COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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WENDY L. WATANABE
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July 5, 2007

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **INNER CIRCLE FOSTER FAMILY AGENCY CONTRACT REVIEW**

We have completed a contract compliance review of Inner Circle Foster Family Agency (Inner Circle or Agency), a Foster Family Agency service provider.

Background

The Department of Children and Family Services (DCFS) contracts with Inner Circle, a private non-profit community-based organization, to recruit, train and certify foster care parents for the supervision of children placed in foster care by DCFS. Once the Agency places a child, it is required to monitor the placement until the child is discharged from the program.

Inner Circle is required to hire qualified social workers to provide case management and act as a liaison between DCFS and foster parents. Inner Circle oversees a total of 29 certified foster homes in which 70 DCFS children were placed. Inner Circle's headquarters is located in Van Nuys in the Third District.

DCFS pays Inner Circle a negotiated monthly rate, per child placement, established by the California Department of Social Services (CDSS) Funding and Rate Bureau. Based on the child's age, Inner Circle receives between $1,589 and $1,865 per month, per child. Out of these funds, the Agency pays the foster parents between $624 and $790 per month, per child. DCFS paid Inner Circle approximately $1,300,000 between July 2006 through May 2007.

Purpose/Methodology

The purpose of the review was to determine whether Inner Circle was providing the services outlined in their Program Statement and County contract. We reviewed certified foster parent files, children's case files, personnel files and interviewed Inner Circle's staff. We also visited a number of certified foster homes and interviewed the children and the foster parents.

Results of Review

The foster parents interviewed stated that the services they received from the Agency generally met their expectations and the children indicated that they enjoyed living with their foster parents. The foster homes we visited were well maintained and in compliance with Title 22 safety regulations. Inner Circle's social workers also visited the foster children in accordance with the County contract requirements.

Inner Circle did not always ensure that the children's Needs and Services Plans (Plans) contained the DCFS social workers' signatures indicating the social workers' approval of the Plans. Five of the nine Plans (56%) reviewed were not signed by the DCFS social workers. In addition, two of the nine Plans (22%) reviewed did not adequately address the needs of the children as required by the County contract and Title 22 regulations.

Inner Circle did not issue Back to School Clothing Allowances (BTSCA) that the Agency received from DCFS. DCFS issues BTSCA to school age children once a year, and the payments generally range from $93 to $180 per child. Inner Circle's management did not believe that children placed in Foster Family Agencies were entitled to receive a BTSCA. Therefore, Inner Circle did not disburse BTSCA warrants they received from DCFS for the past six years. The warrants were locked in a secured storage area. Prior to the conclusion of our review, Inner Circle's management issued $2,829 of the most recently received BTSCA warrants. However, the Agency could not distribute the remaining warrants because they were outdated.

The details of our review along with recommendations for corrective action are attached.

Review of Report

On June 25, 2007, we discussed our report with Inner Circle who generally agreed with the findings. In their attached response, Inner Circle management indicates the actions the Agency has taken to implement the recommendations. We also notified DCFS of the results of our review.

We thank Inner Circle for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Executive Officer
Patricia S. Ploehn, Director, Department of Children and Family Services
Diane Furubotten, Director Inner Circle Foster Family Agency
Jean Chen, Community Care Licensing
Public Information Office
Audit Committee

FOSTER FAMILY AGENCY PROGRAM
INNER CIRCLE FOSTER FAMILY AGENCY
FISCAL YEAR 2006-2007

BILLED SERVICES

Objective

Determine whether Inner Circle Foster Family Agency (Inner Circle or Agency) provided program services in accordance with their County contract and California Department of Social Services (CDSS) Title 22 regulations.

Verification

We visited four of the twenty-nine Los Angeles County certified foster homes that Inner Circle billed the Department of Children and Family Services (DCFS) in July and August 2006 and interviewed five of the six foster parents and four of the nine children placed in the four homes. We also reviewed the case files for the six foster parents and nine children. In addition, we reviewed the Agency's monitoring activity.

Results

Inner Circle needs to ensure that the Needs and Services Plans (Plans) contain all the information required by the County contract and CDSS Title 22 regulations. Inner Circle also needs to issue back to school clothing allowance funds to children's foster parents. We specifically noted the following:

Needs and Services Plans

- Five (56%) of the nine Plans reviewed did not contain the children's DCFS social workers' signature indicating the social workers approved the Plans as required. Inner Circle indicated that the Plans were sent to the DCFS social worker for approval. However, the Agency did not follow-up with the DCFS social workers to obtain the signed Plans.

- The goals established in two (22%) of nine Plans reviewed did not meet the criteria established by the County contract and CDSS Title 22 regulations. The goals in these Plans were general and did not specifically address the needs of the two children. The County contract and Title 22 regulations require the Agency's social workers to develop goals in the Plans that are specific and treat the child's identified needs.

Back to School Clothing Allowance

- Inner Circle did not issue Back to School Clothing Allowances (BTSCA) to their foster children. The Agency indicated that a former director informed the Agency's accounting staff that children placed with foster family agencies were not entitled to receive BTSCA. As a result, the Agency did not disburse the BTSCA warrants that they received for the past six years. Instead, the warrants were itemized and stored in a secure location. We verified with DCFS that children placed in foster family agencies are entitled to receive BTSCA. During our review, we notified Inner Circle's management and they immediately issued $2,829 of the most recent BTSCA warrants. However, the Agency could not distribute the remaining warrants because they were outdated.

Recommendations

Inner Circle management:

1. **Ensure that the Needs and Services Plans contain all the information required and that DCFS social workers approve in writing all Needs and Services Plans.**

2. **Ensure that Back to School Clothing Allowance funds are issued to children's foster parents upon receipt.**

3. **Work with DCFS to reconcile Back to School Clothing Allowance warrants that were received by the Agency but were not disbursed to the children's foster parents.**

CLIENT VERIFICATION

Objective

To determine whether the program participants received the services that Inner Circle billed DCFS.

Verification

We interviewed four children placed in four Inner Circle certified foster homes and five foster parents to confirm the services Inner Circle billed to DCFS.

Results

The foster parents interviewed stated that the services they received from Inner Circle met their expectations and their assigned social workers visited them regularly. The children interviewed also stated that they enjoyed living with their foster parents.

Recommendation

There are no recommendations for this section.

STAFFING/CASELOAD LEVELS

Objective

Determine whether Inner Circle's social workers' case loads do not exceed fifteen placements and whether the supervising social worker does not supervise more than six social workers, as required by the County contract and CDSS Title 22 regulations.

Verification

We interviewed Inner Circle's assistant director. In addition, we reviewed caseload statistics and payroll records for June and July 2006.

Results

Inner Circle's social workers each carried an average caseload of ten cases and the Agency's supervising social worker supervised an average of six social workers. However, the supervising social worker also carried an average caseload of seven cases which is more cases than allowed by the County contract and CDSS Title 22 regulations.

Recommendation

4. **Inner Circle management ensure that social workers do not maintain more cases than allowed by the County contract and CDSS Title 22 regulations.**

STAFFING QUALIFICATIONS

Objective

Determine whether Inner Circle's staff possess the education and work experience qualifications required by their County contract and CDSS Title 22 regulations. In addition, determine whether Inner Circle conducted hiring clearances prior to hiring their staff and provided ongoing training and performance evaluations to staff.

Verification

We interviewed Inner Circle's assistant director. In addition, we reviewed each staff's personnel file for documentation to confirm their education and work experience qualifications, hiring clearances, ongoing training and performance evaluations.

Results

Inner Circle's director, supervising social worker and social workers possessed the education and work experience required by the County contract and CDSS Title 22 regulations. In addition, Inner Circle conducted hiring clearances, on-going training and performance evaluations for staff working on the County contract.

Recommendation

There are no recommendations for this section.

June 27, 2007

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Melissa Thompson-Jinariu, Assistant Executive Director
Inner Circle Foster Care and Adoption Services

SUBJECT: Response Agency Contract Review

Dear Esteemed Supervisors,

Inner Circle Foster Care and Adoption Services is dually licensed agency that has enjoyed working collaboratively with the county of Los Angeles to promote the safety, permanence, and well-being of our community's at risk children since 1991. To date, we have provided services to over one thousand children.

After having examined the report of the contract review conducted in October of 2006, we are thrilled that there were no findings and only several recommendations. Inner Circle agrees to adopt all of the recommendations made in the report as follows:

1. Ensure that the Needs and Services Plans contain all the information required and that DCFS social workers approve in writing all Needs and Services Plans.

During the review, it was noted that Inner Circle's documentation of written requests for the Child Social Worker's approval of the child's Needs and Services Plan did not meet the necessary requirement for compliance. It is our understanding that this issue has been a point of contention for many foster family agencies as there is a shared responsibility for completion between the private agency and the county. Although Inner Circle has always documented our written requests for approval of these plans, we have taken the further steps to ensure compliance. Upon recommendation from the Auditor-Controller personnel, we have developed a procedure in which approval of the child's

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Needs and Services Plan is requested in writing and via a telephone call. If a response is not received in one week, a follow up request is made via a second telephone call. Documentation of these procedures is recorded on a "Signature Page" form attached to each child's Needs and Services Plan. Additionally, each staff member has attended a training seminar on completing Needs and Services Plans. The training focused on the importance of the social worker's attention to the details of each child's case, and to making certain that the Needs and Services Plan addressed each child's individual areas of concern and treatment goals.

2. Ensure that Back to School Clothing Allowance funds are issued to children's foster parents upon receipt.

Inner Circle's director had been incorrectly informed by multiple DCFS representatives that foster parents certified through private agencies were not eligible to receive Back to School Clothing Allowances because they were receiving a rate that was higher than the basic county rate. Immediately upon being informed that Inner Circle was authorized to distribute these funds, Back to School Clothing Allowances were issued to the appropriate foster parents. **It is important to note that Inner Circle did not cash these checks but has kept them secured in an office safe.**

3. Work with DCFS to reconcile Back to School Clothing Allowance warrants that were received by the Agency but were not disbursed to the children's foster parents.

Inner Circle's office accountant has worked collaboratively with Brian Hendricks of the Auditor Controller's office and DCFS to ensure the reconciliation of past funding received. As per a message from Brian Hendricks on 6/20/07, the office accountant has been advised to mail all of the out-dated checks back to the Department of Children and Family Services. Inner Circle will immediately comply with this advisement.

4. Inner Circle management to ensure that social workers do not maintain more cases than allowed by the County contract and Title 22 regulations.

It is Inner Circle's policy to ensure that social workers maintain a caseload of 15 or fewer cases on an ongoing basis. On past occasion, the Inner Circle Social Work Supervisor has managed additional cases on a short-term basis in the interim of hiring a new social worker, or when social workers have been out of the office on leave. Inner Circle has acquired additional part-time social work staff to compensate for extra cases that might need to be covered temporarily.

Our staff and foster families found that it was a pleasure to work with the personnel of the Auditor-Controller's office and were impressed with their amicability, thoroughness, and dedication to vulnerable children. Inner Circle appreciates the feedback that was received through the review of our program as it assists our agency in ensuring the best practice of care for families and children.

Sincerely,

Melissa Thompson-Jinariu, LMFT
Assistant Executive Director