

OVERVIEW

Follow-Up Audit of the Foster Board Payment Program

Report No. 05-07, August 2005

Summary

The Foster Board Payment Program supports the mission of the Department of Human Services' Child Welfare Services Branch to ensure the safety and permanency of children in their own homes or, when necessary, in out-of-home placements. The program is a payment system for a foster child's room and board and other items or services a child might need while in foster placement. Payments are also made for adoption assistance to those parents who adopt children with special needs. In 1994, we conducted a financial and management audit of the State's Foster Board Payment Program and recommended improvements in Report No. 94-28, *Management and Financial Audit of the Foster Board Payment Program*. We found the department's management of the program, especially its financial management, required considerable attention and improvement. We conducted this follow-up audit to assess the progress made with regard to our previous findings.

We found that the Department of Human Services is better managing the Foster Board Payment Program. Program administrators are paying more attention to budgeting and the financial requirements and constraints of the payment program. We found, for example, that the department has created a separate budget category (HMS 303) for the program, allowing for better tracking of associated expenditures. It also followed our recommendations to assign budget projection responsibility to the Committee on Payment Projections and implement guidelines to control expenditures. In addition, we found that the department has clarified the scope of the payment program by articulating its responsibilities for making payments for foster children under the care of the Department of Health.

However, we found that, despite these improvements in managing the program, the department continues to lack complete and consistent data on foster children. We reviewed the Child Protective Services System database and case records for accuracy, completeness, and timeliness, and found numerous deficiencies. These discrepancies include inaccurate names, dates of birth, social security numbers, service initiation dates, and placement services. In some cases, we were unable to verify certain demographic and identifying information because either the social security card or birth certificate, or both, were missing from the case file. This oversight was true for 28 percent (45 of 161) of the cases reviewed. Our review also included confirmation that a special form was in the file and that the dates of placement and removal of a child were recorded properly. We found that in 33 percent (53 of 161) of cases the form was missing, but in nearly all cases payments to foster care providers were still made. Accordingly, we could not verify the date these children were placed in or removed from foster care homes for many of the cases reviewed, placing the propriety of payments to foster care providers in question.

We also found that the Department of Human Services continues to make overpayments and procedures for recoupment are still inadequate. The department is not adequately



monitoring board and board-related payments. Specifically, case files are not consistently reviewed for accuracy, the review of monthly payment reports is not thorough, and a procedure for periodic supervisory reviews of case files for accuracy and appropriateness of services has not been fully implemented. Further, the department has no system to monitor and recover reimbursements to the Foster Board Payment Program from Supplemental Security Income (SSI) receipts and child support collections. It cannot determine the total amounts owed to the State in reimbursements from these two sources. In addition, private fund accounts are not properly maintained for children who receive child support payments in excess of the cost of their foster care.

In our 1994 audit, we criticized the department for underutilizing the potential to claim federal funding for foster care. In our current review, we found that, since FY1997-98, the department has made improvements in securing and increasing federal reimbursements for Title IV-E funds. In FY1997-98, federal reimbursements totaled approximately \$12 million. This figure has more than doubled in FY2003-04, to over \$26 million.

Recommendations and Response

We made several recommendations regarding the Department of Human Services' management of the Foster Board Payment Program. Among these, we recommended that the Child Welfare Services Branch ensure that: 1) social workers update case files and Child Protective Services System records in a timely manner; 2) supervisory reviews are regularly conducted to ensure the accuracy, completeness, and timeliness of the information maintained by the branch; 3) social workers document children's foster care placement and removal in their case files and update the Child Protective Services System with placement information on a timely basis; and 4) social workers routinely contact foster children to ensure that payments do not continue to families after a child has left a foster home. We also suggested that the Child Welfare Services Branch work with the Child Support Enforcement Agency to coordinate and monitor child support collections, and receive reports on those children for whom child support is collectible. We recommended that the Department of Human Services establish policies and procedures to ensure that all amounts due to the Foster Board Payment Program are properly monitored and recovered and that private fund accounts for child support collections are maintained. Finally, we recommended that the department continue its efforts to maximize federal fund reimbursements.

In its response to our draft report, the department generally agreed with our findings. The department also concurred with the recommendations and identified corrective actions that will be taken. The department also provided other information and clarifications, some of which are included in the final report.

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