



The Commonwealth of Massachusetts

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INDEPENDENT STATE AUDITOR'S REPORT ON
CERTAIN ACTIVITIES OF THE
DEPARTMENT OF SOCIAL SERVICES
JULY 1, 2006 TO JUNE 30, 2007

OFFICIAL AUDIT
REPORT
APRIL 8, 2008

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The Department of Social Services (DSS), established by Chapter 18B, Section 1, of the Massachusetts General Laws, provides services to children and families who are at risk of or have been victims of abuse or neglect. DSS administers comprehensive social services programs. These services are administered through 29 area-based offices, and include counseling, protective services, parent aid, and other in-home supports to reduce risks to children, and legal and adoptive services. During fiscal year 2007, DSS administered approximately \$865 million, of which federal funds totaled approximately \$251 million.

In accordance with Chapter 11, Section 12, of the General Laws, we conducted a review of DSS in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2007.

AUDIT RESULTS

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PRIOR AUDITS RESULTS RESOLVED

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During our follow-up review we determined that DSS has made improvements to (a) the timeliness of Criminal Offender Record Information (CORI) checks, (b) the process for home licensing, (c) controls over FamilyNet and home licensing report data, and (d) legal requirements for the open fair appeal hearings process.

a. Improvements to the Timeliness of CORI Checks

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During fiscal year 2007, DSS shifted the oversight of contracted foster care homes to the Central Office Foster Care Support Services Unit, resulting in foster care and contracted care services monitoring, including CORI compliance, within the same unit. Additionally, this unit implemented CORI check timeliness compliance monitoring, issued monthly departmental reports to provider agencies, and conducted meetings and trainings with contract providers concerning CORI compliance. As of June 30, 2007, no reports of overdue CORI checks existed.

b. Improvements to the Process for Home Licensing

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DSS implemented a process whereby compliance reports are distributed on a monthly basis to Regional and Area Office staff. Additionally, the Central Office Foster Care Support staff continued ongoing monitoring of the status of the homes that exceed the 40 days allowed by regulation, ensuring due diligence. Finally, enhancements to FamilyNet continue to be developed with the goal of improving and increasing family resource documentation in the system.

c. Improvements to the Controls over FamilyNet and Home Licensing Report Data

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DSS implemented significant enhancements to the family resource windows (technical enhancements) in FamilyNet. These enhancements directly facilitate or simplify the input of information into the system, improve data extraction from the system, or auto-generate annual functions that previously required manual staff entry. Continued

enhancement to both the FamilyNet system and the reports generated from FamilyNet continues between the Information Technology department and the Adoption and Foster Care staff. In addition, DSS hired six Regional Clinical Directors, one in each regional office, whose role includes assisting the field with quality improvement and oversight of clinical practice. The Central Office Foster Care Support Services unit continues to work with regional and area staff to ensure completion of family resource tasks in a timely manner. Most important to improving the licensing and relicensing in foster care was the release and implementation of the Family Resource Policy. The Family Resource Policy training reviews the standards and expectations regarding timeframes for task completion for foster homes. These timeframes include initial licensing and relicensing expectations and roles not only for family resource workers, but also for supervisors and managers. In addition to the Family Resource Policy, a weighted workload was created for family resource workers.

d. Improvements to the Legal Requirements for Open Fair Appeal Hearings Process

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DSS hired a second hearing officer in August 2006 and continues to pursue the hiring of a third hearing officer. In the interim, the department entered into an agreement with an independent contractor to review and expedite the fair hearing process for individuals involved with DSS services. As a result, approximately 1,700 backlogged cases have been adjudicated. DSS continues to make substantial progress in alleviating the backlog of cases, thereby bringing it into compliance with 110 Code of Massachusetts Regulations 10.10.

INTRODUCTION

Background

The Department of Social Services (DSS), established by Chapter 18B, Section 1, of the Massachusetts General Laws, is mandated to provide and administer a comprehensive social service program, including the following services: casework or counseling, including social services to families, foster families, or individuals; protective services for children, unmarried mothers, the aging, and other adults; legal services for families, children, or individuals as they relate to social problems; foster family care and specialized foster family care for children, the aging, the disabled, and the handicapped; adoption services; homemaker services; day care facilities and services for children, the aging, the disabled, and the handicapped; residential care for children with special needs or aging persons not suited to foster family care or specialized foster family care; informal education and group activities as needed for families, children, the aging, the disabled, and the handicapped; training in parenthood and home management for parents, foster parents, and prospective parents; social services for newcomers to an area or community to assist in adjustment to a new environment and new resources; camping services; family services intended to prevent the need for foster care and services to children in foster care; temporary residential programs providing counseling and supportive assistance for women in transition and their children who, because of domestic violence, homelessness, or other situations, require temporary shelter and assistance; information and referral services; and social services for families and individuals in emergency and transitional housing.

The mission of DSS is to strengthen family/parent/child relationships to ensure the safety and long-term integrity of the adult/child bond and, when that cannot be achieved, to support the child through the establishment of alternative family/parent/child relationships through adoption, guardianship, or lifelong connections. To achieve this goal, DSS's mission is to conduct a child welfare practice that is child-driven; family-centered; community-focused; strength-based; and committed to diversity, cultural competence, and continuous learning.

Through six regional and 29 area-based offices, DSS seeks to strengthen families by assisting parents in meeting their parental responsibilities and, when necessary, through court orders or voluntary agreements, to place the child with foster parents or in group homes to provide safety from abuse and neglect. When a child is removed from his or her home, DSS develops a service plan to provide

a long-term stable resolution as soon as possible. During fiscal year 2007, approximately 9,203 children were living in foster care or some type of residential facility.

Section 6 of Chapter 18B of the General Laws places DSS under the direction, supervision, and control of the Commissioner of Social Services, who is appointed by the Secretary of Health and Human Services, with the approval of the Governor, serves at the pleasure of the secretary, and may be removed by the secretary at any time, subject to the approval of the Governor.

For fiscal year 2007, DSS administered approximately \$865 million, of which federal funds totaled approximately \$251 million.

Audit Scope, Objectives, and Methodology

In accordance with Chapter 11, Section 12, of the General Laws, we conducted a review of DSS for the period July 1, 2006 to June 30, 2007. We conducted our review in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2007. The Commonwealth's Fiscal Year 2007 Single Audit Report consists of the following volumes:

- Statutory Basis Financial Report
- Comprehensive Annual Financial Report
- Reports on Compliance and Internal Controls in Accordance with Governmental Auditing Standards and Requirements of the Office of Management and Budget (OMB) Circular A-133 and the Schedule of Expenditures of Federal Awards

The audit results contained in this report are also reported in the Fiscal Year 2007 Single Audit of the Commonwealth of Massachusetts, Reports on Compliance and Internal Controls in Accordance with Governmental Auditing Standards and Requirements of OMB Circular A-133, and the Schedule of Expenditures of Federal Awards mentioned above.

Our review was conducted in accordance with applicable generally accepted government auditing standards and standards set forth in OMB Circular A-133, revised June 27, 2003, and the American Institute of Certified Public Accountants' (AICPA) Audit and Accounting Guide, Audits of State and Local Governments. Additionally, our review evaluated DSS's compliance with Office of the State Comptroller (OSC) policies and procedures; Massachusetts General Laws; and other applicable laws, rules, and regulations.

In performing our review of DSS's activities, we referred to OMB Circular A-133 and the March 2007 Compliance Supplement to determine the compliance requirements that must be considered in an audit conducted under OMB Circular A-133. Based upon our review, we determined requirements applicable to the Title IV-E Foster Care, Adoption Services, and Social Services Block Grant Programs and designed appropriate tests to determine DSS's compliance with these requirements.

Specifically, our objectives were to:

- Assess the internal controls in place at DSS during the review period.
- Assess and evaluate the program for compliance with the requirements of the Compliance Supplement, the federal Department of Health and Human Services, and the OSC.
- Follow-up on prior audit results to determine what corrective action has been taken (Audit Report No. 2007-1058-16S).

The criteria for our review were drawn from OMB Circular A-133 and the March 2007 Compliance Supplement, the Code of Federal Regulations, and the OSC's Internal Control Guide. Those criteria dealt with the Department's applicable responsibility for compliance with laws and regulations governing:

Activities Allowed or Unallowed
Allowable Costs/Cost Principles
Cash Management
Davis- Bacon Act
Eligibility
Equipment and Real Property Management
Matching, Level of Effort, Earmarking
Period of Availability of Federal Funds
Procurement, Suspension and Debarment
Program Income
Reporting
Real Property Acquisition/Relocation Assistance
Subrecipient Monitoring
Special Tests and Provisions

We examined, on a test basis, evidence about DSS's compliance with the applicable requirements and performed such other procedures as we considered necessary. Based on these tests, we have concluded that, except as reported in the Audit Results section of this report, DSS had adequate internal controls in place and complied with the requirements of the federal Department of Health

and Human Services; OMB Circular A-133 and the Compliance Supplement; and all applicable laws, rules, and regulations, for the areas tested.

AUDIT RESULTS

PRIOR AUDITS RESULTS RESOLVED

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