

REPORT HIGHLIGHTS



CHILD WELFARE

PERFORMANCE AUDIT, OCTOBER 2014

DEPARTMENT OF HUMAN SERVICES

CONCERN

Our audit found deficiencies in the Department of Human Services' (Department) oversight of and guidance for county departments of human/social services, particularly with respect to screening and assessing child abuse and neglect allegations. The audit findings collectively suggest a need for the Department to improve its supervision of the child welfare system to promote strong and consistent practices by the counties to help protect children.

KEY FACTS AND FINDINGS

- **REFERRAL SCREENING.** In our review of 20 screened out referrals and 10 referrals of incidents reviewed by the Child Fatality Review Team, it was unclear that counties had followed statutes and rules to make appropriate screen-out decisions for six referrals. If referrals are inappropriately screened out, the county takes no further action, and children and families may not get the services they need.
- **TIMELINESS OF INITIAL CONTACT.** For 4 of 40 sampled assessments, Trails documentation showed that caseworkers did not interview or observe children involved with child welfare referrals within county-assigned response times.
- **ASSESSMENTS.** The Trails records for all 40 assessments of child safety and risk in our sample did not demonstrate adequate or timely completion of all required elements. For example, 21 risk assessments had incorrect information about families and their histories, and 5 assessments did not identify child safety issues.
- **CHILD FATALITY REVIEW TEAM (CFRT).** The CFRT reviews child fatalities, near fatalities, and egregious incidents of child abuse or neglect. Our review of 18 CFRT reports summarizing reviews of Fiscal Year 2013 incidents found that the CFRT did not always identify violations and did not recommend improvements for about 34 percent of the deficiencies it found related to referral screening and assessments. Further, 75 percent of the CFRT's recommendations for incidents that occurred from Fiscal Years 2011 through 2013 had not been fully implemented as of April 2014.
- **INTERPRETATION OF DEPARTMENT AUTHORITY.** In several instances, the Department established processes to direct or approve counties' not following certain State Board of Human Services rules.
- **COLLABORATIVE MANAGEMENT PROGRAM.** The Department allocated \$1.3 million in incentive fund monies to county programs for Fiscal Year 2013, but lacks processes to ensure that the programs are accomplishing the intent of the Program.
- **DIFFERENTIAL RESPONSE PILOT PROGRAM.** Of 10 sampled referrals that were assessed using an alternative method called differential response, three assessments may have been more appropriate to assign as investigative assessments. The audit found problems with the completeness of Trails documentation for the sampled differential response assessments.

BACKGROUND

- Colorado's child welfare system was established to protect the interests of abused and neglected children, preserve and strengthen family ties, and remove a child from parental custody when the child's welfare and safety are endangered.
- The system is supervised by the State and administered by Colorado's 64 counties.
- In Fiscal Year 2013, counties statewide received about 70,400 referrals of child abuse or neglect and screened in about 28,700 (41 percent) for investigation.
- For Fiscal Year 2015, the Department was appropriated \$448.3 million for child welfare activities. This represents 24 percent of the Department's total Fiscal Year 2015 appropriation of \$1.9 billion.

KEY RECOMMENDATIONS

The audit made 16 recommendations (47 sub-parts) to the Department of Human Services to improve various aspects of the child welfare system. The Department agreed with 31 recommendation sub-parts, partially agreed with 6 recommendation sub-parts, and disagreed with 10 recommendation sub-parts.

OFFICE OF THE STATE AUDITOR
SUMMARY OF FINDINGS RELATED TO THE SMART
GOVERNMENT ACT
CHILD WELFARE PERFORMANCE AUDIT
DEPARTMENT OF HUMAN SERVICES
OCTOBER 2014

The SMART Government Act [Section 2-7-204(5), C.R.S.] requires the State Auditor to annually conduct performance audits of one or more specific programs or services in at least two departments. These audits may include, but are not limited to, the review of:

- The integrity of the department's performance measures audited.
- The accuracy and validity of the department's reported results.
- The overall cost and effectiveness of the audited programs or services in achieving legislative intent and the department's goals.

The child welfare performance audit was selected for focused audit work related to the SMART Government Act. We reviewed the Department of Human Services' (Department's) Fiscal Year 2015 SMART Government Act performance plan and identified one performance measure that was relevant to the scope of the child welfare performance audit. This document outlines our findings related to the integrity and reliability of that performance measure. We have presented our findings as responses to six key questions that can assist legislators and the general public in assessing the value received for the public funds spent on certain child welfare activities by the Department.

What is the purpose of this program/service?

Colorado is one of nine states that operate a state-supervised, county-administered child welfare system. The Department is responsible for administering or supervising all public assistance and welfare activities in Colorado, including child welfare [Section 26-1-111(1), C.R.S.]. The Division of Child Welfare, within the Office of Children, Youth, and Families, provides supervision of and technical assistance to county departments of human/social services, oversees implementation of new

initiatives and child welfare program requirements, and oversees county staff training through the Child Welfare Training Academy. Other Division of Child Welfare responsibilities, which were outside the scope of the child welfare performance audit, involve approving county plans to administer child welfare services and responding to complaints from various stakeholders, as well as permanency and treatment planning, case management, core services, adoption, emergency shelter, out-of-home placement, utilization review, early intervention and prevention, and the youth-in-conflict function [Section 26-5-101(3), C.R.S.].

The Administrative Review Division, within the Office of Performance and Strategic Outcomes, is Colorado's mechanism for providing a federally required case review system and a portion of the quality assurance system for the Division of Child Welfare. This division also administers a statutorily created process for reviewing certain child fatalities, near fatalities, and egregious incidents.

What are the costs to the taxpayer for this program/service?

Child welfare activities are funded through a combination of state general funds and federal funds. For Fiscal Year 2015, the Division of Child Welfare was appropriated \$446 million, and the Administrative Review Division was appropriated \$2.3 million. Combined, this represents 24 percent of the Department's total Fiscal Year 2015 appropriation of \$1.9 billion.

The Division of Child Welfare's Fiscal Year 2015 appropriation included \$346.4 million (78 percent) in state funds (including state general funds, cash funds, and reappropriated funds) and \$99.6 million (22 percent) in federal funds.

How does the Department measure the performance of this program/service?

The Department's Fiscal Year 2015 SMART Government Act performance plan includes 20 performance measures. One of these performance measures, "Timeliness of Assessment Closure," was relevant to the

objectives of the child welfare performance audit. As discussed in CHAPTER 3, this measure determines the percentage of child welfare assessments that are closed within 60 days of the date a county department of human/social services receives a referral alleging child abuse or neglect.

In addition to its SMART Government Act performance measures, the Department has 26 performance measures related to the Division of Child Welfare that it created as part of two voluntary performance management initiatives it launched—C-Stat and the Community Performance Center. We evaluated a subset of these 26 measures that were relevant to the objectives of the child welfare performance audit. C-Stat is a Department-wide performance measurement and management system that began in January 2012. It is designed to analyze performance on a monthly basis using the most current data available to identify processes that need improvement and make informed decisions. The Community Performance Center began in 2014 and is a website that allows the public to review state and county performance based on Department performance measures related to the child welfare system.

Is the Department's approach to performance measurement for this program/service meaningful?

As discussed in CHAPTER 3 of the report, we found that the Department's SMART Government Act measure, "Timeliness of Assessment Closure," is not meaningful because it counts assessments as timely that would not be timely according to rules. The performance measure determines the percentage of child welfare assessments that were closed within 60 days of the referral. However, rules require county caseworkers to complete investigative assessments within 30 days of the referral unless an extension is approved by a supervisor [Section 7.202.57, 12 CCR 2509-3]. We reviewed a sample of 30 investigative assessments and identified six (20 percent) that closed between 30 and 60 days without an approved extension. Given how the performance measure counts timeliness, these six assessments would have been counted as timely in the performance measure. Assessments completed as part of the Differential Response Pilot Program (see CHAPTER 5) must be completed within 60 days. Thus, the SMART Government Act measure does not take into account the deadline of 30

days set in rules for investigative assessments and assumes that any assessments closed between 30 and 60 days were approved for extensions in accordance with rules. The measure is consistent with statute, which allows counties to have 60 days to “submit a report of confirmed child abuse or neglect within sixty days...to the [Department]” [Section 19-3-307(1), C.R.S.].

Additionally, in CHAPTER 2, we identified concerns with the Department’s “Timeliness of Initial Contact” performance measure, which is one of the Department’s C-Stat measures. The measure reflects the percentage of children for whom the caseworker attempted to make initial contact, either successfully or unsuccessfully, with the child within the time requirements set in rule. Statutes and rules [Section 19-3-308(3)(a), C.R.S., and Section 7.202.52, 12 C.C.R. 2509-3] require caseworkers to conduct an initial face-to-face interview with or observation of the child within the assigned response time. Although the Department has set a benchmark that counties attempt to contact children within the assigned response time at least 90 percent of the time, the Department has not established a benchmark for making actual contact. For example, a caseworker making one unsuccessful attempt during a 5-day response time would be considered the same for the purposes of this performance measure as the caseworker actually making contact. Also, the Department reports on “Timeliness of Initial Contact” for C-Stat and the Community Performance Center, but, at the time of our audit, the measure was described inaccurately in both places. As late as July 2014, the Department’s C-Stat results described the measure as the “number of...investigations where the assigned caseworker made initial contact with the [child] within time requirements set in rule...” As of October 2014, the Community Performance Center’s website described this measure as “children interviewed within the time-frames specified in State rule.”

Are the data used to measure performance for this program/service reliable?

We did not identify any concerns with the reliability of the data used to calculate either “Timeliness of Assessment Closure” or “Timeliness of Initial Contact.” We determined that the data were reasonably complete and accurate.

Is this program/service effective in achieving legislative intent and the Department's goals?

Overall, our audit found areas in which the Department should strengthen the guidance it provides to counties and its oversight and measurement of county performance related to referral screening and assessments. The audit identified needed improvements in the following areas: screening reports of child abuse and neglect, timeliness of initial contact, assessment of child safety and risk of future maltreatment, statutory oversight mechanisms, collaborative programs, and the Differential Response Pilot Program. Additionally, the audit identified concerns with the Department's practice of waiving authoritative guidance, which could result in the intent of rules and statutes not being fulfilled.