended population. Our judgmentally and nonstatistically selected items could not be used to project results into the entire population.

CONCLUSIONS

We base our conclusions on our audit efforts and any resulting material conditions or reportable conditions*.

When selecting activities or programs for audit, we direct our efforts based on risk and opportunities to improve State government operations. Consequently, we prepare our performance audit reports on an exception basis.

AGENCY RESPONSES

Our audit report contains 6 findings and 9 corresponding recommendations. MDHHS's preliminary response indicates that it agrees with 7 and partially agrees with 2 of the recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion at the end of our fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require an audited agency to develop a plan to comply with the recommendations and to 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.

* See glossary at end of report for definition.

GLOSSARY OF ABBREVIATIONS AND TERMS

adoption	The method provided by state law that establishes the legal relationship of parent and child between persons who are not so related by birth or some other legal determination, with the same mutual rights and obligations that exist between children and their birth parents.
APHSA	American Public Human Services Association.
child	A person who, by reason of minority, is legally subject to parental guardianship or similar control.
child welfare caseworker	A person assigned to manage the cases of dependency children who are in the custody of a public child welfare agency and may include private contract providers of the responsible state agency.
CHRI	federal Criminal History Record Information.
effectiveness	Success in achieving mission and goals.
foster care	Twenty-four-hour-a-day substitute care for children placed away from their parents or guardians and for whom the state agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes.
home study (ICJ)	An evaluation and subsequent report of findings to determine if placement in a proposed and specified resource home/place is in the best interest of the juvenile and the community.
home study (ICPC)	An evaluation of a home environment conducted in accordance with applicable requirements of the state in which the home is located, to determine whether a proposed placement of a child would meet the individual needs of the child, including the child's safety; permanency; health; well-being; and mental, emotional, and physical development.
ICHAT	Internet Criminal History Access Tool.
ICJ	Interstate Compact for Juveniles.

ICP	Interstate Compact Programs.
ICPC	Interstate Compact on the Placement of Children.
Implementation, Sustainability, and Exit Plan (ISEP)	The agreement that supersedes and replaces the July 18, 2011 Modified Settlement Agreement and Consent Order.
juvenile	<p>Any person defined as a juvenile in any member state or by the rules of the Interstate Commission for Juveniles, including:</p> <ul style="list-style-type: none"> • Accused delinquent - A person charged with an offense that, if committed by an adult, would be a criminal offense. • Adjudicated delinquent - A person found to have committed an offense that, if committed by an adult, would be a criminal offense. • Accused status offender - A person charged with an offense that would not be a criminal offense if committed by an adult. • Adjudicated status offender - A person found to have committed an offense that would not be a criminal offense if committed by an adult. • Non-offender - A person in need of supervision who has not been accused or adjudicated as a status offender or delinquent.
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.
MiSACWIS	Michigan Statewide Automated Child Welfare Information System.
Modified Settlement Agreement and Consent Order (MSA)	The resulting agreement from a lawsuit filed by New York-based Children's Rights in which Michigan's child welfare system came under federal oversight in 2008. Michigan renegotiated the original agreement resulting in the modified settlement agreement that took effect on July 18, 2011.
MSCIJS	Michigan State Council for Interstate Juvenile Supervision.

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.
placement	The arrangement for the care of a child in a family free home, in a boarding home, or in a child-caring agency or institution, but does not include any institution caring for the mentally ill, mentally defective, or epileptic or any institution primarily educational in character, and any hospital or other medical facility.
receiving state (ICJ)	A state to which a juvenile is sent for supervision under the provisions of the ICJ.
receiving state (ICPC)	The state to which a child is sent, brought, or caused to be sent or brought, whether by public authorities or private persons or agencies, and whether for placement with state or local public authorities or for placement with private agencies or persons.
relative	An individual who is related to the child within the fifth degree by marriage, blood, or adoption.
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.
residential facility	A facility providing a level of 24-hour, supervised care that is beyond what is needed for assessment or treatment of an acute condition. Residential facilities do not include institutions primarily educational in character, hospitals, or other medical facilities. Residential facilities may also be called by other names, such as group home care, residential treatment center, and child-caring institution.
SCAO	State Court Administrative Office.

sending state (ICJ)	A state that has sent or is in the process of sending a juvenile to another state for supervision under the provisions of the ICJ.
sending state (ICPC)	The state where the sending agency is located, or the state in which the court holds exclusive jurisdiction over a child, which causes, permits, or enables the child to be sent to another state.
supervision report	A report provided by the supervising caseworker in the receiving state. The report contains a written assessment of a child's current placement, school performance, and health and medical status; a description of any unmet needs; and a recommendation regarding continuation of the placement.
travel permit	Written permission granted to a juvenile authorizing the juvenile to temporarily travel from one state to another.
violation report	A report sent from the receiving state to the sending state's central compact office when a juvenile cannot be located which includes the juvenile's last known address and telephone number, date of the juvenile's last personal contact with the supervising agent, details regarding how the supervising agent determined the juvenile to be an absconder, and any pending charges in the receiving state.



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