



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
270 BROADWAY
NEW YORK, NEW YORK 10007

H. CARL McCALL
STATE COMPTROLLER

ROSEMARY SCANLON
DEPUTY COMPTROLLER
FOR THE CITY OF NEW YORK

March 6, 1996

The Honorable Marva L. Hammons
Administrator/Commissioner
New York City Human Resources Administration
250 Church Street - 15th Floor
New York, New York 10013

Re: Follow-up Review of *Children in Foster Care at Voluntary Agencies Not Receiving All Required Services*
(A-18-92), Follow-up Report
No. A-3-96

Dear Commissioner Hammons:

Pursuant to the State Comptroller's audit authority as set forth in the State Constitution, the State Finance Law, and the General Municipal Law, we have reviewed the actions taken by the Child Welfare Administration (CWA) to implement the recommendations from our prior audit report, Children in Foster Care at Voluntary Agencies Not Receiving All Required Services, Report A-18-92 issued May 24, 1994.

We thank the CWA Office of Case Management and the HRA Audit Coordination and CWA Audit Response Units for their assistance and cooperation and the courtesies extended to our auditor during the follow-up review.

The prior audit highlighted shortcomings by voluntary agencies (Agencies) in providing services needed to minimize the stay of each child in foster care and achieve the "permanency planning goal" of either expeditiously returning each child to its natural parents or relatives, or by putting it up for adoption. Furthermore, we observed that CWA did not adequately perform its oversight responsibilities over the Agencies to ensure that they complied with State and City laws, rules and regulations. In this respect, CWA was unable to account for all its foster care case files and documents missing from the files.

*To Reduce Printing Costs, Please Notify the Office of the State Deputy Comptroller
Regarding Deletions or Corrections to Mailing List*

Also, at that time the average case load of 100 cases exceeded the Office of Management and Budget standard of 74 and the in-house goal of 50. Significantly, many children were not included on the Child Care Review System (CCRS, now known as the Child Care Review Service), the tracking mechanism maintained and used by the State to monitor foster care statewide. Consequently, we reported that CCRS is not always reliable as a tool to track the status and needs of foster children.

We made one seven-part recommendation and seven individual recommendations to improve CWA's monitoring efforts to ensure that the Agencies provide the required services necessary for the well-being of foster care children and plan appropriately toward their most reasonable permanent setting.

Counted separately as 14 recommendations, our current review found that one recommendation was partially implemented, one was no longer applicable, and the other 12 were not implemented. The unimplemented recommendations related to major deficiencies.

CWA or its Office of Case Management (OCM):

- C did not always provide Agencies with all essential information pertaining to the foster child (and his or her natural family) prior to placing the child in a foster home;
- C neglected to attend Service Plan Reviews;
- C did not make field visits to the foster care child, foster care parents and natural parents;
- C did not review UCRs (Uniform Case Records) on a timely basis and return them promptly to the Agencies;
- C did not always tell Agencies to wait for approval before implementing requested amendments to the child's service plan;
- C did not facilitate communication between case planning and child planning Agencies, and ensure that each was aware of its responsibilities;
- C did not promptly inform the Agencies of court-approved placement extensions;
- C did not ensure that foster homes had the required State Department of Social Services' Certificate to Board Children before placing children with them;
- C did not use the information it had (either in case files or on CCRS) to remind Agencies when UCRs were due;
- C did not promptly enter each case onto CCRS; and
- C did not periodically reconcile CCRS information to Agency rosters.

The lack of corrective action is inexcusable. Since our audit report was issued, for example, the inability of CWA to account for all its case records was again cited as a material finding of an audit of Federal funds received by the City of New York and contributed to the auditor's determination that it could not issue an unqualified opinion on the City's financial statements. Had our recommendations been fully implemented, the State might not have imposed the substantial sanction for the three years ended December 31, 1993, of \$108.9 million. More importantly, there is still a serious lack of assurance that children in foster care are receiving all required services.

During January 1996, subsequent to the completion of our field work, the Mayor announced that CWA will be transferred into a new agency to be created with new leadership, to confront the challenges of child care in New York City.

Additional background information and details of our findings are contained in the attached Appendix.

We would appreciate a response, indicating the actions taken or planned to address the unresolved matters discussed in this report.

Sincerely,

Rosemary Scanlon

**Follow-up Review
Children in Foster Care at Voluntary
Agencies Not Receiving All Required Services
A-3-96**

Background

The intent of the New York State Child Welfare Reform Act of 1979 is to minimize the stay of a child in foster care. This is achieved by moving the child, swiftly, to a permanent, stable environment. A State Department of Social Services (SDSS) computerized data management system known as the Child Care Review System (CCRS), should show the current status of all children in foster care.

The New York City Child Welfare Administration (CWA), a part of the New York City Human Resources Administration, implements the law for children and their families residing in New York City by providing foster care, adoption, protective, and preventive services. In fiscal 1996, CWA anticipates having 44,452 children living in foster care, accounting for \$765.8 million of its \$1.3 billion budget. Foster care also accounted for most of the 5,463 employees authorized for CWA.

CWA itself administered services for about one-third of the children in foster care. Care to the others was contracted out to voluntary agencies (Agencies). The Agencies were paid \$637.7 million for administering the delivery of these services in fiscal 1995, the latest year for which overall costs were available.

The CWA Office of Case Management is required to oversee the Agencies' performance including compliance with various legal requirements of the Act and State implementing regulations. For example, necessary services must be furnished that accomplish a "permanency planning goal" for each child discharged from foster care to either a parent or legal guardian, discharged to adoption, or discharged to independent living.

A historical record of all services offered or delivered to children in foster care and their families must be maintained in case records in the form required by SDSS, the Uniform Case Record (UCR). Rules and Regulations of the State of New York (State Regulation) requires that three plans be prepared for a child in foster care and for the child's family, the first within 30 days of the case initiation date (30-Day UCR), then at 90 days after the case initiation date (90-Day UCR), and followed by the first Six-Month UCR six months after the case initiation date, with subsequent Six-Month UCRs as long as the child remains in foster care, at six-month intervals.

APPENDIX
Page 2 of 8

In addition, for both voluntary and involuntary foster care placements, CWA prepares various documents required by law for periodic court review, starting with court approval for the initial placement. The law imposes sanctions for failure to meet these court monitoring deadlines; sanctions reduced State aid to the City by over \$108 million for the three-year period from January 1990 through December 1993.

Presently, agencies are paid a contracted administrative rate per child, per day of care until a child is discharged (via adoption, independent living, or reunification with family). At the time of our review, CWA was in the process of implementing a June 1995 revision to the Social Service Law. Under managed care, Agencies receive up-front a lump sum of money per child, calculated using historic daily rates multiplied by a predetermined anticipated number of days in foster care. Managed care also requires CWA case managers and supervisors to visit their assigned Agencies at least one or two days a week to work face-to-face with the Agency caseworker on Service Plan Reviews, with immediate case assessments and decisions. Full implementation of managed care was scheduled for January 1996. However, a court action challenging the program presently blocks the City from compelling all Agencies to adopt managed care.

Our review used the follow-up standards described below for assessing the extent of corrective action, if any:

Implemented - auditee agreed with the recommendation, and we verified that action had been taken to adopt the recommendation or an alternative approach that achieves the same objective.

Partially Implemented - auditee agreed with the recommendation, and we observed that action was in process that would implement the recommendation or the recommendation's objective.

Not Implemented - auditee disagreed with the recommendation or, if it had agreed, there was no evidence of implementation action being taken.

No Longer Applicable - auditee took other action that rendered this recommendation moot.

FOLLOW-UP OBSERVATIONS, BY RECOMMENDATION

The Child Welfare Administration should:

- 1. More closely monitor [volunteer] Agencies to ensure that they comply with all applicable State and City laws, rules and regulations governing both the children in foster care and their families. Steps necessary to help achieve this objective include:**

- C **Providing Agencies with all essential information pertaining to the foster child and his or her natural family prior to placing the child in a foster home.**

Status - Not implemented

Agency Action - CWA asserted that whatever information its case managers know about the child and his or her family is shared with the Agency prior to placing the child. But at two foster care Agencies we were told that CWA generally does not provide them with this essential information, and the little information that they do receive was sometimes inaccurate. One Agency told us that although CWA is required to send it a form with information on the child, instead, the Agency generally obtains the information, completes the form, and forwards it to CWA.

- C **Attending service plan reviews and making field visits to the foster care child, foster parents and natural parents.**

Status - Not implemented.

Agency Action - We have been informed that case managers do not generally attend Service Plan Reviews, allegedly because of high caseloads. However, the new Managed Care initiative requires case managers to attend Service Plan Reviews and to be on site at Agencies three to five times a month. Team supervisors will also be making Agency visits to attend Service Plan Reviews.

- C **Reviewing and either approving or disapproving UCRs [Uniform Case Records] on a timely basis and returning them promptly to Agencies.**

Status - Not implemented.

APPENDIX
Page 4 of 8

Agency Action - The CWA contract with the Agencies provides that CWA should respond to the request for approval for the Six-Month UCR within 30 calendar days from the day of receipt.

Our review of a random sample of 37 Six-Month UCRs approved by case managers of one Team at the Office of Case Management (OCM) showed that the UCR approval time lags ranged from 15 to 64 days, averaging 37 days from the date of receipt. The lags from the date that the UCRs were approved to the date they were entered into CCRS by the Management Information Liaison Unit (MIL) averaged four days but ranged to as much as 16 days in some instances. We could not determine if the UCRs are being returned promptly to the Agencies because the Teams do not log the date the approved copy is returned to the Agency.

C Providing the Agencies with the most current UCRs when children are transferred from one foster care setting to another.

Status - No longer applicable.

Agency Action - The Agency transferring a foster care child to a different level of service at another Agency provides OCM with an UCR Plan Amendment for a change in the foster care setting. Case managers review these forms. Once approved, a copy is sent to and the information is entered into the CCRS by MIL. We could not determine if case managers responded promptly to the Agency's requests for approval because case managers do not log in requests when received or the approved requests returned to the Agency.

C Informing the Agencies not to implement requested amendments to the child's service plan prior to approval.

Status - Not Implemented.

Agency Action - We were unable to verify OCM's position that it has implemented this recommendation. OCM alleges that it reminds the Agency by telephone not to perform amendments to the child's service plan without first securing OCM approval; there are no logs listing such telephone contacts. Also, Agency staff asserted that the Agency initiates the call. OCM then advised us that this recommendation will be addressed when the Managed Care initiative is implemented since case managers will be on-site to monitor Agency actions.

- C **Facilitating communication between case planning and child planning Agencies, and ensuring that each is aware of its responsibilities.**

Status - Not implemented.

Agency Action - OCM told us that this recommendation will also be addressed when the Managed Care initiative is implemented.

- C **Promptly informing the Agencies of the lengths of placement extensions granted by the court.**

Status - Not implemented.

Agency Action - OCM told us that its case managers generally do not attend court hearings where HRA's Office of Legal Affairs represents CWA. Agency caseworkers attend the court hearings and obtain the placement extensions and advise OCM case managers of the decision. In our view, OCM should be securing this data from HRA's legal staff to assure their accuracy.

2. **Ensure that all foster homes have the required State Department of Social Services' Certificate to Board Children before placing children with them.**

Status - Not implemented.

Agency Action - Each week SDSS sends to HRA a tape of the CCRS list of certified foster care homes. However, we learned that children are placed before case workers check that the home has a valid Certificate.

3. **Re-evaluate its staffing priorities to assure that caseworkers' caseloads are within the New York City Office of Management and Budget's standard.**

Status - Partially implemented.

Agency Action - The Office of Management and Budget (OMB) established a revised ratio of 54 cases per caseworker from 74, for both OCM and Adoption Case Management. OCM caseload has slightly improved, down from 115 reported in our initial audit but still above the revised standard, averaging 80 as of July 1995. Monthly reports for 1995 indicated average caseloads from a low of 80 in July to a high of 88 in January.

APPENDIX
Page 6 of 8

The 9,538 family cases involving 18,255 children are not equally distributed among OCM's 119 caseworkers assigned to 22 teams. Our analysis of a team's workload found that the number of cases ranged from a low of 188 to a high of 519. With an OCM average caseload of 80, individual case manager's caseload ranges from a low of 38 to a high of 103 cases.

The fiscal year 1996 budget includes 93 new positions for CWA. Subsequent to the conclusion of our review, 63 new caseworkers and 5 supervisors hired for OCM started training in preparation for the implementation of Managed Care scheduled to begin January 1996, but now blocked by legal action.

4. Prepare a procedures manual for case management.

Status - Not implemented.

Agency Action - OCM currently does not have a formal, indexed, procedure manual to guide case workers. However, OCM reiterates its previous position that it has detailed procedures which cover the responsibilities of case managers. Such procedures include handouts, memos, and procedure sheets distributed to the staff during training. In addition, case managers used the bound Desk Aid as a guide and as a reference document for complying with the requirements of the State Department of Social Services. We repeat this Recommendation considering the plethora of regulations, interpretations and other directions governing the administration of foster care.

5. Locate all missing case files, and the related documents cited in this report, and improve its filing and document tracking system.

Status - Not implemented.

Agency Action - At the start of this follow-up we requested that OCM furnish us with the two case records (of a sample of 80) that it could not locate during our prior audit. One has now been forwarded to us, but the other is still missing from the OCM files. Consequently, if the child or family is again referred to CWA, the case history is not available for evaluating the new situation.

The subject of deficient and missing CWA case records was on the agenda of the May 18, 1995 meeting of the New York City Audit Committee. The independent auditors reported that they were unable to give a "clean opinion" to the Federally required fiscal 1994 Single Audit, citing as a significant finding and material weakness that CWA case records do not support foster care eligibility for federal funding. The new CWA Commissioner asserted at that meeting that one of her initiatives was to take an inventory to account for all CWA case records.

APPENDIX
Page 7 of 8

We randomly selected a sample of 195 cases from the September 2, 1995 Caseload Report to determine if OCM could account for its caseload records. Four case files could not be located: two were closed according to the CCRS data base; another was an active case; and the remaining record was "signed out" to a CWA Deputy Commissioner according to an "Out File" card kept by the supervisor. The Deputy Commissioner's staff denied having the case record. Thus, there is no effective document tracking system in place.

Also, OCM does not have an effective filing system for its closed case records. We found file folders lying on the floor, and unlabeled boxes of files arranged without any particular order.

6. Use the information in the case files and on CCRS [Child Care Review System] to inform the Agencies when UCRs are due.

Status - Not implemented.

Agency Action - OCM claimed that because of the high caseloads, case managers cannot always follow up to make sure that required UCRs are done on time.

The due date for each UCR is programmed into CCRS. A monthly Sanction Report is generated listing the cases that are "sanctionable" because the required UCRs are 15 days or more overdue. The latest available Sanction Report listed 4,248 cases overdue because required actions had not been submitted. SDSS sanctions against the City resulted in State aid disallowances of \$108.9 million for the three-year period January 1990 through December 1993.

7. Promptly enter on CCRS each case as it is placed with an Agency, and periodically reconcile Agency rosters to CCRS.

Status - Not implemented.

Agency Action - The Management Information Liaison (MIL) Unit should enter into CCRS, within seven days of opening, cases referred by the Field Unit caseworkers. Our review of a random sample of 15 child placements showed that the cases were entered into the CCRS 25 days, on average, after the children were placed. The periods ranged from 6 to 64 calendar days. The Unit supervisor cited lack of staff as the reason for the long delays.

APPENDIX
Page 8 of 8

CWA does not perform a periodic reconciliation of the number of children in the Agency roster against the number of children in CCRS for that agency. There were complaints during our visits to two Agencies about children placed by the agencies who do not appear on CCRS for an extended period of time, which delayed payment to the Agency for its services. Also, one Agency said CCRS showed some children assigned to it who were never in its care.

- 8. Require supervisors to periodically check the accuracy of CCRS [Child Care Review Service] by comparing its data for a sample of cases to the information in the case records.**

Status - Not implemented.

Agency Action - There are no plans to implement this recommendation because OCM unit supervisors allegedly do not have time to do it. We continue to support the thrust of this Recommendation as the sole current means of assuring correct, up-to-date data in the official Statewide child care data base.