

Audit Report

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**Department of Human Services  
Social Services Administration**

June 2021

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**OFFICE OF LEGISLATIVE AUDITS**  
DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY

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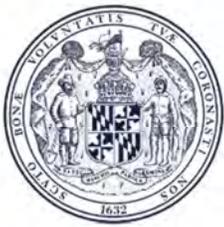
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

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June 3, 2021

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee  
Delegate Carol L. Krimm, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Department of Human Services (DHS) – Social Services Administration (SSA) for the period beginning July 1, 2016 and ending April 30, 2020. SSA supervises, directs, and monitors the social services programs (including foster care) of the State's 24 local departments of social services (LDSSs). According to SSA records, during fiscal year 2019, approximately 17,000 children participated in SSA programs and were served by 9,000 providers/parents at a cost of approximately \$274 million.

SSA had not established a comprehensive and effective quality assurance program to ensure that child welfare programs were being properly administered by the LDSSs. The LDSSs are responsible for case management functions, including monitoring of child care placements and providers, and investigating reports of abuse and neglect. There were two general themes disclosed by our findings; one was the need for timely action by LDSSs as required by policies and regulations, coupled with comprehensive monitoring of LDSS performance and the other was the lack of certain reliable system records on which to base this monitoring.

Specifically, we found that SSA's procedures for monitoring services and functions performed by the LDSSs were not sufficient or were not consistently performed, and periodic on-site case reviews performed by SSA at each LDSS did not address all of the critical functions of the LDSS. For

example, these reviews did not include procedures to ensure that required substance-exposed newborn risk assessments were performed in a timely manner.

We found that SSA had not established LDSS oversight or the oversight was insufficient in the following six required services or attributes:

- Foster care placement recordkeeping
- Medical and dental exams for foster care children
- School attendance for school-aged children
- Child abuse and neglect investigations
- Substance-exposed newborn risk assessments
- Children born to individuals with parental rights previously terminated

In each of the six areas, we identified instances in which the LDSSs were not complying with SSA requirements, State regulations, or State law. For example, our test of 48 foster care children monitored by 13 different LDSSs noted that evidence was lacking regarding compliance with 39 percent of five of the six required attributes tested, such as the child receiving an annual medical exam. In addition, as of August 2020, the LDSSs did not perform required assessments of the familial environments of 144 children who were born in 2019 to individuals whose parental rights had been terminated.

We also noted that SSA did not maximize the recovery of federal reimbursement for eligible children in foster care, as well as those in adoption and guardianship programs. Our test of 55 cases (children) from those programs for which expected federal reimbursement was not being received, identified 8 cases where the children had been incorrectly identified by SSA as ineligible.

Our audit also disclosed that SSA did not pursue overpayments totaling approximately \$4.8 million made to certain providers of child placement services during fiscal years 2017 and 2018. Our tests also found that SSA had not ensured that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home. In addition, SSA did not ensure that payments made to a State university under three interagency agreements were adequately supported and in accordance with the terms of the agreements. As of July 2020, payments to the State university under these agreements totaled \$11.2 million.

Our audit also included a review to determine the status of the 14 findings contained in our preceding report. We determined that SSA satisfactorily addressed 6 of these findings. The remaining 8 findings are repeated in this report as 7 findings.

In our preceding audit report, dated November 20, 2017, we reported that SSA's accountability and compliance level was unsatisfactory in accordance with the rating system that we established in conformity with State law. Based on the results of our current audit, we have concluded that SSA's accountability and compliance level remains unsatisfactory. The primary factors contributing to the unsatisfactory rating were the significance of the audit findings, the number of repeat findings, and SSA's lack of sufficient monitoring of the 24 LDSSs for compliance with numerous policies and regulations. Consequently, although not included as a report finding or recommendation, we believe it would be prudent for DHS, in conjunction with the Department of Budget and Management, to jointly establish a formal process to promote accountability, and to both assist SSA and monitor corrective actions to ensure full implementation of the report findings prior to commencement of the next audit.

DHS' response to this audit, on behalf of SSA, is included as an appendix to this report. We reviewed the response and noted agreement to our findings and related recommendations, and while there are other aspects of DHS' response which will require further clarification, we do not anticipate that these will require the Joint Audit and Evaluation Committee's attention to resolve.

We wish to acknowledge the cooperation extended to us during the audit by SSA. We also wish to acknowledge DHS' and SSA's willingness to address the audit issues and implement appropriate corrective actions.

Respectfully submitted,



Gregory A. Hook, CPA  
Legislative Auditor



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# Background Information

## Agency Responsibilities

The Department of Human Services (DHS) – Social Services Administration (SSA) supervises, directs, and monitors social services programs, which are administered by the local departments of social services (LDSSs) located in each of the State’s 24 local subdivisions.<sup>1</sup> These programs are designed to prevent or remedy abuse, neglect, and exploitation of children and families, and include foster care, adoption and guardianship assistance, and child protective services.

### Foster Care Program

The foster care program provides alternate settings and supportive services to children who are unable to live at home for various reasons, such as abuse and neglect. Children are assigned foster status as the result of legal action by the applicable courts or through voluntary placement. SSA monitors the program and the LDSSs are responsible for placing these children in the most appropriate setting. According to State regulations, the LDSSs are responsible for placing children, in order of preference, with a relative, in a family foster home, or in a group care setting. Children with serious emotional, behavioral, medical, or psychological conditions may be placed in treatment foster care. The goal of the foster care program is to secure a permanent living arrangement (such as reunification, adoption, or guardianship) for these children.

### Adoption and Guardianship Assistance Programs

SSA provides financial assistance for individuals who adopt or become the legal guardians of foster children. Adoptive parents are given all the legal rights and responsibilities that once belonged to the biological parents, while guardians have the full legal responsibility for the applicable child without terminating the parental rights of the child’s biological parents.

### Child Protective Services Program (CPS)

CPS is a social service provided by SSA to assist children believed to be neglected or abused by parents or other adults having permanent or temporary care or custody, or parental responsibility. The program also offers services to household or family members who may require intervention to decrease the risk of any continuing harm to children.

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<sup>1</sup> Organizationally, SSA does not have direct oversight of or control over the LDSSs or their operations. The LDSSs are autonomous units within DHS, directly answerable to the DHS Secretary.

### Child Welfare Information Systems

During our audit period, SSA and the LDSSs primarily used the Children's Electronic Social Services Information Exchange (CHESSIE) as a statewide child welfare, foster care, and adoption case management tool. CHESSIE was also used to process transactions, such as payments made on behalf of children under SSA's supervision; and as the official record of all social services program activity. According to SSA's records, during fiscal year 2019, CHESSIE was used to process transactions totaling approximately \$274.4 million (see Figure 1 on page 9). In October 2019, SSA began the implementation of its new Child, Juvenile, and Adult Management System (CJAMS) to replace CHESSIE. According to SSA's records, CJAMS was used to process expenditures totaling \$8 million for the period between November 2019 and April 2020, with CHESSIE officially decommissioned during December 2020. Since the majority of SSA activity during our audit period was processed using CHESSIE, our audit primarily focused on that activity. Conversely, our next audit of the SSA will include an assessment of CJAMS controls and processes.

SSA processes expenditures to foster care providers, adoptive parents, and guardians monthly based on rates established in State regulations or through a negotiation process. These maintenance expenditures are to cover the costs for basic physical care, food, clothing, and shelter for the children. In addition to these maintenance expenditures, SSA provides the LDSSs with funds to purchase goods and services to support a family's service plan when no other resource is available. For example, these ancillary funds may be used for special educational services, psychological treatment, vocational training, transportation costs, personal care supplies, day care services, furniture, appliances, and automobile operating and maintenance costs.

**Figure 1**

**Fiscal Year 2019 Expenditures Processed via CHESSIE**

| Category                      | Number of Children During Year | Number of Providers / Parents | Expenditures (In Millions) |
|-------------------------------|--------------------------------|-------------------------------|----------------------------|
| Treatment Foster Care         | 2,150                          | 30                            | \$63.6                     |
| Group Foster Care             | 1,460                          | 67                            | 70.2                       |
| Adoption Assistance           | 6,605                          | 4,496                         | 58.6                       |
| Guardianship Assistance       | 3,397                          | 2,419                         | 28.4                       |
| Family Foster Care            | 2,801                          | 1,521                         | 13.1                       |
| Teen Mother Foster Care       | 132                            | 8                             | 4.3                        |
| Other Foster Care             | 697                            | 469                           | 1.9                        |
| <b>Subtotal (Maintenance)</b> | <b>17,242</b>                  | <b>9,010</b>                  | <b>\$240.1</b>             |
| Ancillary                     |                                |                               | 34.3                       |
| <b>Total Expenditures</b>     |                                |                               | <b>\$274.4</b>             |

Source: SSA records

### Foster Care Service Outcomes

SSA did not achieve the required 90 or 95 percent success rate for any of the seven outcome measures in its most recent Child and Family Services Review (CFSR) dated April 2019 covering the period from April 2018 through September 2018 (see Figure 2 on page 10). The CFSR is conducted by the Children’s Bureau of the Administration for Children and Families (ACF) within the United States Department of Health and Human Services to assess the performance of state child welfare agencies with regard to achieving positive outcomes, including safety, permanency, and well-being for children and families. The results of the current review did show some improvement from the previous CFSR, dated January 2010 which covered the period of April 2008 through June 2009.

**Figure 2**

**Federal Child and Family Services Review (CFSR) Results**

| Outcome Measures   | Achieved as of January 2010 | Achieved as of April 2019 |
|--|-----------------------------|---------------------------|
| <b>Safety</b>  |                             |                           |
| Children are safe from abuse and neglect <sup>1</sup>                    | 70%                         | 90%                       |
| Children are safely maintained at home when possible                     | 41%                         | 69%                       |
| <b>Permanency</b>  |                             |                           |
| Children have permanent and stable living arrangements                   | 23%                         | 35%                       |
| Continuity of family relationships is preserved                          | 46%                         | 45%                       |
| <b>Child and Family Well-Being</b>                                       |                             |                           |
| Families have enhanced capacity to provide for children's needs          | 30%                         | 31%                       |
| Children receive services to meet their educational needs <sup>1</sup>   | 77%                         | 79%                       |
| Children receive services to meet their physical and mental health needs | 71%                         | 58%                       |

<sup>1</sup>SSA is required to meet a 95% success rate for these outcome measures; all others require 90%.

Source: Child and Family Services Reviews

As required by federal regulations, SSA and DHS implemented a Program Improvement Plan (PIP) in order to continue receiving federal funding and to temporarily avoid federal penalties. The Children's Bureau approved SSA's PIP in July 2019. As part of the PIP process, SSA is required to periodically report the status of the completion of the agreed-upon strategies and associated benchmarks to the Children's Bureau. In its most recent report to the Children's Bureau, dated October 14, 2020, SSA indicated that it had met certain program goals outlined in the PIP and was making progress on the others.

**Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the 14 findings contained in our preceding audit report dated November 20, 2017. As disclosed in Figure 3 on page 12, we determined that SSA satisfactorily addressed 6 of these findings. The remaining 8 findings are repeated in this report, 2 of which were combined and presented as one finding in this report.

In our preceding audit report, we reported that SSA's accountability and compliance level was unsatisfactory, in accordance with the rating system we established in conformity with State law. Based on the results of our current audit, we have concluded that SSA's accountability and compliance level remains unsatisfactory. The number of repeated audit findings is one of the primary factors contributing to the current unsatisfactory rating.

**Figure 3**  
**Status of Preceding Findings**

| Preceding Finding | Finding Description  | Implementation Status                  |
|-------------------|--|--|
| Finding 1         | The Social Services Administration (SSA) did not have comprehensive quality assurance processes to adequately monitor the administration of child welfare program services by the State's local departments of social services (LDSSs).  | <b>Repeated</b><br>(Current Finding 1) |
| Finding 2         | SSA had not established procedures to monitor the LDSSs to ensure that foster children were placed in the least restrictive environment and received required services. Further, reports from Children's Electronic Social Services Information Exchange (CHESSIE) did not accurately reflect services provided to children in foster care, which hampered the ability of SSA to monitor service delivery. | <b>Repeated</b><br>(Current Finding 2) |
| Finding 3         | SSA did not establish procedures to ensure that the LDSSs complied with State regulations regarding the initial approval of foster care providers, as well as ongoing monitoring requirements for foster care providers, adoptive parents, and guardians.  | Not repeated                           |
| Finding 4         | SSA had not established procedures to ensure that children who remained in the foster care, adoption, or guardianship programs after they reached the age of 18 were eligible to do so and, for certain cases we reviewed, there was a lack of documentation supporting continued eligibility.   | Not repeated                           |
| Finding 5         | SSA did not have adequate procedures to ensure that it received federal reimbursement for all children eligible for Title IV-E funding. Our tests disclosed instances in which children were incorrectly determined to be ineligible, resulting in a potential loss of federal funds totaling approximately \$1 million.   | <b>Repeated</b><br>(Current Finding 5) |
| Finding 6         | SSA did not maximize the recovery of federal funds for children who were eligible to receive Supplemental Security Income.   | Not repeated                           |
| Finding 7         | SSA did not monitor the timeliness of child abuse and neglect investigations conducted by the LDSSs. In addition, reviews and investigations of allegations were not always performed timely.  | <b>Repeated</b><br>(Current Finding 3) |
| Finding 8         | SSA did not monitor the timeliness of required assessments of substance-exposed newborns completed by the LDSSs. In, addition these assessments were not always completed within the required time frames.   | <b>Repeated</b><br>(Current Finding 3) |
| Finding 9         | SSA lacked adequate controls to ensure the LDSSs were immediately notified of children born to individuals who had previously had their parental rights terminated for abuse or neglect. In addition, SSA did not ensure that the LDSSs completed an assessment of these families and offered services when appropriate.   | <b>Repeated</b><br>(Current Finding 4) |
| Finding 10        | SSA did not ensure that overpayments made to certain providers of child placement services were identified and resolved in a timely manner.  | Not repeated                           |
| Finding 11        | SSA had not established procedures to ensure that adoption assistance payments were suspended, terminated, or as permitted, renegotiated with the adoptive parent when an adopted child was removed from the adoptive home.  | <b>Repeated</b><br>(Current Finding 7) |
| Finding 12        | Ancillary expenditures incurred by the LDSSs to further support children in social services programs were not adequately controlled.   | Not repeated                           |
| Finding 13        | SSA did not approve certain adoption assistance rates being paid by LDSSs as required by SSA policy.   | Not repeated                           |
| Finding 14        | SSA did not ensure that payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.  | <b>Repeated</b><br>(Current Finding 8) |

# Findings and Recommendations

## Quality Assurance Program

### Finding 1

**Although the Social Services Administration (SSA) had implemented certain processes to monitor the administration of child welfare program services by the State’s local departments of social services (LDSSs), we found they were not necessarily comprehensive or effective.**

### Analysis

SSA had not implemented comprehensive and effective quality assurance processes to ensure that child welfare programs for which SSA is responsible, such as foster care, adoption, guardianship, and child protective services, were being effectively administered by the State’s LDSSs. In our preceding audit report, we recommended that SSA develop comprehensive written procedures for monitoring these programs and implement a quality assurance case review process at each LDSS. Although SSA took certain actions in response to our prior report, we determined that these actions were not sufficiently comprehensive to provide effective oversight of the LDSSs.

The independent LDSSs are responsible for providing and overseeing specific critical program services and functions (see Figure 4) as dictated by State law and regulations with policy direction from SSA, and SSA is responsible for ensuring that the LDSSs perform their responsibilities in accordance with those laws, regulations, and policies. Without effective and comprehensive quality assurance processes, SSA cannot be assured that all required program services and functions were being effectively and properly carried out by the LDSSs.

This report details specific instances in which SSA did not ensure that required critical child welfare program services and functions had been conducted by the LDSSs, including three findings related to these programs repeated from our preceding audit report. Although SSA had developed certain written procedures for monitoring the services and functions, these procedures were not always sufficient. For example, as addressed further in Finding 4 of this report, SSA distributed various monitoring reports to the LDSSs to assist with oversight

**Figure 4**  
**Critical LDSS Services and Functions**

- Approve foster care providers
- Place children with providers
- Ensure children receive necessary services, such as medical and dental care
- Perform monthly visitations with children under care
- Verify provider compliance with regulatory requirements
- Review, assess, and investigate child abuse allegations
- Conduct assessments of substance-exposed newborns and children born to individuals with previously terminated parental rights

of certain child protective services (such as, investigating allegations of abuse and neglect); however, we found an issue with certain reporting inaccuracies and that SSA had not explained how these reports should be used by SSA and the LDSSs to ensure that the LDSSs conducted these investigations timely.

Finally, SSA implemented periodic on-site reviews of each LDSS, with periods ranging from six months to three years, to monitor LDSS performance and compliance. However, we found that while the scope of these reviews focused on a number of elements, the scope was not as comprehensive as we deemed necessary because it did not address certain critical LDSS functions, such as approving foster care providers and ensuring that safety assessments were conducted in a timely manner for substance-exposed newborns and children born to individuals with previously terminated parental rights. Furthermore, as evidenced by the other findings in this report, we question if these reviews, as structured, provided an effective means of ensuring that the LDSSs effectively administered the child welfare programs. For example, as noted in Finding 2, there continued to be a lack of documentation to support that foster children were placed in the least restrictive environment and received required services such as annual medical exams.

#### **Recommendation 1**

**We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs. Specifically, we recommend that SSA modify its existing processes to ensure that they provide**

- a. comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat); and**
- b. a quality assurance case review process at each LDSS that addresses all critical services and functions performed by the LDSSs (repeat).**

## Monitoring Compliance with Foster Care Requirements

### **Finding 2**

**SSA had not established effective monitoring of the LDSSs to ensure that foster children were placed in the least restrictive environment and received required services.**

### **Analysis**

SSA had not established effective monitoring of the LDSSs to ensure there was documentation supporting that foster children were placed in the least restrictive environment and received required services. For example, SSA could not provide documentation supporting compliance with foster care requirements for numerous cases we reviewed. Similar conditions were commented upon in our preceding audit report. According to SSA records, 7,240 children were in foster care during fiscal year 2019, with related payments totaling \$153 million.

### SSA did not Effectively Monitor the LDSSs

SSA did not use available reports to ensure LDSSs placed children in the least restrictive environment and provided required services. SSA routinely provided a report to each LDSS that identified all of the services provided to each foster child based on data recorded by the LDSSs into the Children's Electronic Social Services Information Exchange (CHESSIE). For example, according to the July 29, 2019 report, 1,355 (or 44 percent) of the 3,067 children that had been in foster care for at least the past 13 months had not had a medical exam within the past year. However, since SSA did not use this report to monitor the LDSSs performance it is unknown if the issue related to poor recordkeeping (LDSSs not recording activity into CHESSIE) or if the required services were not provided. In either case, there was no assurance that appropriate action was taken by the LDSSs (providing the absent service or correcting an erroneous record).

### LDSSs Were Not Compliant with Requirements

We reviewed records related to 48 children for which payments totaling \$2.3 million were made during fiscal year 2019. The records reviewed were judgmentally selected from payment reports to ensure coverage of children residing in both family foster homes and group care settings that received significant payments and included children monitored by 13 different LDSSs. For each child, we tested compliance with the six requirements noted in Figure 5 on page 16, as applicable to each child. Although we determined that for one requirement, required monthly face-to-face meetings, there was compliance by the LDSSs, for the other five there were varying levels of noncompliance.

For the five requirements with noted noncompliance, our test disclosed discrepancies related to 39 percent of the separate requirements tested. Specifically, we noted 83 discrepancies related to these 214 requirements (that is documentation could not be provided or the recordation of the requirement was inaccurate in CHESSIE). At least one discrepancy was noted for 42 of the 48 children tested, and the discrepancies were noted in all 13 of the LDSSs tested. In 47 instances, documentation of compliance with the requirement tested could not be provided even though CHESSIE reflected that the requirements had been met.

**Figure 5**  
**Results of our Test of Foster Care Requirements**

| Foster Care Requirement                            |  | Number of Requirements for Children Tested | Performance of Requirement Not Documented |
|--|--|--|---|
| Caseworker Interaction Requirement Tested          | Monthly Face-to-Face Meeting with Child    | 48   | 0   |
| <b>Subtotal Requirements with No Discrepancies</b> |  | <b>48</b>                                  | <b>0</b>                                  |
| Placement Requirements Tested                      | Legal Basis for Child Entering Foster Care | 48   | 4   |
|  | Effort to Place with Relatives             | 48   | 3   |
| Service Requirements Tested                        | Medical Exam within One Year               | 48   | 29  |
|  | Dental Exam within Six Months              | 47   | 37  |
|  | Attended School During Fiscal Year 2020    | 23   | 10  |
| <b>Subtotal Requirements With Discrepancies</b>    |  | <b>214</b>                                 | <b>83</b>                                 |
| <b>Total - All Requirements</b>                    |  | <b>262</b>                                 | <b>83</b>                                 |

Placement of Children

SSA was unable to provide documentation to support the legal basis for placement of a child in foster care (such as a court order associated with the initial placement) for 4 of the 48 children tested. In addition, SSA could not document that the LDSSs attempted to place the child in the least restrictive environment (such as with a relative) for 3 of the 48 children placed in their care (which included 1 of the aforementioned 4 children). It should be noted that these conditions were found in greater numbers in our prior report, wherein SSA was unable to provide documentation associated with the initial placements and/or to support that the LDSSs attempted to place the child in the least restrictive environment for 9 and 35 of the 57 children tested, respectively.

State regulations require that the court order be maintained in the child's case record. State law requires the LDSS to exhaust all resources to locate a relative for initial placement. Furthermore, according to State regulations, the LDSSs are responsible for placing children, in order of preference, with a relative, in a family foster home, or in a group care setting.

#### Services Provided to Children

As of October 2020, SSA was unable to provide documentation that 29 of the 48 children tested had received a medical exam within the past year, including 9 children who had not received a medical exam for between 18 to 25 months. In addition, SSA was unable to provide documentation that 37 of the children tested had received a dental exam within the past 6 months, including 27 children who had not received a dental exam for between 9 to 26 months. Furthermore, there were 3 children who had not had a dental exam since they entered foster care from 2 to 5 years prior. Finally, SSA was unable to provide documentation that 10 of the 23 children ranging from 5 to 17 years of age attended school during fiscal year 2020. While these results do represent an improvement from our prior audit in the number of children without any record of a medical or dental exam since entering care, we found that there continued to be a pervasive lack of documentation to support that the children received the exams within the timeframe provided in State regulations.

State regulations require a comprehensive health assessment within 60 days of entering foster care, and subsequently, at a minimum, an annual medical exam as required by the Early Periodic Screening, Diagnosis and Treatment Program. State regulations also require a dental exam every six months. State regulations also require the LDSSs to ensure that children of school age are attending school.

#### **Recommendation 2**

**We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure**

- a. the applicable legal documentation is included in each foster child's case record in the statewide case management system (repeat);**
- b. the LDSSs place children in the least restrictive environment and document attempts to place the child with a relative (repeat); and**
- c. compliance with medical, dental, and education requirements by reviewing applicable documentation (repeat).**

## Child Protective Services

### Background

SSA's Child Protective Services unit provides services to assist children believed to be neglected or abused by parents or other adults with parental responsibilities. Allegations of child abuse or neglect are reported to the LDSSs, which are responsible for conducting reviews and investigations. The LDSSs are required to record allegations received and the steps taken to review and investigate each allegation in CHESSIE. SSA is responsible for ensuring these reviews and investigations are properly performed in a timely manner.

The unit is also responsible for ensuring that LDSSs conduct required safety and family risk assessments for newborns exposed to controlled substances, and when subsequent children are born to individuals who had previously had their parental rights terminated by court order for abuse or neglect. The assessments are performed to assess risk and to identify resources and necessary services to be provided.

### Finding 3

**SSA's monitoring process was not effective for both ensuring the timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by the LDSSs.**

### Analysis

SSA's monitoring procedures were not effective for both ensuring the timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by the LDSSs.

SSA periodically distributed reports to assist the LDSSs with monitoring the timeliness of these investigations and assessments. However, SSA did not actively review these reports to assess LDSS compliance with the law, and based on our testing, we found certain LDSS investigations and assessments were not conducted timely, and SSA took no action (such as follow up with the LDSS to determine the cause and necessary corrective action). Furthermore, and of equal significance, we determined that these critical reports were not always accurate, which might have been discovered by SSA and the LDSSs if active monitoring had been in place.

### Investigations of Abuse and Neglect

Our review of 20 allegations of child abuse or neglect received during the period from May 2019 through December 2019 disclosed 6 allegations (3 allegations of abuse and 3 allegations of neglect) for which the LDSS did not initiate and/or

complete its investigations timely. Specifically, investigations for the 3 allegations of abuse began 7 to 21 days after these allegations were received and investigations for the 3 allegations of neglect began 6 to 14 days after receipt. For these 6 investigations, 3 were completed between 62 and 72 days after receipt of the allegations. According to SSA records, the LDSSs collectively received 5,355 allegations of child abuse or neglect during the period from October through December 2019.

#### Assessments of Substance-Exposed Newborns

We reviewed the records in CHESSIE associated with 10 judgmentally selected substance-exposed newborns born during fiscal year 2019, and we noted that the LDSSs did not always complete the required safety and family risk assessments within the required timeframes. For example, the safety assessment for one child was performed 55 days after the LDSS was notified, and the family risk assessments for four other children were performed between 36 and 70 days after the respective LDSSs were notified. In each of these cases, the LDSSs concluded that the children were not at significant risk of harm. According to SSA records, during fiscal year 2019 there were 507 substance-exposed newborn notifications made to the LDSSs.

#### Monitoring Reports

Our review also disclosed that the reports SSA distributed to the LDSSs for use in monitoring the timely completion of these investigations and assessments were not always accurate. Specifically, we noted discrepancies between the investigation dates reflected on the monitoring report and the LDSS case files (recorded in CHESSIE) for 9 of the 20 allegations of abuse or neglect tested. We performed our testing based on the dates according to the LDSS case files, which we determined to be more accurate than the monitoring report. For the substance abuse assessment reports, we also found critical inaccuracies. For example, the safety or family risk assessment dates were either missing or incorrect for all 10 of our test items. We determined the correct dates from other sources.

Similar conditions were noted in our preceding audit report.

State law requires investigations to be initiated within 24 hours after receiving an allegation of abuse and 5 days after receiving an allegation of neglect, and completed no later than 60 days after the allegation is received. In addition, State regulations require health care practitioners involved in the delivery or care of a substance-exposed newborn to notify the applicable LDSS verbally as soon as possible, and in writing within 48 hours. State regulations also require the LDSSs to examine substance-exposed newborns and perform a safety risk assessment of the newborn within 48 hours of notification by health care practitioners. Also,

SSA policy requires the LDSSs to complete a formal safety assessment and a family risk assessment within 2 and 30 days of the health care practitioner's notification, respectively.

### **Recommendation 3**

**We recommend that SSA**

- a. establish effective procedures to ensure that the LDSSs conduct and complete investigations of allegations of child abuse and neglect and safety and risk assessments of controlled substance-exposed newborns in a timely manner, as required by State law and regulations (repeat); and**
- b. enhance the accuracy and completeness of system reports to ensure they can be reliably used to monitor compliance with these requirements (repeat).**

### **Finding 4**

**SSA lacked adequate controls to ensure the LDSSs were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect.**

### **Analysis**

SSA lacked adequate controls to ensure that it timely notified the LDSSs when children were born to individuals who previously had their parental rights terminated by court order for abuse or neglect. State law requires SSA to provide the names of individuals who have had their parental rights terminated by a court order to the Maryland Department of Health (MDH), which notifies SSA of children subsequently born to these individuals. State law further requires SSA to immediately notify the applicable LDSS so that it may provide an assessment of the family and offer services, if needed. Delays in completing these assessments could result in children remaining in harmful environments.

According to SSA records, during calendar year 2019 there were 252 children born to individuals whose parental rights had previously been terminated. As of August 2020, the required assessments had not been performed for 144 of these children, due primarily to SSA not notifying the LDSSs of the children's births or notifying them in an untimely manner. Specifically, SSA did not notify the LDSSs that assessments were needed for 50 children identified by MDH between 8 and 19 months earlier, and SSA notified the LDSS between 7 to 19 months after receiving notice from MDH for the other 94 children.

In our opinion, the aforementioned condition occurred primarily because SSA had not established a supervisory review process to ensure the employee responsible

for these notification and monitoring duties was properly, and timely, performing the work. A similar condition was commented upon in our preceding audit report.

#### **Recommendation 4**

**We recommend that SSA establish adequate controls, such as initiating a supervisory review over the process, to ensure that LDSSs are promptly notified of children born to individuals who previously had their parental rights terminated by a court (repeat).**

### **Federal Funds**

#### **Finding 5**

**SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations, and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds.**

#### **Analysis**

SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations and had not conducted quality assurance reviews. In addition, SSA did not perform a comprehensive review of children deemed ineligible for Title IV-E funding, as recommended in our preceding audit report. SSA is eligible to receive federal reimbursement under Title IV-E of the Social Security Act for a portion of the cost of care incurred on behalf of eligible children. According to SSA records, SSA received Title IV-E reimbursements totaling \$86.5 million during fiscal year 2019. State regulations provide that SSA is to determine eligibility for Title IV-E funding within 60 days of the date the child is removed from their home and conduct eligibility redeterminations every 12 months thereafter. To ensure the propriety of these determinations and redeterminations, SSA policy provides for periodic quality assurance reviews (on a test basis) of this activity.

SSA had not conducted quality assurance reviews of the eligibility determinations and redeterminations made during our audit period, resulting in certain errors going undetected. We judgmentally selected 55 children who were in the foster care or the adoption and guardianship assistance programs as of April 2020, to determine whether the initial determination (for 40 children) or the most recent annual redetermination (for 15 foster children) was done properly and timely. Based on our review, SSA did not obtain available court orders for 8 foster children and therefore improperly determined that these children were ineligible (non-reimbursable). However, we obtained and reviewed the court orders for the

8 children and concluded that the orders demonstrated that these children were eligible for Title IV-E funding. As a result, SSA did not recover federal funding for a portion of the expenditures incurred for these children, which totaled approximately \$72,500 for the period between October 2019<sup>2</sup> and April 2020. In addition, we noted 11 of the 40 initial determinations were completed from 63 to 390 days after the child entered care, and 10 of the 15 annual redeterminations were overdue by 9 to 22 months.

We further noted that SSA had not reviewed the propriety of Title IV-E eligibility determinations for ineligible children who entered care prior to July 2016 and were still receiving SSA services, as recommended in our preceding audit report. In response to our prior report SSA began including foster care children previously deemed ineligible for Title IV-E in its reviews of redeterminations, beginning with children who entered care in July 2016. However, SSA did not review the eligibility determinations for 3,626 children (390 foster children and 3,236 children in the adoption or guardianship programs) who were determined to be ineligible for Title IV-E who had entered care prior to July 2016 and who we noted during the current audit were still receiving SSA services as of July 31, 2020. These cases, if actually found to be incorrectly determined to be Title IV-E ineligible, could have the potential for reimbursement under federal regulations. For example, payments to providers for the aforementioned 390 foster children from October 2019 through April 2020 totaled \$6.4 million.

A similar condition was commented upon in our preceding audit report.

### **Recommendation 5**

**We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA**

- a. ensure that Title IV-E eligibility is properly determined for all children (repeat);**
- b. conduct reviews to ensure that Title IV-E eligibility determinations and redeterminations are proper and timely, as required by SSA policy; and**
- c. review all children who are currently determined to be ineligible due to a missing court order or who entered care prior to July 2016 (and received**

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<sup>2</sup> Between July 1, 2015 and September 30, 2019, the federal government granted SSA a waiver, which allowed it to use federal funds for foster care services that were not otherwise eligible under Title IV-E. Under the federal waiver, the total federal reimbursement that SSA could obtain for foster care services was limited to \$277.4 million. Since SSA recovered all of the available foster care funding under the waiver, it would not have been able to recover additional federal funds for services provided to foster children during the waiver period; however, payments made after the waiver period (beginning on October 1, 2019) on behalf of eligible children are reimbursable.

services within the last two years), including the aforementioned cases, and obtain Title IV-E funds when possible (repeat).

## Foster Care, Adoption, and Guardianship Payments

### Finding 6

**SSA did not pursue the collection of approximately \$4.8 million in provider overpayments.**

### Analysis

SSA did not ensure that overpayments made to certain providers of child placement services (group homes and child placement agencies) were recovered. According to State records, fiscal year 2019 payments to group homes and child placement agencies totaled \$66.4 million and \$63.7 million, respectively. SSA’s contracts with these providers require the providers to submit annual financial reports to the DHS’ Office of the Inspector General (OIG) by December 2<sup>nd</sup> of each contract year. The OIG, on behalf of SSA, reviews the reports and notifies SSA of the results, including any overpayments identified. SSA is responsible for recovering these overpayments from the providers.

The OIG identified overpayments totaling \$4.8 million made to 59 providers during fiscal years 2017 and 2018 (see Figure 6). However, as of October 2020, SSA had not pursued recovery of these amounts, which, according to OIG records, had been reported to SSA between 2 months to 2.5 years prior.

**Figure 6**  
**Results of OIG Reviews for Fiscal Years 2017 and 2018**

| Fiscal Year   | Providers | Payments (in millions) | Overpayments Disclosed by OIG Reviews |                            |
|---------------|-----------|------------------------|---------------------------------------|----------------------------|
|               |           |                        | Providers                             | Overpayments (in millions) |
| 2017          | 103       | \$127.4                | 25                                    | \$2.3                      |
| 2018          | 105       | \$123.6                | 34                                    | 2.5                        |
| <b>Totals</b> |           | <b>\$251.0</b>         | <b>59</b>                             | <b>\$4.8</b>               |

Source: SSA and OIG records

SSA could not explain why it had not pursued recovery of the aforementioned \$4.8 million in overpayments. Delays in the pursuit of provider overpayments may decrease the likelihood of recovering the funds.

### **Recommendation 6**

**We recommend that SSA pursue for collection provider overpayments calculated by the OIG, including those noted above.**

### **Finding 7**

**SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home.**

### **Analysis**

SSA had not established procedures to ensure that monthly adoption assistance payments to an adoptive parent funded entirely by the State were suspended if the adopted child was subsequently moved to an out-of-home placement, such as foster care. Consequently, there was a potential for duplicative payments being made by SSA for certain children (both adoption assistance and foster care payments). State regulations provide that adoption assistance payments funded entirely by the State shall be suspended when an adopted child enters an out-of-home placement.

Our test of fiscal year 2019 adoption assistance payments related to 5 children who had entered foster care disclosed that SSA did not suspend those payments totaling \$42,737 for any of the children even though they had entered foster care between August 2013 and March 2019. We had previously identified that adoption assistance payments had not been suspended for one of these children (who entered foster care in August 2013) during our preceding audit. According to SSA's records, during fiscal year 2019, adoption assistance payments totaling approximately \$141,000 were paid for 28 children who had entered foster care. A similar condition was commented upon in our preceding audit report.

### **Recommendation 7**

**We recommend that SSA**

- a. establish procedures to ensure compliance with State regulations regarding adoption assistance payments being made for a child who has been moved from the adoptive home to an out-of-home placement (repeat); and**
- b. review adoption assistance payments made on behalf of children in out-of-home placement, including the aforementioned 28 children, and recover any amounts that were inappropriately paid (repeat).**

## Interagency Agreements

### **Finding 8**

**SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.**

### **Analysis**

SSA did not ensure that certain payments made to a State university were adequately supported and in accordance with the terms of the agreements. Between July 2014 and July 2018, SSA entered into three interagency agreements with a combined value of \$15.4 million with a State university for certain services related to child welfare. SSA has had agreements of this nature with the State university for many years. Under the terms of the agreements, payments to the State university were primarily based on the actual time spent and the salary costs of the applicable university personnel. Each agreement identified the specific State university employees who would perform the work and their salaries (including fringe benefits), and the percentage that each employee's time would apply to work under the agreement. According to State records, payments under these agreements as of July 2020 totaled \$11.2 million.

Our review disclosed that SSA did not verify certain billed costs, including direct labor charges invoiced and subcontractor costs. For example, in fiscal year 2019, SSA paid labor charges totaling \$2 million for two of the agreements, which exceeded the agreed-upon amounts (totaling \$1.85 million) by \$152,000 and \$35,000, respectively. In addition, our review of fiscal year 2019 invoices disclosed that SSA paid \$584,000 for 25 individuals who were not included in the agreements. While SSA management advised that it received verbal notice from the university of all personnel changes, SSA could not provide documentation that it had approved the use of these 25 individuals and the agreements did not address a process for personnel changes or additions.

In addition, under one agreement, SSA paid \$551,000 during fiscal year 2019 to the State university for work performed by subcontractors, as allowed; however, SSA did not review documentation provided by the State university (such as subcontractor billings) to ensure the documentation was complete and supported the payments. Our review of the fiscal year 2019 invoices for this agreement disclosed that SSA did not obtain documentation from the State university to support subcontractor billings totaling \$144,000 that were paid by SSA.

Certain of these conditions have been commented upon in audit reports dating back to October 2008. SSA management advised that it believes the interagency agreements are performance-based contracts structured to pay for the receipt of deliverables. However, the agreements' payment method was not based on deliverables, but primarily on the actual time spent and the salary costs of the applicable university personnel. Interagency agreements are used by State agencies to obtain services from State institutions of higher education (universities). Interagency agreements are exempt from State procurement laws, including the requirements for competitive procurement, publication of solicitations and awards, and Board of Public Works' approval.

**Recommendation 8**

**We recommend that SSA implement a process to ensure the propriety of State university invoices. For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat).**

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Department of Human Services (DHS) – Social Services Administration (SSA) for the period beginning July 1, 2016 and ending April 30, 2020. The audit was conducted 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine SSA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included federal fund reimbursement, foster care, child protective services, adoption and guardianship assistance, the Children's Electronic Social Services Information Exchange (CHESSIE), and interagency agreements. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include various support services (such as payroll, purchasing, maintenance of accounting records, and related fiscal functions) provided by DHS' Office of the Secretary. Our audit also did not include an evaluation of internal controls over compliance with federal laws and regulations pertaining to federal financial assistance programs and an assessment of SSA's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including SSA.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of July 1, 2016 to April 30, 2020, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of SSA's operations. Generally,

transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the materiality of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as expenditure data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during the audit. We also extracted data from CHESSIE for the purpose of testing foster care requirements, federal fund recoveries, child protective services investigations, and adoption and guardianship assistance. We performed various tests of the relevant data in order to determine data reliability. Use of the data was restricted to the situations in which the data were deemed to be reliable for the purposes they were used. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

SSA's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to SSA, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings related to conditions that we consider to be significant deficiencies in the design or operation of internal controls that could adversely affect SSA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to SSA that did not warrant inclusion in this report.

As a result of our audit, we determined that SSA's accountability and compliance level was unsatisfactory. The primary factors contributing to the unsatisfactory rating were the significance of the audit findings, the number of repeat findings, and SSA's lack of sufficient monitoring of the 24 LDSSs for compliance with numerous policies and regulations. Our rating conclusion has been made solely pursuant to the aforementioned law and rating guidelines approved by the Joint Audit and Evaluation Committee. The rating process is not a practice prescribed by professional auditing standards.

The response from DHS, on behalf of SSA, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise DHS regarding the results of our review of its response.

## APPENDIX



Larry Hogan, Governor | Boyd K. Rutherford, Lt. Governor | Lourdes R. Padilla, Secretary

May 26, 2021

Mr. Gregory A. Hook  
Legislative Auditor  
Office of Legislative Audits  
301 West Preston Street, Room 1202  
Baltimore, Maryland 21201

Dear Mr. Hook:

Please find enclosed the Department of Human Services' (DHS) response to the draft Legislative Audit Report of the Social Services Administration (SSA) for the period beginning July 1, 2016 and ending April 30, 2020.

If you have any questions regarding the response, please contact the Inspector General, Marva Sutherland of my staff at 443-378-4060 or [marva.sutherland@maryland.gov](mailto:marva.sutherland@maryland.gov).

Sincerely,

A handwritten signature in blue ink that reads 'Lourdes R. Padilla'.

Lourdes R. Padilla  
Secretary

Enclosures:

cc:

Gregory James, Deputy Secretary, Operations  
Netsanet Kibret, Deputy Secretary, Programs  
Samantha Blizzard, Chief of Staff  
Michelle L. Farr, Executive Director, SSA  
Stafford Chipungu, Chief Financial Officer  
Marva M. Sutherland, Inspector General, OIG  
Keonna Wiley, Assistant Inspector General – Audits, OIG



**Department of Human Services  
Social Services Administration**

**Agency Response Form**

**Quality Assurance Program**

**Finding 1**  
Although the Social Services Administration (SSA) had implemented certain processes to monitor the administration of child welfare program services by the State’s local departments of social services (LDSSs), we found they were not necessarily comprehensive or effective.

We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs. Specifically, we recommend that SSA modify its existing processes to ensure that they provide

- a. comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat); and
- b. a quality assurance case review process at each LDSS that addresses all critical services and functions performed by the LDSSs (repeat).

| <b>Agency Response</b>   |   |                                   |           |
|--|---|-----------------------------------|-----------|
| <b>Analysis</b>  | <b>Factually Accurate</b>   |                                   |           |
| Please provide additional comments as deemed necessary.              |   |                                   |           |
| <b>Recommendation 1a</b>   | <b>Agree</b>  | <b>Estimated Completion Date:</b> | June 2021 |
| Please provide details of corrective action or explain disagreement. | <p>SSA will continue to take the appropriate actions to ensure specific program services and functions dictated by State law and regulations, with policy direction from SSA, are performed effectively by LDSS.</p> <p>Specifically, SSA continues to modify draft Standard Operating Procedures (SOPs) that outline SSA’s monitoring activities. Each SOP outlines a comprehensive quality assurance process designed to ensure that all required program services and functions are being effectively and properly carried out by the LDSS. The most recently edited versions of the SOPs are expected to be implemented by June 2021.</p> <p>In addition, SSA has developed a standardized local QA (Quality Assurance) review process to be implemented within each LDSS by December 2021.</p> |                                   |           |

**Department of Human Services  
Social Services Administration**

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|   |   |                                   |                      |
|---|---|-----------------------------------|----------------------|
| <b>Recommendation 1b</b>  | <b>Agree</b>  | <b>Estimated Completion Date:</b> | <b>December 2021</b> |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA will continue to take the appropriate actions to ensure that a standardized quality assurance review process exists at each jurisdiction that addresses all critical services and functions performed by the LDSS.</p> <p>Specifically, SSA has designed a standardized (QA) review process that includes the development of a standardized web-based tool and companion desk guide, random sampling methodology, a schedule for when each program area (i.e. Child Protective Services {CPS}, Family Preservation, Resource Home, and Foster Care, etc.) is to be reviewed, and a recorded training to orient staff on the use of the tool.</p> <p>In addition, between October and November 2020, the process was shared with local departments and other stakeholders. LDSS are identifying jurisdictions to pilot the standardized process. Implementation of a 2-3-month pilot was launched in April 2021 with a statewide launch planned for December 2021.</p> <p>To support the piloting of the standardized QA process, SSA staff will utilize the standardized web-based tool to conduct interim reviews as outlined in the SOPs that support SSA’s monitoring activities.</p> |                                   |                      |

**Monitoring Compliance with Foster Care Requirements**

**Finding 2**  
**SSA had not established effective monitoring of the LDSSs to ensure that foster children were placed in the least restrictive environment and received required services.**

**We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure**

- a. the applicable legal documentation is included in each foster child’s case record in the statewide case management system (repeat);**
- b. the LDSSs place children in the least restrictive environment and document attempts to place the child with a relative (repeat); and**
- c. compliance with medical, dental, and education requirements by reviewing applicable documentation (repeat).**

**Department of Human Services  
Social Services Administration**

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| Agency Response  |  |                                   |               |
|--|--|-----------------------------------|---------------|
| <b>Analysis</b>  | <b>Factually Accurate</b>  |                                   |               |
| Please provide additional comments as deemed necessary.              |  |                                   |               |
| <b>Recommendation 2a</b>   | <b>Agree</b>   | <b>Estimated Completion Date:</b> | June 2022     |
| Please provide details of corrective action or explain disagreement. | <p>SSA will continue to take action to ensure that the applicable legal documentation is included in each foster child’s case record. Specifically, in April 2018, SSA completed and recorded a series of webinars for local department staff on effective documentation of legal documentation and drafted SOPs to outline a comprehensive quality assurance process designed to ensure that all required program services and functions are being effectively and properly carried out by the LDSS.</p> <p>In December 2020, the SSA Title IV-E Eligibility Unit began a 100% review of all active cases in CJAMS to ensure that all required legal documents are uploaded into CJAMS. Supervisors must approve all of the updated IV-E determinations in CJAMS and maintain a QA log of all case reviews. To support this process, the IV-E Eligibility Management Team meets weekly to review and discuss the progress of the reviews and any challenges the staff are facing. These reviews are anticipated to be completed by June 2022.</p> <p>In addition, SSA will implement the following actions:</p> <p><b>Action #1:</b> By June 2021, update and revise audit response webinars and existing monitoring SOPs to align with CJAMS and offer technical assistance to local departments related to the uploading of legal documents.</p> <p><b>Action #2:</b> Between June - December 2021, review a randomly stratified sample of cases per month, allowing for cases to be pulled from various counties, to ensure legal documentation is uploaded into CJAMS. SSA staff plans to utilize the standardized web-based tool to conduct these reviews.</p> <p><b>Action #3:</b> Beginning December 2021, utilize the standardized quality assurance (QA) case review process implemented at each LDSS to monitor compliance with uploading all legal documents in each foster child’s record and provide technical assistance accordingly.</p> |                                   |               |
| <b>Recommendation 2b</b>   | <b>Agree</b>   | <b>Estimated Completion Date:</b> | December 2021 |

**Department of Human Services  
Social Services Administration**

**Agency Response Form**

|  |  |  |                      |
|--|--|--|----------------------|
| <p><b>Please provide details of corrective action or explain disagreement.</b></p> | <p>SSA will continue to take action to ensure that the State places children in the least restrictive environment and documents attempts to place children with relatives. Specifically, in April 2018, SSA completed and recorded a series of webinars for local department staff on effective documentation of placement in the least restrictive environment and placement with families. SSA also drafted SOPs to outline a comprehensive quality assurance process designed to ensure that all required program services and functions are being effectively and properly carried out by the LDSS.</p> <p>In addition, SSA will implement the following actions:</p> <p><b>Action #1:</b> By June 2021, update and revise audit response webinars and existing monitoring SOPs to align with CJAMS and offer technical assistance to local departments related to the documentation of placement in the least restrictive environment and placement with families.</p> <p><b>Action #2:</b> Between June - December 2021, review a randomly stratified sample of cases per month, allowing for cases to be pulled from various counties, to ensure placement in the least restrictive environment and placement with families is documented in CJAMS. SSA staff plan to utilize the standardized web-based tool to conduct these reviews.</p> <p><b>Action #3:</b> Beginning December 2021, utilize the standardized quality assurance (QA) case review process implemented at each LDSS to monitor compliance with uploading all legal documents in each foster child's record and provide technical assistance accordingly.</p> |  |                      |
| <p><b>Recommendation 2c</b></p>  | <p><b>Agree</b></p>  | <p><b>Estimated Completion Date:</b></p> | <p>December 2021</p> |
| <p><b>Please provide details of corrective action or explain disagreement.</b></p> | <p>SSA is continuing to conduct activities to ensure specific program services, which are dictated by State laws and regulations, with policy direction from SSA, are performed effectively by LDSS.</p> <p>Specifically, in April 2018, SSA completed and recorded a series of webinars for local department staff on effective documentation of medical, dental, and education requirements and drafted education and health monitoring standard operating procedures (SOPs).</p> <p>In addition, SSA plans to implement the following actions:</p> <p><b>Action #1:</b> By June 2021 update SOPs to align with CJAMS reporting. Once the SOPs and reporting tools are refined and updated, quarterly</p>  |  |                      |

**Department of Human Services  
Social Services Administration**

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|  |   |
|--|---|
|  | <p>oversight and monitoring of medical, dental and education documentation will resume via implementation of the updated SOP utilizing the standardized web-based tool.</p> <p><b>Action #2:</b> By December 2021 update COMAR related to health. Based on the resulting provisions, SSA will be conducting a review process of related medical and dental policies to ensure alignment with practice, CJAMS, and requirements for compliance; current education policies will also be included in this review.</p> <p><b>Action #3:</b> Beginning December 2021, utilize the standardized quality assurance (QA) case review process implemented at each LDSS to monitor compliance with uploading all legal documents in each foster child’s record and provide technical assistance accordingly.</p> |
|--|---|

**Child Protective Services**

**Finding 3**  
**SSA’s monitoring process was not effective for both ensuring the timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by the LDSSs.**

We recommend that SSA

- a. establish effective procedures to ensure that the LDSSs conduct and complete investigations of allegations of child abuse and neglect and safety and risk assessments of controlled substance-exposed newborns in a timely manner, as required by State law and regulations (repeat); and
- b. enhance the accuracy and completeness of system reports to ensure they can be reliably used to monitor compliance with these requirements (repeat).

| <b>Agency Response</b>   |  |                                   |               |
|--|--|-----------------------------------|---------------|
| <b>Analysis</b>  | <b>Factually Accurate</b>  |                                   |               |
| Please provide additional comments as deemed necessary.              |  |                                   |               |
| <b>Recommendation 3a</b>   | Agree  | <b>Estimated Completion Date:</b> | December 2021 |
| Please provide details of corrective action or explain disagreement. | <p><b>Conduct and complete investigations of allegations of child abuse and neglect:</b><br/>                     DHS is committed to ensuring the safety and wellbeing of children in our state through thorough timely and appropriate responses to reports of</p> |                                   |               |

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child abuse and neglect. SSA will continue to take appropriate actions to monitor the timeliness of CPS Responses. In April 2018, SSA conducted and recorded a webinar to guide the LDSS on timeliness of CPS cases and ensure appropriate documentation in MD CHESSIE. Following the webinars, in May 2018, SSA began monitoring compliance of timeliness of CPS cases utilizing the In-Home Milestone Report.

In January 2019, SSA reassigned one staff person to serve as Acting Program Manager for Baltimore City CPS staff with direct supervision from SSA's Director of CPS/Family Preservation Services. In addition, SSA engaged a team to provide targeted support to Baltimore City CPS staff to include training on CPS statute, regulations, policy and best practice, implementation of a targeted case supervision approach, and monthly meetings among Supervisors and Unit Managers to identify and address any systemic issues in providing CPS responses.

In February 2020, SSA hired a staff person whose main responsibility is to provide monitoring, oversight, and technical assistance for CPS activities including timeliness of investigations. This staff person is leading an interim process to monitor the timeliness of initiating and completing investigations within targeted jurisdictions which began in October 2020. This process allows for a random selection of cases out of CJAMS to review. If concerns are noted, SSA contacts the local department to discuss the findings and provide technical assistance.

In April 2020, SSA began working with CJAMS developers to refine the CPS milestone report, to include the ability to monitor timely initiation of responses and case closures. In March 2021, an accurate CPS milestone report was implemented to capture the timely completion of CPS investigations that is available daily to SSA and Local staff. SSA has continued to direct LDSS leadership to utilize the existing CPS Milestone Reports during supervision so CPS supervisors can monitor case activities while a CPS case is active.

In addition, SSA plans to implement the following actions:

**Action #1:** Effective immediately, send out communication to all CPS and Family Preservation staff to provide guidance related to timeliness on investigations to include steps to take to access children, what to do if staff are unable to see a child timely, and effective documentation of reasonable efforts. To support the guidance provided, the current policy regarding access to children will also be updated.

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**Action #2:** Reviewed CPS response data with LDSS Directors and Assistant Directors at the March SSA/LDSS weekly call to identify barriers and identify technical assistance needed. SSA will continue to provide regular data to Local Directors and Assistant Directors related to CPS responses.

**Action: #3:** In March 2021, initiated steps to begin an interim monitoring process to using the information from the CFSR (Child and Family Services Review) along with random case sampling by requesting a data report of additional cases beyond what is currently provided as part of the CFSR review (14 cases for a large jurisdiction, 10 or a medium jurisdiction and 6 for a small jurisdiction). The random case samples will be from the same period under review as the CFSR. The initial random sample was provided in May 2021.

The review of the additional cases will provide opportunities to offer technical assistance to LDSS to reinforce their efforts to initiate and complete CPS responses timely and allow for information learned from the additional case reviews to be included in their final CFSR report.

**Action #4:** By December 2021, utilize the standardized quality assurance case review process implemented at each LDSS to monitor timeliness of initiating and closing investigations and provide technical assistance accordingly.

**Safety and risk assessments of controlled substance-exposed newborns in a timely manner:**

SSA has taken action to efficiently monitor and provide oversight of Substance Exposed Newborn (SEN) assessments. The current In-Home Milestone report captures active SEN Risk of Harm cases and the date of the last/most current safety and risk assessment completed for the case; however, this data report is incomplete.

Due to the report inaccuracies, an informal data validation process has been utilized. After identifying the SEN cases for the jurisdictions using the In-Home Milestone report, MD CHESSIE has been used to cross-check the data (safety and risk assessment dates).

Additionally, SSA conducted a SEN policy training in February 2021. The training included a review of the safety and risk assessments and timelines for completion. Substance Exposed Newborn #21-05 policy was issued to clarify, provide details, and offer additional guidance to professionals serving SENs and their families. The revised SEN policy, due to take effect in March 2021, was updated to clarify roles and

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|   | <p>responsibility as it relates to the coordination of, care of and response to SENs. Along with the policy, several new and revised SEN forms are being introduced to support and improve practice; those tools were also demonstrated during the training.</p> <p>In addition, SSA plans to implement the following actions:</p> <p><b>Action #1:</b> Beginning March 2021, utilized a pilot data report for SEN as a short-term plan to provide improved data to support the monitoring of the completion of required safety and risk assessment within required timeframes.</p> <p><b>Action #2:</b> By May 2021, in order to improve oversight, refine the existing Monitoring SOPs to include alignment with CJAMS (Child, Juvenile and Adult Management System), the enhancement of the oversight process, and the revision of the established monitoring timeframes.</p> <p><b>Action #3:</b> By December 2021, utilize the standardized quality assurance case review process implemented at each LDSS to monitor compliance with medical, dental, and education requirements and provide technical assistance accordingly.</p>   |                                   |               |
| <b>Recommendation 3b</b>  | <b>Agree</b>   | <b>Estimated Completion Date:</b> | December 2021 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA continues to implement appropriate actions to enhance the accuracy and completeness of reports to reliably monitor timely completion of CPS investigations and the timeliness of required assessments of substance-exposed newborns completed by the LDSS.</p> <p>Specifically, SSA is planning the following short and long term activities to ensure data is reliable and can be used to monitor compliance:</p> <p><b>Action #1:</b> In March 2021, implemented an accurate CPS milestone report to capture the timely completion of CPS investigations that is available daily to SSA and Local staff. In addition, in partnership with the University of Maryland School of Social Work, a draft template of a reporting tool that can be used for monitoring timeliness of SEN assessments was created and provided to program staff for input. Reporting templates outlined response timing for the jurisdictions and state overall; the reporting template are in the process of being enhanced to better monitor the accurate timeliness of safety and risk assessments for a sample size of SENs. Once a final version of the SEN report is decided upon, it will be created in the system where it will be available on a daily basis.</p> |                                   |               |

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|  | <p><b>Action #2:</b> In April 2021, completed a review of CJAMS Child Welfare fields to ensure that data elements for timely completion of CPS investigations and SENS reporting is a part of the application side of the system. This review showed that the two reports either developed (CPS Milestone) or SENS, in process of being finalized, will provide the necessary information for monitoring timeliness either of CPS cases or SENS assessments as the necessary data elements are in CJAMS.</p> <p><b>Action #3:</b> By September 2021, complete an assessment and update the past reporting for timely completion of CPS investigations and SENS to create improved electronic reporting capability.</p> <p><b>Action #4:</b> By December 2021, complete data/report validation of the newly revised report(s) in the new system to confirm accuracy.</p> |
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**Finding 4**  
**SSA lacked adequate controls to ensure the LDSSs were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect.**

**We recommend that SSA establish adequate controls, such as initiating a supervisory review over the process, to ensure that LDSSs are promptly notified of children born to individuals who previously had their parental rights terminated by a court (repeat).**

| <b>Agency Response</b>  |   |                                   |                    |
|---|---|-----------------------------------|--------------------|
| <b>Analysis</b>   | <b>Factually Accurate</b>   |                                   |                    |
| <b>Please provide additional comments as deemed necessary.</b>              |   |                                   |                    |
| <b>Recommendation 4</b>   | <b>Agree</b>  | <b>Estimated Completion Date:</b> | <b>August 2020</b> |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA has taken appropriate action to ensure LDSS receive timely notifications of children born to individuals who previously had their parental rights terminated for abuse or neglect. Responsibility for who receives the information from Vital Statistics has been adjusted and as of August 2020 all outstanding birth matches were caught up. With all jurisdictions now using CJAMS, a standard report has also been created.</p> <p>Several months ago, the CPS/Family Preservation office established a multi-step plan to review matches weekly after a match has been received, and ensure notifications are sent within 2 business days of the match. In addition, the CPS/Family Preservation Director reviews birth</p> |                                   |                    |

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|  | match notifications on a bi-weekly basis to ensure the LDSS are notified of all matches by SSA. The CPS/Family Preservation Office maintains a master list to track birth matches and notifications to the LDSSs. The Office also tracks whether the LDSS has initiated a timely assessment of the family where a match has been made and documents the information. |
|--|--|

**Federal Funds**

**Finding 5**  
SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds.

We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA

- a. ensure that Title IV-E eligibility is properly determined for all children (repeat);
- b. conduct reviews to ensure that Title IV-E eligibility determinations and redeterminations are proper and timely, as required by SSA policy; and
- c. review all children who are currently determined to be ineligible due to a missing court order or who entered care prior to July 2016 (and received services within the last two years), including the aforementioned cases, and obtain Title IV-E funds when possible (repeat).

| Agency Response  |   |                                   |           |
|--|---|-----------------------------------|-----------|
| <b>Analysis</b>  | <b>Factually Accurate</b>   |                                   |           |
| Please provide additional comments as deemed necessary.              |   |                                   |           |
| <b>Recommendation 5a</b>   | <b>Agree</b>  | <b>Estimated Completion Date:</b> | June 2022 |
| Please provide details of corrective action or explain disagreement. | <p>SSA has taken appropriate action to ensure the timely determination of children’s eligibility for Title IV-E. Specifically, the SSA Title IV-E Eligibility Unit began completing a 100% review of all active cases in CJAMS in December 2020.</p> <p>This review is being conducted to ensure that all eligibility determinations were properly determined and to obtain reimbursement of any federal funds potentially lost as a result of an incorrect decision. The IV-E Eligibility Management Team meets weekly to review and discuss the progress of the review and any challenges the staff are facing.</p> |                                   |           |

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|   | The IV-E Eligibility Supervisors must approve all of the updated IV-E determinations in CJAMS and a QA log is being updated as case review updates are provided.  |                                   |           |
| <b>Recommendation 5b</b>  | <b>Agree</b>  | <b>Estimated Completion Date:</b> | June 2022 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA has taken appropriate action to ensure the timely determination of children’s eligibility for Title IV-E. Specifically, the SSA Title IV-E Eligibility Unit began completing a 100% review of all active cases in CJAMS in December 2020.</p> <p>This review is being conducted to ensure that all eligibility determinations were properly determined and to obtain reimbursement of any federal funds potentially lost as a result of an incorrect decision. The IV-E Eligibility Management Team meets weekly to review and discuss the progress of the review and any challenges the staff are facing.</p> <p>The IV-E Eligibility Supervisors must approve all of the updated IV-E determinations in CJAMS and a QA log is being updated as case review updates are provided.</p> |                                   |           |
| <b>Recommendation 5c</b>  | <b>Agree</b>  | <b>Estimated Completion Date:</b> | June 2022 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA has taken appropriate action to ensure the timely determination of children’s eligibility for Title IV-E. Specifically, the SSA Title IV-E Eligibility Unit began completing a 100% review of all active cases in CJAMS in December 2020. This review includes any remaining active ineligible cases that received services within the last two years. These cases are being prioritized and if any determinations are found to be incorrect, the determination will be amended accordingly and all necessary steps to obtain federal reimbursement will be taken where applicable.</p>  |                                   |           |

**Foster Care, Adoption, and Guardianship Payments**

**Finding 6**  
**SSA did not pursue the collection of approximately \$4.8 million in provider overpayments.**

**We recommend that SSA pursue for collection provider overpayments calculated by the OIG, including those noted above.**

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| <b>Agency Response</b>   |  |                                   |              |
|--|--|-----------------------------------|--------------|
| <b>Analysis</b>  | <b>Factually Accurate</b>  |                                   |              |
| Please provide additional comments as deemed necessary.              |  |                                   |              |
| <b>Recommendation 6</b>  | <b>Agree</b>   | <b>Estimated Completion Date:</b> | October 2021 |
| Please provide details of corrective action or explain disagreement. | <p>SSA continues to take appropriate action to pursue the collection of provider overpayments calculated by the Office of Inspector General.</p> <p>In 2018, SSA, OIG and Budget and Finance agreed upon procedures to address how each department would address calculated provider overpayments. However, due to staff turnover, the procedures were not fully carried out.</p> <p>In 2020, a written standard operating procedure has been put in place that adequately addresses how each department will continue to work together to ensure that provider overpayments are pursued timely. SSA has identified staff that will specifically address these functions. In addition, monthly updates are scheduled to be provided to OIG and Budget and Finance beginning in May 2021 to indicate the status of those providers with overpayments.</p> |                                   |              |

**Finding 7**

**SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home.**

**We recommend that SSA**

- a. establish procedures to ensure compliance with State regulations regarding adoption assistance payments being made for a child who has been moved from the adoptive home to an out-of-home placement (repeat); and**
- b. review adoption assistance payments made on behalf of children in out-of-home placement, including the aforementioned 28 children, and recover any amounts that were inappropriately paid (repeat).**

| <b>Agency Response</b>                                  |                           |
|---|---------------------------|
| <b>Analysis</b>   | <b>Factually Accurate</b> |
| Please provide additional comments as deemed necessary. |                           |

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|---|--|-----------------------------------|---------------|
| <b>Recommendation 7a</b>  | <b>Agree</b>   | <b>Estimated Completion Date:</b> | December 2021 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA continues to take appropriate action to ensure that adoption assistance payments funded entirely by the State are suspended when an adopted child is removed from the adoptive home. SSA is taking the following actions:</p> <p><b>Action #1:</b> Review and update as needed Policy SSA/CW#13-01 to ensure compliance with State COMAR regulations regarding the suspension of adoption assistance payments when required.</p> <p><b>Action #2:</b> Create an automatic flag in CJAMS to stop payments for state subsidized adoptions ending in out-of-home placement immediately at the onset of the change in the placement status. Once completed, generate monthly reports to allow for the monitoring of the suspension of adoption subsidy for any youth who have moved from an adoptive home to an out-of-home placement.</p> <p><b>Action #3:</b> Update and revise audit response webinars as a means of providing ongoing technical assistance to LDSS to ensure that State adoption subsidies are terminated when a youth is placed in out-of-home care.</p> |                                   |               |
| <b>Recommendation 7b</b>  | <b>Agree</b>   | <b>Estimated Completion Date:</b> | April 2022    |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA is taking appropriate action to review adoption assistance payments made on behalf of children in out-of-home placement, including for the aforementioned children, to determine the ability to recover any amounts that were inappropriately paid.</p> <p>Specifically, SSA is reviewing the list of children currently in foster care who entered after an adoption to confirm that adoption subsidy payments were suspended when appropriate and suspend those that no longer meet the eligibility criteria for an adoption subsidy. SSA will complete the review by June 30, 2021. For any payments not suspended, SSA will make attempts to recoup any funds, as appropriate, by April 2022.</p>   |                                   |               |

**Interagency Agreements**

**Finding 8**  
**SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.**

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We recommend that SSA implement a process to ensure the propriety of State university invoices. For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat).

| <b>Agency Response</b>  |   |                                   |           |
|---|---|-----------------------------------|-----------|
| <b>Analysis</b>   | <b>Factually Accurate</b>   |                                   |           |
| <b>Please provide additional comments as deemed necessary.</b>              |   |                                   |           |
| <b>Recommendation 8</b>   | <b>Agree</b>  | <b>Estimated Completion Date:</b> | June 2022 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>SSA currently receives timesheets and the DHS Monthly Detail Form for all Interagency Agreements (IAA) with the University of Maryland. Both documents provide a detailed summary of charges for all staff funded by the agreement and the specific tasks that each employee worked on during the invoice period. SSA is taking the following actions to implement a process to ensure the propriety of State university invoices:</p> <p><b>Action 1:</b> By June 2021, develop a SOP and training to ensure that all project officers have clear guidance on contract monitoring requirements related to reviewing timesheets, tasks completed during the invoice period, monthly charges for accuracy, and documentation provided to support charges.</p> <p><b>Action 2:</b> By December 2021, review the current contracting mechanism with the DHS procurement office and Office of Attorney General to determine any necessary changes to the contracting process.</p> <p><b>Action 3:</b> By June 2022, partner with the Office of the Attorney General and the Procurement Office to draft language to be included in the current IAA agreements requiring SSA approval of critical changes in personnel. While the IAA language is being drafted and finalized, SSA is notifying University contacts in writing that key personnel changes (i.e. Principal Investigators, Program Managers/Directors, Research Analysts) must be approved by SSA prior to changes being made. These notifications will be distributed in May 2021.</p> |                                   |           |

AUDIT TEAM

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