AUDIT REPORT
Denver Human Services
Child Welfare Services
October 2017

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

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Denver Auditor

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October 19, 2017

AUDITOR'S REPORT

We have completed an audit of the Child Welfare and Adult Protection Division (CWD) within Denver Human Services (DHS). The audit included three unique objectives. First, we evaluated whether DHS's user access controls operate effectively to restrict access to the state-automated case management system. Second, we assessed whether CWD utilizes certain funding sources for designated purposes as required by City regulations. Lastly, we evaluated whether select CWD policies and programs support effective outcomes, specifically related to caseworker background checks, accepting reports of potential child abuse or neglect for assessment, and prevention services.

As described in the attached report, we identified multiple areas in need of improvement. First, we found that DHS could not demonstrate that some caseworkers within CWD passed required background checks or were properly vetted prior to hire or promotion. Secondly, we found that DHS could not conclude that two new policies and programs are operating effectively due to poor implementation. Further, although DHS could provide sufficient support demonstrating that certain internal controls related to system user access and grant management are operating effectively, DHS could improve controls associated with the reimbursement of travel expenditures and service provider billing.

Our report lists several recommendations that will enable DHS to better fulfill CWD's mission to protect children through stronger policy development and improved documentation practices.

This performance audit is authorized pursuant to the City and County of Denver Charter, Article V, Part 2, Section 1, *General Powers and Duties of Auditor*, and 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.

We extend appreciation to DHS personnel who assisted and cooperated with us during the audit.

Denver Auditor's Office

Timothy M. O'Brien, CPA
Auditor

REPORT HIGHLIGHTS

Child Welfare Services
October 2017

Objective

The audit had three objectives: 1) Do Denver Human Services' (DHS's) controls for access to the state-automated case management system operate effectively to restrict access to authorized individuals?; 2)Does DHS's Child Welfare and Adult Protection Division (CWD) utilize certain funding sources for designated purposes as required by City regulations?; and 3)Do select CWD policies and programs promote efficient procedures and support effective outcomes, specifically related to caseworker background checks, intake policies, and prevention.

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. DHS receives federal, state, and local funding; as a result, it is subject to federal, state, and local regulations which mandate the process for investigating allegations of abuse and neglect and the requirements for employment, and financial spending and reporting.

Highlights

This 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 current 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 has 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 receive 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 are effective. In both cases, deficiencies in program and policy development led to poor implementation.

Finally, although certain internal controls appear to be operating effectively, others should be improved. Specifically, security controls for the state-automated case management system, Trails, and controls related to grant accounting practices appear 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 improve the accuracy of service provider billing and documentation.

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BACKGROUND

Denver Human Services

Denver Human Services (DHS) partners with the community to protect those in harm's way through assistance as well as protection and prevention programs. Through its assistance programs, DHS provides eligibility-based financial support primarily in the forms of food, cash, and medical benefits. Other forms of assistance include child care, child support, veteran services, employment, energy, rental, and burial assistance. DHS's protection and prevention services focus on child, youth, and adult protection. Other protection- and prevention-related efforts include community-oriented activities, such as in-home services, intended to strengthen families and prevent abuse and neglect. Also, DHS manages the City and County of Denver's (City's) program combatting homelessness—Denver's Road Home—in conjunction with the Office of Behavioral Health Strategies.[1]

Several divisions within DHS carry out or support these services:

- Administration—Provides overall management of DHS
- Business Management—Provides fiscal management and contracting services
- Child Support Services—Ensures quality and timely child support services and resources
- Child Welfare and Adult Protection—Provides child and adult protection services, adoption and foster care resources, and advocacy for youth and children
- Community Outreach and Resource Engagement—Increases access to assistance, benefits, nutrition, and other wellness services to the neighborhoods most in need, with help from community partners
- Family and Adult Assistance—Provides cash assistance, food assistance, assistance with Medicaid and Medicare, and other assistance to citizens
- Financial Services—Provides timely and accurate financial services and information
- Performance Improvement and Accountability—Oversees internal audits; Peak Performance improvement initiatives; data, document, and IT management; and fraud investigations[2]

Colorado, along with nine other states, provides child welfare services through a state-supervised, county-administered system.[3] This approach requires DHS to function as an agent of the state in its provision of assistance- and welfare-related activities.

[1] The Office of Behavioral Health Strategies works to increase agency coordination and citizen access to mental and behavioral health and substance abuse treatment.

[2] Mayor Hancock created the Peak Performance program in 2011 with the aim of increasing taxpayers' return on their investment in the local government. The Peak Performance program partners with City departments and agencies to educate and empower employees to improve work processes.

[3] California, Minnesota, New York, North Dakota, Ohio, North Carolina, Pennsylvania, and Virginia also provide state-supervised, county-administered child welfare services.

Child Welfare Services

According to the Congressional Research Service, child welfare services are intended to prevent the abuse or neglect of children; ensure that children have safe, permanent homes; and promote the well-being of children and their families. Further, states have the primary obligation to ensure the welfare of children and their families. Child welfare systems, at the state level, are typically made up of public and private child protection and welfare workers, public and private social services workers, law enforcement agencies and personnel, state and local judges, and prosecutors. In Denver, DHS's Child Welfare and Adult Protection Division (CWD) is responsible for administering child welfare and protective services.[4]

CWD provides protection and prevention services to children in need of specialized supportive services, experiencing conflict with their families or the community, or subjected to abuse or neglect. For children at risk of abuse and neglect, CWD strives to provide families with the necessary support to ensure that children have safe and stable home environments. Overall, CWD aims to maintain children in their homes, if possible. However, if children must be removed from their home environment, CWD pursues the goal of returning them to their families, or kin, as soon as possible. Not only does CWD screen and assess suspected cases of child abuse or neglect, they also provide home-based family and crisis counseling, visitation services for parents, placement services such as foster care, adoption, or emergency shelter, and referral services.

Agency and Division Funding – Federal Level

The largest portion of DHS's funding comes from state and federal sources, since most programs DHS administers are state- or federally-mandated. Of the costs associated with administering child welfare programs, Colorado counties match 20 percent while the remaining 80 percent of costs are paid for with federal and state funds. Of the 80 percent, 50 percent of child welfare-related funding originates from federal sources while 30 percent typically comes from state sources. The most significant federal funding sources include the Social Security Act and the Child Abuse Prevention and Treatment Act.

- **Title IV-E: Social Security Act**—Title IV-E provides the largest federal funding stream dedicated to child welfare activities. This section provides funding to states for four main programs: foster care, adoption assistance, guardianship assistance, and the Chafee Foster Care Independence Program.[5] However, not all children are eligible to receive Title IV-E reimbursement for services. For example, only around half of children in out-of-home placements are covered under Title IV-E according to Child Trends, Inc.[6] To be eligible, children in out-of-home placements must meet certain requirements including having been removed from home environments in which they were considered to be "financially needy."[7]

[4] During the audit, DHS's Child Welfare Division and its Adult Protection Division were combined. However, as this audit focused on DHS's child welfare services, we will refer to this Division as the Child Welfare Division or CWD throughout the report.
[5] The Chafee Foster Care Independence Program allocates funding to states for costs related to preparing youth to transition out of foster care.
[6] Child Trends, Inc. is a nonprofit, nonpartisan research center that studies children at all stages of development. Its mission is to improve outcomes for children by providing research, data, and analysis to those individuals and institutions whose actions impact children. "Child Welfare Financing SFY 2014: A survey of federal, state, and local expenditures," Child Trends, Inc., Kristina Rosinsky and Dana Connelly, accessed January 26, 2017, http://www.childtrends.org/wp-content/uploads/2016/10/2016-53ChildWelfareFinancingSFY2014-1.pdf.
[7] In this case, financial need is determined based on measures established in 1996 under the Aid to Families with Dependent Children (AFDC) program.

Additionally, the Title IV-E Demonstration Waiver allows the federal government to waive state compliance with certain eligibility requirements for states participating in approved waiver projects that incorporate innovative techniques to the design or delivery of child welfare services. As of July 2013, Colorado began implementing a five-year waiver demonstration project focused on enhancing family engagement, assessment, kinship supports, and trauma-informed services.[8]

- **Title IV-B: Social Security Act**—This funding source provides states with greater flexibility in determining eligibility for the services that can be funded with these monies. States determine eligibility for services funded with Title IV-B funds which are awarded by formula through two components, or subparts, of the legislation.
    - Subpart 1, also known as the Stephanie Tubbs Jones Child Welfare Services Program, provides funding to a variety of child welfare services aimed at preventing child abuse and neglect, preserving and reuniting families, promoting safety, permanency, and well-being of children in foster care or adoptive placements. Funds can also be used to maintain a qualified child welfare workforce.
    - Subpart 2, otherwise known as the Promoting Safe and Stable Families (PSSF) Program, funds adoption promotion, family support and preservation, and reunification. According to Subpart 2, at least 20 percent of these funds must go to each of the above types of service.

  For both subparts, states must provide a 25 percent match, while the federal government is responsible for 75 percent of program costs.
- **Child Abuse Prevention and Treatment Act**—Enacted in 1974, the Child Abuse Prevention and Treatment Act (CAPTA) is largely focused on prevention. However, CAPTA also funds assessment, investigation, treatment, and prosecution efforts. In addition, it gives grants to public agencies and nonprofit groups for demonstration projects and it supports federal research, evaluation, as well as the Child Welfare Information Gateway website maintained by the Children's Bureau.
- **Title XX: Social Services Block Grant**—The Social Services Block Grant (SSBG) provides funding to support several policy goals—preventing and remedying child abuse and neglect, preventing or reducing inappropriate institutional care, and achieving or maintaining self-sufficiency.[9] SSBG funds are distributed to states using a funding formula.
- **Other Federal Funding**—Medicaid provides health insurance to low-income individuals. Children eligible for Title IV-E assistance are automatically eligible for Medicaid. Additionally, states can opt to extend Medicaid coverage to those children who are not eligible for Title IV-E. Temporary Assistance for Needy Families (TANF), part of Title IV-A of the Social Security Act, is a federal block grant available to states that offers flexible funding for child welfare activities because funds can be used to achieve any of TANF's four overarching goals—providing assistance to needy families so children can be cared for in their home or in the home of relatives; ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; preventing and

[8] Kinship support refers to relatives who become temporary legal guardians of eligible children.
[9] A federal block grant is a financial aid package that provides federal funding to state and local governments' social welfare programs. These funds provide flexibility to state and local governments, allowing them to identify how best to use these funds intended for general social welfare activities instead of specific programs.

reducing the incidence of out-of-wedlock pregnancies; and encouraging two-parent families.

Agency and Division Funding – State Level

At the state level, the Colorado General Assembly appropriates funds from the General Fund to pay county administrative costs associated with administering child welfare programs, along with other welfare and assistance programs.[10] The state funds CWD through two major sources—the Child Welfare Services Block Grant (Block Grant) and the Core Services Program. For both sources, the state's Child Welfare Allocation Committee decides how to distribute these funds to counties, using an allocation formula that takes into consideration factors including rates of referrals, assessments, placements, and caseloads.[11]

Block Grant funds can be used for costs associated with foster care placement and child welfare services. The Core Services Program funds services associated with various treatment plans, including: life skills, economic assistance, and prevention services, among others.[12] The state reimburses counties 80 percent of their expenditures related to both programs.

Agency and Division Funding – County Level

DHS's local funds are generated from the City's property tax mill levy to satisfy the 20 percent match requirement. The source of that local share is comprised of property tax revenues collected through a dedicated mill levy. The assessed mill is not segregated into separate programs, such as child welfare, but rather covers the local share of many programs operated through the DHS fund, many of which have varying rates of local funding participation. The City retains some of these funds for CWD within two special revenue funds, one of which is appropriated and the other non-appropriated.[13]

As shown in Table 1, child welfare services-related expenditures have averaged close to 25 percent of DHS's overall budgeted expenditures over the last three years.

[10] C.R.S. § 26-1-121(2) (2016).

[11] The Child Welfare Allocation Committee was created by the General Assembly to give input to the Colorado Department of Human Services' Executive Director regarding developing a fair model for allocating the Child Welfare Service Block Allocation to counties. It also reviews and revises the allocation formula on an annual basis to reflect changes in the cost of delivering services, caseload and population, and any other state or county factors. For more details see the following website: https://www.colorado.gov/pacific/cdhs-boards-committees-collaboration/child-welfare-allocation-committee.

[12] The following categories of services are considered part of the Core Services Program: home-based services, intensive family therapy, sexual abuse treatment, day treatment, life skills, mental health services, substance abuse treatment, after care services, visitation services, and multi-systemic therapy services.

[13] Appropriated funds refer to moneys set aside or factored into the City's annual budget. Non-appropriated funds refer to external moneys earned or received by a City entity.

TABLE 1. Denver Human Services and Child Welfare-related Expenditures—2015 to 2018

	2015 Actual	2016 Actual	2017 Appropriated	2018 Recommended
DHS Operating Expenditures	$129,600,673	$132,353,455	$180,424,092	$186,862,007
Child Welfare Services-related Operating Expenditures	$34,257,612	$36,968,717	$43,016,149	$44,036,767

Source: City and County of Denver Mayor's 2017 Budget and Proposed 2018 Budget.

Note: The actual and appropriated expenditures in Table 1 include those which are paid from the City's Treasurer's accounts and Denver's share of the expenditures authorized by Denver DHS and paid from the State's Treasurer's accounts.

Table 2 illustrates CWD's funding levels from federal, state, and local sources for the previous two state fiscal years (SFY).[14]

TABLE 2. Child Welfare Grant and Allocation Funding Levels—State Fiscal Year 2016-2017

	Funding Source	SFY 2016	SFY 2017
Child Welfare Block Grant Allocation	Federal, State, County	$52,749,547	$53,376,702
Core Services Program Allocation	Federal, State, County	$6,592,555	$6,497,556
Title IV-E Waiver Demonstration Project	Federal, State	$1,327,868	$2,376,350
Title IV-E Waiver Demonstration Project-Resiliency Center	Federal, State	$148,500	$337,632
Promoting Safe & Stable Families Program	Federal	$403,750	$402,812
Chafee Foster Care Independence Program	Federal	$205,491	$196,067
Other Sources	Combination of Federal, State, County, Private	$1,073,728	$706,734
Total		**$62,501,439**	**$63,893,853**

Source: Auditor's analysis of CWD funding data.

In light of the varied funding sources for CWD activities and the critical nature of the services provided, the child welfare system involves multiple layers of government regulations, requirements, and oversight.

[14] The State of Colorado operates on a Fiscal Year basis beginning July 1st and ending June 30th of the following year.

Oversight of the Child Welfare System

Federal Level—The U.S. Department of Health and Human Services, through its Children's Bureau (Bureau), oversees federal child welfare activities. The Bureau partners with federal, state, tribal, and local agencies to "improve the overall health and well-being of our nation's children and families." According to its mission statement, the Bureau strives to support and guide those programs that focus on strengthening families and preventing child abuse and neglect, protecting children when abuse or neglect has occurred, and ensuring that every child and youth has a permanent family or family connection.

Amendments to the Social Security Act in 1994 tasked the Bureau with conducting Child and Family Services Reviews (CFSR). Conducted in partnership with state child welfare agency staff, a CFSR is used to determine the extent to which state and local child welfare services adhere to titles IV-B and IV-E of the Social Security Act.[15] After initial reviews in 2004 and 2010, the Bureau began its third round of reviews in 2015, with an estimated completion date of 2018. The reviews are intended to identify strengths and areas in need of improvement within state and local agencies and programs. More specifically, the reviews help states achieve specific outcomes for families and children receiving services. These seven outcomes, based on safety, permanency, and well-being, are identified in Table 3.

TABLE 3. Federal Outcomes for Child Welfare Services Activities

Safety	Children are, first and foremost, protected from abuse and neglect.
	Children are safely maintained in their homes whenever possible and appropriate.
Permanency	Children have permanency and stability in their living situations.
	The continuity of family relationships and connections is preserved for families.
Family and Child Well-Being	Families have enhanced capacity to provide for their children's needs.
	Children receive appropriate services to meet their educational needs.
	Children receive adequate services to meet their physical and mental health needs.

Source: Children's Bureau, Child and Family Services Reviews Fact Sheet.

In addition to the CFSR reviews, other federal-level reviews occur, including the Title IV-E federal audit of DHS's foster care programs, which last occurred in January 2012.

[15] The reviews include two stages, a statewide assessment and an onsite review of child and family service outcomes and programs. As part of the statewide assessment, each state compares certain safety and permanency indicators with national standards using state data provided by the Children's Bureau. The onsite review entails a review of specific cases, interviews with children and families receiving services, and interviews with community stakeholders such as foster families, community agencies, and service providers.

State Level—In Colorado, the Children's Code and the Human Services Code establish requirements for the child welfare system.[16] The Colorado Department of Human Services (CDHS) administers or supervises all public assistance and welfare activities in Colorado, including child welfare.[17] CDHS also assists with ongoing federal reviews of DHS's CWD and conducts other assessments, such as a review of child welfare casework in the event of an egregious incident, near fatality, or fatality. Through two divisions—the Division of Child Welfare Services (DCW) and the Administrative Review Division (ARD)—CDHS oversees county-level human services activities.[18]

Other state-level organizations providing oversight of child welfare activities in Colorado include the Office of the State Auditor (OSA) and the Office of the Colorado Child Protection Ombudsman (CPO). The OSA is a nonpartisan state agency in Colorado's legislative branch that provides the General Assembly, state agencies, and the public with impartial reviews of state programs' operations as well as their use of state and federal funds.[19] OSA's last performance audit of child welfare was in October 2014 and provided 16 recommendations aimed at improving CDHS's services and programs. In addition, the OSA contracted with ICF International in 2014 to conduct a study of county child welfare workload in Colorado.[20] The study found that the current number of county caseworkers in Colorado did not have the sufficient time necessary to complete required activities and meet program goals. As a result, DHS hired an additional 51.5 caseworkers between 2015 and 2016. Further, DHS worked with CDHS to release a Request for Proposal to find a third-party contractor to review DHS's child protection intake process and identify methods for DHS to use to enhance its child welfare practices. The Colorado State University College of Health and Human Sciences carried out the study in 2016 and identified a variety of recommendations to improve DHS's intake activities, specifically those related to the hotline, referral and assessment processes, as well as communication, and caseworker supervision and workload.

A 2016 study of DHS's child protection intake process offered recommendations regarding DHS's Hotline, referral and assessment processes, communication, and caseworker supervision and workload.

As established by state legislation in 2010, the CPO has the power and duty to facilitate a process of independent, impartial review of family and community concerns and to request independent, accurate information to conduct case reviews to help resolve child protection issues and overall systemic issues. Community concerns may be in connection to any action, inaction, or decision of any public agency provider that receives public moneys that may adversely affect the safety, permanency, or well-being of a child. After investigating a concern, the CPO may make recommendations to those in the child protection system, the legislature, and the governor to improve outcomes for children and families.

[16] C.R.S. § 19-1-101 (2016).
[17] C.R.S. § 26-1-111(1) (2016).
[18] The DCW is responsible for determining funding allocations after input from the child welfare allocations committee, gathering outcome data from all county divisions, and providing training for all counties. The ARD conducts a variety of reviews including foster care reviews, in-home services reviews, out-of-home reviews, screen-out reviews, and assessment reviews.
[19] See the following website for more about the OSA and to access their audit reports: http://leg.colorado.gov/agencies/office-of-the-state-auditor.
[20] ICF International, now known as ICF, is a consulting firm with a mission to maximize beneficial impact for people, business, and governments in areas that matter.

County Level—Colorado counties must administer the child welfare system using CDHS rules and regulations. Oversight in Denver is provided by DHS internal resources, including the Performance Improvement and Accountability (PIA) division, internal auditors, and the new Program Evaluation and Development (PED) team.

The PIA division provides support through quality improvement and compliance reviews, data and performance management, document management, and fraud control and recovery efforts. It also assists state and federal employees with ongoing oversight activities. The PED team conducts qualitative and quantitative analyses to better understand the outcomes of DHS's activities and how to improve agency performance. In addition, the City's external audit firm, BKD, LLP, completes the annual Single Audit required by the U.S. Office of Management and Budget for all local governments that receive federal funds.[21]

Additionally, in accordance with Denver's City Charter and the Denver Revised Municipal Code, the City's Auditor's Office is charged with conducting financial and performance audits of City departments and agencies in accordance with Generally Accepted Governmental Auditing Standards established by the United States Comptroller General.[22] Despite this audit authority, previous efforts by the Auditor's Office to initiate and complete audits of DHS have been unsuccessful. DHS has historically asserted that the Auditor's Office did not have access to child welfare records due to federal privacy and confidentiality rules. As a result, the auditor successfully lobbied for the passage of a bill in 2015 that clarified in state law that the auditor shall be granted access to certain human or social services records for the purposes of conducting a financial or performance audit.[23] After initial push-back at the beginning of this current engagement in 2017, the Auditor's Office ultimately gained access to the client records necessary to complete the audit.

Responsibilities of the Child Welfare Division

CWD provides services in accordance with Volume 7 of the Code of Colorado Regulations (CCR).[24] Volume 7 guidelines are intended to strengthen the ability of families to protect and care for their own children, prevent ongoing involvement in the child welfare system, minimize hardship to children and youth, and ensure permanency.[25] Additionally, Volume 7 includes a variety of sections that outline requirements related to the referral and assessment process; reimbursement, reporting, and provider requirements; staff training and qualifications; and child care facility licensing, among other requirements.[26] More specifically, CWD uses Volume 7 and its extensive criteria for identifying possible cases of abuse or neglect to determine which cases warrant further scrutiny and review by DHS personnel.

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[21] In the United States, the Single Audit (OMB A-133 audit) is an organization-wide audit of an entity that expends $750,000 or more of Federal assistance received for operations. This audit is usually performed annually and is designed to provide assurance to the federal government as to the management and use of funds by recipients such as states, cities, and non-profit organizations.

[22] Denver City Charter § 5.2.1. [Charter Article V p.1]; D.R.M.C. § 20-275.

[23] House Bill 15-1370.

[24] 12 C.C.R. § 2509 (2016).

[25] Permanency can take different forms depending on the family situation. It refers to the effort to stabilize a family and prevent the child from being placed out of the home; it can also refer to the reunification of the child with his or her family. However, if a child is removed from the family, permanency efforts are geared towards returning them home as soon as possible, while ensuring the child's safety, or finding a legal permanent family.

[26] See the following website for more details regarding Volume 7 of the CCR: http://www.sos.state.co.us/CCR/NumericalCCRDocList.do?deptID=9&deptName=500,1008,2500 Department of Human Services&agencyID=107&agencyName=2509 Social Services Rules (Volume 7; Child Welfare, Child Care Facilities).

The Trails System—The federal Child Abuse Prevention and Treatment Act requires that states have a Statewide Automatic Child Welfare Information System that tracks reports of child abuse and neglect from intake through resolution. This system must enable all case files to be reviewed for accuracy, completeness, and compliance with federal requirements. Trails is the state's official electronic records system for child welfare documentation and contains sensitive and protected information such as names, addresses, and family information.

Reviewing and Responding to Referrals

DHS receives most referrals, or reports of potential child abuse or neglect, through its Hotline. The DHS, or Denver County, Hotline receives both local calls and those routed through the Colorado Child Abuse Hotline; however, reports can also come from email, facsimile, letters, or walk-in sources.

Screening Using the RED Team—Upon receiving a referral, CWD must internally review each referral to determine whether it meets Volume 7 criteria and should be "screened in" for further investigation (i.e., an assessment). As required by Volume 7, both caseworkers and caseworker supervisors participate in the Review, Evaluate, and Direct (RED Team), which is responsible for reviewing most referrals to determine whether they should be screened in or screened out.[27] For a referral to be screened in for an assessment, the referral must meet the following criteria:

- Contains specific allegations of known or suspected abuse and/or neglect as defined in Section 7.000.2;[28]
- Provides sufficient information to locate the alleged victim; and
- Identifies a victim under the age of eighteen.[29]

Automatic Assessment for Vulnerable Children—In mid-2015, CWD implemented a new policy aimed at conducting an assessment for any referrals associated with children considered more vulnerable, specifically those under the age of six with a history of prior referrals. The policy—called Automatic Assessment for Vulnerable Children (AAVC)—was put in place in response to a series of child fatalities in the Denver area.

When a referral is received by the Hotline, the person taking the call must determine whether an immediate response is required due to imminent risk to the child or family. If an immediate screen-in decision is authorized by a caseworker supervisor, a caseworker is assigned to the referral immediately, or on the same day, and an assessment is conducted. In these instances, the RED Team review process is bypassed to ensure that the referral is quickly investigated. For less-time-sensitive referrals, the RED Team reviews the details of the referral and decides whether a referral should be screened in for an investigation and the appropriate response time. The response time dictates how quickly the caseworker must make contact with, and interview or observe, the alleged child victim.

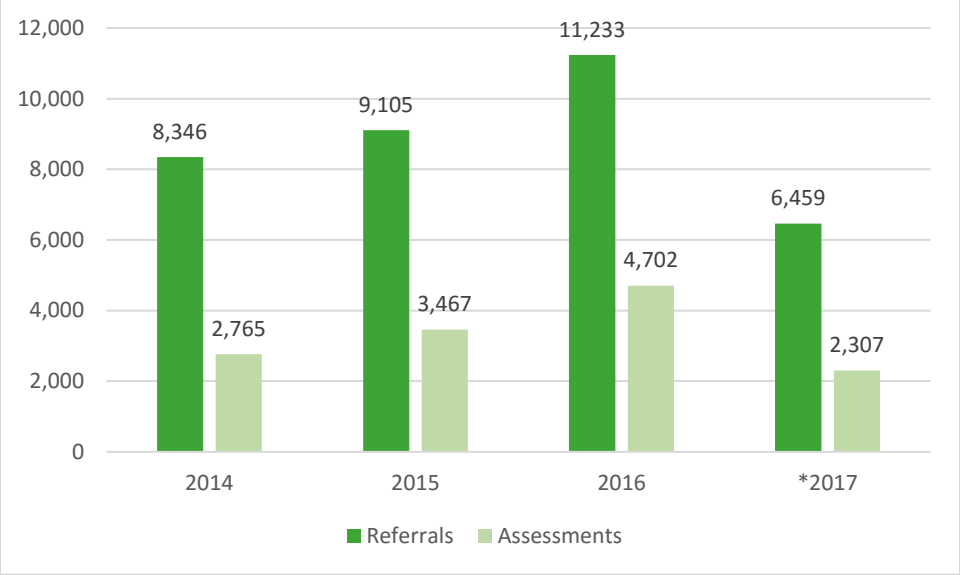
To complete this review, RED Teams consider relevant family history and safety concerns as part of completing the RED Team Framework (Framework). The Framework requires RED Team

[27] CWD's Intake Administrators have the authority to review the RED Team's decisions to screen-out a referral and overturn the decision based on their judgment and understanding of Volume 7 criteria.
[28] See C.R.S. § 19-1-103 (2016) for the definitions of abuse or child abuse or neglect.
[29] 12 C.C.R. § 2509-2 (2016), Section 7.103.6.

participants to review specific family and child dynamics, including risk factors, cultural considerations, and protective factors, and to assign next steps.[30]

In the instances of a screened in referral, a caseworker will conduct an assessment that determines the safety of the child and whether child abuse or neglect occurred, identify any potential risks, and develop a plan for services the family may need. Figure 1 shows the steady increase in the number of referrals received by DHS as well as increases in the number of assessments conducted since 2014.

Figure 1. DHS's Referral and Assessment Rates: 2014-2017



Source: CDHS Community Performance Center, Referrals of Child Abuse or Neglect.
Note: * Indicates data through June 2017.

If the referral does not contain an allegation of known or suspected child abuse or neglect as defined in Volume 7, provide sufficient information to locate the alleged victim, or involve a victim under the age of 18, it is screened out. This decision can be made by the Hotline supervisor after the call is received by the Hotline, the RED Team, or by an Intake Administrator following the review of a RED Team decision to screen-in the referral. For those screened out referrals, CWD either takes no further action or forwards the referral to the Prevention Services Program if the family could benefit from additional community resources and support.[31]

Prevention Services Program—Implemented in the Fall of 2016, the Prevention Services Program is a voluntary program that provides participating families with an assigned program caseworker

[30] Protective factors, or strengths, are those assets, resources, or capacities within families, individuals, and communities that address risk factors. Risk factors are circumstances that make building safety and working with the family more complicated.
[31] Other supportive services that may be offered to families associated with screened out referrals included SafeCare Colorado and the Denver Health Nurse Family Partnership. According to the CDHS website, SafeCare Colorado is a free, voluntary parent support program for parents and caregivers with children under the age of five who need extra support to keep their families safe and healthy. For more information, see the following website: http://www.ucdenver.edu/academics/colleges/medicalschool/departments/pediatrics/subs/can/SafeCare/Pages/default.aspx. Denver Health's Nurse Family Partnership connects low-income, first-time mothers with a registered nurse who visits the mother in her home throughout pregnancy until the child is two years old. For more information, see the following website: http://www.denverhealth.org/medical-services/primary-care/primary-care-services/community-services-and-resources/nurse-family-partnership.

who connects the family to needed resources.[32] Families can decline participation at any point. According to DHS, the goal of the Prevention Services Program is to prevent families from entering, or re-entering, the child welfare system.

[32] Resources that Program caseworkers may recommend include food benefits or community resources such as parenting support, housing and employment assistance, and legal assistance, among others.

OBJECTIVE

The audit had three objectives:

1. To determine whether Denver Human Services' (DHS's) controls for access to the state-automated case management system operate effectively to restrict access only to authorized individuals;
2. To assess DHS's Child Welfare Division's (CWD's) utilization of certain funding sources and whether they are used for designated purposes as required by regulations; and
3. To review select CWD policies and programs to determine whether they promote efficient procedures and support effective outcomes, specifically related to caseworker background checks, intake policies, and prevention.

SCOPE

The scope of the audit was to assess the effectiveness of select CWD controls and programs in place between 2015 and July 2017.

METHODOLOGY

We used several methodologies to gather and analyze information related to the audit objectives. The methodologies included, but were not limited to:

- Interviewing the following individuals:
  - Leadership and management of DHS's CWD, including the Chief Executive Officer, Chief Operating Officer, Executive Director, Director of Child Welfare Program Evaluation and Development, Director of Child Welfare, and Deputy Division Director of Intake and Prevention
  - Key members of DHS's CWD staff, including caseworker supervisors, caseworkers, and administrators
  - Leadership and management of DHS's Financial Division, including the Division Director, Deputy Director of Business Management, and Deputy Director of Financial Services
  - Members of CWD's System Support Team, including the Systems Support Administrator, Assistant Administrator, and Data and Technology Manager
  - Key members of DHS's Human Resources (HR) Division, including the Senior HR Professional and HR Technician
  - DHS's Internal Audit Supervisor
  - Key personnel from the Colorado Department of Human Services (CDHS) responsible for conducting reviews of DHS's CWD, including the CDHS Auditor and Division Director, CDHS Division of Child Welfare Director and Associate Director, Child Welfare Training Manager, and Administrative Review Division Director

- The State of Colorado Child Protection Ombudsman and Deputy Ombudsman
- The Federal Children's Bureau Child and Family Program Specialist

- Reviewing the following criteria:
  - DHS's internal policies and procedures related to systems access, grant management, service provider contracts, travel reimbursement, background checks, the Automatic Assessment for Vulnerable Children (AAVC) Policy, the Prevention Services Program, and mini-grants
  - Volume 7 of the Code of Colorado Regulations specific to caseworker background checks, the referral and assessment process, and contracting
  - The City of Denver's Fiscal Accountability Rules related to grant management and travel
- Performing sampling and testing against reviewed criteria for the following:
  - Expenditures related to grants, service provider contracts, and travel expenses
  - Logical and physical security related to user access of the Trails case management system
  - System configurations related to Trails password parameters and password security
  - Referrals that met AAVC criteria
  - Employee background check documentation for two years
  - Prevention cases
  - Mini-grant applications received for 2015, 2016, and 2017
  - Mini-grant documentation received for compliance
- Surveying caseworkers involved in the RED Team decision making process to determine the extent to which the AAVC Policy is understood, followed, and documented
- Evaluating internal DHS CWD data surrounding referrals that meet AAVC criteria
- Analyzing the design, implementation, and ongoing evaluation efforts of CWD's Prevention Services Program

FINDING 1

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

The Child Welfare Division (CWD) within Denver Human Services (DHS) works to protect Denver's children and youth by providing services while promoting family stability. Caseworkers are responsible for investigating reports of physical child abuse, sexual child abuse, and child neglect and providing direct services to families involved with CWD.[33] Due to the nature of their responsibilities, caseworkers are required to pass background checks and meet specific professional and educational requirements. Our audit found that DHS was missing documentation to support that some of these background checks occurred and that the candidate passed. Further, we identified a lack of controls related to the background check process and uncertainty regarding who is responsible for conducting certain aspects of these background checks.

DHS Could Not Provide Documentation to Validate that Current Caseworkers and Supervisors Passed Required Background Checks and Education Reviews

While DHS has processes in place for ensuring that background checks are completed and documentation is retained, we found instances where DHS could not validate that some current staff, who work directly with at-risk children, had the required background checks prior to hire or promotion, or that they met specific professional and educational requirements.

DHS is subject to state and local regulations governing the background check process:

- Volume 7 of the Code of Colorado Regulations contains requirements related to fingerprint background checks, as well as the minimum educational and professional qualifications for both caseworkers and caseworker supervisors.[34] Refer to Appendix A for specific regulations.
- Executive Order 135, which went into place in July 2016, mandates that background checks be completed upon hire, promotion, demotion, re-allocation, transfer, and when an employee moves into a new or different position with a change in job classification. If the candidate has completed a check within 12 months, the agency does not need to complete a new check if there was no criminal history, unless the new position holds new or different educational, certification, licensure, or experience requirements.[35]

In addition to state and local regulations, DHS has an internal background check policy that requires the following reviews:

- A Department of Motor Vehicle (DMV) check;

[33] "Child Welfare and Child Abuse Response," City and County of Denver website, accessed August 11, 2017,http://www.denvergov.org/content/denvergov/en/denver-human-services/programs/children-and-families/child-welfare-child-abuse-response.html.

[34] 12 C.C.R.§ 2509-7-602.1 (2015) contains County responsibilities for Staff including that employment is conditional upon a satisfactory criminal background check after submitting a complete set of fingerprints to the Colorado Bureau of Investigation (CBI). Section 7.603.1(J) of Colorado regulations describes the minimum educational and professional qualifications for varying positions within CWD. See Appendix A for more extensive details on regulations related to caseworker background checks.

[35] "Executive Orders," City and County of Denver website, accessed August 11, 2017,http://www.denvergov.org/content/denvergov/en/executive-orders.html/.

- A search in both the state and local court databases to identify any previous criminal history;
- A review of Trails to identify any past or current involvement in the child welfare system, specifically related to allegations of child abuse or neglect;[36]
- A fraud check to ensure that the candidate is not indebted to DHS through food stamps, child support, or other programs; and
- An annual check including all of the above except for the fraud check.

DHS Had Incomplete or Missing Documentation Evidencing That Some Staff Passed Required Background Checks—We found that DHS was missing documentation or had incomplete documentation demonstrating that some CWD staff met requirements. We reviewed a sample of 60 caseworkers and caseworker supervisors who had a change in job title in 2015 or 2016. Staff had a range of original hire dates, one dating as far back as 1995. In these instances, we referred to regulations in place at the time of original hire, when available.

Of the caseworkers included in our sample, we found instances of missing or incomplete documentation for 57 percent of the employee records we reviewed. More specifically, 74 percent of 19 caseworkers were missing documentation in 2015, and 49 percent of 41 caseworkers were missing documentation in 2016.

For supervisory staff, 78 percent of the 23 caseworker supervisors in both years were missing documentation. More specifically, 100 percent of the supervisory staff sampled from 2015 were missing documentation while 64 percent of those sampled from 2016 had incomplete documentation. Table 4 provides a breakdown of all of the types of missing or incomplete documentation and the percentage of those employee files missing required information.

TABLE 4. Results of Background Check Testing

Requirement	Criteria	Percentage Missing
Fingerprint and Criminal Background Check	Volume 7; DHS Internal Policy; Executive Order 135	9%
Staff Minimum Education Qualifications[37]	Volume 7	17%
Trails Check	DHS Internal Policy	18%
Fraud Check	DHS Internal Policy	33%
DHS Annual Background Check	DHS Internal Policy	32%

Source: Auditor's analysis of DHS records.

[36] Trails is the State of Colorado's official electronic records system for all child welfare documentation, which is required by federal law.

[37] DHS was not able to provide additional supporting documentation for those caseworkers or supervisors whose documentation provided to the audit team did not support either an appropriate degree or 30 hours of appropriate coursework.

DHS Has Poor Internal Controls Related to the Annual Background Check Process—Although DHS's internal process requires background reviews that are more stringent than Colorado and Denver County requirements, DHS's background check policy does not clarify how DHS should retain evidence showing that the required checks were completed and that the candidate passed. Additionally, DHS's internal background check process document has no effective date so DHS staff cannot confirm when these checks were required. Because there is no documented implementation date, we cannot assert that all staff included in the sample were required to pass some of the checks as the effective date of some requirements is unclear.

DHS's internal background check form did not consistently indicate which checks were required or which were completed.

Further, although the internal annual background check form has been revised several times over the years, we found that this form did not consistently indicate which checks were required or which were completed. Specifically, we found the following issues and inconsistencies:

- The form did not consistently include a signature or date line to confirm that the employee successfully passed the required checks.
- In some versions of the form, many varying types of background checks were listed but there was no indication as to which were required for the specific employee.
- There were instances in which only some of the required checks were initialed and/or dated, but no indication of whether the other required checks had been completed.

The Standards for Internal Control in the Federal Government promulgated by the United States Government Accountability Office (GAO) emphasizes the importance of documenting an organization's internal control system. Specifically, the standards state that effective documentation assists in management's design of internal control and provides a means for retaining organizational knowledge and mitigating the risk of having that knowledge limited to only a few personnel. Such documentation also provides a means for communicating that knowledge as needed to external parties, such as auditors. Additionally, the documentation of controls is evidence that internal controls are identified, capable of being communicated to those responsible for their performance, and capable of being monitored and evaluated by the entity.[38]

There Is a Lack of Clarity Regarding Who is Responsible for Ensuring That Candidates Are Qualified—Although DHS has documented processes outlining the steps involved in hiring caseworkers, including transfers and reassignments, there is confusion about which department within DHS is responsible for ensuring that staff are meeting minimum educational and professional requirements. Specifically, the processes indicate hiring managers should be ensuring that candidates meet all qualifications; however, CWD hiring managers stated that DHS Human Resources was responsible for this portion of the background check, and that in some instances the City recruiter was responsible.

Additionally, we found that while some hiring managers followed a process for verifying educational qualifications were met, the regulation cited was outdated. Similarly, DHS did not have a clear process for professional reference check verification, including which department

[38] "Standards for Internal Control in the Federal Government," United States Government Accountability Office, accessed July 26, 2017, http://www.gao.gov/assets/670/665712.pdf.

owned the process for conducting the check or retaining documentation. Because of this, we cannot assert that employees met the professional history requirements in some instances.

In March 2016, DHS began to utilize the City recruitment office and a third party, Sterling Talent Solutions, to conduct criminal background checks as well as to verify educational and professional backgrounds.[39] Although Sterling Talent Solutions confirms the accuracy of self-reported employment and education history, it does not ensure the history meets the requirements for hire based on Volume 7.[40]

GAO standards also offer guidance on establishing structure, responsibility, and authority to achieve the entity's objectives. This includes having an organizational structure in place for the process or system and assigning responsibility and delegation of authority. GAO suggests that to achieve an entity's objectives, management must assign responsibility and delegate authority to key roles. Those in key roles can assign responsibility for internal control to roles below them in the organizational structure, but retain ownership for fulfilling the overall responsibilities assigned to the unit.[41]

RECOMMENDATION 1.1

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.

Agency Response: Agree, Implementation Date – December 2017

[39] Sterling Talent Solutions is a third-party company that conducts employment screenings and hiring solutions so that companies can be confident in hiring decisions. Sterling offers a variety of checks including criminal records searches, education history verification, and drug testing. See the following website for more information: https://www.sterlingtalentsolutions.com/plans-pricing/.

[40] "Education and Employment Verification," Sterling Talent Solutions, accessed August 11, 2017, https://www.sterlingtalentsolutions.com/solutions/education-employment-verification/.

[41] "Standards for Internal Control in the Federal Government," United States Government Accountability Office, accessed July 26, 2017, http://www.gao.gov/assets/670/665712.pdf.

RECOMMENDATIONS

We make the following recommendation to Denver Human Services to strengthen the department's ability to document and ensure that all required caseworker background checks occur.

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.

Auditee Response: Agree, Implementation Date – December 2017

Auditee Narrative: *Beginning in April of 2016, DHS began utilizing a vendor to meet all professional and background check requirements for potential new hires and employees changing positions. DHS will review its current processes utilizing our vendor to obtain, review, and document employee backgrounds and qualification at intervals required by the City and County of Denver and State of Colorado. We will evaluate the need for policy related to internal background check procedures that go beyond state and local requirements, and make identified policy revisions, should the evaluation indicate the need to do so.*

FINDING 2

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

In response to a series of child fatalities in the Denver area and an increased emphasis on the prevention of child abuse and maltreatment by the Colorado Department of Human Services (CDHS), Denver Human Services (DHS) recently implemented the Automatic Assessment for Vulnerable Children (AAVC) Policy and created an internal Prevention Services Program that includes a mini-grant program for local organizations. However, our review of both the AAVC Policy and the Prevention Services Program revealed weaknesses in their design, implementation, data retention, and evaluation. Because of this, DHS cannot determine whether the AAVC Policy or the Prevention Services Program are effective.

Origins of Denver's Newer Child Protective Services Programs

In July 2015, Mayor Michael Hancock ordered the creation of the Child Safety Net Impact Team (Team) following the death of a Denver child due to child abuse and bodily injury. The Team was tasked with reviewing aspects of DHS's work, including training and community engagement. The Team comprised representatives from Denver's schools, parks, human services, and other relevant agencies. On August 26, 2015, Mayor Hancock, the Executive Director of DHS, and members of the Team announced their Phase One immediate actions and recommendations.

In Phase One, DHS implemented a new referral policy—the AAVC Policy—to automatically deploy caseworkers to investigate referrals of abuse and neglect in which children under the age of five are present in the home and the agency has received two prior referrals on the family within the previous fourteen months.[42] The AAVC Policy was among several recommendations made by the Team and was based on data that suggested 93 percent of children who died from maltreatment in Colorado between 2012 and 2014 were ages five and under. The goal of automatically deploying caseworkers in these circumstances was to increase DHS's Child Welfare Division's (CWD's) interaction with the family, increase support for the family, and prevent future involvement with CWD. At the time, DHS estimated an additional 700 to 1,000 assessments would be conducted per year because of these automatic investigations.[43]

According to DHS, the genesis of the Prevention Services Program started with CDHS's decision in 2013 to highlight Program Area 3. Program Area 3 provides prevention and intervention services for children, youth, and families at risk of involvement with child welfare. Additionally, the other driving force behind the Prevention Services Program was that Mayor Hancock's Safety Net Initiative encouraged the City to create prevention programs aimed at reducing instances of

[42] As defined in 12 CCR.§ 2509-1-7.000.2(A) (2016), a referral means a report made to the county department that contains one or more of the following: allegations of child abuse and neglect as defined in § 19-1-103(1) and 19-3-102(1), C.R.S.; information indicating that a child or youth is beyond control of his/her parent; information about a child or youth whose behavior is such that there is a likelihood that the child or youth may cause harm to him/herself or to others, or has committed acts that could cause him/her to be adjudicated by the court as a delinquent; and information indicating that a child or youth meets specific Program Area 6 requirements and is in need of services. Program Area 6 refers to the program for children and families in need of specialized services, such as adoption assistance, relative guardianship, and Medicaid, among others.

[43] As defined in 12 CCR § 2509-1-7.000.2(A) (2016), an assessment means the work conducted by a caseworker to engage the family and the community to gather information to identify the safety, risks, needs and strengths of a child, youth, family, and community to determine the actions needed. The terms "assessment" and "investigation" are used interchangeably.

child neglect and abuse.[44] DHS's Prevention Services Program was under development for approximately three years, launching in the Fall of 2016.

DHS's Implementation of the Automatic Assessment for Vulnerable Children Policy Made It Difficult for Auditors to Perform a Basic Review of the Policy's Effectiveness

Although we found that DHS's AAVC Policy is consistent with national trends and recommendations, we determined the policy has not been adequately implemented due to poor policy development and staff training. Inadequate implementation has in turn caused issues with data reliability and the inability to assess the AAVC Policy's effectiveness or determine whether the policy has resulted in more children being involved in the child welfare system and at risk of being removed from their home.

Poor policy development and staff training prevented the adequate implementation of the AAVC Policy.

Nationally, there is a trend toward providing extra scrutiny on young children with prior reports or referrals within the child welfare system. In a 2015 best practice guide developed for leaders of child welfare systems, the Annie E. Casey Foundation incorporates this vulnerable population into several of its recommendations.[45] For example, the guide recommends requiring a comprehensive review to ensure that children and families with repeat reports are receiving appropriate child protection responses. Additionally, the guide recommends that agencies track, review, and fix child welfare systems issues within the agency to reduce the risk of another tragedy when a serious injury or fatality occurred that involved a child that is in or had recently been in the child welfare system.

Further, research from the Commission to Eliminate Child Abuse and Neglect Fatalities (Commission) makes a compelling argument for focusing on young children who have already been in the child welfare system. The Commission found that past child protective services reports were associated with an increased risk of fatality. In fact, a prior child protective services report, regardless of the disposition, was the single strongest predictor of a child's potential risk for injury or death before age five. Based on these findings, the Commission urges agencies to ensure that the most vulnerable children in their populations are being properly supported. In addition, they recommend that states establish policies to ensure the following:

- All referrals for children under the age of three with repeat responses should receive scrutiny.
- Referrals for children under the age of one should be responded to within twenty-four hours.

[44] Mayor Hancock's Safety Net is one of the Mayor's focus areas for the City. The initiative is meant to measure how the City helps its most vulnerable populations, such as children. The City allocates sizeable portions of money, often in the millions, to various efforts across Denver, which have funded programs such as the Prevention Services Program. The Mayor's 2016 Budget Book specifically states that one Safety Net strategy is to continue to develop internal processes that support the improvement of child welfare outcomes. The Mayor's 2017 Budget includes a strategy that utilizes child abuse and neglect prevention and intervention measures to allow and encourage children to maintain their connection to family and culture, thereby providing better long-term outcomes.

[45] "10 Practices: A Child Welfare Leader's Desk Guide to Building a High-Performing Agency," The Annie E. Casey Foundation, accessed January 26, 2017, http://www.aecf.org/resources/10-practices-part-one/?gclid=CMDYjrWq4NECFQYoaQodm0YNxQ.

- Children under the age of five and children with prior child protective services reports should be prioritized for home visiting programs.[46]

DHS's AAVC Policy went into effect July 10, 2015 and includes the following details:

> **Automatic Assessment for Vulnerable Children (AAVC)**
>
> Because we are aware that referral history is associated with potential future maltreatment of children, we will open for assessment all referrals that:
>
> 1: Have 2 or more previous referrals in the past 14 months
>
> 2: And have at least one child living in the home age 5 or younger
>
> Referrals will still require RED Team decision making and entry into framework.
>
> Decision to not assign for an assessment, even if it meets AAVC criteria, is based on Volume 7 rules, the level of involvement in our system, and critical thinking.

DHS's AAVC Policy May Not Be Resulting in More Assessments as Expected

Based on our audit work, we determined that DHS's AAVC Policy may not be resulting in more open assessments than if the decision to screen-in the referral had been made using criteria outlined in state regulations. DHS screened out 41.4 percent of referrals that met AAVC criteria since the inception of the process in July of 2015, which is consistent with national screen-out data.[47] Additionally, DHS may have overestimated the number of additional assessments it would receive after implementing the AAVC Policy. As previously mentioned, DHS estimated an additional 700 to 1,000 assessments would be conducted per year as a result of these automatic investigations. To make this determination, we reviewed data provided by DHS from CDHS's Trails data repository to identify the total population of referrals that met the criteria for the AAVC Policy. We then sought to determine the percentage of referrals that were screened out despite the AAVC Policy. Using data generated from the CDHS Community Performance Center, we found that DHS did initially have an increase in assessments during the quarter in which the AAVC Policy was implemented; however, the percentage of assessments dropped during the fourth quarter of 2015, suggesting that DHS may not have continued to automatically assess referrals that met AAVC Policy criteria.[48]

Auditors Could Not Review the Value and Effectiveness of DHS's AAVC Policy Due to Poor Documentation

Deviations in the documentation of the AAVC Policy, including when it was applied, prevented the audit team from testing the effectiveness of the policy. We intended to conduct a series of relevant audit steps, including the extent to which staff understood and followed the AAVC Policy, whether DHS staff were automatically screening in referrals that met the policy's criteria, and whether appropriate overrides were taking place for referrals that were screened out. In some instances, we could not perform tests as originally planned due to data limitations. Additionally,

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[46] "Within Our Reach: A National Strategy to Eliminate Child Abuse and Neglect Fatalities," Commission to Eliminate Child Abuse and Neglect Fatalities, accessed June 16, 2017, https://www.acf.hhs.gov/sites/default/files/cb/cecanf_final_report.pdf.

[47] The U.S. Department of Health & Human Services Child Maltreatment Report for 2015 indicates 41.8 percent of referrals were screened out. "Child Maltreatment 2015," U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau, accessed August 11, 2017, https://www.acf.hhs.gov/cb/research-data-technology/statistics-research/child-maltreatment August 11, 2017.

[48] The CDHS Community Performance Center site was designed to share data with the public to help ensure the best outcomes for Colorado's most vulnerable children and their families. Data can be obtained by topic or by county.

due to the inconsistency in documentation of the application of the AAVC Policy, the lack of retention of documentation outside of Trails, and the inability to conclude on whether the decision to screen-in or screen-out a referral was based upon the policy, we could not complete an effectiveness review.

DHS Caseworkers Do Not Consistently Document Their Application of the AAVC Policy—According to DHS, caseworkers should be documenting within the Trails system when a referral meets the AAVC Policy requirements. Specifically, this information should be recorded in Trails in the Next Steps section of the RED Team Framework.[49] To determine whether this documentation is occurring, the audit team tested a sample of 60 referrals that met criteria for application of the AAVC Policy. From this testing, we made the following observations and experienced the following limitations:

- Only 36 percent of the referrals in Trails that met criteria for the application of the AAVC Policy specified use of the policy in the Trails record. Of those 36 percent, we were pleased to see that, 95 percent of the time, the information was recorded in the appropriate Next Steps section within Trails.
- The decision to override the automatic assignment of referrals meeting the AAVC Policy's criteria should only be made by specific individuals and documented in Trails. Although we obtained data for testing overrides, there were limitations to the data that prevented us from making any determinations.[50]
- When a referral meets AAVC Policy criteria, it should also be documented outside of the Trails system on a referral face sheet, which is completed by the Hotline staff when taking a call. The referral face sheet is then used by the RED Team in making a referral decision. This documentation is retained for two months only for screened out referrals. Because the referral face sheets are not retained longer than two months for screened out referrals, we could not assert whether DHS's caseworkers were, or were not, documenting when a referral met AAVC Policy criteria outside of Trails.

Because Trails is a state system, other counties have access to the data, which includes case notes. As such, DHS indicated that they may not mention the AAVC Policy in Trails because other counties may not be aware of the acronym or what the policy is, which could lead to confusion. Furthermore, DHS could not produce a document evidencing a formal policy roll-out. In fact, the only copy of the AAVC Policy we received from DHS was in an email.

DHS cannot use reliable data to evaluate the effectiveness of the AAVC Policy if they are not documenting, at a minimum, when a referral meets the criteria of the AAVC Policy. Standards for Internal Control in the Federal Government promulgated by the U.S. Government Accountability Office (GAO) include criteria that management should use quality information to achieve the entity's objectives. This would include identifying information requirements, obtaining relevant data from reliable internal and external sources in a timely manner, and processing data into

[49] Within Trails, there is a section called the RED Team Framework where the RED (Review, Evaluate, and Direct) Team enters information about a referral as they are discussing the decision to assign the referral for assessment or screen it out. The Framework contains a number of open-ended comment boxes for RED Team participants to enter in this information, including the reason for the referral, risk statements, safety, strengths, and next steps.

[50] Some of the limitations to the data that prevented us from making determinations about the decisions to override the AAVC Policy include the following: inconsistencies in where the override discussions are happening (e.g., in RED Team, in Trails), the editing capabilities in Trails that require a referral to be screened-in again for further modifications, and inconsistencies regarding which individuals enter and approve the override in Trails.

quality information with the intention of evaluating that quality information. Additionally, GAO standards recommend that an organization document its internal control system. Specifically, standards state that effective documentation assists in a management's design of internal control by establishing roles and responsibilities that facilitate internal control execution by personnel. Documentation also provides a means to retain organizational knowledge with the intention of communicating that knowledge internally and externally.[51]

The U.S. Children's Bureau (Bureau) also provides relevant insight into why thorough documentation is necessary for building effective programs. The Bureau's Child Welfare Information Gateway releases issue briefs covering a variety of topics related to child welfare, including child maltreatment prevention. The July 2011 brief discusses best practice elements that lie at the core of effective intervention programs. One such element is to have a well-defined target population with identified eligibility criteria and a strategy for reaching and engaging this target population.[52] Although DHS has a well-defined target population and specific criteria for the AAVC Policy, without formal and consistent documentation of the application and use of the policy, DHS cannot establish a baseline population of data in order to track trends or ensure policy effectiveness.

DHS cannot establish a baseline population of data in order to track trends or ensure policy effectiveness.

Finally, one of the projects of the Bureau, the Child Welfare Research and Evaluation Framework Workshop, published a report in 2014 entitled "Framework to Design, Test, Spread, and Sustain Effective Practice in Child Welfare." The report emphasizes the importance of gathering implementation outcome data, examining the results of the data, reviewing data for barriers and facilitators to service delivery, sharing the results, and planning for the future.[53]

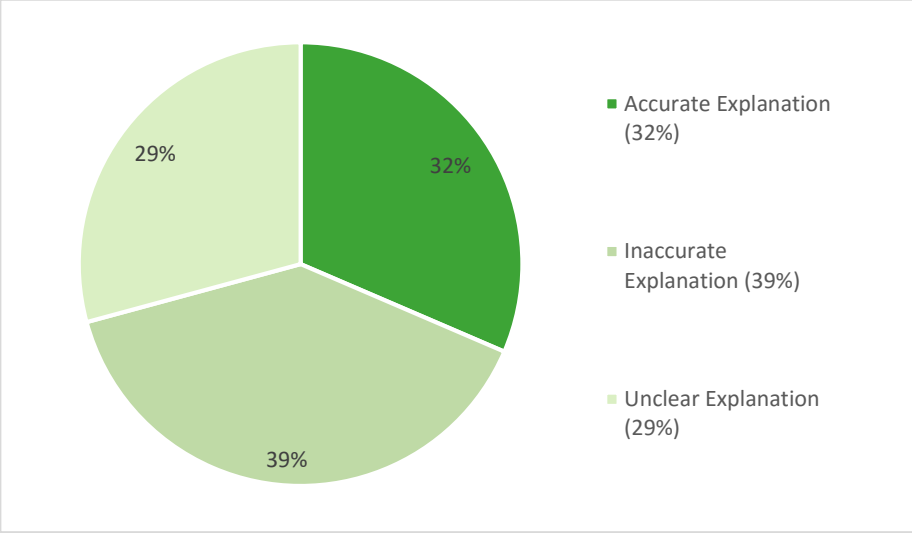
DHS's Poor Development of the AAVC Policy Has Resulted in Inadequate Implementation—The underlying root cause of the inadequate implementation of the AAVC Policy, including the documentation issues previously noted, is overall poor policy development, including insufficient communication to staff. To determine the extent to which staff understood and followed the AAVC Policy, we reviewed the policy itself and conducted a survey, in which we asked caseworkers to explain the AAVC Policy's criteria. This work yielded several conclusions.

DHS's AAVC Policy contains conflicting criteria regarding whether referrals should be automatically assessed when they meet the criteria or if they should be evaluated similarly to any other referral. This is also inconsistent with the announcement made by the Child Safety Net Impact Team in August 2015, which states that DHS had implemented a policy to automatically deploy investigative staff into the field on these referrals.

[51] "Standards for Internal Control in the Federal Government", United States Government Accountability Office, accessed July 26, 2017, http://www.gao.gov/assets/670/665712.pdf.
[52] "Child Maltreatment Prevention: Past, Present, and Future," Child Welfare Information Gateway, U.S. Department of Health and Human Services, Children's Bureau, accessed July 27, 2017, https://www.childwelfare.gov/pubs/issue-briefs/cm-prevention.
[53] "A Framework to Design, Test, Spread, and Sustain Effective Practice in Child Welfare," Children's Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, Framework Workgroup, accessed June 16, 2017, https://www.acf.hhs.gov/sites/default/files/cb/pii_ttap_framework.pdf.

Our survey results indicate broad awareness of the AAVC Policy but limited understanding of the policy. Specifically, 89 percent of the 101 survey respondents who participate in RED Team decision making responded that they are aware of the AAVC Policy. Figure 2 illustrates the level of accuracy staff had when asked to define the AAVC Policy in a free-form text box. Overall, only 32 percent demonstrated an accurate understanding of the policy, while 39 percent did not.

Figure 2. Survey Respondents' Understanding of AAVC Policy



Source: Auditor's analysis of survey data.

Note: To be counted as an accurate explanation, the staff member had to include all three elements of the criteria, including the age of the vulnerable child, the number of past referrals, and the timeframe for those referrals. In instances where the response was unclear, we could not conclude that the staff person understood the number of previously required referrals or whether the referral history had to be associated with the same child.

Survey responses also yielded useful information in how the AAVC Policy was communicated to staff. We learned that DHS did not disseminate information related to the AAVC Policy in a consistent manner. In some instances, survey participants learned of the AAVC Policy through multiple channels; others indicated that they were not made aware of the AAVC Policy at all. As shown in Table 5, it appears that staff predominately learned of the AAVC Policy during the RED Team decision-making process, which is when the policy is being applied.

TABLE 5. AAVC Policy Communication Methods by Frequency Cited

Mode of Communication	Percentage of Participants
During RED Team	69%
Training	40%
Email	38%
Supervisor	30%
Written Policy or Procedure	28%
Co-Worker	16%
Other Office Communication	9%

Source: Auditor's analysis of survey data.

Note: Respondents could select multiple channels of communication within the survey; some respondents selected up to three or four channels of communication. Respondents also indicated they learned of the AAVC Policy in other ways, such as during Odyssey Training or from posted notifications in the RED Team area.

Finally, survey results showed that DHS's RED Teams may not be consistently evaluating referrals to determine the need for assignment. Specifically, 56 percent of 90 survey participants indicated that they evaluate AAVC Policy referrals differently than normal referrals. These participants indicated that once a referral is identified as meeting AAVC Policy criteria, there is no further RED Team discussion related to the referral, and it is screened in. Conversely, the remaining 44 percent indicated that all referrals are treated the same attributing this to a lengthy discussion resulting from the questions addressed in the RED Team framework. Further, they explained that it was not until the Next Steps portion of the Framework that the team would identify the referral as meeting the AAVC Policy criteria.

Guidance from the Oregon child welfare community warns of the dangers associated with insufficient policy communication. The Children's Trust Fund of Oregon Foundation, in partnership with the Prevent Child Abuse Oregon Advisory Committee, published a report in April 2013 entitled "Preserving Childhood: Oregon's Leading Efforts to Prevent Child Abuse and Strengthen Families." The organizations made several recommendations to policy-makers and funders, which included investing in education and training. The report emphasizes that adopting a best practice program is not enough to ensure positive outcomes. The agency needs to include staff and volunteer training on the implementation of the program as well as performing on-going evaluation of the program. Such activities will allow the agency to continually monitor and improve the quality of services and efficacy of the program. Recommendations to communities and service providers include the need to provide staff and volunteers access to continual training and program information to encourage fidelity to the program.[54]

DHS May Not Be Able to Conclude on Whether They Are Affecting Change through the AAVC Policy—Ultimately, DHS's inconsistent application of the AAVC Policy may inhibit caseworkers' ability to address previously identified risks to the vulnerable children who this policy was designed to identify and protect. Additionally, DHS cannot determine whether the AAVC Policy is bringing more of these children into contact with DHS caseworkers. DHS needs to gather sufficient and relevant data to ensure that these efforts can ultimately achieve the vision outlined by the Mayor.

RECOMMENDATION 2.1

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.

Agency Response: Agree, Implementation Date – December 15, 2017

[54] "Preserving Childhood: Oregon's Leading Efforts to Prevent Child Abuse and Strengthen Families, April 2013," Children's Trust Fund of Oregon Foundation and Prevent Child Abuse Oregon, accessed June 16, 2017, http://ctfo.org/wp-content/uploads/2015/09/Preserving-Childhood-Oregons-Leading-Efforts-to-Prevent-Child-Abuse-and-Strengthen-Families.pdf.

RECOMMENDATION 2.2

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.

Agency Response: Agree, Implementation Date – February 2018

RECOMMENDATION 2.3

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.

Agency Response: Agree, Implementation Date – March 2018

DHS Should Improve the Design, Implementation, and Evaluation of the Prevention Services Program

DHS's voluntary Prevention Services Program is intended to keep families from entering or re-entering the child welfare system. Prevention cases are opened based on decisions made by DHS's RED Teams and other administrators who collectively evaluate referrals that come in through DHS's Hotline. We evaluated the Prevention Services Program's design, implementation, and evaluation to determine whether it was successfully supporting the goals and objectives of DHS and CWD. Although we found that the Prevention Services Program includes elements recognized as parts of a successful child abuse prevention program, we found that a lack of important program design, implementation, and evaluation elements such as complete and accurate documentation of program procedures, reliable data, and consistent case management may be preventing DHS from fully achieving the program's goals.

DHS Has Not Sufficiently Designed and Implemented the Prevention Services Program

To identify the goals of the Prevention Services Program, we conducted interviews with program staff and reviewed relevant program documentation. This documentation included a one-page flyer explaining the Prevention Services Program, documented case management processes, and a packet of prevention case documentation templates to be used by program caseworkers. However, DHS could not produce detailed documentation to support the development of the Prevention Services Program.

In reviewing the limited available documentation regarding the Prevention Services Program's design and implementation, we noted elements that are consistent with best practices. These elements included collaborating with the Nurse Family Partnership Program, practicing individualized case management, and carrying out home visitations.[55] However, we observed weaknesses in the Prevention Services Program's design and implementation. Specifically, we found gaps in the identification of a well-defined target population and eligibility criteria, the training of staff regarding program practices, and program process documents.[56]

The Prevention Services Program Lacks a Defined Target Population and Adequate Staff Training—According to the one-page flyer that was created to communicate the purpose of the Prevention Services Program within CWD, the goal of the program is to "provide resources and support at the front end to decrease the likelihood of child abuse and neglect, address identified risks, and prevent entry or reentry into the child welfare system." Additionally, the flyer identifies a list of child welfare activities that the Prevention Services Program was not designed to offer, such as investigation and intervention.

Prevention Services Program caseworkers may be receiving some higher-risk referrals.

Despite documented program limitations, our interviews with caseworkers revealed that some high-risk referrals were being directed to the Prevention Services Program. For example, caseworkers stated that some cases involved investigations into allegations of child abuse and neglect, requiring the caseworker to report these referrals back to the Hotline. When asked why they thought this might be happening, caseworkers speculated that RED Team members may not have received adequate training on the Prevention Services Program, creating a perception that the program was being used improperly as a "safety net."

Although many factors are taken into account by DHS staff when reviewing referrals, caseworker observations and anecdotal data regarding the outcome of some Prevention Services Program cases suggests that some referrals should not have been sent to the Prevention Services Program. For example, we found that, of the approximately 403 prevention cases identified since the program's inception, CWD's Hotline received subsequent referrals for 104 of them. In addition, 34 prevention cases were closed due to a subsequent referral leading to an assessment.

Insufficient Documentation for the Prevention Services Program Could Be Impacting Implementation—The documented processes shown in Appendix B and the packet of case documentation templates include case management process steps which are identified later in Table 6; however, these documents do not completely and accurately describe current processes. During our walkthroughs of the process as it is being carried out by caseworkers, we determined that initial phone contact to families, guidance regarding documenting case information in system and case files, and timeframes for the completion of case management

[55] The Nurse Family Partnership Program is a community based health program in 42 states that pairs mothers pregnant with their first child and a registered nurse for early pregnancy to the child's second birthday. Program-trained registered nurses work with moms in their homes every one to two weeks to teach and role model healthy ways to play with, comfort and care for their infants and toddlers.
Individualized case management assists parents to find needed resources and support around complicated issues like economic challenges, domestic violence, drug and alcohol use and other family stressors associated with risk for child abuse and neglect. For more information see the following website: http://ctfo.org/wp-content/uploads/2015/09/Preserving-Childhood-Oregons-Leading-Efforts-to-Prevent-Child-Abuse-and-Strengthen-Families.pdf.

[56] "Child Maltreatment Prevention: Past, Present and Future, July 2011," Child Welfare Information Gateway, accessed June 14, 2017, https://www.childwelfare.gov/pubs/issue-briefs/cm-prevention/.

process steps were not well defined in the documentation. In addition, we found that the process map referenced a document that Prevention Services Program staff was not aware of or utilizing.

During our discussions with Prevention Services Program staff we also learned that there is no formal documented definition of program effectiveness to demonstrate success. Most staff articulated similar ideas centering around helping families address the issues that are identified in their case referrals. However, there was no consensus on specific case data that should be collected and analyzed to determine whether the program is working for these families. This lack of consensus is reflected in our review of the duration of time prevention cases were open. While informal Prevention Services Program procedures indicate that cases should be closed after 90 days, we found that 14 of 21 (67 percent) cases with families actively engaged in services were open for between 106 and 196 days. Prevention Services Program caseworkers asserted that cases often required additional efforts for successful closure than could be provided in a 90-day time frame.

These types of inconsistencies may have contributed to Prevention Services Program caseworkers not always documenting case management process steps. In addition, weak program design can impact an organization's ability to measure performance and determine program effectiveness.[57]

The Prevention Services Program Does Not Have Reliable Data to Determine Program Effectiveness

Essential to assessing program effectiveness is having sufficient and reliable data. We found that DHS does not have an independently reliable source of complete and accurate data to evaluate the effectiveness of Prevention Services Program case management. For example, auditors received a spreadsheet from program staff listing Prevention Services Program cases that were opened between October 1, 2016, and April 30, 2017 to identify the total number of Prevention Services cases opened since the program's inception. Prevention Services Program staff acknowledged that the spreadsheet was incomplete and did not include all of the case information necessary for us to identify the total number of Prevention Services cases opened or to evaluate adherence with case management process steps. In addition, Prevention Services Program caseworkers were instructed retroactively to update this spreadsheet with complete case information during our audit engagement; however, the updated document was still incomplete and inaccurate, missing critical information such as referral numbers, assignment dates, Prevention Services Program case numbers, contact visit dates, closure reasons, and closure dates.

Prevention Services Program case management reports did not contain complete and accurate data.

We had a similar experience with case workload reports generated from the Trails system for each Prevention Services Program caseworker. These reports included inaccurate or incomplete prevention case data related to assigned caseworkers, referral numbers, referral dates, case open

[57] "Program Design-A Literature Review of Best Practices, August 2011," United Way of Calgary, Katherine Main, accessed June 16, 2017, http://www.calgaryunitedway.org/images/uwca/our-work/supporting-non-profits/capacity-building/program_design_a_literature_review_of_best_practices.pdf.

dates, and family names; ultimately, they were only reliable for identifying that a prevention case was opened and assigned.

In our discussion with Prevention Services Program and Information Technology staff at DHS, they explained that the Program Area 3 section of Trails that they used to enter prevention case data was not widely used across the state. Additionally, they described that Program Area 3 was not well integrated with the other program areas of the Trails system to accurately and completely identify data such as referral numbers, referral dates, and other historical information relevant for prevention cases. As such, the current design of Trails Program Area 3 contributed to workload reports for Prevention Services Program caseworkers being incomplete or inaccurate.

In the absence of quality data, DHS cannot evaluate the Prevention Services Program or make informed decisions about how it could be improved. Two reputable organizations underscore the importance of data in the management of child welfare programs. First, the Annie E. Casey Foundation stresses that "managing with data, both quantitative and qualitative, is critical to effective service delivery and quality improvement."[58] Second, the Child Welfare League of America identifies the importance of data to support decision making to help achieve desired outcomes for children and families.[59]

RECOMMENDATION 2.4

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.

Agency Response: Agree, Implementation Date – December 15, 2017

RECOMMENDATION 2.5

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.

Agency Response: Agree, Implementation Date – March 2018

[58] "10 Practices: A Child Welfare Leader's Desk Guide to Building a High-Performing Agency, Part One, 2015," Annie E. Casey Foundation, accessed January 26, 2017, http://www.aecf.org/resources/10-practices-part-one/?gclid=CMDYjrWq4NECFQYoaQodm0YNxQ.

[59] "National Blueprint for Excellence in Child Welfare Executive Summary: Raising the Bar for Children, Families, and Communities," Child Welfare League of America, accessed March 21, 2017, http://www.cwla.org/wp-content/uploads/2013/12/BlueprintExecutiveSummary1.pdf.

Prevention Services Program Staff Do Not Always Adhere to Case Management Processes

To assess whether Prevention Services Program caseworkers are following case management procedures, which are essential for monitoring the effectiveness of the program, we tested a sample of 40 prevention cases out of a population of approximately 403 cases. These cases were assigned during the period of October 1, 2016, through April 30, 2017.

There are 15 case management process steps listed in Table 6.[60] These include letters, telephone calls, visits, surveys, authorization forms, summary documentation, and closure activities. Not only must these activities be completed, but some are required to be done in accordance with certain timeframes set out in the Prevention Services Program's procedures.

TABLE 6. Prevention Services Case Management Process Steps

Process Steps	Steps Subject to Specific Timeframes
Initial Letter	Yes
Initial Phone Call	Yes
Initial Contact Visit	No
Initial Plan	No
Protective Factors Survey	No
Authorization to Disclose Confidential Information	No
Authorizations to Receive Confidential Information	No
Authorizations to Share Confidential Information	No
Ongoing Contact Visits	Yes
Case Staffing	No
Final Contact Visit	No
Closure/Closing Letter	No
Closure Summary	No
Caseworker Case Closure	No
Supervisor Case Closure	Yes

Source: Prevention Services Program guidance and interviews with Prevention Services staff.
Note: Bolded process steps were compliant for 80 percent or greater of the cases evaluated.

During our review of the 40 Prevention Services Program cases we selected for testing, the documentation indicated that not all case management process steps were completed. Prevention Services Program caseworkers and supervisors generally documented 9 of the 15 case management steps completely and accurately for more than 80 percent of the cases we

[60] Due to the voluntary nature of the Prevention Services Program, families may decline services at any point throughout the process. Therefore, we evaluated cases for the requirements based on the individual circumstances of each family's case.

evaluated. Additionally, of these nine steps, six met or exceeded DHS's performance expectations related to overall case management as identified in the Mayor's 2017 Budget.[61]

Further, DHS did not have sufficient documentation for some of the case management steps in the Trails system, case files, or department files. These included ongoing contact visits, surveys, case staffings, and Protective Factors Surveys.[62] The lack of documentation made it unclear to auditors whether these activities were completed. Additionally, we noted some inaccurate case closures and a variety of timeliness issues, which we discuss in greater detail below.

Caseworkers Do Not Always Completely or Accurately Document Case Management Process Steps—Families who are considered actively engaged in Prevention Services Program services require at least two ongoing contact visits per month. As part of our analysis, we assessed whether these visits occurred. Due to the voluntary nature of the Prevention Services Program, documented attempts to schedule contact visits as evidenced by client no-shows, phone calls, or emails were considered acceptable alternatives to face-to-face contact in determining adherence to process steps. Only 14 of 21 cases (67 percent) in our sample included evidence of two contact visits per month, or at least documented attempts to schedule visits. Additionally, for families who have greater longevity in the Prevention Services Program, caseworkers are also expected to document case staffings and have the families fill out a pre- and post-Protective Factor Survey, if the family agreed to participate. Only 7 of 21 (33 percent) of the cases in our sample had all case staffings documented, and only 9 of 20 (45 percent) of the relevant cases had a completed pre- and post-Protective Factor Survey.[63] Finally, we found some inaccuracies in case closure documentation. After comparing the 38 closure reasons noted within the previously mentioned spreadsheet to the closure circumstances documented in Trails, nine appeared inaccurate. For six of these closure reasons, while the case was closed indicating that services were successful, five clients clearly disengaged from services and one client had never been contacted. For the other three cases, the closure reason documented in the closure summary did not match the closure reason submitted with the case closure.

Caseworkers Do Not Always Ensure That Case Management Process Steps Are Documented Timely—We also determined that Prevention Services Program activities are not always completed within timeliness requirements. Within on our sample of 40 cases, only 20 of 34 (59 percent) initial phone calls were made within three business days of sending the initial letter, as required.[64] Additionally, only 15 of 38 (39 percent) of supervisor case closure approvals were

[61] Examples of performance expectations include percent of child contacts made regularly and timeliness of initial face-to-face contacts.

[62] A case staffing is a meeting between Prevention Services supervisors and caseworkers to discuss a support plan, barriers, and specific tasks and goals to help a family address the issues of child abuse or neglect that have been identified. A Protective Factors Survey is designed to improve outcomes for children affected by trauma by helping them and their families identify areas to develop assets and skills to handle stress, trauma, and challenges more effectively. These factors include child development/knowledge of parenting, concrete supports, family functioning/resiliency, nurturing an attachment, social support, and children's social and emotional competence. "FRIENDS National Center for Community-Based Child Abuse and Prevention (CBCAP)," accessed August 16, 2017, https://friendsnrc.org/protective-factors.

[63] Part of the reason why the surveys are not being completed may be that caseworkers are not adequately trained regarding the purpose of the survey. In a focus group that we conducted with Prevention Services Program caseworkers, several indicated that they did not know the purpose of the Protective Factors Survey and were not sure why they were required to complete it. Others felt that it was not well designed for all demographic populations they serve. Additionally, Prevention Services Program management had not provided training to caseworkers on the evaluation of these surveys.

[64] Phone contact information was not always provided with referrals of child abuse or neglect to allow caseworkers to make these contacts.

completed after waiting 10 business days, as required.[65] Finally, although most of the initial letters appear to have been sent on time, we could not determine timeliness for seven of the cases.[66] When determining the cause of these inconsistencies, we believe that a lack of formally documented procedures, as previously discussed, was a contributing factor. Not all case management process steps are formally documented in the Prevention Services Program's procedures. Further, there is no reliable source of prevention case data that could be used for monitoring purposes. Thus, caseworkers were not always following process steps and supervisors could not always ensure caseworker adhered to these steps. According to the standards promulgated by GAO, organizations need quality information that "is appropriate, current, accurate, accessible, and provided on a timely basis" to achieve their goals and objectives.[67] Child welfare advocacy organizations highlight this same need. They urge agencies to develop a method that will allow staff continual access to training and program information they need to encourage dedication to the program and to ensure the program achieves expected outcomes.[68]

RECOMMENDATION 2.6

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.

Agency Response: Agree, Implementation Date – March 2018

DHS Should Continue Improving Processes for Awarding and Monitoring Child Abuse Prevention Month Mini-Grants

In 1983, President Ronald Reagan designated April as National Child Abuse Prevention Month. President Barack Obama proclaimed a recommitment to this annual event in 2016, emphasizing the importance of "giving every child a chance to succeed and…ensuring that every child grows up in a safe, stable, and nurturing environment that is free from abuse and neglect."[69] To help

[65] Two cases in our sample of 40 remained open at the time of our audit testing as these families were actively receiving Prevention Services.

[66] For these seven cases, the initial letter was sent before the case assignment date documented in Trails. This was most likely due to Prevention Services Program supervisors providing hard copy referrals to caseworkers to begin working a case prior to making the assignment in Trails.

[67] "Standards for Internal Control in the Federal Government," United States Government Accountability Office, accessed July 26, 2017, http://www.gao.gov/assets/670/665712.pdf.

[68] "Preserving Childhood: Oregon's Leading Efforts to Prevent Child Abuse and Strengthen Families," Children's Trust Fund of Oregon Foundation, accessed June 26, 2017, http://ctfo.org/wp-content/uploads/2015/09/Preserving-Childhood-Oregons-Leading-Efforts-to-Prevent-Child-Abuse-and-Strengthen-Families.pdf.
"Child Maltreatment Prevention: Past, Present and Future, July 2011", Child Welfare Information Gateway, accessed June 14, 2017, https://www.childwelfare.gov/pubs/issue-briefs/cm-prevention/.

[69] "Presidential Proclamation – National Child Abuse Prevention Month, 2016, March 31, 2016", The White House Office of the Press Secretary, accessed August 7, 2017, https://obamawhitehouse.archives.gov/the-press-office/2016/03/31/presidential-proclamation-national-child-abuse-prevention-month-2016.

achieve this goal, DHS has participated in Child Abuse Prevention Month activities every April since 2011. The goals of these DHS activities are to raise awareness about the issue of child abuse in the community, provide education on how to identify and report abuse or neglect, and to prevent child abuse or neglect from occurring.

To support their continued child abuse prevention efforts and expand community engagement and outreach, DHS implemented a Child Abuse Prevention Month mini-grant in 2015 sponsored by the Prevention Services Program. This mini-grant was created to provide up to $1,500 to community organizations for holding events in April that support DHS's educational goals.

As the Child Abuse Prevention Month mini-grants are distributed under the direction of the Prevention Services Program, we evaluated their processes for awarding and managing these grants as part of our overall evaluation of the program. Between 2015 and 2017, the Prevention Services Program provided awards of $750 and $1,500 to 41 community and faith-based organizations serving the diverse needs of the City. Since 2015, DHS has awarded almost $52,000 to these groups.

Since 2015, DHS has awarded almost $52,000 in mini-grant funding to community and faith-based organizations.

Although we found that the mini-grant processes are well aligned with grant management best practices, we identified areas for improvement as the Prevention Services Program moves forward. These included documenting mini-grant award selection procedures; ensuring that organizations awarded mini-grants demonstrate that their events support CWD's stated purpose; and monitoring mini-grant awardees for compliance, including reviewing the propriety of grant financial transactions.

Mini-Grant Awardees Do Not Always Meet Grant Criteria for Selection

We determined that the Prevention Services Program awarded some mini-grants to applicants that may have not been eligible or the best candidate, based on internal criteria. In our review of mini-grant documentation, we found that a well-defined application template was provided through a public announcement to organizations seeking to apply for the mini-grant. This template identifies the purpose of the Prevention Services Program, specific questions for determining how applicants will support the grant's purpose, grant criteria, and grant requirements for selection.

Additionally, to assist with award selection, DHS staff use six criteria related to the goals of the Child Abuse Prevention Month when evaluating applications.[70] Staff select mini-grant awardees based on the merit of their applications in demonstrating the organization's ability to meet mini-grant goals. We determined that these processes were consistent with federal government grant management guidance and best practices identified by the Government Finance Officers Association (GFOA).[71]

Although the mini-grant award process was aligned with grant management best practices, our evaluation found that DHS awarded organizations in 2015 and 2017 that did not always meet

[70] These criteria were identified in a rubric, which is a commonly used tool for evaluating and scoring grant applications.
[71] "Establishing an Effective Grants Policy," Government Finance Officers Association, accessed April 25, 2017 http://gfoa.org/establishing-effective-grants-policy.
"Federal Grants Lifecycle: Grants 101," Grants.gov, accessed August 2, 2017, https://www.grants.gov/web/grants/learn-grants/grants-101/pre-award-phase.html and https://www.grants.gov/web/grants/learn-grants/grants-101/award-phase.html.

each of the grant criteria, which is inconsistent with Prevention Services Program goals. Our analysis of scoring rubrics determined that 6 of the 13 (46 percent) organizations awarded mini-grants in 2015 and 4 of 13 organizations (31 percent) awarded mini-grants in 2017 did not meet all the criteria for selection.

We noted multiple cases in which a prior awardee was selected for an award over a first-time applicant with a higher rubric score. Although the scoring of grant criteria was the primary factor for selecting awardees, Prevention Services Program staff explained that they reviewed first-time applicant scores independently of scores for prior award recipients during the selection process. Their rationale for this was that they wanted to sustain events in consecutive years by evaluating prior awardees separately.

Furthermore, we observed that the failure of mini-grant awardees to comply with certain grant requirements was not considered when making award decisions in future years. Our analysis determined that five 2015 awardees failed to submit required information after the conclusion of the funded event. However, this noncompliance did not appear to be factored into the decision to award them mini-grants again in 2016. Similarly, three 2016 awardees failed to comply with certain requirements but subsequently received 2017 awards. In these instances, Prevention Services Program staff should evaluate the risk of selecting these organizations for awards, as recommended by the federal Office of Management and Budget and the GFOA. This evaluation of risk during award selection should include the consideration of imposing special conditions in addition to any established grant requirements.[72]

Finally, we found that the number and job functions of staff chosen to make mini-grant selections have changed since the Prevention Services Program's inception. This resulted in significant variations in how applications were evaluated, scored, and documented by staff, regardless of established criteria. Additionally, evidence documented on grant scoring rubrics did not always support DHS's consistent evaluation for award selection. As these scores were identified as the primary factor for selecting grant awardees, this variability may have impacted the quality of the selection process.

Individual steps required for the award selection process were not documented.

To determine the cause of these deviations from award criteria, we analyzed the Prevention Services Program's mini-grant procedures. In doing so, we found that the individual steps required for the award selection process were not documented, such as documenting the rationale for any awards that were made regardless of scoring and evaluating first time applicants and prior awardees separately. Additionally, the mini-grant program is one of a few collateral functions of the Prevention Services Program that is not tied directly to the primary goal of providing services for select referrals of child abuse or neglect received through the Hotline. When the Prevention Services Program started in 2015, it had fewer resources, which could have hindered the ability to sufficiently develop both the broader prevention services activities and manage the mini-grant program.

Prevention Services Program staff indicated that they are considering developing a webinar for 2018 to provide guidance to applicants on the mini-grant's purpose, application requirements, grant criteria, and grant requirements. Auditors believe there may be value in this addition.

[72] "Establishing an Effective Grants Policy," Government Finance Officers Association, accessed April 25, 2017 http://gfoa.org/establishing-effective-grants-policy.

Prevention Services Program staff should also ensure that the award selection process is formally documented. This would include processes outlining both the number and functions of staff reviewing mini-grant applications and their duties in completing an evaluative review and assessment for award selections.

Mini-Grant Awardees Do Not Always Comply with Grant Requirements

As a result of organizations not submitting grant activity reports and evidence of grant expenditures as required, Prevention Services Program staff were not able to validate the propriety of many funds expended for mini-grants, identify grant event attendance, or determine other outcomes discussed in the reports. Grant management processes should include evaluation or monitoring activities to ensure that outcomes have produced results consistent with both a grant's desired purpose and its requirements.[73]

We found that the Child Abuse Prevention Month mini-grant processes clearly identified the desired purpose and requirements for organizations to demonstrate achievement of the grant's purpose. This is accomplished through grant requirements acknowledged by awardees in a mini-grant agreement form, which includes a requirement to submit a grant activity report. The grant activity report is designed to collect information on the results, outcomes, lessons learned, future plans, and financial information justifying grant expenditures. Although this process is consistent with guidance in the City's Fiscal Accountability Rule 9.2 and from the GFOA, we found that CWD staff were not ensuring that these reports were submitted, as required, in 2015 and 2016.[74] Additionally, we could not determine whether DHS staff made diligent attempts to obtain these reports. Mini-grant expenditure information, along with the amount of these expenditures that could be validated based on documentation from the awardee, is provided in Table 7.

TABLE 7. Child Abuse Prevention Month Mini-Grant Expenditures

Year	Mini-Grants Evaluated	Expenditures Claimed	Expenditures Validated
2015	13	$19,500	$1,262.90
2016	15	$15,961	$8,483.55
2017	5*	$5,828.65	$5,511.24
Totals	**33**	**$41,289.65**	**$15,257.69**

Source: Auditor's analysis of Prevention Services files.

Note: * Event financials had only been received from five organizations for 2017 at the time of our audit testing.

In our review of the Prevention Services Program's mini-grant documentation for 2015 awardees, we found that only 1 out of 13 organizations submitted a grant activity report and documentation to support grant expenditures. In 2016, awardee organizations improved their submission of grant activity reports and evidence of expenditures; however, the completeness of the documentation was inconsistent. In our analysis of the documentation for the fifteen organizations awarded mini-grants in 2016 we found the following:

[73] Ibid.

[74] "Denver Fiscal Accountability Rule 9.2 Grant Management," accessed August 2, 2017, https://www.denvergov.org/content/dam/denvergov/Portals/344/documents/Fiscal_Rules/chapter_9_Grants/Rules/Rule_9_2_Grant_Mgmt.pdf.
"Establishing an Effective Grants Policy," Government Finance Officers Association, accessed April 25, 2017 http://gfoa.org/establishing-effective-grants-policy.

- Seven organizations submitted grant activity reports with sufficient evidence to support grant expenditures
- Two organizations submitted grant activity reports that did not include evidence to support grant expenditures
- Three organizations submitted evidence to support grant expenditures but did not submit grant activity reports
- Three organizations did not submit grant activity reports or evidence to support grant expenditures

Although the Prevention Services Program added a grant requirement in 2016 that allowed DHS staff to attend events and discuss the goals of the program with participants, program staff were not able to provide evidence to auditors that they attended these events in 2016 or 2017. Attendance by staff can help supplement grant activity reports in ensuring that the events held by awardee organizations are supporting their educational goals regarding child abuse and neglect and informing grant award selection in the future.

While the mini-grant program had a solid foundation for Prevention Services Program staff to adhere to from the program's inception, accountability for the program was not evident. Prevention Services Program staff and grant awardees did not always comply with all grant requirements. However, we noted improvement in accountability with regard to 2017 mini-grant processes with both of the previously discussed webinar and to the grant disbursement process.

We noted improvements in accountability with regard to 2017 mini-grant processes with the addition of the webinar and the new grant disbursement process.

However, based on the failure of organizations to submit grant documentation as required in 2015 and 2016, we determined that DHS changed the grant payment process in 2017. DHS shifted the process for awarding grants from an advance payment to a reimbursement basis. This shift required organizations to submit sufficient information to allow for the review and reconciliation of grant related financial transactions by CWD staff prior to receiving grant money. This process change is consistent with federal grant management guidance in response to awardees failing to comply with grant requirements and may have contributed to improved submission of grant activity reports and evidence of event expenditures by 2017 awardees. However, Prevention Services Program staff asserted this process change may have impacted the applicant pool for 2017 as a majority of the organizations were first time applicants with no prior experience in applying for the mini-grant. More specifically, this lack of experience may have limited their ability to successfully outline how their event would meet mini-grant criteria. According to staff, because the Prevention Services Program wanted to provide as many new prevention event opportunities within the community as possible, four new organizations were awarded grants despite not meeting all grant award criteria.

RECOMMENDATION 2.7

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.

Agency Response: Agree, Implementation Date – December 15, 2017

RECOMMENDATIONS

We make the following recommendations to Denver Human Services' Child Welfare Division to improve its procedures and compliance associated with the Automatic Assessment of Vulnerable Children (AAVC) Policy and the Prevention Services Program.

2.1 **Review and Revise the 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.

Auditee Response: Agree, Implementation Date – December 15, 2017

Auditee Narrative: We will determine what data to collect to evaluate the practice of assigning assessments in accordance with AAVC guidelines. If evaluation demonstrates that the practice is effective, we will develop a plan for ongoing evaluation. Any subsequent changes in policy or practice will be consistent with state rules and mandates.

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.

Auditee Response: **Agree, Implementation Date – February 2018**

Auditee Narrative: Supervisors responsible for entering RED team framework in Trails will be trained in AAVC documentation standards. The existing procedure will be reviewed and revised as necessary to guide Administrators responsible for AAVC overrides.

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.

Auditee Response: **Agree, Implementation Date – March 2018**

Auditee Narrative: Per response to recommendation 2.1, we will work to evaluate the AAVC guidelines, and if determined effective, will review and revise the guidelines as necessary to determine the training needs of all new CWD caseworkers. Any resulting training delivered to Child Welfare Division staff will be documented in the employee's files.

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.

Auditee Response: **Agree, Implementation Date – December 15, 2017**

Auditee Narrative: This review will be completed within 60 days. Any required updates to policies and procedures will be made within 60 days of the completion of the review.

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.

Auditee Response: **Agree, Implementation Date – March 2018**

Auditee Narrative: We will develop a training plan for all staff involved in RED teams regarding the purpose of the Prevention Services Program and program eligibility, and document in the team members' files the completion of their training.

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.

Auditee Response: **Agree, Implementation Date – March 2018**

Auditee Narrative: We will train all Prevention Services Program staff of any changes in family engagement and documentation guidelines following evaluation of the program, and develop means for monitoring adherence to the process.

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.

Auditee Response: **Agree, Implementation Date – December 15, 2017**

Auditee Narrative: We will review and revise mini-grant procedures as necessary to ensure the intent of the program is being met.

FINDING 3

Although Certain Controls Appear to Be Operating Effectively, Others Could Be Improved

The audit revealed that Denver Human Services (DHS) has established effective internal controls surrounding its Trails case management system and grant accounting practices. However, we identified two areas where improvements would strengthen operations. First, DHS is not fully complying with policies that govern reimbursement for work travel. Second, some of the language included in contracts with service providers may not require sufficient documentation so that DHS can reconcile services to payments.

System and Accounting Controls Appear Effective

We found that DHS has established well-documented internal controls for the Trails system. These controls include internal policies and procedures, monitoring practices, and physical security restrictions that align with industry standards based on DHS's role in administering the system. Furthermore, DHS has established effective financial management responsibilities that ensure grant requirements are satisfied and the City and County of Denver's (City's) Fiscal Accountability Rule (FAR) 9.2 was met.

System Policies, Procedures, and Monitoring Practices Are Effective

We assessed the security of the data in the Trails system by performing walkthroughs and testing procedures implemented by DHS's System Support Team (Support Team). We determined that physical security elements observed during our walkthroughs met suggested criteria outlined in the Federal Information System Controls Audit Manual (FISCAM).[75] For example, physical access to computer stations was restricted via badged entry to the facility, and computer resources were locked and tethered to work areas.[76]

We determined that DHS has established effective monitoring practices to prevent unauthorized access to the Trails system.

Further, we determined that the Support Team has established effective monitoring practices to prevent unauthorized access to the Trails system. Specifically, DHS procedures require monthly security reviews that incorporate evaluations of current user needs. Further, these procedures require an annual review of each employee with access to Trails with the goal of ensuring that each employee has the correct permissions associated with assigned job duties and employment status. Upon review, our tests of current system users yielded no issues with user access, indicating that the internal practices are operating effectively.[77]

[75] FISCAM provides specific guidance for evaluating the confidentiality, integrity, and availability of information systems. FISCAM is also highly aligned with other best practices such as the National Institute of Standards and Technology (NIST). NIST provides guidelines for complying with the Federal Information Security Modernization Act of 2014 which sets forth information security requirements on federal agencies.

[76] FISCAM section 3.2.

[77] Audit test work included reviews of Trails system users in comparison to active City employee accounts, recent terminations, and user account profiles.

Grant Accounting Procedures Ensure Proper Usage of State Funds

In addition to having effective system controls, DHS's Financial Services Division (Financial Services) carries out internal practices aligned with FAR 9.2 that ensure compliance regarding grant expenditures. We assessed the effectiveness of these practices by testing a sample of expenditures from multiple grant agreements. This testing revealed no issues. For example, we found that Financial Services maintains all necessary documentation, records expenditures in the proper program or account category, and ensures compliance with overall terms and conditions of grant agreements. Specifically, for all expenditures analyzed, we determined that funds dispersed to DHS clients were properly distributed, documentation of these fund distributions contained valid business purposes, and verification of fund receipt was documented as required by each agreement.

DHS Has Not Fully Complied with Fiscal Accountability Rules Regarding Travel Expenses

Although DHS has developed and implemented procedures that support system security and fiscal prudence, we identified two areas where improvements can be made to ensure compliance with City's FAR and best practices.

DHS Did Not Ensure All Travel Expenditures Were Compliant With City Rules and Internal Policy

DHS has an internal policy governing employee travel, which includes requirements for prior approvals, allowable and non-allowable expenditures, and the necessary supporting documentation. This policy is aligned with the criteria outlined in the Travel Procedure section of FAR 10.8.[78] However, we found that DHS does not have sufficient internal controls to ensure that employees are following all elements outlined in FAR 10.8 and that exceptions to the criteria are supported with documentation.

Specifically, we found that DHS did not obtain all required prior approvals for travel-related expenses. Further, DHS did not ensure submitted calculations for travel reimbursement were correct. Lastly, DHS was unable to provide the supporting documentation that was required for some travel expenditures in our sample.

DHS Did Not Obtain Prior Approvals for Some Travel Expenditures—FAR 10.8 specifies that prior authorization is required for all travel within the contiguous United States.[79] We reviewed a sample of eighteen travel vouchers from DHS's Child Welfare Division (CWD). Of these, one (6 percent) lacked documented prior approval. Despite this, the voucher was approved for reimbursement by DHS. Moreover, this approved voucher that lacked documented prior approval included the purchase of first class airline tickets, which requires an additional level of approval, according to FAR 10.8.

Additionally, seven of the eighteen travel vouchers (39 percent) did not include documented prior approval to utilize a hotel with a lodging rate above the per diem allowance.[80] Despite the

[78] City and County of Denver Fiscal Accountability Rules 10.8 – Travel. This rule provides guidance for all officers, employees, and contractors who travel and conduct business on behalf of the City for City purposes.

[79] "Travel Procedures," City and County of Denver Fiscal Accountability Rules, accessed August 14, 2017, http://www.denvergov.org/content/dam/denvergov/Portals/344/documents/Fiscal_Rules/chapter_10_Empl_Associated/Procedures/Procedure_10_8_Travel.pdf.

[80] Per diem is the allowance for lodging (excluding taxes), meals and incidental expenses. The General Services Administration (GSA) establishes per diem rates for destinations within the Continental United States.

lack of documented approval for these travel expenditures, the vouchers were approved for reimbursement by DHS.

DHS Did Not Calculate All Travel Expenses Correctly—We found that 1 of the 18 (6 percent) vouchers included unallowable reimbursements for meals. Specifically, DHS reimbursed an employee for a meal purchased outside of the designated travel time, which is not consistent with FAR 10.8 which specifies that the reimbursement period starts on the day the employee leaves from home or the office, and ends on the day the employee returns.

Further, FAR 10.8 prohibits employees from being reimbursed for meals already paid for by the overall travel expense. For example, meals are often included in a conference registration fee; accordingly, employees should not be reimbursed for meals that they elect to eat away from the conference, where they would otherwise be provided. We found that 7 of the 18 (39 percent) vouchers included reimbursements for meals that were already provided.

DHS Lacked Required Supporting Documentation—FAR 10.8 also requires that employees submit supporting documentation to justify travel reimbursements. For example, documentation is required when reimbursing for actual expenditures such as meals, first class airfare, or expenditures exceeding allowable per diem rates.

We found that 8 of the 18 (44 percent) vouchers lacked all required supporting documentation for the expenditures that were reimbursed. More specifically, one voucher (6 percent) lacked supporting documentation associated with actual expenses, in this case meal receipts. Further, six (33 percent) of the vouchers lacked documentation supporting expenditures that exceeded allowable per diem lodging rates and one (6 percent) voucher lacked any documentation to support the purchase of first class airline tickets.

Underlying these deficiencies is DHS's inadequate review process to ensure travel reimbursements are provided in accordance with FAR 10.8. As a result, travel expenditures reimbursed to DHS employees may not be allowable or in the correct amount.

RECOMMENDATION 3.1

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.

Agency Response: Agree, Implementation Date – November 30, 2017

Select DHS Service Provider Billing Documentation Does Not Support the Services Provided

Although DHS has policies and procedures in place for the billing of service providers, we identified one service provider contract that could be revised to allow DHS to ensure all services were provided prior to billing.

DHS was involved in more than 300 contracts with service providers during our sample period of 2016. Service providers are utilized by CWD to provide clients with services such as doctor's appointments, supervised visitations, transportation, and translation.

We reviewed the supporting documentation submitted by providers for a sample of select expenditures, including billing invoices, time logs, and authorizations for services received. DHS was able to provide evidence supporting that clients were authorized to receive the services and that billing was in the appropriate amount.

However, we found that one service provider had submitted insufficient time-keeping documentation to support the services provided. Specifically, the time cards were inconsistent with invoices and payment information for 2 of 10 (20 percent) sampled expenditures. The hourly services were invoiced and paid at a different rate than what was supported by the time cards.

After investigating the inconsistencies, we determined that they were the result of changes DHS made to billing procedures in 2015. These changes were required after a billing system upgrade. DHS instructed service providers to bill for specific services in whole units rather than in partial hours, which had previously been the practice. DHS stated in an email that partial hours were to be "implied," and service providers were not required to document their administrative services—time spent writing reports, making telephone calls, and debriefing parents—at a granular level in time cards.

Inconsistent billing practices pose a risk in that DHS might pay for services that were not delivered to clients. Further, GAO's Standards for Internal Control in the Federal Government direct management to obtain relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. The sources of that information should be reasonably free from error and bias and represent what they intend to represent.

RECOMMENDATION 3.2

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.

Agency Response: Agree, Implementation Date – December 31, 2017

RECOMMENDATIONS

We make the following recommendations to strengthen Denver Human Services' internal controls regarding its travel expenditure billing and approval process as well as service provider billing.

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.

Auditee Response: Agree, Implementation Date – November 30, 2017

Auditee Narrative: We agree with the recommendation. In late 2016, DHS moved from reimbursing actual travel costs to per diem, which we believe will resolve some observed issues related to travel calculations and exceptions to FAR 10.8. To address any remaining observed variances, staff involved in the travel process will be re-trained on city fiscal rules to ensure a comprehensive understanding of the calculations and documentation necessary to support travel reimbursements.

Internal procedures for travel will be revised to ensure that travelers and approvers are aware of all documentation requirements needed to support the travel voucher packet. Specifically, travel request forms will be revised to include a separate section to show any exceptions of per diem limits or other fiscal rules to include appropriate explanations and approvals. The travel process, either requests for travel or the resulting reconciliations, will not move forward without necessary explanations and approvals; all required supporting documentation will be included with the travel voucher packets.

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.

Auditee Response: **Agree, Implementation Date – December 31, 2017**

Auditee Narrative: We agree with this recommendation. DHS will incorporate new language into 2018 translation contracts, which were subject to the Auditor's review, that will provide more clarification on the rate of pay, documentation, and services provided. DHS will also provide training to all parties involved regarding the change in language and invoice documentation requirements. The contracts in question operate on a calendar year basis. We will target to have all such contracts fully executed by December 31, 2017, understanding that the ability to achieve the target date is reliant both on the contractors' acceptance of the terms of the agreement and their timely execution of authorizing signatures.

APPENDICES

Appendix A—Volume 7 Regulations Related to Caseworker Background Checks[81]

7.602.1 STAFF [Rev. eff. 11/1/15]

B. All current and prospective employees of the county department, who in their position have direct contact with any child in the process of being placed or who has been placed in out of home care, shall submit a complete set of fingerprints to the Colorado Bureau of Investigation (CBI) that were taken by a qualified law enforcement agency to obtain any criminal record held by the CBI.

1. The person's employment is conditional upon a satisfactory criminal background check; and subject to the same grounds for denial or dismissal as outlined in Section 26-6- 104(7), C.R.S., including:

a. Checking records and reports; and,

b. Individuals who have not resided in the state within the preceding five (5) years shall be required to have a Federal Bureau of Investigation (FBI) fingerprint-based criminal history.

3. Prospective employees who are transferring from one county department to another are not required to be re-fingerprinted if they complete the following process:

a. New employees must obtain their CBI clearance letter or a photocopy of their processed fingerprint card from their former employer. They must attach it to a new fingerprint card, with the top portion completed.

b. The new fingerprint card must include the new employer's address. "Transfer County Department" must be inserted in the "Reason Fingerprinted" block.

c. The CBI clearance letter (or photocopy of the old fingerprint card) and the new fingerprint card must be sent with money order payable to the CBI.

d. County departments that have accounts with CBI are not required to send the money order, and they shall enter their CBI account number in the OCA block of the new fingerprint card.

7.603.1 Child Welfare Training Requirements [Rev. eff. 1/1/16]

J. The county department shall ensure that all personnel whose job titles are identified in Section 7.603.1, O, or any staff performing the duties and responsibilities assigned to these job titles, possess the following minimum qualifications:

3. Hotline Staff Supervisor

a. A high school diploma or GED and three (3) years of professional child welfare experience in a public or private human services agency.

5. Social Caseworker

[81] 12 C.C.R.§ 2509-7 (2015).

a. The skills, knowledge, and abilities to perform duties at the full independent working level through experience, proper supervision, and on-going education and training.

b. A Bachelor's degree with a major in a human behavioral science field and one year of professional caseworker, case management, or human services experience in a public or private human services agency; or,

c. A Bachelor's of Social Work degree and successful completion of an approved field placement in a county department of human services; or, CODE OF COLORADO REGULATIONS 12 CCR 2509-7 Social Services Rules 17.

d. A Master's degree in social work or human behavioral sciences field.

6. Social Casework Supervisor Position

a. A Bachelor's degree with a major in a human behavioral sciences field (no substitution) and three (3) years professional casework experience at the Social Caseworker level; or

b. A Master's degree or higher in social work or human behavioral sciences field and two (2) years professional casework experience at the Social Caseworker level.

7. Education Requirements To meet the minimum educational requirements of a human behavioral science degree, the applicant must have a degree with major course work (equivalent to 30 semester hours or 45 quarter hours) in development of human behavior, child development, family intervention techniques, diagnostic measures or therapeutic techniques such as social work, psychology, sociology, guidance and counseling, and child development from an accredited institution.

K. Temporary Educational Waiver Process

If proven recruitment difficulty exists, county departments may request a temporary waiver of the Educational requirements by submitting a request to the Colorado Department of Human Services, Division of Child Welfare, which includes the following information:

1. For Initial Hiring:

a. Documentation of the recruiting efforts and the identified difficulties;

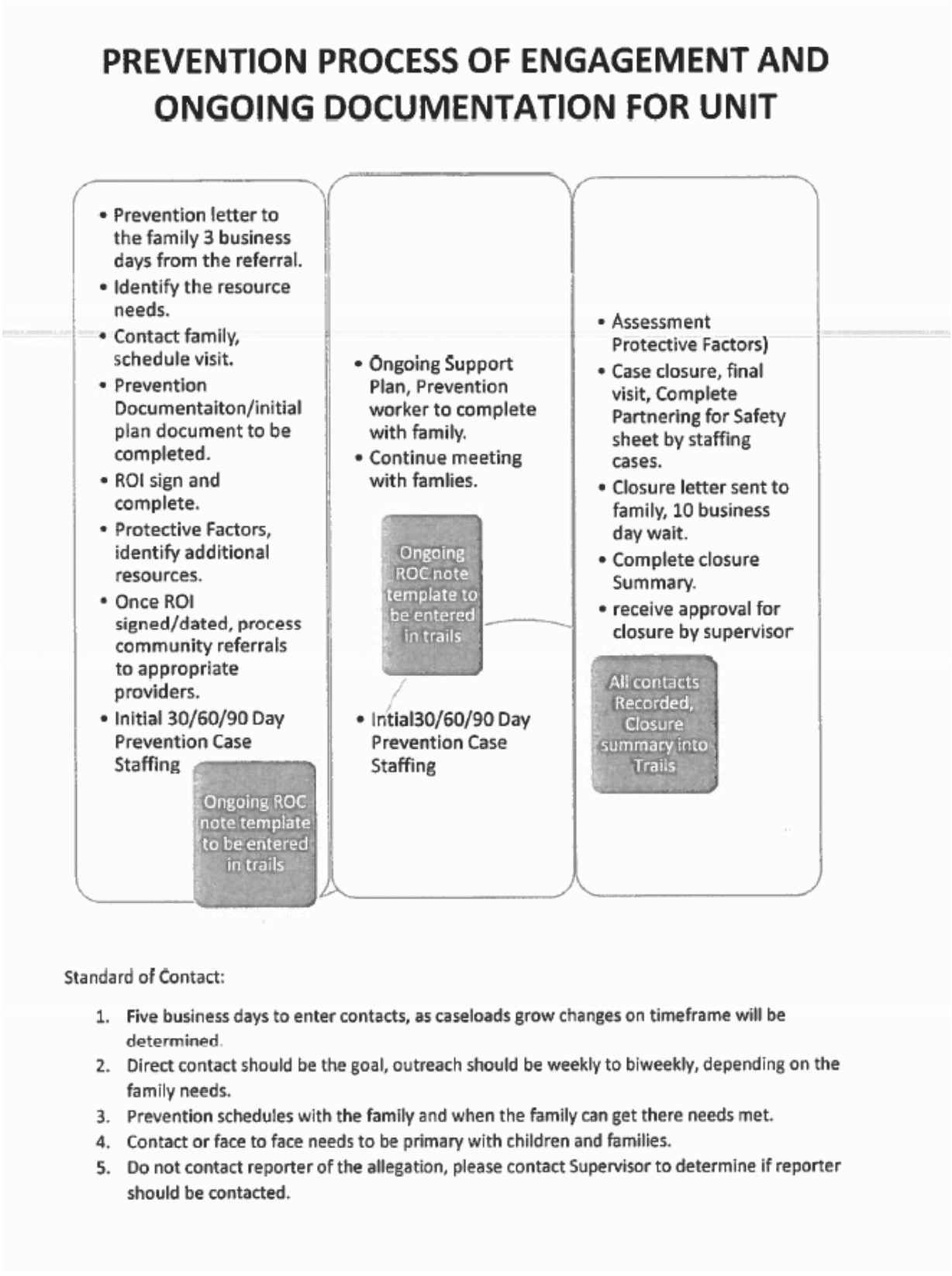
b. Description of the specific services to be provided by the position, the title of the position, and the name of the candidate;

c. Justification as to how the candidate meets all other qualifications for the position; and,

d. A plan on how and when the candidate will meet the requirements contained in these rules.

A temporary educational waiver may be granted for up to two years, with an option for the county department to request one additional year. The progress on the plan outlined by the temporary waiver will be assessed every six (6) months by the Colorado Department of Human Services, Division of Child Welfare, and can be revoked or withdrawn at any time if the requirements are unable to be fulfilled within the identified timeframe.

Appendix B—Prevention Services Program Process Map



Standard of Contact:

1. Five business days to enter contacts, as caseloads grow changes on timeframe will be determined.
2. Direct contact should be the goal, outreach should be weekly to biweekly, depending on the family needs.
3. Prevention schedules with the family and when the family can get there needs met.
4. Contact or face to face needs to be primary with children and families.
5. Do not contact reporter of the allegation, please contact Supervisor to determine if reporter should be contacted.

AGENCY RESPONSE

DENVER
HUMAN SERVICES

October 10, 2017

Auditor Timothy O'Brien, CPA
Office of the Auditor
City and County of Denver
201 West Colfax Avenue, Dept. 705
Denver, Colorado 80202

Dear Mr. O'Brien,

The Office of the Auditor has conducted a performance audit of Denver Human Services' Child Welfare Services. We appreciate the Auditor's recognition of the important work DHS does on behalf of children and families in Denver. Thank you for your findings of strengths in each area of the report. It is particularly helpful to know that some of our more recently refined practices are working well, including those related to background checks of employees, reporting requirements for mini-grants and the travel authorization process. Our practices will be further strengthened through this collaborative analysis. We are also grateful for the attention to our enhanced services programs. Through these new programs, we have provided supportive services to over 400 families who would not have received help otherwise. Your review will guide us in evaluating these programs, and in spreading the word about what we offer to Denver families in need.

This memorandum provides a written response for each reportable condition noted in the Auditor's Report final draft that was sent to us on September 18, 2017. This response complies with Section 20-276 (c) of the Denver Revised Municipal Code (D.R.M.C.).

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

RECOMMENDATION 1.1 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	60 days	Kat Barker

Denver Human Services
1200 Federal Blvd. | Denver, CO 80204
www.denvergov.org/humanservices
General Assistance: 720-944-3666 | Report Child Abuse: 1-844-CO-4-KIDS

311 | POCKETGOV.COM | DENVERGOV.ORG | DENVER 8 TV

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		720-944-2387

Narrative for Recommendation 1.1
Beginning in April of 2016, DHS began utilizing a vendor to meet all professional and background check requirements for potential new hires and employees changing positions. DHS will review its current processes utilizing our vendor to obtain, review, and document employee backgrounds and qualification at intervals required by the City and County of Denver and State of Colorado. We will evaluate the need for policy related to internal background check procedures that go beyond state and local requirements, and make identified policy revisions, should the evaluation indicate the need to do so.

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

RECOMMENDATION 2.1 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	December 15, 2017	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.1
We will determine what data to collect to evaluate the practice of assigning assessments in accordance with AAVC guidelines. If evaluation demonstrates that the practice is effective, we will develop a plan for ongoing evaluation. Any subsequent changes in policy or practice will be consistent with state rules and mandates.

RECOMMENDATION 2.2 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**

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HUMAN SERVICES

	(Generally expected within 60 to 90 days)	
Agree	60 days following completion of response to Recommendation 2.1	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.2
Supervisors responsible for entering RED team framework in Trails will be trained in AAVC documentation standards. The existing procedure will be reviewed and revised as necessary to guide Administrators responsible for AAVC overrides.

RECOMMENDATION 2.3 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	90 days following completion of response to Recommendation 2.1	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.3
Per response to recommendation 2.1, we will work to evaluate the AAVC guidelines, and if determined effective, will review and revise the guidelines as necessary to determine the training needs of all new CWD caseworkers. Any resulting training delivered to Child Welfare Division staff will be documented in the employees' files.

RECOMMENDATION 2.4 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	December 15, 2017	Mimi Scheuermann

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		720-944-6001

Narrative for Recommendation 2.4
This review will be completed within 60 days. Any required updates to policies and procedures will be made within 60 days of the completion of the review.

RECOMMENDATION 2.5
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.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and phone number of specific point of contact for implementation
Agree	90 days following completion of response to Recommendation 2.4	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.5
We will develop a training plan for all staff involved in RED teams regarding the purpose of the Prevention Services Program and program eligibility, and document in the team members' files the completion of their training.

RECOMMENDATION 2.6
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.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and phone number of specific point of contact for implementation
Agree	90 days following completion of response to Recommendation 2.4	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.6
We will train all Prevention Services Program staff of any changes in family engagement and documentation guidelines following evaluation of the program, and develop means for monitoring adherence to the process.

DENVER
HUMAN SERVICES

RECOMMENDATION 2.7 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	December 15, 2017	Mimi Scheuermann 720-944-6001

Narrative for Recommendation 2.7
We will review and revise mini-grant procedures as necessary to ensure the intent of the program is being met.

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

RECOMMENDATION 3.1 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.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities (Generally expected within 60 to 90 days)**	**Name and phone number of specific point of contact for implementation**
Agree	November 30, 2017	Lori Noble 720-944-1700

Narrative for Recommendation 3.1
We agree with the recommendation. In late 2016, DHS moved from reimbursing actual travel costs to per diem, which we believe will resolve some observed issues related to travel calculations and exceptions to FAR 10.8. To address any remaining observed variances, staff involved in the travel process will be re-trained on city fiscal rules to ensure a comprehensive understanding of the calculations and documentation necessary to support travel reimbursements.

Internal procedures for travel will be revised to ensure that travelers and approvers are aware of all documentation requirements needed to support the travel voucher packet. Specifically, travel request forms will be revised to include a separate section to show any exceptions of per diem limits or other fiscal rules to include appropriate explanations and approvals. The travel process,

DENVER
HUMAN SERVICES

Denver Human Services
Administration

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either requests for travel or the resulting reconciliations, will not move forward without necessary explanations and approvals; all required supporting documentation will be included with the travel voucher packets.

RECOMMENDATION 3.2
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.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 60 to 90 days)	Name and phone number of specific point of contact for implementation
Agree	December 31, 2017	Huyen Doan 720-944-1291

Narrative for Recommendation 3.2
We agree with the recommendation. DHS will incorporate new language into 2018 translation contracts, which were subject to the Auditor's review, that will provide more clarification on the rate of pay, documentation, and services provided. DHS will also provide training to all parties involved regarding the change in language and invoice documentation requirements. The contracts in question operate on a calendar year basis. We will target to have all such contracts fully executed by December 31, 2017, understanding that the ability to achieve the target date is reliant both on the contractors' acceptance of the terms of the agreement and their timely execution of authorizing signatures.

Please contact Arletha Ashley at 720-944-3066 with any questions.

Sincerely,

Don Mares
Executive Director

cc: Valerie Walling, Deputy Auditor, CPA, CMC
Dawn Wiseman, Audit Manager
Emily Owens, Audit Supervisor