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Deborah K. Nichols

District of Columbia Auditor

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**Letter Report: Results of Auditor's Review of Quality
Assurance Practices Related to Certain
Congregate Care Providers**

May 16, 2008



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Deborah K. Nichols
District of Columbia Auditor
010:08:CTA:NW:MM:KM:GK

The Honorable Tommy Wells
Chairman, Human Services Committee
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 408
Washington, D.C. 2004

Re: **Letter Report:** Results of Auditor's Review of Quality Assurance Practices
Related to Certain Congregate Care Providers

Dear Councilmember Wells:

Pursuant to your request, and in accordance with section 455 of Pub.L.No. 93-198,¹ the District of Columbia Auditor (Auditor) examined the adequacy and effectiveness of the Child and Family Services Agency's (CFSA) quality assurance procedures related to specific congregate care contracts. This letter report sets forth the results of the Auditor's site visits and further review of CFSA's quality assurance practices.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether:

1. services provided by congregate care providers complied with contract requirements and Title 29 of the D.C. Municipal Regulations, entitled Public Welfare; and

¹See section 455 (b) of the District of Columbia Home Rule Act, approved December 24, 1973 (Pub. L. No. 93-198; 87 Stat. 803); D.C. Code § 1-204.55 (b) (2001) which states: "The District of Columbia Auditor shall each year conduct a thorough audit of the accounts and operations of the government of the District in accordance with such principles and procedures and under such rules and regulations as he [she] may prescribe. See also D.C. Code § 1-204.55 (c) which states: "The District of Columbia Auditor shall have access to all books, accounts, records, findings, and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit."

2. CFSA adequately monitored congregate care contracts and routinely evaluated the quality of services provided by contractors.

The scope of the audit covered the period July 23, 2003 through December 31, 2007, and included a review of all relevant CFSA quality assurance activities that occurred during the audit period. The Auditor examined the quality assurance activities associated with the following five congregate care contracts: CFSA-04-C-0346, **Echelon Community Services, Inc.**; CFSA-04-C-0363, **Fihankra Place, Inc.**; CFSA-04-C-0350, **Jones and Associates, Inc.**; CFSA-04-C-0340, **TERRIFIC, Inc.**; and CFSA-04-C-0344, **Umbrella, Inc.**

In conducting the audit, the Auditor interviewed staff in CFSA's Contracting and Procurement Administration (CPA), Office of Licensing and Monitoring (OLM), and certain provider staff; reviewed available OLM Standard Operating Procedures (SOPs), applicable sections of Titles 27 and 29 of the D.C. Municipal Regulations (DCMR), and previous reports issued on CFSA's quality assurance procedures; and examined each of the provider's contract files. The Auditor also conducted site visits and physical inspections of each of the five congregate care provider's facilities. During these site visits and physical inspections, the Auditor reviewed each provider's audited financial statements, accounting records, contract files, monitoring reports, invoice files, personnel files, and client case files; and performed other procedures, as deemed necessary and appropriate. 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.

BACKGROUND

On July 28, 2003, CFSA's Contracting and Procurement Administration (CPA) issued Request for Proposal (RFP) # CFSA-03-R-0005 to competitively obtain congregate care services from multiple contractors. As a result of that competitive process, each of the five providers which the Auditor visited were awarded indefinite quantity contracts² by CFSA covering the period July 1, 2004 through June 30, 2005 (base year) with four option years. Under these indefinite quantity

²See 27 DCMR §2499, which defines an indefinite quantity contract as " a contract that provides for an indefinite quantity, within written stated limits, of specific supplies or services, to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor. The contract requires the District to order and the contractor to furnish at least a stated minimum of supplies or services."

contracts, contractors were to be paid a fixed unit/daily per diem rate based on the actual number of youth served plus any allowable reimbursable expenses, such as youth allowances, household supplies, and furniture. Table I presents a summary of each provider's contracted service type, contract budget and per diem rates (by contract year), and budgeted capacity (number of youth to be served) by contract year, as provided in their originally executed contracts with CFSA.

Table I
Summary of Providers' Initial Contracts
(Executed in July 2004)

	Echelon Community Services, Inc.	Fihankra Place, Inc.	Jones and Associates, Inc.	TERRIFIC, Inc.	TERRIFIC, Inc.	Umbrella, Inc.
Contract Number	CFSA-04-C-0359	CFSA-04-C-0363	CFSA-04-C-0350	CFSA-04-C-0340 Traditional Group	CFSA-04-C-0340 Traditional Group	CFSA-04-C-0344
Service Type	Traditional Group Home	Teen Parents	Independent Living	Home (Females)	Home (Males)	Traditional Group Home
Contract Amount:						
Base Year	\$ 657,000	\$ 1,989,784	\$ 3,376,605	\$ 527,965	\$ 519,950	\$ 536,550
Option Year 1	\$ 761,135	\$ 2,027,237	\$ 3,376,605	\$ 539,945	\$ 534,820	\$ 551,150
Option Year 2	\$ 735,840	\$ 2,084,706	\$ 3,477,667	\$ 549,624	\$ 545,222	\$ 565,575
Option Year 3	\$ 735,840	\$ 2,132,175	\$ 3,477,667	\$ 567,101	\$ 561,582	\$ 582,175
Option Year 4	\$ 811,395	\$ 2,179,645	\$ 3,581,864	\$ 581,379	\$ 572,357	\$ 598,600
Per Diem Rate:						
Base Year	\$ 200.00	\$ 186.05	\$ 139.06	\$ 241.08	\$ 237.42	\$ 294.00
Option Year 1	\$ 231.70	\$ 191.47	\$ 139.06	\$ 246.55	\$ 244.21	\$ 302.00
Option Year 2	\$ 224.00	\$ 196.89	\$ 143.22	\$ 250.97	\$ 248.96	\$ 311.00
Option Year 3	\$ 224.00	\$ 202.30	\$ 143.22	\$ 258.95	\$ 256.43	\$ 319.00
Option Year 4	\$ 247.00	\$ 207.72	\$ 147.51	\$ 265.47	\$ 261.35	\$ 328.00
Capacity:						
Base Year	9	24	55	6	6	5
Option Year 1	9	24	55	6	6	5
Option Year 2	9	24	55	6	6	5
Option Year 3	9	24	55	6	6	5
Option Year 4	9	24	55	6	6	5

Source: Price Schedules contained in each provider's contract

CFSA Quality Assurance Monitoring

In order for a contractor to provide congregate care services in the District of Columbia, the contractor must be licensed annually by CFSA. Licensing requirements are stipulated in 29 DCMR, Chapters 62 and 63. 29 DCMR, Chapter 62 contains the criteria and procedures for licensing youth shelters, runaway shelters, emergency care facilities, and youth group homes. 29 DCMR, Chapter

63 presents the licensing requirements for independent living programs for adolescents and young adults. Providers must comply with 29 DCMR, Chapters 62 and 63 when administering their programs. Similarly, CFSA's OLM staff use 29 DCMR, Chapters 62 and 63 when monitoring providers' programs and activities.

Program Monitors in CFSA's OLM monitor program activities and conduct assessments, inspections, and evaluations of congregate care and family-based providers that operate under the authority of CFSA. The functions of CFSA's Program Monitors include, but are not limited to:

- evaluating providers' program service delivery and methods used to coordinate clients' care, education, mental health, and substance abuse services;
- completing sanitary and environmental inspections;
- conducting on-going announced and unannounced site visits, youth and staff satisfaction interviews, and program observations; and
- engaging in program improvement and planning follow-up activities.³

AUDITOR'S CONCERNS BASED ON THE RESULTS OF THE SITE VISITS AND PHYSICAL INSPECTIONS CONDUCTED

As a result of the five site visits, the Auditor identified 32 specific areas of non-compliance with standard contract provisions and service provision requirements contained in 29 DCMR. Table II presents the Auditor's findings by provider. Further, the Auditor identified six specific areas of non-compliance that were common at more than one provider, which are further discussed in detail after the table. Because the Auditor identified these six specific areas of non-compliance at 20% or more of the five sampled providers, the Auditor is concerned that these deficiencies may be more pervasive among the total current population of 45 congregate care providers.

³See "Child and Family Services Office of Licensing and Monitoring Program Manager's Administrative Guidance, dated December 12, 2007, pp. 1-6.

Table II
Auditor's Findings Based on Provider Site Visits

Finding/Deficiency Noted	PROVIDER NAME				
	Echelon	Fihankra	Jones	TERRIFIC	Umbrella
Missing background check/FBI clearance	X			X	
Criminal clearance obtained after employee's date of hire			X		
Lack of follow-up information for background checks that reported arrests or criminal history (e.g., details of arrest and/or CFSA's review and authorization)					X
Inconsistent practice on obtaining staff driving records					X
Lack of job descriptions in provider's personnel files					X
Lack of bilingual staff				X	
Lack of educational and medical history within client files			X	X	
Poor and inconsistent attendance at multi-agency planning meetings				X	
Lack of linkages with organizations that specifically provide education and support services for gay, lesbian, bisexual, and transgender youth				X	
Failure to substantiate continuous annual licensure				X	
Lack of consistent program monitoring by CFSA's Office of Licensing and Monitoring	X		X		
Failure to ensure the on-call availability of a physician for urgent services	X				
Lack of a formal quality assurance plan	X	X			
Lack of daily census reports	X	X		X	
Lack of evidence in case files of youth's involvement in community activities		X			X
Denial of placements based on language barriers	X				
Lack of HIV/AIDS policies, procedures, and case plans		X			
Lack of documentation of pre-placement conference overview			X		
CFSA's failure to submit critical intake and move-in information to provider			X		
Lack of documentation of youth's program orientation after entrance into provider's facility		X			
Lack of documentation (in case files) of provider's efforts to assist youth in developing money management skills		X			
Failure to document emergency and non-emergency medical/mental health data in youth's case files within 24 hours of intake into the provider's facility			X		
Failure to maintain adequate resident to social worker ratio			X		
Lack of documentation of provider's linkages to other organizations that provide educational and support services					X
Lack of information in case files that showed the results of family team meetings					X
Lack of annual independent audits			X		

- **Inconsistent Monitoring by CFSA's Program Monitors.** OLM's Congregate Care Annual Program Monitoring Activity Plan requires CFSA Program Monitors to conduct at least one announced and one unannounced provider site visit each month, and to attend monthly provider meetings to assess safety, level of contract compliance, quality of services, and community concerns.⁴ The Auditor found that two of the five providers, Echelon Community Services, Inc. and Jones and Associates, Inc., experienced extended periods during which there was no program monitoring by CFSA. For a three-month period in 2007, CFSA failed to perform site visits at Echelon Community Services. Similarly, in 2004 and 2006, CFSA failed to consistently visit Jones and Associates each month, as required. Because 20% of the sampled providers had experienced prolonged periods without CFSA monitoring, the Auditor is concerned that this problem may be more pervasive among the total population of congregate care providers. As a result, providers may be using practices that do not meet the District's required standards and do not foster a healthy and safe environment for youth.

- **Lack of Daily Census Reports.** The congregate care contracts require each provider to submit a Daily Census Report form for each of its facilities to CFSA's OLM.⁵ The Auditor found that three of the five providers, Echelon Community Services, Inc., Fihankra Place, Inc., and TERRIFIC, Inc., do not submit daily census reports to OLM, as required and CFSA does not actively enforce this contract requirement. The CFSA Director and OLM Manager should review the effectiveness of daily census reporting for tracking the actual placement of youth. If weekly census reporting is found to be sufficient, CFSA's Contracting and Procurement Administrator should immediately modify the contracts to eliminate the daily reporting requirement.

- **Missing Background Checks/Criminal Clearance.** Congregate care providers are required to ensure that all employees, consultants, and subcontractors who provide services under the contract have been cleared through the Child Protection Registry and the Police Department of the jurisdiction in which they resided during the five years prior to employment as well as through the District of Columbia Metropolitan Police Department, and the jurisdiction in

⁴See Government of the District of Columbia, Child and Family Services Agency, Congregate Care - Annual Program Monitoring Activity Plan form, developed October 10, 2006, revised December 13, 2007. See also "Child and Family Services Office of Licensing and Monitoring Program Manager's Administrative Guidance," dated December 12, 2007, pp. 1-6.

⁵See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.2.12.2, p.31. The wording in the original RFP was incorporated into the contracts executed with each provider.

which they will be providing services.⁶ Some personnel files at two of the five providers, Echelon Community Services, Inc., and TERRIFIC, Inc., did not contain the required background checks and criminal background clearances. Of the eight Echelon Community Services, Inc. personnel files reviewed, 1, or 12.5%, did not contain the required criminal clearances. Similarly, of the 22 TERRIFIC, Inc. personnel files reviewed, 1, or 4.5%, did not contain the required criminal background clearances. As a result, individuals who have committed offenses that should bar them from working with youth may be employed by these providers,⁷ thus placing youth, who are already vulnerable, at further risk of harm or mistreatment.

- **Lack of Educational and Medical History Within Client Files.** Providers' case files are to include documentation that school-aged youth are attending school or participating in other educational programs.⁸ Additionally, providers are required to maintain in each youth's care record, information on emergency medical needs, allergies, basic needs, non-emergency medical and mental health conditions, physical infirmities, and pre-admission medical screening information.⁹ The Auditor found that the client case files of two providers, Jones and Associates and TERRIFIC, Inc., lacked sufficient documentation of youth's educational and medical history. Of the six client files reviewed at Jones and Associates, two, or 33%, lacked sufficient educational history, and one, or 16.6%, lacked sufficient medical history. Similarly, the Auditor found that both of the two client files reviewed at TERRIFIC, Inc. lacked adequate documented educational and medical history. The Auditor is concerned that information critical to adequately planning for the care of youth was not made available to providers by CFSA's Placement staff. Thus, youth may not have been receiving the type and level of care and service which they actually needed.

⁶See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.2.10.2, p. 29.

⁷See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.2.10.3, p. 29, which states, "... persons having criminal convictions for felony crimes of violence, or crimes involving sexual assault, rape, child abuse/molestation, or drug distribution shall not under any circumstances perform services or be employed by Contractor under this contract."

⁸See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.4.9.3, p. 40.

⁹See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.4.1.5, p. 35.

- **Lack of Documentation Demonstrating Youth's Involvement in Community Activities.** Pursuant to their contracts, congregate care providers are to promote youth involvement through volunteer civic activities, attendance at religious services, if desired, and other similar activities.¹⁰ The client case files of two providers, Fihankra Place, Inc. and Umbrella, Inc., did not contain documentation that youth were actively involved in community activities and programs. The Auditor reviewed six Fihankra Place, Inc. client case files and found that three, or 50%, lacked documentation of clients' community involvement. Similarly, the Auditor found that none of the three Umbrella, Inc. client case files reviewed contained documentation of the youth's community involvement. Based on the terms of the contracts, it is CFSA's intent that providers prepare youth for eventual transition to independence. Thus, it is important that youth learn to interact positively with residents, business operators, and other individuals and groups within the community. Also, the youth's community involvement helps to foster cooperative, supportive relationships between the provider and the community. Therefore, providers should make every effort to ensure that youth regularly participate in community activities and fully document each youth's community involvement in their respective case files.
- **Lack of formal quality assurance plans.** The providers' contracts required that they develop and submit to CFSA their quality assurance plans for monitoring and reviewing program performance and designing and implementing improvement strategies.¹¹ The Auditor found that two providers, Echelon Community Services, Inc., and Fihankra Place, Inc. lacked a formal, written quality assurance plan.

RECOMMENDATION

CFSA's OLM Manager use Table II to immediately deploy Program Monitors to visit each of the named providers to assist in developing and implementing plans for bringing each provider into compliance with contract terms.

¹⁰ See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraphs C.4.11.3 and C4.11.4, p. 41.

¹¹ See RFP # CFSA-03-R-0005, dated July 28, 2003, Section C, Description/Specifications Statement of Work, paragraph C.2.12.6, p. 31. See also RFP # CFSA-03-R-0005, dated July 28, 2003, Section H, Special Contract Requirements, paragraph H.10, Quality Control, which states: "The Contractor is responsible for controlling the quality of services that conform to the contract specifications. The Contractor shall establish procedures and processes that include, but are not limited to inspections to ensure that all contract requirements are met."

AUDITOR'S CONCERNS REGARDING CFSA'S QUALITY ASSURANCE PRACTICES

- **Failure to Track the Efforts of Program Monitors.** Beginning in April 2007, the OLM Manager began tracking the number of site visits made by Program Monitors each month. Prior to April 2007, OLM did not have a centralized method for tracking and reporting on each Program Monitor's site visits. While the recent development of a tracking process is an improvement, further review is needed to determine whether the frequency and outcome of site visits can be readily identified, and whether enhancements are needed to capture additional information needed to properly monitor Program Monitor's performance.
- **No Evidence of Routine, Formalized Training of OLM Staff.** Through review of personnel files and follow-up discussions with the OLM Manager and staff, the Auditor found that OLM staff have not received routine, formalized training related to their job functions that is facilitated by professionally qualified trainers. Additionally, OLM managers do not centrally track and evaluate the training received by OLM staff. Further, the Auditor determined that the budget provided for OLM staff training has been insufficient to cover the training needs of the 84 OLM staff, 25 of which are dedicated to monitoring congregate care programs. Table III presents the OLM training budget and expenditures for fiscal years 2004 through 2007, reflecting an annual training budget amount of \$178.57 per employee. As a result of a lack of consistent, formal training, OLM staff may not be using current best practices for efficient and effective contract/program monitoring when assessing and evaluating the practices of congregate care and other service providers.

Table III
OLM Training Budget

FY	Training/Travel Budget	Training/Travel Expenditures
2004	\$0.00	\$0.00
2005	\$15,000.00	\$3,395.80
2006	\$0.00	\$0.00
2007	\$15,000.00	\$6,254.87

Source: Financial data provided by CFSA Fiscal Officer

- **No Formal Policy Regarding the Rotation of Monitors.** Adequate internal controls provide the basis for maximizing an organization's operational efficiency and effectiveness.¹² One method for establishing adequate internal controls is to require periodic job rotation or transfer of job functions. Job rotation is important because it makes it more difficult for an employee to continue to conceal improper business practices or poor performance. Job rotation also provides an organization with the added benefit of having workers who are cross-trained and able to cover for others during periods of absence.

The Auditor found that CFSA OLM operates under an unwritten policy requiring the rotation of assigned providers among the Program Monitors at least every one to two years. The Auditor found no evidence that such annual or biennial rotation occurs as a matter of policy but noted that Program Monitor assignments often changed as a result of turnover in program monitoring positions. To enhance controls and maximize the effectiveness of CFSA's monitoring efforts, the OLM Manager must develop and implement a formal, written policy regarding the rotation of Program Monitors.

- **Failure to Establish Requirements for Provider's Financially-Based Behavior Management Strategies.** Although CFSA has allowed providers to develop and implement financially based behavior management strategies, such as withholding portions of youth allowances and stipends, CFSA officials have not developed clear guidance as to how such strategies are to be administered by providers. As a result, providers are able to use their discretion in developing and implementing such strategies, and withhold monies from youth arbitrarily and inconsistently.
- **Congregate Care Provider Contracts Lack Liquidated Damages Clauses for Failure to Provide Required Services.** 27 DCMR Section 2303 provides that a Contracting Officer may include a liquidated damages clause in a contract when: (a) the time of delivery or performance is such an important factor that the District may suffer damages if the delivery or performance is delinquent; or (b) the extent or amount of damages would be difficult to determine.¹³ When determining a reasonable rate for liquidated damages, the Contracting Officer is to base his/her rate determination on the recommendations and justifications of the contracting agency.

¹²See D. Keith Wilson, C.P.A. et al., *PPC's Guide to Internal Control and Fraud Prevention, Second Edition*, Practitioners Publishing Company, December 2003, pp.

¹³See 27 DCMR § 2303, Liquidated Damages, paragraphs 2303.1 through 2303.10.

The Auditor found that CFSA's Contracts and Procurement Administrator did not include a liquidated damages clause in the five sampled congregate care contracts. Therefore, providers were not held fully accountable for the required quality of services. Additionally, the District's interests were not adequately protected because the contracts did not contain disincentives or penalties for substandard contractor performance or the non-delivery of services.

- **Lack of Official OLM Policies and Procedures.** It is the responsibility of management to develop and implement internal controls designed to ensure the effectiveness and efficiency of the operations within the scope of their authority.¹⁴ The Auditor found that CFSA has no formal written OLM policies, procedures, or guidelines. The current OLM Manager recently developed written guidelines for OLM staff roles, functions and responsibilities. However, the Auditor found that these guidelines have not been reviewed or approved by CFSA's Director. Without official policies and procedures, there is no basis on which to hold OLM staff accountable for the quality of their performance or the effectiveness of their daily practices.

RECOMMENDATIONS

1. OLM Manager immediately review the program monitoring tracking system to determine its adequacy for identifying the specific efforts of each Program Monitor.
2. To the extent found to be necessary, the OLM Manager work with CFSA's IT Director to develop an automated logging system, whereby Program Monitors input: Program Monitor's name; site visit dates; name of provider visited; location of site visit; provider's contact person name and telephone number; brief description of site visit; purpose of site visit; and outcome of site visit.
3. The OLM Manager develop an annual training plan for all OLM staff.
4. The CFSA Director ensure that adequate funding is available for all OLM staff to attend training consistent with the annual training plan discussed in (3). CFSA's Human Resources Director should retain documentation of all completed training in each employee's personnel file.

¹⁴See D. Keith Wilson, C.P.A. et al., *PPC's Guide to Internal Control and Fraud Prevention, Second Edition*, Practitioners Publishing Company, December 2003, pp. 2-10 and 2-11.

5. The OLM Manager immediately develop and implement a policy requiring the rotation of Program Monitors every two years.
6. The CFSA Director immediately develop policies and procedures to be utilized by providers who use financially-based behavior management and discipline strategies.
7. CFSA Program Monitors ensure that all congregate care providers have documented policies and procedures related to their financially-based behavior management and discipline strategies that comply with 29 DCMR, Chapters 62 and 63, and other applicable guidelines.
8. CFSA Program Monitors routinely review and evaluate the application of financially-based behavior management and discipline strategies to determine whether provider personnel apply them fairly, equitably, and reasonably.
9. The Contracts and Procurement Administrator include liquidated damages clauses in all congregate care contracts to serve as a disincentive for providers's poor performance or inadequate service delivery.
10. The OLM Manager ensure that OLM policies and procedures are consistent with 29 DCMR.
11. The OLM Manager present the internally developed administrative guidance to CFSA's Director for prompt review and approval.

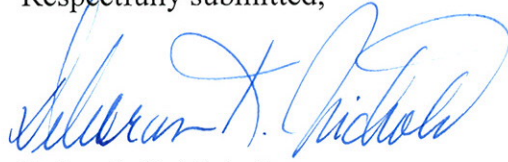
CONCLUSION

Overall, the Auditor's site visits of five of 45 congregate care providers identified 32 specific areas of non-compliance with standard contract provisions and service provision requirements contained in 29 DCMR. Further, the Auditor identified six specific areas of non-compliance that were common at 20% or more of the five sampled providers. The Auditor is concerned that these deficiencies may be more pervasive among the total current population of 45 congregate care providers. As a result, providers may be using practices that do not meet the District's required standards and do not foster a healthy and safe environment for youth.

Based on our review of the five congregate care providers, and CFSA's written response to this report, it is evident that CFSA has not adequately monitored congregate care contracts and routinely evaluated the quality of services provided by contractors. The CFSA Director and OLM Manager have failed to develop formal policies and procedures, as well as develop consistent and formal training for OLM staff which will ensure current best practices for efficient and effective contract/program monitoring when assessing and evaluating the practices of congregate care providers. Thus, there is little assurance that youth are receiving the type and level of care and services they actually need.

The CFSA Director and OLM Manager agree with the Auditor's findings. CFSA's Director plans to make substantive changes and implement corrective actions in the organization and OLM monitoring functions as a means to address current weaknesses cited in this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Deborah K. Nichols", is written over the typed name.

Deborah K. Nichols

District of Columbia Auditor

AGENCY COMMENTS

AGENCY COMMENTS

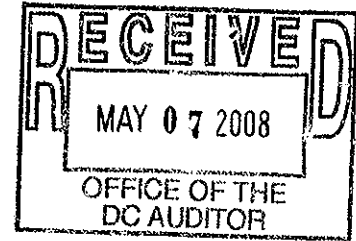
On May 7, 2008, the District of Columbia Auditor (Auditor) submitted this report in draft to the Child and Family Services Agency (CFSA). No exit conference was requested by the Director of CFSA.

The Auditor received written comments from the Child and Family Services Agency. Where appropriate, changes were made to the report based on the comments received.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Child and Family Services Agency



Office of the Director



April 30, 2008

Ms. Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, NW - Suite 900
Washington, DC 20005

RE: Agency Response to the Draft report – “Letter Report: Results of Auditor’s Review of Quality Assurance Practices Related to Certain Congregate Care Providers”

Dear Ms. Nichols:

Thank you for providing the agency the opportunity to review and respond to the draft report entitled “Letter Report: Results of Auditor’s Review of Quality Assurance Practices Related to Certain Congregate Care Providers” of April 23, 2008. The Agency’s comments to the findings outlined in the draft report and recommendations are presented below.

FINDING 1: Inconsistent Monitoring by CFSA Program Monitors

CFSA’s Office of Licensing and Monitoring Program Direction Team (PDT) did not introduce a final draft of the congregate care annual program monitoring activity plan and other standardized monitoring instruments to its monitoring personnel for use until December 2007. Therefore, the expectations outlined within that document would not apply before this date. Within the next 90 days, CFSA will review the guidance with the intention of including it in a formal Administrative Issuance and ultimately, an agency monitoring policy.

OLM has always maintained an informal practice of conducting multiple announced, unannounced, and other on-site monthly visits to assess each contractor’s substantial compliance with relevant source document(s) (e.g., Contract Deliverables, Title 29 DCMR Chapters 62 and 63, etc.). An email directive of November 16, 2006 to monitoring staff confirms this expectation. During calendar year 2007 and despite numerous position vacancies, OLM program monitors conducted three-hundred-fifty-nine (359) onsite visits. During the first three (3) months of calendar year 2008, OLM program monitors have conducted one-hundred-fifty (150) onsite visits to contractor facilities.

Sharlynn E. Bobo, Director

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During occasions of significant position vacancies, OLM may have reduced its frequency of monitoring at the two (2) programs for several months in 2007 (Echelon) and 2004 & 2006 (Jones and Associates). However, CFSA sustained constant awareness of contractor compliance using compliance information obtained through onsite visits which were conducted by licensing specialists and sanitarians during licensure renewal activities and supervisory program monitors' administrative review of monthly program reporting documentation, unusual incident reports, etc. submitted by each contractor.

FINDING 2: Lack of Daily Census Reports

The enhancements made to the Placement Provider Web to track child placements eliminated the need for the providers' daily census reports. The Contracts and Procurement Administration will modify the congregate care contracts to reflect this practice change.

FINDING 3: Missing Background Checks/Criminal Clearance

The findings of the DC Auditor are consistent with the routine findings of OLM in this area. OLM has consistently found that whenever a contractor is deficient in this area evidence in support of a contractor's compliance and progress with requesting employee updates is readily made available. Because contractor personnel rosters change frequently, it is the practice of OLM to perform a one-hundred percent (100%) assessment of provider clearance documentation annually during licensure reviews as well as random sampling of personnel records during monthly program monitoring site visits.

OLM maintains file documentation of its clearance review information in both the licensing and monitoring units since there are different mandates for clearances in varying source documents (e.g., DC Code, Regulation, Contract, etc.).

OLM retains documentation of its routine practice to cite contractors for clearance violations, requirement of program improvement plans, and written correspondence prohibiting employees from working under a contract or license until they provide evidence of safety clearances including, but not limited to FBI, Local Police, First Aid/CPR, Child Protective Registry, and checks of illegal substance use.

The findings of the DC Auditor that only two (2) of thirty (30) total contractor files reviewed had missing background clearance information serves as support that OLM's efforts to monitor and enforce clearance requirements has increased positive compliance in this area. OLM will continue to require one-hundred percent (100%) compliance with safety clearances consistent with contract, regulation and DC Code.

FINDING 4: Lack of Educational and Medical History Within Client Files

CFSA's expectation is that providers for youth in foster care, including those in congregate settings, receive information about the medical and educational status of each youth in care from the Placement Administration or the youth's social worker. Although this practice is completed for children and youth in foster care, we have been less diligent in providing the same information to congregate care providers. Within the next 30 days,

CFSA's Deputy for Program Operations will provide an Administrative Issuance to agency social workers mandating that congregate providers also receive complete information about the medical and educational status of each youth placed. CFSA will also expand its quality assurance mechanisms to verify that the placement referral packets are being routinely given to each contracted placement provider..

FINDING 5: Lack of Documentation Demonstrating Youth's Involvement in Community Activities

In support of this finding, OLM conducts monthly monitoring reviews of contractors' resident records, program logbooks, and information from satisfaction surveys to determine if youth are involved in community activities and consistently finds that providers are in substantial compliance in this area.

OLM will increase its monthly monitoring focus of resident records, annual licensure reviews, and other sources of documentation to ensure contractors maintain compliance with this requirement and that client records are appropriately documented with documentation which demonstrates the youth's involvement in community activities.

FINDING 6: Lack of formal quality assurance plans

OLM will immediately assess and increase its monthly monitoring focus of contractor quality assurance documents during annual monitoring assessments and licensure renewals to ensure contractors achieve and maintain substantial compliance with this requirement.

DC Auditor's Concerns Regarding CFSA's Quality Assurance Practices

FINDING 7: Failure to Track the Efforts of Program Monitors

As outlined in the draft report, OLM maintains detailed documentation of program monitoring activities. It also conducts ongoing 1:1 supervision sessions with each program monitor to review his or her job performance.

Additionally, supervisory program monitors complete annual performance evaluations for each employee and more formally address monitoring efforts. In December 2007, the OLM PDT issued a standardized document to program-monitoring staff which is used to capture monthly monitoring stats on completion of monitoring activities as outlined in the supervisory approved annual monitoring plan. Supervisory monitoring staff collects this aggregate data and discusses progress at the monthly PDT and/or 1:1 supervision meetings. OLM is working to develop a technology based reporting system to track this data.

FINDING 8: No Evidence of Routine, Formalized Training of OLM Staff

CFSA agrees with this finding. Within the next six months, CFSA plans to make substantive changes in the organization and implementation of provider monitoring functions to better address provider needs and capacities and to prepare for expected performance-based contracting. A critical component of implementing this plan will be

securing appropriate training for monitoring staff. Initial training will be offered to equip monitors with the knowledge and skills to conduct the new functions, and, in accordance with budget parameters, will be followed with regular in-service training similar to that offered to other agency staff. Identifying the resources necessary to achieve this goal will become part of the agency's budget development and advance acquisition planning processes, during which program leaders are expected to estimate their training needs. Further, expectations for individualized skills development will be incorporated into each employee's performance standards and monitored for completion by his/her supervisor. The Deputy for Program Operations, in collaboration with OLM, Human Resources, and the Office of Training Services, will ensure that the proposed training plan addresses the duties and responsibilities of the agency's congregate care program monitors.

FINDING 9: No Formal Policy Regarding the Rotation of Monitors

OLM concurs that there is no formal policy governing the rotation of monitors. OLM will incorporate into the Administrative Issuance referenced in Finding 1 formal language directing its current practice of rotating contractor assignments, which results in a change of program monitors every one (1) to two (2) years. Similar language will be included in its final monitoring policy.

FINDING 10: Failure to Establish Requirements for Provider's Financially-based Behavior Strategies

CFSA has previously addressed this issue with congregate care providers. Our initial actions were to secure adequate documentation and signed verification by youth that they were indeed receiving the stipend and allowance monies due. In 2004-2005, OLM continued to receive information from youth residents about the disbursement of personal funds required by Title 29 DCMR Chapter 63 (Independent Living Regulations). OLM and OCP worked to develop a Resident Verification form that youth now use to document receipt of these funds. This form is included with each submission by a contractor of cost-reimbursements for stipend and allowances.

CFSA's Deputy for Program Operations will convene a workgroup chaired by the Office of Youth Development with representation from CFSA's Youth Advisory Peer Council, Congregate Care Contractors, OLM, and the Office of Policy Planning and Program Support to establish a policy to ensure consistency, and will incorporate a requirement that contractors conform to that policy in current and future contracts.

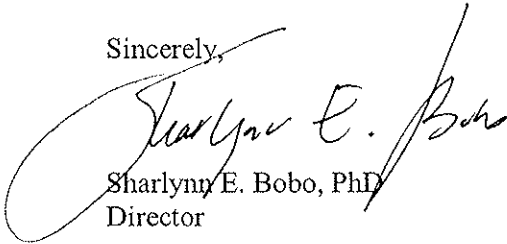
FINDING 11: Lack of Liquidated Damages Clauses for Failure to Provide Required Services

CFSA has previously been advised by the Office of the Attorney General that we cannot modify competitively procured contracts to include liquidated damages if such a provision was not included in the original solicitation. CFSA will include performance based components, including appropriate liquidated damages for failure to perform required contract tasks, in the scope of work for new congregate care awards solicited during FY09.

FINDING 12: Lack of Official OLM Policies and Procedures.

CFSA concurs with this finding. The agency postponed the development of a formal policy and procedures document for monitoring congregate care programs. Nonetheless, the current OLM program manager for the Congregate Care Monitoring Division has instituted numerous improvements to standardize CFSA's congregate program monitoring practices, including the 'guidance document' and the 'annual monitoring plan' identified in the draft report. CFSA's executive policy team will incorporate formalization of the proposed business process into its policy review schedule this quarter. As discussed under Finding 1, within the next 90 days an Administrative Issuance will be issued until the formal policy has been developed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharlynn E. Bobo", is written over a horizontal line. The signature is fluid and extends slightly to the right of the line.

Sharlynn E. Bobo, PhD
Director