Claire McCaskill

Missouri State Auditor

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SOCIAL SERVICES

State Adoption Program

Office Of The
State Auditor Of Missouri
Claire McCaskill

The following problems were discovered as a result of an audit conducted by our office of the State Adoption Program.

The goal of the Adoption Program is to provide permanency to children in foster care in the form of a stable and continuous relationship with nurturing and loving parents. During fiscal year 2004, there were 1,356 children adopted, and 1,398 were adopted during fiscal year 2003. While the number of adoptions has increased since the inception of the 1997 federal Adoption and Safe Families Act (ASFA), the number has been decreasing in the last three fiscal years, and the department is still not petitioning to terminate parental rights (TPR) and/or achieving child permanency in a timely fashion.

For all children adopted in fiscal years 2003 and 2004, the average length of custody was 33 and 31.7 months, respectively, which is significantly longer than the national standard of 24 months.

We reviewed 60 of the 288 cases of children who had been in state custody for over 15 of the last 22 consecutive months in fiscal years 2003 and 2004. Our tests focused on children whose goal was adoption and who had no action or incomplete action on TPR according to department management reports. Issues leading to delays in TPR included: untimely court hearings; child mental and behavior issues; unsuccessful attempts at placement with other relatives; continued involvement of biological parents in their children's lives; and some courts' unwillingness to TPR until an adoptive placement is found. These delays cause adoptions to not be made because potential adoptive parents are discouraged by the continuous delays.

Our office reviewed the *Children's Division Management Report* dated June 30, 2004, "Table 23, Children in Care on the Last Day of June 2004 With a Goal of Adoption or in Adoptive Custody" and found that 15.4 percent of children shown to have a goal of adoption had actually already been adopted, but were not entered into the system in a timely manner. Also, the system incorrectly showed 26.1 percent of children as having incomplete TPR when their parent's rights had actually been terminated and 2.5 percent of children's cases reviewed as having TPR complete when it was not.

The *Children's Division Management Report* dated June 30, 2004, "Table 26, Children in Children's Division Custody on the Last Day of June 2004 by Case manager County and Goal" showed 250 children had no case goal. Of these children, the 104 who had been in care more than 15 of the past 22 months, were reviewed in detail. Our review found that 96 percent did have a goal, but it was not entered on the system.

YELLOW SHEET

We reviewed 60 case files, both physical and electronic, of children the system showed as having been in care over 15 of the last 22 months, but whose TPR action was not complete or not initiated. In over 18 percent of the files reviewed, the physical file showed TPR was actually complete in these cases, but was not correctly shown on the system. Additionally, the system is also used by workers to match children with available foster and adoptive homes. With unreliable data in the system, there is no assurance staff have all resources available to them when choosing placements for children.

Currently, the department does not survey adoptive parents to determine their satisfaction with the program or any unmet needs they may have. A survey could help identify unmet needs of adoptive parents and children and provide a way to let adoptive parents know services are available. People who had been interested in adopting, but were dissatisfied with the department sent comments directly to our office. The most common complaints included:

- biological parents maintained too many parental rights,
- the department was disorganized and very difficult to deal with,
- most believed a person had to become a foster parent before they would be eligible to become an adoptive parent, and
- the time period to complete an adoption was too long.

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CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Matt Blunt, Governor
     and
Gary Sherman, Director
Department of Social Services
Jefferson City, MO 65102

We have audited the Department of Social Services, Adoption Program. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2004 and 2003. The objectives of this audit were to:

1.   Review internal controls over significant management and financial functions.

2.   Review compliance with certain legal provisions.

3.   Evaluate the economy and efficiency of certain management practices and operations.

Our methodology to accomplish these objectives included reviewing written policies, financial records, and other pertinent documents; interviewing various personnel of the program, as well as certain external parties; site visits and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the program's management and was not subjected to the procedures applied in the audit of the program.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Social Services, Adoption Program.

Claire McCaskill
State Auditor

February 25, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Kenneth W. Kuster, CPA
Audit Manager: John Blattel, CPA, CFE
In-Charge Auditor: Christina Davis
Audit Staff: Terri Crader

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

STATE ADOPTION PROGRAM
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	**Delayed Permanency**

The goal of the Adoption Program is to provide permanency to children in foster care in the form of a stable and continuous relationship with nurturing and loving parents. The federal Adoption and Safe Families Act (ASFA), Public Law 105-89 was enacted in November 1997, and all states subsequently passed conforming legislation. Key provisions of the act include promoting adoption and other permanency options, such as legal guardianship, placement with a fit and willing relative, or another planned, permanent living arrangement (APPLA).

Under the act, states are required to initiate or join proceedings to terminate parental rights (TPR) for children who have been in foster care under the responsibility of the state for 15 of the most recent 22 months, unless certain exceptions apply. In such cases, ASFA requires adoption of the child to be the goal unless it is demonstrated not to be in the best interest of the child. Examples of which would include an older teen who requests emancipation, when there is a significant bond, but the parent cannot care for the child due to disability, or when an Indian tribe has identified an APPLA for the child. While the number of adoptions has increased since inception of the act, the number has been decreasing in the last three fiscal years, and the department is still not petitioning to TPR and/or achieving child permanency in a timely fashion.

A.   In March 2004, the Administration for Children and Families, an office within the United States Department of Health and Human Services, released the Child and Family Service Review for the State of Missouri. This review covered the areas of safety, permanency, and child and family well-being for those families whose lives were touched by the Department of Social Services. The review stated the department did not meet the national standard for length of time in care before adoption. The national standard was 32 percent of the children adopted were to be adopted within 24 months of entry into foster care. Missouri's numbers were 24 and 29.3 percent in 2000 and 2001, respectively. A subsequent federal report indicates Missouri's numbers for fiscal years 2003 and 2004 were 33.1 and 33.7 percent within 24 months.

According to department management reports, for all of the children adopted in fiscal years 2003 and 2004 the average length of custody was 33 and 31.7 months, respectively, which is significantly longer than the 24-month standard. While the percentage of adoptions complete within 24 months exceeded the national standard for fiscal years 2003 and 2004, the average length in custody for all adoptions significantly exceeded the 24-month standard.

B.   We reviewed 60 of the 288 cases of children who had been in state custody for over 15 of the last 22 consecutive months in fiscal years 2003 and 2004. Our tests focused on children whose goal was adoption and who had no action or incomplete action on TPR according to department management reports. We chose to test items in Greene, Jasper, and Jackson counties, and St. Louis City because they had almost half of the cases meeting these specifications. We noted issues leading to delays in TPR and child permanency including, but not limited to:

- Untimely court hearings
- Child mental and behavior issues
- Unsuccessful attempts at placement with other relatives
- Continued involvement of biological parents in their children's lives
- Some courts' unwillingness to TPR until an adoptive placement is found, when a legally free child would be easier to recruit for.

Delays in TPR means permanence is not being achieved for children in care in a timely manner. While some of the delays in child permanency are out of the department's control, the department should work with the courts and other stakeholders to ensure more timely permanence for children in care. These delays cause adoptions to not be made because potential adoptive parents are discouraged by the continuous delays.

WE RECOMMEND the department determine reasons for delays in TPR and adoption in cases where it was determined to be in the best interest of the child and take corrective action. In addition, the department should take proactive efforts to coordinate with courts and other stakeholders to improve compliance with the federal guideline of petitioning for TPR for children who have been in care for 15 of the last 22 consecutive months and the federal standard outcome goal for 32 percent of children to be adopted within 24 months of entering foster care.

AUDITEE'S RESPONSE

The division agrees that we should determine reasons for delays in TPR and we have already taken steps to implement corrective action.

The division passed the federal benchmark for timely adoptions in federal fiscal year (FFY) 2003 and 2004. That is, of the children who were adopted in FFY 2003, 33.1 percent were adopted within 24 months of entering foster care, and of the children adopted in FFY 2004, 33.7 percent were adopted within 24 months of entering foster care. The federal benchmark for this measure is 32 percent.

Despite this, the division believes it can further improve its performance with regard to this federal measure. Filing procedures for termination of parental rights (TPR) vary across the state. Filing issues and docket management will be best resolved when completed on a circuit-by-circuit basis. However, the first step is for court and division staff to have a common understanding on the criteria a case must meet in order to pursue TPR. In many cases, the

juvenile office files a petition for TPR; however, it is also the prerogative of the division to do so when in the child's best interest. The division will develop policy outlining supervisor and staff responsibilities in filing for TPR, including documentation of compelling reasons for not filing TPR. Each circuit office will meet with their local judiciary to establish a process for expeditious filing of TPR cases. The division will also provide staff with guidelines on how to better access legal representation through the Division of Legal Services to help staff have termination hearings filed in a timely manner.

We are also targeting this federal performance measure, and other state and federal outcomes, in the eight largest judicial circuits, in which 56 percent of the children in alternative care reside. Local teams are being established to strategize on what collaboration needs to occur between the division and court to obtain better results.

We also point out that Missouri law changed in August 2004, which requires timely court hearings to be conducted by juvenile and family courts. The Office of State Courts Administrator (OSCA) promulgated administrative rules, effective February 2005, which provided sanctions for not meeting the established timelines. We believe these requirements will further emphasize the need for TPRs to be filed in a timely manner pursuant to timely permanency hearings.

2.	Computer System

The Customer Information Control System Production computer system (system) is used to track information about children in the department's custody and their progress. Adoption program data in the system includes detailed information for children in state custody with a goal of adoption, children receiving adoption subsidies, payments made on behalf of adopted children, and information concerning people licensed to adopt children. Department staff are required to enter data into the system, while documents such as court orders, permanency plans, and medical records are kept in paper files. Department workers use the system to manage case files and match children in care with available foster and adoptive homes. Also, department management uses data from the system to create internal and external reports.

We found information in the system was not updated in a timely manner and was not correct according to physical files, causing management and staff to rely on reports providing inaccurate data on children in care and their status.

A. We reviewed the ***Children's Division Management Report*** dated June 30, 2004, "Table 23, Children in Care on the Last Day of June 2004 With a Goal of Adoption or in Adoptive Custody". This table showed the number of children in state custody with a goal of adoption that had TPR complete compared to those for whom TPR was not complete. Our review noted the system was not updated in a timely manner by case workers and some information regarding the child's TPR status was incorrect.

1)   We found that 35 of 227, or 15.4 percent, of children shown to have a goal of adoption had actually already been adopted. The adoptions had taken place from 10 years to 2 months before the time of our review, but were not entered into the system in a timely manner.

2)   The system incorrectly showed 298 of 1,140, or 26.1 percent, of children as having incomplete TPR when their parent's rights had actually been terminated.

3)   The system incorrectly showed 10 of the 406, or 2.5 percent, of children's cases reviewed as having TPR complete when it was not.

With significant inaccurate or out-of-date information, it is difficult for potential adoptions to be processed in a timely manner, but it also increases the workload department staff attempting to finalize adoptions and increases the frustrations of individuals seeking to adopt these children.

B.   The ***Children's Division Management Report*** dated June 30, 2004, Table 26, "Children in Children's Division Custody on the Last Day of June 2004 by Case Manager County and Goal" showed 250 children had no case goal. Of these children, the 104 children who had been in care more than 15 of the past 22 months, as outlined by ASFA, were reviewed in detail. Our review found that 100 of 104 children, or 96 percent, did have a goal, but it was not entered on the system.

After our review, department management indicated the correct case goal was being updated in the system.

C.   We reviewed 60 case files of children the system shown as having been in care over 15 of the last 22 months, but whose TPR action was not complete or not initiated. Case files were reviewed from local offices in Greene, Jasper, and Jackson counties, and St. Louis City. We reviewed both the physical case file and the electronic case file maintained on the system. In 11 of the 60 files reviewed, or 18.3 percent, the physical file showed TPR was actually complete in these cases, but was not correctly shown on the system.

D.   The system is also used by workers to match children with available foster and adoptive homes. With unreliable data in the system, there is no assurance staff have all resources available to them when choosing placements for children.

Due to untimely system updates and inaccurate data, the department cannot adequately track the progress of children in the system and adherence to policies to ensure effective management of the adoption program. This inaccurate data could delay the adoption of eligible children.

WE RECOMMEND the department reduce the inconsistencies between the system and paper files by ensuring that information in the system is recorded in an accurate and timely manner. System information should be monitored by implementing a supervisory review of case worker input. In addition, information included in the *Children's Division Management Report* and other management reports prepared for internal and external use should be reviewed for accuracy, at least on a test basis.

AUDITEE'S RESPONSE

The division agrees with this recommendation and recognizes the need for timely and accurate data entry into its information systems.

The division is in process of revamping its information system by developing a comprehensive Statewide Automated Child Welfare Information System (SACWIS). The development of a comprehensive federally certified SACWIS system is a multi-year endeavor which, using both federal and state funding, will encompass basically all facets of child welfare. Many of the examples cited in the report will be addressed as business requirements are established which will require certain data fields to be properly completed before any subsequent data entry would be accepted. SACWIS will result in a more automated case record that can put data entry into the case-carrying worker's hands, rather than relying on clerical support. The SACWIS system is expected to be fully implemented in February 2007.

3.	Adoption Disruptions and Adoptive License Closings

The division licenses foster family homes and then approves the foster family to adopt a child upon completion of additional training and assessment. For those families who choose not to serve as a foster home, the family can receive the adoptive training and assessment only and be approved only to adopt. Unfortunately, not all adoptions are permanent and some licenses are withdrawn or closed.

Management and staff do not have precise information available on the causes of adoption disruptions and license closings. The lack of this information impedes their efforts to prevent or curtail these occurrences. Better defined codes and surveys of adoptive parents are needed to help maintain permanency for adopted children and to reduce adoption disruptions and adoptive/foster license closings. We considered an adoption disrupted when a child was removed from the adoptive home and returned to foster care (including those in temporary foster care custody). When a license is closed the parent is no longer available to adopt children. This could be the decision of the parent or the department.

Currently, the department does not track the reasons for adoption disruptions to enable them to compile and analyze the data to help develop possible ways to prevent disruptions. Although the department does currently record reasons that adoptive parent licenses are closed, the reasons are too vague to provide useful information. In addition, the department does not survey adoptive parents to help determine their satisfaction with

the program or unmet needs that could help to determine services that could be provided to maintain permanency for children.

A.   The department does not track reasons that adoptions disrupt. We reviewed 32 disruptions that occurred in Greene, Jasper, and Jackson counties, and St. Louis City during fiscal years 2003 and 2004. The two primary reasons for disruptions cited in the cases reviewed were abuse and/or neglect by the adoptive parents and the child's behavior problems. The department should track, compile, and analyze the reasons for disruptions to identify possible changes needed in screening prospective adoptive parents and in services provided to prevent disruptions.

According to the system, 518 of 9,189 active adoptive/foster adoptive parent licenses were closed in fiscal year 2003, and 460 of 8,876 licenses were closed in fiscal year 2004, or approximately six and five percent, respectively. The department currently classifies these closings using the following five codes:

        1.   Adoption finalized/subsidy terminated,
        2.   Denial for re-licensure,
        3.   Revocation,
        4.   Vendor resource discontinued, and
        5.   Voluntary withdrawal.

The two codes used for 64 percent of fiscal year 2003 closings and 58 percent of fiscal year 2004 closings were "Vendor Resource Discontinued" and "Voluntary Withdrawal". According to case files reviewed and local and department management, these two codes are used interchangeably by staff.

We reviewed 20 of these closed licenses from the counties and city mentioned above. A variety of reasons for closing licenses was noted in the physical files that were not adequately explained by the codes available. For example, two families decided to close their licenses after reports they allegedly abused their foster/adoptive children. In one of these cases the division employees had voted to revoke the license but this action was suspended because the foster/adoptive parents left the state. These were coded voluntary withdrawal instead of being coded to indicate a problem was suspected with the licensee. Another adoptive parent license was coded voluntary withdrawal after the parent died. The current codes used by the department do not adequately give the department a picture of reasons for adoptive/foster adoptive license closings. Better defined codes could help the department determine reasons adoptive parents leave the program and determine if improvements are needed to help retain them.

B.   Currently, the department does not survey adoptive parents to determine their satisfaction with the program or any unmet needs they may have. Such a survey was performed in Nevada, as referenced in the September 2004 issue of the Foster and Adoptive Coalition Newsletter. In addition, three of the five states

responding to a questionnaire sent to the eight surrounding states indicated they do perform a survey of adoptive parents. The Nevada survey showed there was a significant association between satisfaction with the program and support provided in areas such as financial, social work coordination, support groups, and legal. A survey of adoptive parents could help identify unmet needs of adoptive parents and children and provide a way to let adoptive parents know services are available and improve satisfaction with the program.

C.   People who had been interested in adopting, but were dissatisfied with the department, sent comments directly to us. The most common complaints related to this audit included:

- Biological parents maintained too many parental rights,
- The department was disorganized and very difficult to deal with,
- Most believed a person had to become a foster parent before they would be eligible to become an adoptive parent, and they were not willing to do so, and
- The time period to complete an adoption was too long.

A survey of adoptive parents could help identify unmet needs of adoptive parents and problems encountered with the program before adoption that could lead to changes that would help retain potential adoptive parents.

WE RECOMMEND the department record, compile, and analyze the reasons for adoption disruptions, and better define or categorize the reasons for adoptive license closings to identify ways to prevent future disruptions and closings. In addition, the department should survey adoptive parents to determine their satisfaction with the program and what services need improvement to retain these parents and other prospective parents in the program and help prevent disruptions and license closings.

AUDITEE'S RESPONSE

The division agrees with this recommendation.

We recognize that our current information system does not provide enough specificity relating to why an adoptive family is no longer approved or chooses to no longer adopt, and this will be addressed with the development of SACWIS (see above).

The division is pursuing accreditation by the Council on Accreditation (COA). The division will develop curriculum and ensure that applicable personnel receive at least ten hours of training on topics relevant to adoption services in accordance with best practice standards established by COA. Adoption services aim to provide a coordinated set of services to the child, the child's birth parents, adoptive applicants, and adoptive parents. Training topics to be included are:

- ✓ *approaches for orienting adoptive parents to the adoptive process;*
- ✓ *strategies for providing support services to child, child's birth parents, adoptive applicants, and adoptive parents;*
- ✓ *consumer access to identifying information in case records;*
- ✓ *techniques for placing children who do not have available adoption resources; and*
- ✓ *methods for providing pre- and post-legal adoption services to child, child's birth parents, and adoptive parents.*

Receiving feedback from the children and families served by the division is critical to improving the quality of services. Input from consumers is obtained through five types of surveys which are system-generated and mailed from the department's Research and Evaluation Unit. A self-addressed stamped envelope accompanies the survey to facilitate a higher response rate and assure confidentiality. Information from returned surveys is entered into a database, aggregated and posted annually on the division's intranet for use by all staff during their Continuous Quality Improvement meetings. In order to meet the COA standard for Continuous Quality Improvement, there will be several enhancements made to the current consumer survey process in FY 2006. This includes development and automation of a specific survey for adoptive consumers. The adoption survey will address broad issues such as participation in the service delivery process and professionalism and availability of staff. In addition, the adoption survey will contain items that address specifics related to adoption such as subsidy, supervision, and post-placement activities. Development and automation of the new adoption survey is expected to be completed by December 2005.

Additionally, the process by which all the surveys are processed in Central Office has been revamped so the information from the surveys is entered into database and returned immediately to regional administrators for examination. This enables regional administrators to respond more quickly to areas or trends which may need attention or acknowledge good work done by staff while still protecting the confidentiality of the respondent.

Please note that the division does not "license" adoptive homes as indicated in the audit report. Rather the division licenses foster family homes and then approves the foster family to adopt a child upon completion of additional training and assessment. For those families who choose not to foster, the family can receive the adoptive training and assessment only and be approved only to adopt.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

STATE ADOPTION PROGRAM
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STATISTICAL INFORMATION

The Missouri Department of Social Services was created by Article IV, Section 12 of the Missouri Constitution and Chapter 660, RSMo. The Department is administered by a director who is appointed by the Governor and approved by the Senate. The director is responsible for appointing division directors. Gary Sherman was appointed director by Governor Matt Blunt in March 2005.

Executive order 03-02 and 03-03 established the Family Support Division and the Children's Division to take the place of the Division of Family Services. The Children's Division has authority over the foster care and adoption programs. The Children's Division has the authority to negotiate, monitor, and make payments on behalf of adopted children, including adoption subsidies and child care. The Division of Medical Services makes Medicaid payments for adopted children. The goal of the Adoption Program is to provide permanency to children in foster care in the form of a stable and continuous relationship with nurturing and loving parents. This audit reviewed the administrative and financial portion of the adoption program under the Family Support Division and the program operations under the Children's Division.

During fiscal year 2004, there were 1,356 children adopted, and 1,398 were adopted during fiscal year 2003. During each of these years, over $50,000,000 was paid in adoption subsidies. The standard subsidy for a child without special needs ranged from $225 to $304 per month depending on the age of the child.