

FOLLOW-UP REPORT

Denver Human Services

Child Welfare Services Audit

October 2018

**Office of the Auditor
Audit Services Division
City and County of Denver**



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October 4, 2018

AUDITOR'S REPORT

In keeping with generally accepted government auditing standards and the Audit Services Division's policy, as authorized by D.R.M.C. § 20-276, our division has a responsibility to monitor and follow up on audit recommendations to ensure audit findings are being addressed through appropriate corrective action and to aid us in planning future audits.

This report is to inform you that we have completed our follow-up effort for the Denver Human Services Child Welfare Services audit issued October 19, 2017. Our review determined that the department has adequately implemented all of the recommendations made in the audit report. We applaud your timely completion of these improvements.

For your reference, this report includes a highlights page that provides background and summary information on the original audit and the completed follow-up effort. Following the highlights page is a detailed implementation status update for each recommendation.

This concludes our follow-up work related to this audit. I would like to express our sincere appreciation to you and to department personnel who assisted us throughout the audit and follow-up process. If you have any questions, please feel free to contact me at 720-913-5000 or Emily Owens, Internal Audit Supervisor, at 720-913-5016.

Denver Auditor's Office

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien".

Timothy M. O'Brien, CPA
Auditor



Child Welfare Services October 2018

Follow-up Status

Denver Human Services (DHS) has successfully implemented all 10 recommendations made in the October 2017 audit report.

Objective

The audit had three objectives related to 1) DHS's access controls to the state-automated case management system; 2) the utilization of certain designated funding sources by DHS's Child Welfare and Adult Protection Division (CWD); and 3) the efficiency and effectiveness of select CWD policies and programs specifically related to caseworker background checks, intake policies, and prevention services.

Background

DHS's mission is to partner with the community to protect those in harm's way and help all people in need. CWD provides protection and prevention services to children, including those subjected to abuse and neglect. Because DHS receives federal, state, and local funding, it is subject to varying regulations that mandate the process for investigating allegations of abuse and neglect, the requirements for employment, and financial spending and reporting.

REPORT HIGHLIGHTS

Highlights from Original Audit

The original audit involved extensive collaborative efforts between the Auditor and DHS to ensure the audit team's unprecedented access to records while providing the necessary safeguards for highly sensitive and confidential information. With our access to DHS's records, we identified some areas in need of improvement.

First, we found that DHS could not demonstrate that some caseworkers and caseworker supervisors completed and passed the required background checks prior to hire or promotion. Caseworkers are tasked with working directly with high-risk, vulnerable children and their families. As such, state and local laws mandate specific requirements for background checks.

Second, DHS had implemented new policies and programs aimed at promoting child abuse and neglect prevention, as well as ensuring that calls received by CWD related to vulnerable children with a history in the CWD received more scrutiny. When evaluating both the Automatic Assessment of Vulnerable Children Policy and the new Prevention Services Program, we found that DHS could not clearly demonstrate that these recent initiatives were effective. In both cases, deficiencies in program and policy development led to poor implementation.

Finally, although certain internal controls appeared to be operating effectively, others needed to be improved. Specifically, security controls for the state-automated case management system, Trails, and controls related to grant accounting practices appeared to be operating effectively. However, we found that DHS did not fully comply with the City's Fiscal Accountability Rules related to reimbursing employees for work-related travel. Further, DHS could have improved the accuracy of service provider billing and documentation.

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RECOMMENDATION STATUS OF IMPLEMENTATION

FINDING 1: Denver Human Services Could Not Demonstrate That Certain Caseworkers Passed Required Background Checks Prior to Hire

Recommendation

- 1.1 **Internal Background Check Policy** – Denver Human Services should revise its internal policy to include, at a minimum, the following elements: clear guidance regarding which background checks are required for all types of candidates; retention requirements for all required background check documentation (for candidates that did and did not pass); identification of individual(s) responsible for ensuring all required checks are completed; and the effective date of each required background check.

Status: Implemented

Auditee Action

Denver Human Services (DHS) reviewed and revised its internal background check policy to clearly identify which types of checks are required for all types of candidates, outline the required frequency of those checks, and identify responsible parties for ensuring background checks are completed. For example, DHS developed a matrix to demonstrate which types of checks are required for candidates based upon state and local regulations as well as internal policies. Additionally, DHS crafted checklists to assist in ensuring all required checks are completed successfully. The updated policy also includes retention requirements for documentation related to background checks. The amended background check policy was effective as of December 5, 2017.

RECOMMENDATION STATUS OF IMPLEMENTATION

FINDING 2: Denver Human Services Could Not Demonstrate the Effectiveness of Two Recent Initiatives

Recommendation

- 2.1 **Review and Revise the Automatic Assessment for Vulnerable Children (AAVC) Policy** – Denver Human Services should review the AAVC Policy to clearly document the following elements, at a minimum: criteria for applying the AAVC Policy, whether an assessment must be completed for all referrals meeting criteria regardless of Volume 7, the data to be collected to monitor the AAVC Policy's implementation, and DHS's plan for periodic reviews and evaluations of the AAVC Policy's effectiveness.

Status: Implemented

Auditee Action

DHS reviewed and revised the AAVC Policy to clearly document new and more expansive criteria for when a referral should be considered for assessment based upon the policy. Additionally, DHS developed process flow charts and transitioned the decision-making process related to the policy from the RED Team to the supervisor triage teams in an effort to streamline the review process of referrals and to ensure consistent identification of AAVC risk factors.¹ DHS also identified some data points to be collected during the initial evaluation phase of the policy, which was set to begin at the end of August 2018, and will continue to identify other relevant data points throughout this initial evaluation process. This process is scheduled to continue until the beginning of December 2018. Finally, aside from the initial evaluation phase, DHS plans to continually reassess the necessity of the AAVC Policy through additional, ongoing evaluations.

Recommendation

- 2.2 **Develop Procedures for the AAVC Policy** – Denver Human Services should develop procedures for the AAVC Policy that require, at a minimum, all staff to consistently and uniformly document in Trails whether a referral meets AAVC Policy criteria and the final screen-in or screen-out decision that includes the reasoning behind the decision. Additionally, DHS should develop procedures for the AAVC Policy that require consistent and uniform documentation of when an override occurs and who authorized the override.

Status: Implemented

Auditee Action

¹ The Review, Evaluate, and Direct Team (RED Team) is responsible for reviewing most referrals, or reports of potential child abuse or neglect, to determine whether they meet criteria for further investigation.

Following implementation of Recommendation 2.1, DHS developed procedures that require all staff and supervisors to uniformly document, in a designated location in Trails, all screening and applicable override decisions related to the AAVC Policy. These procedures include the exact language caseworkers and supervisors should use to ensure consistency, as well as a screenshot showing the location where these decisions should be documented. Additionally, these procedures require supervisors and administrators who provide overrides to include their initials along with all override notes.

Recommendation

- 2.3 **Training on the AAVC Policy** – Denver Human Services should disseminate the AAVC Policy to all Child Welfare Division staff and incorporate the AAVC Policy in all training of new caseworkers. As part of this, DHS should maintain documentation demonstrating that all CWD staff participating in RED Team decision-making receive this training.

Status: Implemented

Auditee Action

DHS reviewed and revised training requirements and documented a training plan with guidance for supervisors who participate in the AAVC decision-making process. Additionally, DHS disseminated information related to the new AAVC guidance via email to all Child Welfare Division staff, as well as communicated the information during an all staff meeting in January 2018. The email contained the rationale behind the policy changes and instructed staff to access a new logic model and guidance on the DHS SharePoint site. Further, DHS created a communication packet and presentation for staff, which included an infographic, a summary of the policy changes, and the effective date for the new policy. We found that all staff required to attend the training had documentation of their attendance. DHS houses documentation of completed training in the state training database for each employee. Finally, DHS has a process in place to train new supervisors as part of their onboarding. This training is provided via a workgroup and through the supervisor's direct administrator.

Recommendation

- 2.4 **Prevention Services Program Design and Implementation** – Denver Human Services should conduct an internal review of the design and implementation of the Prevention Services Program. The review should result in updated policies and procedures that document, at a minimum: clearly defined target population and eligibility criteria, data collection requirements, outcomes to measure effectiveness, and a plan for regular program monitoring or evaluation.

Status: Implemented

Auditee Action

DHS Prevention Services staff conducted a review of the Prevention Services Program alongside the agency's Program Evaluation and Development team. This review included a discussion of best practices. Following the review, DHS updated its Prevention Services policies and

procedures to include eligibility requirements, processes for contacting families, documentation standards, and guidance for supervisory oversight. Additionally, DHS outlined a process for evaluating the Prevention Services Program that includes four phases aimed at gathering descriptive statistics, conducting satisfaction surveys, and evaluating short- and long-term outcomes. DHS has already completed the first two evaluation phases. Regarding the third phase, DHS has collected data related to short-term outcomes and is in the final stages of analyzing the data. DHS will continue to identify additional data points for outcome measurement once the modernization process of the agency's case-management system is complete. Finally, DHS plans to conduct ongoing program monitoring and evaluation, at least on an annual basis; as part of this ongoing effort, it is also conducting quarterly client satisfaction surveys.

Recommendation

- 2.5 **Prevention Services Program Training** – Denver Human Services should develop and implement a training plan that ensures that all RED Team members understand the purpose of the Prevention Services Program and the types of referrals that are, or are not, eligible for the program. Additionally, DHS should maintain documentation that RED Team members receive this training.

Status: Implemented

Auditee Action

DHS's Prevention Services management developed a training module in January of 2018, which was provided to staff in February and March. The training included a process flow chart for the RED Team decision-making process, including how RED Team members should determine whether a family would benefit from a referral to Prevention Services. Management also drafted documentation to assist RED Teams in determining eligibility for referrals to Prevention Services. Specifically, the documentation outlines the different types of prevention programs available, including the duration and referral process for each. It also describes specific activities that Prevention Services cannot do (e.g., investigating allegations of abuse or neglect), and reiterates that services are completely voluntary. DHS collected and retained documentation demonstrating that all caseworkers attended the trainings. Finally, new caseworkers will receive the necessary training during the RED team decision-making process, and also upon hire by the caseworker's direct supervisor.

Recommendation

- 2.6 **Prevention Services Case Management** – In conjunction with Recommendation 2.4, once the review of the Prevention Services Program is completed, Denver Human Services should ensure that Prevention Services Program staff are trained on any changes impacting their case management responsibilities. Additionally, DHS should develop and implement monitoring processes to ensure that caseworkers adhere to case management process steps.

Status: Implemented

Auditee Action

Following a review of the Prevention Services Program, Prevention Services management developed and updated documentation related to case-worker responsibilities specific to case management. These documents include processes and documentation requirements specific to each phase of the prevention case. Management also provided training for Prevention Services program staff on the updated case management processes, case-worker expectations, supervisory responsibilities, and included practice examples. Additionally, Prevention Services management now monitors caseworkers' adherence to best practices and required processes through biweekly meetings and a review of all case work documentation for accuracy and compliance with procedures. Finally, DHS has a process in place to communicate any changes to case management practices going forward.

Recommendation

- 2.7 **Child Abuse Prevention Month Mini-Grant Process** – Prevention Services Program management should ensure that Child Abuse Prevention Month processes formally document mini-grant management procedures that ensure consistency and accountability. These procedures should include a detailed description of the award selection process and criteria, and steps to ensure compliance with mini-grant agreements and requirements by awardees.

Status: Implemented

Auditee Action

DHS updated the Child Abuse Prevention Month mini-grant selection procedures to include a multi-stage review process. First, a technical review ensures the applicant submitted all required documentation and fully outlined event specifics, such as location and total dollar amount requested. The technical reviewers are also responsible for ensuring the applicant is in good standing with DHS. Second, a panel of volunteer reviewers independently score the application against a rubric for qualitative features such as project goals and design. Finally, the volunteer reviewers meet to discuss all applicants and to ensure the applications were evaluated consistently. DHS held a mini-grant orientation in March 2018 for interested applicants, which included an overview of the process, communications expectations, financial obligations, and applicant expectations. Finally, for those applicants who receive the mini-grant funding, DHS has a review process to ensure all receipts and purchases align with program requirements, and all packets are reviewed and signed before reimbursements are distributed.

RECOMMENDATION STATUS OF IMPLEMENTATION

FINDING 3: Although Certain Controls Appear to be Operating Effectively, Others Could Be Improved

Recommendation

- 3.1 **Revise Internal Travel Policies** – Denver Human Services should revise its internal policies and procedures regarding travel expenditures to include procedures that ensure travel vouchers are calculated correctly, reimbursements for travel expenditures are in accordance with Fiscal Accountability Rule 10.8, and any exceptions to Fiscal Accountability Rule 10.8 are fully documented.

Status: Implemented

Auditee Action

DHS drafted revised internal travel policies and procedures, which were implemented in November 2017. The updated policies and procedures include guidance for calculating travel expenditures and ensuring expenditures are allowable based on Fiscal Accountability Rule 10.8, as well as stipulate that any exceptions to Fiscal Accountability 10.8 must be fully documented. Additionally, the policies contain requirements for multiple layers of review and authorization of travel expenditures. DHS provided training for these updated policies and procedures and conducted an internal audit of travel reimbursement documentation following the implementation of the updated policy that found these observations did not continue to be an issue.

Recommendation

- 3.2 **Revise Service Provider Contract Terms on Time Accounting** – Denver Human Services should consider incorporating new language into provider contracts during the next cycle of contract negotiations in 2018. Such language should require providers to document and explain what services were provided, and include the associated time spent providing such services, to ensure that billed amounts can be reconciled to invoices and system payments.

Status: Implemented

Auditee Action

DHS amended contract language for contracts related to translation services as well as visitation services. The updated language clarified the way providers should be billing based on specific time intervals. Additionally, DHS provided training to staff responsible for ensuring contract compliance. During this training, staff practiced verifying hours spent in a translation meeting and hours billed. Finally, DHS established a process for handling inconsistencies between billed and actual time to ensure payments are consistent with contract requirements.

Conclusion

We found the department has fully implemented all recommendations and adequately mitigated the risks identified during the original audit. On behalf of the citizens of the City and County of Denver, we thank DHS's management and staff for their cooperation during our audit follow-up effort, their remarkable diligence in preparing extensive quality improvement plans and documentation to assist our audit follow-up work, and their dedicated public service. As a result, we conclude our follow-up effort related to the Child Welfare Services Audit.

Office of the Auditor

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