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

Monitoring of Selected Child Welfare Caseloads

Michigan Department of Health and Human Services

September 2026

491-2785-18F

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.

The auditor general may make investigations pertinent to the conduct of audits.

Article IV, Section 53 of the Michigan Constitution

OAG
Office of the Auditor General

Report Summary

Follow-Up Report
Monitoring of Selected Child Welfare Caseloads
Michigan Department of Health and Human Services (MDHHS)

Report Number:
491-2785-18F

Released:
September 2026

We conducted this follow-up to determine whether MDHHS had taken appropriate corrective measures in response to the three material conditions noted in our June 2021 audit report.

Prior Audit Information	Follow-Up Results		
	Conclusion	**Finding**	**Agency Preliminary Response**
Finding 1 - Material condition Improvement needed to ensure correction of identified caseload issues. Agency disagreed.	Not complied	Material condition still exists. See Finding 1.	Disagrees
Finding 2 - Material condition Monitoring of secondary and courtesy case assignments needed. Agency disagreed.	Not complied	Material condition still exists. See Finding 2.	Disagrees
Finding 3 - Material condition Improved monitoring of case assignment movement between caseworkers needed. Agency agreed.	Complied	Not applicable.	

Obtain Audit Reports

Online: audgen.michigan.gov

Phone: (517) 334-8050

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

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General

OAG
Office of the Auditor General

Doug A. Ringler, CPA, CIA
Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

September 29, 2026

Amy Epkey, Acting Director
Michigan Department of Health and Human Services
South Grand Building
Lansing, Michigan

Acting Director Epkey:

This is our follow-up report on the three material conditions (Findings 1 through 3) and three corresponding recommendations reported in the performance audit of Monitoring of Selected Child Welfare Caseloads, Michigan Department of Health and Human Services. That audit report was issued and distributed in June 2021.

Your agency provided preliminary responses to the follow-up recommendations included in this report. The *Michigan Compiled Laws* require an audited agency to develop a plan to comply with the recommendations and submit it to the State Budget Office (SBO) upon audit completion. State administrative procedures require the audited agency to develop the plan as early as practicable and within 60 days after report issuance and submit the plan to the Office of Internal Audit Services (OIAS), SBO. Within 30 days of receipt, OIAS will either accept the plan as final or contact the agency to take additional steps to finalize the plan.

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

Sincerely,

Doug Ringler

Doug Ringler
Auditor General

This Page Left Intentionally Blank

TABLE OF CONTENTS

MONITORING OF SELECTED CHILD WELFARE CASELOADS

INTRODUCTION, PURPOSE OF FOLLOW-UP, AND AGENCY DESCRIPTION

INTRODUCTION

This report contains the results of our follow-up of the three material conditions* (Findings 1 through 3) and three corresponding recommendations reported in our performance audit* of the Monitoring of Selected Child Welfare Caseloads, Michigan Department of Health and Human Services (MDHHS), issued in June 2021.

PURPOSE OF FOLLOW-UP

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

AGENCY DESCRIPTION

MDHHS's Children's Services Agency (CSA) administers the State's child welfare programs and has primary responsibility for caseload* monitoring and oversight. MDHHS has established maximum caseload limits for nearly 4,000 child welfare staff* who perform critical tasks related to children's protective services* (CPS), foster care*, adoption, and child welfare licensing throughout the State. Child welfare staff comprise both MDHHS local county office staff and private child placing agency* (CPA) staff. MDHHS has a standard that 95% of child welfare staff caseloads comply with its established maximum caseload limits. As of January 31, 2026, there were 36,000 active child welfare cases in Michigan Statewide Automated Child Welfare Information System (MiSACWIS).

MDHHS's central office (see supplemental information - Distribution of MDHHS Central Office's Weekly Caseload Compliance Report on page 19):

- Compiles weekly caseload compliance reports*.

  These reports are MDHHS's primary caseload monitoring tool, contain Statewide and local child welfare agency* (local agency) level caseload information from MiSACWIS, and are provided to local agencies. The information is provided to local agencies either directly or through the appropriate MDHHS Business Service Center* (BSC) and includes, but is not limited to, the agency's child welfare caseload compliance rate for each assignment type and the number of cases without an assigned primary caseworker. MDHHS's central office relies on each local agency to monitor and manage caseloads at the local level.

- Calculates and determines compliance with its established caseload maximums.

** See glossary at end of report for definition.*

These calculations are based on staff caseloads on MDHHS official caseload count days* that occur approximately six times each year on preestablished dates publicized to all local agencies months in advance. On count days, MDHHS collects caseload assignment data for all child welfare staff with primary assignments* for the calculation of Statewide compliance rates with the established caseload maximums. Child welfare staff may also have secondary assignments* and/or courtesy assignments*; however, only primary case assignments are considered when calculating child welfare staff caseloads.

As of our June 2021 audit report, MDHHS remained under federal court-mandated* oversight and monitoring related to Michigan's ongoing child welfare reform efforts. The court's oversight and monitoring focused on MDHHS's compliance with numerous commitments associated with improving the safety, permanency, and well-being of children served by Michigan's child welfare system, including several related to child welfare staff caseloads. As of January 25, 2024, many of the commitments associated with child welfare staff caseloads were removed from the federal court's ongoing oversight and monitoring. Therefore, in the absence of court-mandated oversight and monitoring, it is increasingly important for MDHHS to ensure its internal monitoring and oversight processes are sufficient to address its responsibilities and effectively identify and resolve child welfare caseload assignment issues.

Neither our June 2021 audit nor our follow-up procedures were directed toward concluding on:

- MDHHS's operations related to the federal court-mandated oversight and monitoring of child welfare staff caseloads.
- The reasonableness of MDHHS's maximum caseload standards requirements it established based on the federal court-mandated requirements.

* *See glossary at end of report for definition.*

PRIOR AUDIT FINDINGS AND RECOMMENDATIONS; AGENCY PLAN TO COMPLY; AND FOLLOW-UP CONCLUSIONS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

FINDING 1

Audit Finding Classification: Material condition.

Summary of the June 2021 Finding:
MDHHS's central office consistently notified local agencies of identified caseload noncompliance issues; however, it did not require local agencies to provide their planned and/or completed corrective action(s) to address identified caseload noncompliance issues. Doing so would increase MDHHS central office's ability to ensure the appropriate and timely resolution of known caseload issues, thereby strengthening the support and services provided to children and families in Michigan's child welfare system.

Effective caseload monitoring procedures are essential for child welfare agencies to consistently meet their missions, and professional guidance supports that procedures to assess corrective action for appropriateness, implementation, and impact are essential for complete and effective monitoring.

MDHHS's central office compiles weekly caseload compliance reports for its federal caseload monitoring activities and distributes the reports to local agencies, as applicable. The reports identify, among other things, the agency's child welfare caseload compliance rate for each assignment type, case listing by caseworker, and cases that are not assigned to a primary caseworker.

Specifically, we noted:

- 40% of the 25 sampled child welfare cases did not have a primary caseworker assigned to the case, as required, for an average of 15 weeks, ranging from 2 to 61 weeks.
- 27% of the 15 sampled foster home* providers did not have a primary caseworker assigned, as required, for an average of 68 weeks, ranging from 55 to 86 weeks.

MDHHS management informed us it did not have a formalized procedure requiring local agencies to report corrective actions to MDHHS's central office and relied on various informal practices and communication channels, principally at the local level, to address compliance issues identified in the weekly caseload reports and ensure appropriate corrective action was taken.

Recommendation Reported in June 2021:
We recommended MDHHS's central office require local agencies to provide MDHHS's central office the agency's planned and/or completed corrective action(s) to address the caseload

** See glossary at end of report for definition.*

noncompliance issues identified in MDHHS's weekly caseload compliance reports.

AGENCY PLAN TO COMPLY*

MDHHS's June 16, 2022 final corrective action plan:

- Indicated it disagreed with our recommendation and did not plan to implement corrective actions.
- Confirmed its weekly caseload count report process does not include formal procedures for agencies to report all compliance issues or actions taken to central office.
- Asserted:
    - MDHHS's BSC and Division of Continuous Quality Improvement analysts send weekly caseload reports to all agencies and work independently with each agency, as needed. Each BSC and agency has their own extensive practices to address compliance issues and ensure action is taken to mitigate any identified concerns.
    - Informal communication between local agencies and the Data Management Unit (DMU) occurs to troubleshoot compliance issues.
    - Case assignment design and functionality will be an area of focus in the development of the new Comprehensive Child Welfare Information System (CCWIS).
    - Caseload oversight and monitoring of compliance is a shared responsibility of the MDHHS CSA, along with regional BSCs, local offices, and private agencies.
    - Caseload details are communicated to the executive director of the CSA within a weekly director's report and reviewed for overall compliance.

FOLLOW-UP CONCLUSION

Not complied. A material condition still exists.

To assess the potential impact of MDHHS not implementing corrective action to address our June 2021 audit recommendation, we:

- Analyzed weekly caseload compliance reports prepared by MDHHS's DMU for January 2026 and noted the following identified caseload issues:
    - All 5 of MDHHS's BSCs had improperly assigned cases for all 4 weeks in January 2026, with each

* *See glossary at end of report for definition.*

BSC averaging 12 cases with an unassigned primary worker per week.

    - At the end of the month, approximately 31% of the 87 private agencies had at least one case with an unassigned primary worker, averaging 2 cases each.

- Reviewed the case assignment histories for a sample of 10 child welfare cases we identified as potentially lacking assignment of a primary worker as of January 31, 2026. We noted 2 (20%) had no primary caseworker assigned, as required, for durations of 172 days (5.7 months) and 1,117 days (over 3 years), respectively.

In June 2022 and during our follow-up in mid-2026, MDHHS indicated the new CCWIS will address case assignment issues; however, the planned rollout of CCWIS is not until late 2028.

We still consider this to be a material condition because of:

- The potential negative impacts on children, families, and child welfare staff when known caseload and workload* issues persist and remain uncorrected.

- The importance of MDHHS establishing independent caseload monitoring and management strategies, beyond federal court-mandated requirements, to reinforce and advance ongoing child welfare reform efforts in Michigan.

FOLLOW-UP RECOMMENDATION

We again recommend MDHHS's central office require local agencies to provide MDHHS's central office the agency's planned and/or completed corrective action(s) to address the caseload noncompliance issues identified in MDHHS's weekly caseload compliance reports.

We also recommend MDHHS evaluate the impacts on children, families, and child welfare staff of deferring corrective actions until the planned rollout of CCWIS in late 2028.

FOLLOW-UP AGENCY PRELIMINARY RESPONSE

MDHHS provided us with the following response:

MDHHS disagrees with our follow-up conclusion.

MDHHS does not agree that local child welfare agencies should be required to report their corrective actions to MDHHS central office to address noncompliance issues that are identified in weekly caseload compliance reports. The current process of monitoring caseload compliance begins with the Data Management Unit (DMU) sending out weekly caseload

** See glossary at end of report for definition.*

compliance reports to the Business Service Center (BSC) analysts, private agencies, and the Private Agency Compliance Unit (PACU) for review. Each BSC uses established internal procedures to address compliance issues and ensure timely action.

The PACU reviews weekly compliance reports for the private agencies and notifies them of any cases that appear improperly assigned, with the majority of these cases properly assigned within 24 hours of notification. Private Agency Foster Care (PAFC) agencies have a three-day window to formally accept and assign cases, consistent with PSM 715-4 guidance. During this period, cases may temporarily appear as unassigned in MiSACWIS even though they are actively being processed. If cases are not properly assigned after four days, it is generally linked to individual case circumstances, such as changes in permanency goals or data entry errors. If these situations arise, the PACU works with the private agencies to resolve them.

MiSACWIS case assignments are assigned at a local level within each BSC. Although the system may temporarily show a case as unassigned, this reflects an administrative timing issue within MiSACWIS rather than a service gap. Local office staff provide case management activities and manually assign the cases, ensuring that the children and families receive ongoing support. Development of the new Comprehensive Child Welfare Information System (CCWIS) is underway and implementation remains on track for completion at the end of 2028. Caseworker case assignment design and functionality remain an area of focus in this new system.

To further support MDHHS efforts to maintain caseload compliance, an executive level monthly caseload monitoring meeting was implemented in March 2026. This meeting, led by the CSA director and attended by BSC directors and others in CSA leadership, reviews caseload compliance trends and identifies opportunities for continued improvement.

MDHHS will continue monitoring caseload trends through executive-level meetings to assess any operational concerns that could affect children, families, or staff during the transition to CCWIS. This ongoing evaluation will help ensure that any potential impacts are identified early and mitigated through existing administrative processes, temporary operational adjustments, and collaboration with local offices and private agencies. This approach allows MDHHS to balance the need for continuous quality oversight with the practical realities of system redesign, while ensuring that children and families continue to receive consistent support during the CCWIS development period.

These findings reflect the inherent complexities of ongoing caseload management, including staff turnover, temporary reassignments, system timing delays, and case transitions that

cannot always be synchronized perfectly within weekly reporting periods. As a result, while MDHHS and its contracted agencies strive for the highest possible accuracy and accountability, complete elimination of all assignment discrepancies at all times is not feasible within real-world operational conditions.

AUDITOR'S COMMENTS TO AGENCY PRELIMINARY RESPONSE*

MDHHS disagreed with our June 2021 finding and implemented no corrective actions, as of the end of our fieldwork on January 31, 2026. MDHHS appears to continue to rely on practices and informal procedures existing outside of its central office operations, although CSA, within MDHHS's central office, maintained primary responsibility for departmentwide caseload monitoring and oversight. As we illustrate in our follow-up conclusion, MDHHS's reliance on activities outside of its central office operations did not always ensure local agencies carried out timely and appropriate actions to address identified caseload noncompliance issues. Consequently, our follow-up recommendations remain unchanged.

* *See glossary at end of report for definition.*

FINDING 2

Audit Finding Classification: Material condition.

Summary of the June 2021 Finding:
MDHHS's central office did not include secondary and courtesy case assignments when monitoring child welfare staff caseloads. Consequently, staff often performed work on cases that were not counted when monitoring caseload levels.

Federal Health and Human Services (HHS) Children's Bureau guidance indicates determining the right number and types of cases, assigning cases appropriately to staff, and reviewing and adjusting the types of tasks assigned to caseworkers, in addition to their direct work with families, are all ingredients for ensuring a manageable caseload and overall workload for the employee. In addition, HHS Children's Bureau guidance affirms striving to ensure staff have manageable caseloads and workloads will help them better support families in achieving positive outcomes.

Our review of 214 sampled staff, assigned 3,262 child welfare cases, and the responses to our survey of 2,200 child welfare staff Statewide noted:

- 48% of sampled staff also had secondary cases assigned, with an average of 4 cases per staff person. Although secondary assignments do not constitute full case responsibility, MDHHS informed us secondary assignments may involve:
    - Providing additional support for new caseworkers in training and coverage for pending adjudication matters and short-term annual leave or unexpected sick leave.
    - Completing forms for activities such as initial relative safety screenings and children's foster care relative placement home studies.
    - Conducting special evaluations of peers' cases.
- 14% of sampled staff had courtesy cases assigned, with an average of 2 cases per staff person. Courtesy caseworkers assist with contacts and services for cases outside of the responsible county, for example, if a child is temporarily in a hospital outside of the responsible county.
- 57% of child welfare caseworker* respondents to our survey reported they had been assigned secondary and/or courtesy assignments and they spent an average of 8% and 10% of their time, respectively, on these cases.

* *See glossary at end of report for definition.*

Recommendation Reported in June 2021:
We recommended MDHHS's central office include secondary and courtesy case assignments in its monitoring of child welfare staff caseloads.

AGENCY PLAN TO COMPLY

MDHHS's June 16, 2022 final corrective action plan:

- Indicated it disagreed with our recommendation and did not plan to implement corrective actions.
- Confirmed it agreed neither secondary nor courtesy assignment types were captured in its weekly caseload reports because its agreement with the federal monitors* only required it to measure primary caseload assignments for that purpose.
- Further indicated:
    - For secondary cases, it would not be meaningful to track and monitor secondary assignment types centrally because these assignments are managed at a local level based on local practices and operational need. In addition, local offices have better insight into the various complexities of workloads and case specific needs, allowing them to manage secondary assignments more effectively.
    - For courtesy cases, it conducted an impact analysis to evaluate the use and distribution of these assignments across Michigan using field offices' recorded courtesy case requests and the county requesting assistance for one month (September 2021). MDHHS asserted its assessment of the data confirmed courtesy case assignments are distributed as intended and further oversight specific to courtesy assignments was not needed.

FOLLOW-UP CONCLUSION

Not complied. A material condition still exists.

As of March 2026, MDHHS's policy continued to exclude secondary and courtesy assignments for caseload measurement.

To evaluate the prevalence of secondary and courtesy case assignments, we obtained and analyzed the 36,000 case assignments in MiSACWIS for 2,220 caseworkers as of January 31, 2026. Our analysis noted nearly half of the 1,800 caseworkers with primary case assignments also had

** See glossary at end of report for definition.*

secondary and/or courtesy case assignments not considered in the caseworkers' workload.

We still consider this to be a material condition because of:

- The continued prevalence of secondary and courtesy assignments not included in current caseload monitoring and the resulting impact on caseworkers' overall workloads.
- The potential negative impacts on child welfare staff and the provision of services to children and families in Michigan's child welfare system.
- The importance of MDHHS developing independent caseload monitoring and management strategies to effectively identify and resolve issues with child welfare staff caseload assignments and enhance the State's efforts toward ongoing child welfare reforms.

FOLLOW-UP RECOMMENDATION

We again recommend MDHHS's central office include secondary and courtesy case assignments in its monitoring of child welfare staff caseloads.

FOLLOW-UP AGENCY PRELIMINARY RESPONSE

MDHHS provided us with the following response:

MDHHS disagrees with our follow-up conclusion.

MDHHS has determined that courtesy and secondary assignments do not have a significant impact on caseworker workloads or service delivery and should not be included in the current caseload monitoring process.

MDHHS conducted an impact analysis during 2021 to evaluate the use and distribution of courtesy assignments statewide and the patterns in that review remain consistent with current practice. Courtesy assignments are distributed as intended and are reciprocal across counties, resulting in a balanced distribution of workload. Because counties both request and receive courtesy assistance at comparable levels, additional centralized oversight is not needed. Courtesy assignments are tracked at the local level, where supervisors have the authority to evaluate staff workloads and determine the most appropriate assignment based on current capacity.

Secondary case assignments are used for a multitude of reasons that do not constitute full case responsibility and are often used to provide supplementary support. These assignments typically involve discrete tasks, such as assisting with interstate requirements, supporting case transfers, or providing verification when a child or family is temporarily located in another county.

As such, secondary assignments do not contribute to workload in the same manner as primary cases.

MDHHS has not identified any evidence that excluding courtesy and secondary assignments from caseload monitoring results in negative impacts on children, families, or staff. Maintaining local discretion over courtesy and secondary assignments allows each county to manage responsibilities in a manner that best suits their workflow and service delivery model.

AUDITOR'S COMMENTS TO AGENCY PRELIMINARY RESPONSE

MDHHS disagreed with our June 2021 finding and implemented no corrective action. MDHHS's response again reaffirms secondary and courtesy assignments require a level of work on the part of the assigned caseworker and are commonly used. MDHHS also confirms it last evaluated the Statewide use and distribution of courtesy assignments in 2021 and does not routinely measure the prevalence or ongoing impacts of these assignments on the caseworkers and/or the families they serve. Therefore, our follow-up recommendation remains unchanged.

FINDING 3

Audit Finding Classification: Material condition.

Summary of the June 2021 Finding:
MDHHS's central office did not periodically analyze the movement of case assignments to address the risk that assignments are temporarily moved from one caseworker to another solely to improve caseload compliance rates on count days.

Professional guidance states to effectively manage an organization's fraud risk, detection techniques should be established to uncover potentially improper activity when preventive measures fail or unmitigated risks are realized. In addition, the Children's Rights* and National Center for Youth Law's report on Improving the Child Welfare Workforce recommends agencies expand data collection and analysis and utilize that data to allow for ongoing comparison and improvement.

Our survey of child welfare staff disclosed:

- 17% of the 1,510 caseworker-surveyed respondents indicated they believed one or more of their case assignments had been temporarily moved to another caseworker for the sole purpose of meeting caseload requirements.

- 7% of the 310 supervisor-surveyed respondents admitted they had temporarily moved a case assignment from one caseworker to another for the sole purpose of meeting caseload requirements.

Recommendation Reported in June 2021:
We recommended MDHHS's central office periodically analyze the movement of case assignments to address the risk assignments are temporarily moved between caseworkers solely to improve caseload compliance rates on count days.

AGENCY PLAN TO COMPLY

MDHHS's June 16, 2022 final corrective action plan indicated it had complied with the recommendation. Specifically, MDHHS had:

- Relied on an in-depth review conducted by the Michigan Monitoring Team of allegations of caseload manipulation by MDHHS child welfare supervisors* and staff during Implementation, Sustainability, and Exit Plan (ISEP) reporting periods 12 and 13, covering January to December 2017.

- Conducted a thorough analysis of the movement of cases around a select number of official caseload case days and

* *See glossary at end of report for definition.*

determined further resources or ongoing periodic analysis was not needed because the percentage of cases moved from one worker to another, prior to an official count, and then moved back to the original worker after the count is complete was less than 1%.

- Generated weekly caseload compliance reports to identify areas of improvement and communicated the reports to all field staff and executives.

FOLLOW-UP CONCLUSION

Complied.

We confirmed MDHHS:

- Conducted case movement analyses surrounding the count dates of October 29, 2021 and December 29, 2021, and on a regular cycle from October 2024 through February 2026.

- Analyses consistently identified less than 1% of case movements as moving from one worker to another prior to an official count and moved back to the original worker after the count, during the analyzed time period.

- Provided caseload analyses and weekly caseload reports to MDHHS management for the two periods selected for review from January to April 2026.

We also performed a limited analysis of case movements occurring 1 week prior and after 6 selected count dates between October 31, 2023 and December 30, 2025 and observed results similar to MDHHS's.

SUPPLEMENTAL INFORMATION

UNAUDITED

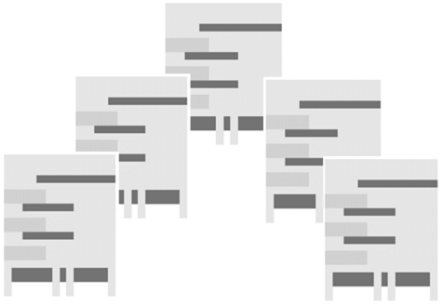
MONITORING OF SELECTED CHILD WELFARE CASELOADS
Michigan Department of Health and Human Services

Distribution of MDHHS Central Office's Weekly Caseload Compliance Report

Distribution Details

MDHHS Central Office

Each week, this office **compiles** the caseload compliance report that contains identified caseload noncompliance issues and **distributes** the report to MDHHS's BSCs and private CPAs. The report omits secondary and courtesy assignments (see Finding 2).



MDHHS Business Service Centers

Each week, the five geographically dispersed BSCs **forward** the caseload compliance report to MDHHS local county offices.

Local Child Welfare Agencies

Private Child Placing Agencies

MDHHS contracts with **100 private child placing agencies** to serve families and children throughout Michigan and oversee **1,300 child welfare staff** in the areas of adoption, foster care, and licensing.

Serves Michigan Families and Children

MDHHS Local County Offices

MDHHS's local county offices serve families and children in Michigan's 83 counties and oversee **3,000 child welfare staff** in the areas of CPS, foster care, and licensing.

Local child welfare agencies are responsible for day-to-day caseload monitoring; however, they are not required to communicate planned and/or completed corrective action(s) to MDHHS central office for noncompliance issues identified on the weekly caseload compliance report (see Finding 1).

Source: The OAG created this exhibit based on interviews with MDHHS's central office and BSC personnel.

FOLLOW-UP METHODOLOGY, PERIOD, AND AGENCY RESPONSES

METHODOLOGY

We reviewed MDHHS's corrective action plan and policies and guidance. We also interviewed MDHHS management to obtain an understanding of its efforts to improve its caseload monitoring procedures. Specifically, for:

- Finding 1, we:
  - Randomly sampled 10 of 366 child welfare cases in MiSACWIS identified as potentially lacking a required primary worker, as of January 31, 2026, to determine whether the absence of primary worker assignment was appropriate.
  - Judgmentally selected January 2026 and analyzed the four corresponding weekly caseload compliance reports to determine whether the reports noted improperly assigned cases and/or caseload noncompliance.
- Finding 2, we:
  - Reviewed MDHHS policies outlining the use of secondary, courtesy, and other assignment types for child welfare cases in MiSACWIS.
  - Analyzed 36,000 case assignments across 2,200 child welfare staff in MiSACWIS as of January 31, 2026 to determine the prevalence of secondary and courtesy case assignments.
  - Reviewed MDHHS's September 2021 analysis of courtesy case assignments to determine how it utilized the information.
- Finding 3, we:
  - Evaluated MDHHS's case movement analysis conducted for the count days of October 29, 2021 and December 29, 2021 and the analyses conducted on a regular cycle from October 2024 through February 2026 to determine:
    - The reasonableness of MDHHS's procedures for detecting potential caseload manipulation around count dates.
    - Whether the analyses covering October 2024 through February 2026 were routed in a timely manner to appropriate levels of MDHHS management for review in January and April of 2026.

- Performed a limited analysis of all case assignments in MiSACWIS for six selected caseload count dates between October 2023 and December 2025 to:

    - Determine the total number of unique worker and child case assignments 6 days before, on, and 6 days after each of the selected count dates.

    - Compare the changes in worker and child combinations for assignments on each of the 3 dates surrounding the 6 selected count dates to determine whether caseload manipulation appeared likely based on the movements.

PERIOD

Our follow-up generally covered October 1, 2023 through January 31, 2026.

AGENCY RESPONSES

Our follow-up report contains 3 recommendations. MDHHS's preliminary response indicates it disagrees with all recommendations.

The agency preliminary response to the follow-up recommendations 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* requires an audited agency to develop a plan to comply with the recommendations and submit it to SBO upon audit completion. The State of Michigan Financial Management Guide (Part VII, Chapter 3, Section 100) requires the audited agency to develop the plan as early as practicable and within 60 days after report issuance and submit the plan to OIAS, SBO. Within 30 days of receipt, OIAS will either accept the plan as final or contact the agency to take additional steps to finalize the plan.

GLOSSARY OF ABBREVIATIONS AND TERMS

agency plan to comply	The response required by Section 18.1462 of the *Michigan Compiled Laws* for an audited agency to develop a plan to comply with Office of the Auditor General audit recommendations and submit the plan to SBO upon audit completion. The State of Michigan Financial Management Guide (Part VII, Chapter 3, Section 100) requires the audited agency to develop the plan as early as practicable and within 60 days after report issuance and submit the plan to the OIAS, SBO. Within 30 days of receipt, OIAS will either accept the plan as final or contact the agency to take additional steps to finalize the plan.
auditor's comments to agency preliminary response	Comments the OAG includes in an audit report to comply with *Government Auditing Standards*. Auditors are required to evaluate the validity of the audited entity's response when it is inconsistent or in conflict with the findings, conclusions, or recommendations. If the auditors disagree with the response, they should explain in the report their reasons for disagreement.
Business Service Center (BSC)	Regional MDHHS administrative units that provide direct support services, such as human resources, accounting, contracts, and purchasing to MDHHS local county offices.
caseload	The number of cases assigned to an individual staff person at a point in time.
caseload count day	Scheduled day on which MDHHS compiles child welfare staff caseload assignments to determine compliance with established caseload standards.
CCWIS	Comprehensive Child Welfare Information System.
child placing agency (CPA)	A governmental organization or private nonprofit agency organized for the purpose of receiving children for placement in a private family home for foster care or adoption. The function of a child placing agency may include investigating applicants for adoption and investigating and certifying foster family home and foster family group homes.
children's protective services (CPS)	Program designed to rectify conditions which threaten the health and safety of children because of actions or inactions of those responsible for their care. These services include: investigation of a child abuse/neglect complaint, determination of the factors of danger to the child and immediate steps to remove the danger, providing or arranging for needed services for the family and child, and, when appropriate, initiation of legal action to protect the child.

Children's Rights	A national advocacy group focused on reforming child welfare systems.
child welfare caseworker	A person employed by either MDHHS or a child placing agency who works on child welfare cases such as adoption, foster care, or child protective services.
child welfare staff	Collective terminology used in this report for child welfare caseworkers and child welfare supervisors.
child welfare supervisor	A supervisor assigned to any caseworker who is responsible for child welfare cases.
courtesy assignment	Designation in MiSACWIS identifying child welfare staff assigned to assist other child welfare staff with case members in another county. Also called a courtesy caseworker.
CSA	Children's Services Agency.
DMU	Data Management Unit.
federal court-mandated	Reform mandated under a court-ordered Modified Settlement Agreement and Consent Order and ISEP.
federal monitors	Court-appointed monitors who monitor and consult on Michigan's efforts to reform the child welfare system by conducting verification activities on an ongoing basis and report to the federal court on progress and compliance with the requirements of the ISEP.
foster care	Twenty-four-hour substitute case for children placed away from their parents or guardians, and for whom MDHHS has placement and care responsibility. This includes, but is not limited to, placements supervised by a licensed private CPA under contract with MDHHS, placements in foster family homes, relative's homes, group homes, emergency shelters, residential facilities, child caring institutions, and pre-adoptive placements. A child is in foster care regardless of whether the foster care facility is licensed and payments are being made for the care of the child, whether adoption assistance payments are being made prior to the finalization of an adoption, or there is federal matching of any payments.

foster family group home	A private home in which more than four but fewer than seven minor children who are not related to an adult member of the household by blood or marriage, who are not placed in the household under the Michigan Adoption Code, or who are not hosted in the private home as provided in the Safe Families for Children Act are given care and supervision for 24 hours a day, for four or more days a week, for two or more consecutive weeks, unattended by a parent, legal guardian, or legal custodian.
foster family home	The private home of an adult who is licensed to provide 24-hour care for 1 but not more than 4 minor children who are placed away from their parent, legal guardian, or legal custodian.
foster home	Foster family home or foster group home.
HHS	U.S. Department of Health and Human Services.
Implementation, Sustainability, and Exit Plan (ISEP)	The agreement that superseded and replaced the July 18, 2011 Modified Settlement Agreement and Consent Order. The July 18, 2011 agreement has been superseded and replaced multiple times with the most recent agreement occurring on January 25, 2024.
local child welfare agency (local agency)	For report purposes, these are local MDHHS county offices and private child placing agencies overseeing and providing child welfare services.
material condition	A matter, in the auditor's judgment, which 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. Our assessment of materiality is in relation to the respective audit objective.
MDHHS	Michigan Department of Health and Human Services.
MiSACWIS	Michigan Statewide Automated Child Welfare Information System.
Modified Settlement Agreement and Consent Order	The resulting agreement from a lawsuit filed by New York-based Children's Rights in which Michigan's child welfare system came under federal court-mandated oversight in 2008. Michigan renegotiated the original agreement resulting in the modified settlement agreement, known as ISEP, that took effect on July 18, 2011.

official caseload count day	Scheduled date for compiling Statewide child welfare caseload counts, which is generally the last workday of February, April, June, August, October, and December.
OIAS	Office of Internal Audit Services.
PACU	Private Agency Compliance Unit.
PAFC	Private agency foster care.
performance audit	An audit which 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.
primary assignment	Designation in MiSACWIS identifying child welfare staff who function as the main person responsible for case management or oversight. Also called the primary caseworker.
PSM	Children's Protective Services Manual.
SBO	State Budget Office.
secondary assignment	Designation in MiSACWIS identifying child welfare staff who provide support and may contribute to case management or oversight. Also called the secondary caseworker.
weekly caseload compliance report	MDHHS report to monitor child welfare caseloads, which includes the caseload compliance report, child welfare supervisor and employee case listing, and improper assignments.
workload	The amount of work required to successfully manage assigned cases and bring them to resolution.

This Page Left Intentionally Blank

This Page Left Intentionally Blank

This Page Left Intentionally Blank

This Page Left Intentionally Blank

Report Fraud/Waste/Abuse

Online: audgen.michigan.gov/report-fraud

Hotline: (517) 334-8070