

Report Highlights

Why DLA Performed This Audit

This audit reviews DFCS's compliance with House Bill 151 foster care reform laws with an implementation deadline of September 5, 2019, which include the requirements to disclose sibling contact information to separated siblings, implement a longer training program for employees, assist family members in obtaining foster care home licenses, provide or assist individuals exiting State custody with obtaining important documents, and approve or deny foster care license applications within 45 days.

What the Legislative Auditor Recommends

1. OCS's director should improve training to ensure OCS staff follow procedures for background checks and address the safety risks identified by auditors.
2. OCS's director should strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.
3. OCS's director should continue efforts to address staffing shortages to ensure foster home applications

A Special Review of the Department of Family and Community Services (DFCS), Office of Children's Services Compliance with Foster Care Reform Laws, Part 2

November 21, 2023

Audit Control Number 26-30096-24

REPORT CONCLUSIONS

The audit concluded that Office of Children's Services (OCS) staff offered license assistance to relatives in a prompt manner; however, 80 percent of the unlicensed relatives reviewed as part of this audit did not obtain a license. Auditors could not verify OCS's compliance with the requirement to approve or deny a foster care home license within 45 days of receiving a completed application due to unreliable completion dates within the license system. Using the application receipt date auditors concluded that license applications were processed, on average, within 77 days of receipt.

The audit found that OCS staff made efforts to keep siblings in contact when separated, although the degree to which contact information was disclosed to siblings was not specifically documented in the child welfare information system (ORCA). The audit also noted that OCS staff did not consistently record whether individuals 16 years of age or older obtained birth certificates and other important documents.

Further, the audit found a longer training program was implemented as a result of foster care reform. Training has been conducted virtually since the COVID-19 pandemic. The adequacy and effectiveness of the longer training program was not reviewed as part of this audit.

Although auditors did not specifically test for the appropriateness of child placements, three cases were identified where children were placed at risk due to OCS staff not following background check procedures.

Report Highlights (Continued)

are processed and approved in a timely manner.

4. OCS's director should implement procedures for documenting efforts made to assist individuals with obtaining important documents.
5. OCS's director should continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS staff has searched for an appropriate placement with a relative or family friend as required by law.
6. OCS's director should improve security over access to ORCA.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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November 28, 2023

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24, we have reviewed the the Department of Family and Community Services, Office of Children's Services' compliance with foster care reform laws and the attached report is submitted for your review.

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES
OFFICE OF CHILDREN'S SERVICES
COMPLIANCE WITH FOSTER CARE REFORM LAWS, PART 2

November 21, 2023

Audit Control Number
26-30096-24

The audit reviewed compliance with House Bill 151 foster care reform laws with an implementation deadline of September 5, 2019, which include the requirements to disclose contact information to siblings, implement a longer training program for employees, assist family members with obtaining a foster care license, assist individuals in custody age 16 or older with obtaining important documents, and approve or deny foster care license applications within 45 days.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in blue ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

ABBREVIATIONS

AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
BIA	Bureau of Indian Affairs
CISA	Certified Information Systems Auditor
COVID-19	Coronavirus Disease 2019
CPA	Certified Public Accountant
CWA	Child Welfare Academy
DFCS	Department of Family and Community Services
DHCS	Division of Health Care Services
DLA	Division of Legislative Audit
DMV	Division of Motor Vehicles
DOH	Department of Health
FY	Fiscal Year
HB	House Bill
IL	Independent Living
IT	Information Technology
OCS	Office of Children’s Services
ORCA	Online Resource for Children of Alaska
PSR	Protective Services Report
SKILS	Standards, Knowledge, and Insight Leading to Success
SSA	Social Security Administration

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ORGANIZATION AND FUNCTION

Department of Family and Community Services

As a result of Governor Dunleavy’s Executive Order 121, the Alaska Department of Health and Social Services was restructured into two separate departments effective July 1, 2022: the Department of Family and Community Services (DFCS) and the Department of Health. DFCS includes the Office of Children’s Services (OCS), Division of Juvenile Justice, Alaska Psychiatric Institute, and Alaska Pioneer Homes. DFCS’s mission is to provide support, safety, and personal well-being for vulnerable Alaskans.

Office of Children’s Services

According to OCS’s website, OCS aims to ensure the safety, permanency, and well-being of children by strengthening families, engaging communities, and partnering with Tribes. OCS regional headquarters are located in Anchorage, Wasilla, Bethel, Fairbanks, and Juneau. Twenty-one child protection field offices are located across the state.

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BACKGROUND INFORMATION

Foster care is a temporary placement setting that provides an opportunity to keep children safe while parents engage in services that may allow parents to reunite with their children. When reunification is not possible, Office of Children’s Services (OCS) staff work to achieve other forms of permanency for a child, either through adoption, legal guardianship, or another planned living arrangement. During the audit period, an average of 90 children were removed from Alaskan homes and placed in foster care each month.¹ As of July 2023, there were 2,687 Alaskan children in out-of-home care.²

OCS’s Child Welfare Information System

OCS uses the Online Resource for Children of Alaska information system (ORCA) to manage and document foster care home licensing and the delivery of child welfare services, including child protection, case management, out-of-home care, reunification, and adoption.

The following information is entered into ORCA by OCS staff:

- Case data, which includes parents and all children in a household. Relative information (name, address, and relation) is entered for each parent. An ORCA case may be associated with multiple reports and investigations.
- Protective services report (PSR), which is an allegation of child maltreatment. All PSRs are associated with a case. When creating a PSR, OCS staff capture all necessary information known to a reporter, including the extent of, and circumstances surrounding, the alleged maltreatment.
- Initial assessment, which includes details of OCS’s investigation of a PSR. An initial assessment in the database may involve the investigation of more than one PSR.

¹ The average was calculated based on May 2022 through April 2023 data from OCS monthly statistics reports published on OCS’s website.

² Per OCS’s monthly statistics report.

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- Providers, which include foster parents and facilities. Foster parent information includes names, addresses, household members, and training hours. Facility information includes addresses, facility names, and names of owners or officials.
 - License information under each provider, which includes license type, status, effective date, completed application received date, and approval date.
 - Out-of-home placement information for each child, which includes the provider's name, placement begin and end dates, reasons for placement change, and placement type (emergency, unlicensed relative, licensed foster home, etc.).
 - Case activity notes, which include case planning, relative and placement search, team decision meetings, supervisory, staffing, case reviewer, medical health, and mental health.

Foster Care Reform

House Bill (HB) 151, known as “Children Deserve a Loving Home Act,” was signed into law June 2018. The legislation added and amended laws to support the well-being of youth in foster care. Exhibit 1 on page 5 summarizes the most significant HB 151 provisions.

HB 151 required the Department of Family and Community Services (DFCS or department) to implement all provisions as expeditiously as possible and, depending on the provision, no later than 90 days, one year, or two years from the date the bill was signed. For example, training on the reasonable and prudent parent standard was required no later than 90 days after the bill was signed, and the adoption of new workload standards and a training program for OCS staff was required no later than one year after the bill was signed.

The bill also required a legislative audit of OCS's compliance with the new reform laws.

Exhibit 1

House Bill 151 Foster Care Reform Significant Provisions	
HB 151 Provisions	Implementation Deadline
In the event an investigation occurs and protective services are not warranted, required OCS seek written consent from a child’s parents or guardian to refer the family to a community organization for support services and make the referral if consent is given	September 5, 2018
Empowered foster parents and caregivers to make parenting decisions using the prudent parent standard, and required foster parents and caregivers be trained on use of the standard	December 4, 2018
Expanded the situations that require OCS staff search for an adult family member or a family friend for child placement; also required supervisors certify that searches were performed	December 4, 2018
Required efforts to encourage and facilitate communication between separated siblings	September 5, 2019
Required OCS implement workload standards and a training program for employees	September 5, 2019
Enacted a 45-day timeline for approval or denial of a foster care home license	September 5, 2019
Required OCS assist adult family members with obtaining a foster care home license, including any variances necessary to obtain the license	September 5, 2019
Allowed adult family members or family friends previously ineligible to be foster parents to obtain a waiver if at least 10 years have elapsed since the barring conduct occurred	September 5, 2019
Required OCS provide an individual 16 years of age or older, who has been in State custody for at least six months and is released from custody, with legal documents or with assistance in obtaining legal documents	September 5, 2019
Required OCS to submit a staffing report if unable to provide a minimum of six weeks of training to new employees, or limit employees’ workloads and ensure the average statewide caseload is not more than 13 families for each worker	September 5, 2020

Source: HB 151 (SLA 2018).

Foster Care Reform Added Positions and Funding

Exhibit 2 shows the growth of OCS’s budget for the period FY 17 through FY 24. Foster care reform led to the addition of over 20 positions for FY 19. The exhibit also shows a large jump in positions for FY 23 to improve support/administrative staff ratios to caseworkers, as well as staff to support and train co-signers of the Alaska Tribal Child Welfare Compact.³ Further, one mental health clinician was added in FY 23 to build a debriefing program aimed at reducing and managing secondary traumatic stress for child welfare workers and restoring workforce performance. OCS’s FY 24 operating budget was approximately \$195 million with 614 authorized full-time positions.

Exhibit 2

Office of Children’s Services Budget and Authorized Positions FY 17 through FY 24								
	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Budget (in thousands)	\$152,717	\$155,976	\$167,159	\$169,253	\$175,147	\$181,276	\$193,209	\$195,132
<u>Number of Full-Time Positions</u>								
Management	55	56	56	58	57	59	59	66
Front-Line Workers	476	507	530	528	528	528	555	548
Total	531	563	586	586	585	587	614	614

Source: Compiled from Alaska Legislative Finance operating budget reports.

³ The Alaska Tribal Child Welfare Compact is an agreement between the State of Alaska and Alaska Tribes and Tribal organizations that recognizes the Tribes’ inherent authority to provide child welfare services and oversee placement of children. The Compact defines the services and support to be carried out by each Tribe within their services area, and outlines how information and resources are shared between the State and each Tribe. The Compact was created to reduce the disproportionate number of Alaska Native children in State custody and improve outcomes for families statewide. The Compact is a State/Tribal initiative that began in 2017 and was formally authorized in state law through HB 184, effective November 3, 2022.

Laws Require Children Be Placed With an Adult Family Member or Relative if Possible

Federal and state laws recognize that placement with a family member or relative maintains the child's connections with his or her family. When a child is removed from the parent's home, AS 47.14.100(e) requires OCS to place the child, in the absence of clear and convincing evidence of good cause to the contrary:

1. in the least restrictive setting that most closely approximates a family and that meets the child's special needs, if any;
2. within reasonable proximity to the child's home, taking into account any special needs of the child and the preferences of the child or parent;
3. with, in the following order of preference:
 - a. an adult family member;
 - b. a family friend who meets the foster care licensing requirements established by the department;
 - c. a licensed foster home that is not an adult family member or family friend;
 - d. an institution for children that has a program suitable to meet the child's needs.

Foster Parent Licensing Involves Home Visits, Assessments, and Background Checks

Prospective foster parents, other than an adult family member or relative, must apply for a foster home license. If two adults head the household, both adults must apply for the license. A one-year provisional license is issued to a new foster home if it meets licensing requirements. At the end of the one-year period, the provisional license expires or is converted to a biennial license.

As part of licensing foster homes, OCS staff conduct a home visit and complete a licensing evaluation checklist. The home visit and checklist are completed for a provisional license, during conversion of a provisional license to a biennial license, and at renewal of a

biennial license. The home visit and assessment require OCS staff to discuss and evaluate foster parents' compliance with licensing regulations. If an applicant does not meet certain licensing requirements, the applicant may apply for a general variance, which will be reviewed by the statewide variance committee and the DFCS commissioner.

All foster home household members age 16 years or older are subject to fingerprint background checks prior to licensure. If an applicant's background check reveals any barrier crimes or conditions,⁴ regulations allow applicants to apply for a background check variance subject to review by the statewide variance committee and the DFCS commissioner.

Adult Family Members May Provide Care Without a Foster Home License

Adult family members⁵ (hereafter referred to as "relatives") that want to care for children in State custody are not required to have a foster home license. When a relative requests placement of a child, OCS staff is required to conduct a home safety evaluation, as well as an initial background screening of the relative and all household members age 16 years or older, which includes searches of various databases such as the Alaska Public Safety Information Network, Alaska CourtView, child protection records in ORCA, and state and national sex offender registries. OCS is also required to conduct fingerprint background checks on the relative and household members age 16 years or older. For placements made with relatives under emergency conditions, the relative and household members have 30 days following placement of the child to submit fingerprints.

⁴ 7 AAC 10.905 defines a barrier crime or condition as a criminal offense or civil finding that prohibits a provider or an applicant from being approved as a foster parent. Barrier crimes and conditions may be permanent or expire within a set period of time (10-year, five-year, or three-year barrier limits). This regulation also lists the types of barrier crimes and the barring time periods.

⁵ AS 47.10.990(1) defines "adult family member" as a person who is 18 years of age or older and who is (A) related to the child as the child's grandparent, aunt, uncle, or sibling; (B) the child's sibling's legal guardian or parent; or (C) in the case of an Indian child, an extended family member as defined in 25 U.S.C. 1903.

Fingerprints are submitted by OCS’s licensing unit to the Department of Health’s (DOH’s) Background Check Program section for processing. Upon receipt of the completed background check, the licensing unit provides the results to the primary child protection worker. The child protection worker reviews the results to ensure the placement is appropriate and documents whether or not there is a barrier crime or condition. If the background check shows a barrier crime or condition, placement is not made unless a protective services manager approves the placement. If a child in custody already resides in the relative’s home when barriers or conditions are identified, a manager’s approval is required to continue the child’s placement. Prior to approving the child’s placement, a protective services manager assesses whether the child will be safe in the home and considers whether the individual with the barrier crime or condition will continue to have contact with the child.

Relative foster care providers may pursue obtaining a foster home license in order to receive foster care assistance payments or may remain unlicensed. To support relatives and encourage placement of children with relatives, HB 151 added requirements for OCS staff to assist relatives with obtaining a foster home license, including helping obtain any variances.

HB 151 Required Timely Approval or Denial of a Foster Home License

House Bill 151 required DFCS,⁶ to the extent feasible, to approve or deny a foster care home license, including a request for a variance, not more than 45 days after the date DFCS receives the application. If this is not feasible, a supervisory-level employee may authorize a longer period of time for the decision, but the period must be the shortest period feasible. OCS licensing staff and supervisors use provider activity notes in ORCA to document reasons for processing delays and correspondence to or from applicants.

⁶ HB 151 directed the Department of Health and Social Services to take certain actions. Governor Dunleavy’s Executive Order 121 restructured the Department of Health and Social Services into two separate departments effective July 1, 2022: DFCS and DOH.

Per OCS management, the 45-day timeline begins when DFCS receives a complete application. Prior to HB 151, OCS’s licensing manual outlined information required for an application to be considered complete. DFCS established the same completion requirements in regulation effective July 1, 2022. Regulations allow the applicant 30 days from the date DFCS receives the initial application to complete all actions required for licensure. If an applicant does not complete requirements within 30 days, DFCS may consider the application incomplete and close it.

During March 2022, OCS management added two date fields within the provider file in ORCA to facilitate tracking license applications: one for the provider’s initial application received date and one for the provider’s completed application received date. These fields were made available in addition to the pre-existing license completed application received date field.

HB 151 Encouraged Sibling Contact

Prior to HB 151, AS 47.14.100(r) required DFCS to make reasonable efforts to place siblings together in the same placement if the siblings resided in the same home when taken into custody. Statutes also required the case supervisor to document in a case file the efforts that were made and the reason separating the siblings was in the children’s best interest if siblings were not placed together. HB 151 expanded the law and further required DFCS to provide each sibling with contact information and encourage the children’s caregivers to provide opportunities for contact between the siblings.

HB 151 Required DFCS to Provide Important Documents to Youth When Exiting State Custody

When an individual 16 years of age or older, who has been in State custody for at least six months, is released from custody, HB 151 required DFCS to provide the individual with, or assist the individual with obtaining, the following documents:

1. birth certificate;
2. social security card;

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3. health insurance information;
 4. medical records;
 5. driver's license or identification card; and
 6. Certificate of Degree of Indian or Alaska Native Blood, if applicable.

Employee Training Program Expanded to Six Weeks

OCS's core training for child protection workers is called Standards, Knowledge, and Insight Leading to Success (SKILS). SKILS is provided by the Child Welfare Academy (CWA) within the University of Alaska Anchorage's School of Social Work. CWA also maintains electronic learning modules to supplement core SKILS training and offers other specialized training courses.⁷ Prior to 2019, two weeks of core training was provided to initial assessment workers and three weeks was provided to family services workers.

HB 151 required that a longer training program be adopted for child protection workers who supervise the care of children in State custody, work with families to prevent the removal of a child from the child's home, or investigate reports of harm to a child.⁸ In response, CWA enhanced and restructured SKILS training based, in part, on feedback from OCS leadership, child protection workers, and other stakeholders. SKILS core training was expanded to six weeks for all child protection workers, with the training distributed over the workers' initial year of employment as follows:

- SKILS 161 (two weeks) – The first week of SKILS 161 starts with procedures for screening and investigating reports of alleged maltreatment, and goes through competency-based training with specific emphasis on interviewing, information collection, safety

⁷ Examples of additional courses offered include ChildFirst, which covers national protocols on forensic interviewing, two advanced courses covering the Indian Child Welfare Act, and training courses tailored for supervisors as well as support staff (social service associates).

⁸ Training requirements apply to "case-carrying" employees classified as protective services specialists 1 or 2.

threats and risk factors, and analysis and assessment. The second week focuses on family services practice delivery once a case is opened for ongoing services due to safety threats or high risk of abuse or neglect to a child within the home. Permanency goals, behaviorally-based case planning, conditions for return home, and case closure are also covered.

- Transfer of Learning Training (one week) – At the conclusion of SKILS 161, a child protection worker is assigned a mentor who shadows the worker and provides feedback on actual cases. According to OCS management, mentors generally provide support throughout the worker’s first six months of hire and as the worker goes through SKILS 162 and SKILS 163. CWA staff initially provided the Transfer of Learning Training as a third week to SKILS 161. OCS management reported that the week-long training was reassigned to the OCS mentor team in 2021 to increase its effectiveness.
- SKILS 162 (two weeks) – After gaining field experience working on actual cases, child protection workers return to CWA to continue training. SKILS 162 covers specialized topics such as trauma-informed care, historical trauma, domestic violence, substance use disorders, worker safety, Indian Child Welfare Act, case planning and evaluation, mental health, separation, loss and grief, placement stability, planning for family contact, working with youth in transition, and worker self-care resilience.
- SKILS 163 (one week) – Child protection workers take SKILS 163 after spending more time in the field. This course covers advanced topics such as reflections from the field, cultural humility, brokering services and teaming, quality assurance and continuous quality improvement, ethics and advocacy, working with children with challenges, and legal matters.

CWA maintains online training modules to supplement SKILS training and offers specialized training courses. In addition to the six weeks of SKILS and Transfer of Learning Training, child protection workers are required to complete online training modules prior

to and in between SKILS sessions, as well as participate in regular Transfer of Learning Training calls with mentors.

SKILS training switched to a virtual platform during the last quarter of FY 20 due to the COVID-19 pandemic and has not returned to in-person learning post-COVID.

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REPORT

CONCLUSIONS

This audit reviewed compliance with foster care reform laws with an implementation deadline of September 5, 2019, including requirements to assist family members in obtaining foster care home licenses, approve or deny foster care license applications within 45 days, disclose sibling contact information to separated siblings, provide or assist individuals exiting State custody with obtaining important documents, and implement a longer training program for employees.

The audit concluded that Office of Children’s Services (OCS) staff offered license assistance to relatives in a prompt manner; however, 80 percent of the unlicensed relatives reviewed as part of this audit did not obtain a license. Auditors could not verify OCS’s compliance with the requirement to approve or deny a foster care home license within 45 days of receiving a completed application due to unreliable completion dates within the license system. Using the application receipt date auditors concluded that license applications were processed, on average, within 77 days of receipt.

The audit found that OCS staff made efforts to keep siblings in contact when separated, although the degree to which contact information was disclosed to siblings was not specifically documented in the child welfare information system (ORCA). The audit also noted that OCS staff did not consistently record whether individuals 16 years of age or older obtained birth certificates and other important documents.

Further, the audit found a longer training program was implemented as a result of foster care reform. Training has been conducted virtually since the COVID-19 pandemic. The adequacy and effectiveness of the longer training program was not reviewed as part of this audit.

Although auditors did not specifically test for the appropriateness of child placements, three cases were identified where children were placed at risk due to OCS staff not following background check procedures.

OCS offered license assistance to relatives in a prompt manner, but 80 percent did not obtain a license.

Detailed conclusions are as follows.

If the Department of Family and Community Services (DFCS or department) determines that it is in the best interests of a child to place the child with a relative who does not have a foster care home license, House Bill (HB) 151 required the department to assist the relative with obtaining a license, including getting any variances necessary to obtain the license, so that the family member is eligible for foster care payments. This provision of HB 151 was to be implemented by September 5, 2019.

An objective of the audit was to report the degree to which OCS placed children with relatives who did not have a foster care home license and determine whether OCS assisted the family members in obtaining the licenses in a prompt manner. Auditors analyzed ORCA data and found that children were placed in the care of 4,152 providers (licensed or unlicensed, relative or non-relative) between September 5, 2019 and March 31, 2023. Of the 4,152 foster home providers, 53 percent were considered unlicensed relatives at some point during the period.

Auditors reviewed 40 unlicensed relatives who had a child placed in the relative's care. Testing identified all 40 unlicensed relatives were offered assistance to obtain a foster home license by OCS staff in a prompt manner.⁹ Assistance was provided by either a licensing specialist or a social services associate at some point from 34 days prior to a child's placement with the relative through 27 days after the child was placed with a relative. The assistance provided by OCS staff involved determining if the relative was interested in becoming licensed, providing a foster home license application to the relative, and following up on the status of the license application. In some cases, multiple inquiries were made.

As shown in Exhibit 3, auditors identified that 32 of the 40 unlicensed relatives (80 percent) did not obtain a foster home license, seven

⁹ Auditors defined "prompt" as 30 days for evaluation purposes.

Exhibit 3

Review of 40 Unlicensed Providers License Outcomes	
	Number of Providers
Did not obtain foster home license	32
Obtained foster home license	7
In process of obtaining license	1
Total	40

obtained a foster home license, and one case was still in process as of the date of review. To gain an understanding of why 32 relatives did not obtain a license, auditors reviewed the respective case files and found that the reasons relatives did not obtain licenses were not consistently documented in ORCA. To the extent available, Exhibit 4 on the following page summarizes the reasons identified. According to OCS management, in general, there are many reasons relatives do not pursue licensure, including:

- licensure requirements are considered intrusive;
- general distrust of State systems;
- may have barriers to licensure; and
- capable of caring for children without financial support.

Application dates were not tracked accurately in ORCA.

As discussed in the Background Information section of this report, ORCA tracks foster home license application dates using three date fields. One complete application receipt date field existed in ORCA before HB 151 and is related to each license issued to foster care providers.

Exhibit 4

Review of Unlicensed Relatives Reasons for 32 Not Obtaining Foster Home Licenses Based on Sample of 40

	Number of Relative Providers
Relative declined licensure	11
Did not need financial assistance	6
No reason provided or documented	5
Relative did not submit application despite initially expressing interest to be licensed	8
Relative had a potential or confirmed barrier crime or condition	3
No reason provided or documented	5
Applied for a license, but the application was closed	7
Closed due to non-submittal of required information	2
Children moved placement and relative was no longer interested in pursuing licensure	3
Provider voluntarily closed application	2
Relative did not submit application (relative had temporary placement of a child less than 30 days)	6
Total	32

Two date fields related to the ORCA provider file were added to ORCA during March 2022: one field for the initial receipt date and a second field for the completed application receipt date.

Auditors reviewed the three ORCA date fields for a sample of 40 applications and found significant data errors and inconsistencies in recording application receipt and completed dates. The discrepancies were caused by differing interpretations from OCS staff regarding the requirements that constitute a complete application. In addition, OCS's five regional offices maintain different checklists, which varied in outlining application requirements. Overall, auditors

determined that OCS lacked written procedures for how application dates were to be recorded in ORCA. (See Recommendation 2)

Auditors could not verify OCS’s compliance with the 45-day timeline to approve or deny a foster care home license.

For the period July 2021 through March 2023, a total of 1,022 applications for provisional foster home licenses was received by OCS. Of the applications received, 880 were approved, two were denied, and 140 were pending or closed as of March 31, 2023.

A provision of HB 151 required OCS, to the extent feasible, to approve or deny a foster care home license not more than 45 days after the date OCS receives the application. If it is not feasible to approve or deny a foster care home license within 45 days, a supervisory-level employee may authorize a longer period of time for the decision, but the period must be the shortest period feasible. According to OCS management, the 45-day timeline starts on the date OCS staff receive a complete application.

An objective of the audit was to determine whether OCS approved or denied foster care license applications within 45 days and, if not, to identify the reasons for the delays. Due to the significant data errors discussed above, the application dates in ORCA were not reliable for audit purposes. Consequently, auditors could not determine OCS’s compliance with the 45-day requirement.

Foster home license applications were processed an average of 77 days from application receipt date.

Although auditors could not determine compliance with the 45-day timeline due to an unreliable “application completed” date, auditors were able to analyze hard copy files for 30 approved applications to manually identify correct initial application receipt dates.¹⁰ Using reliable receipt dates, auditors determined the length of time it took OCS staff to process the 30 applications. Exhibit 5 on the following page summarizes the results of the review. The average number of days to process the sample of applications from date of receipt to approval was 77 days.

¹⁰ Initial application receipt date is not the same as “completed date”. Submitted applications are often incomplete or filled out incorrectly.

Exhibit 5

Foster Care License Application Processing Number of Days from Initial Receipt to Approval Sample of 30 Applications

Processing Timeline	Number of Applications	Percent
0–45 days	13	43%
46–90 days	7	23%
91–135 days	5	17%
136–180 days	3	10%
181 days and more	2	7%
Total	30	100%
Average Days from Receipt to Approval		77

Source: ORCA provider and licensing information.

Auditors reviewed ORCA provider and case activity notes for the 30 applications to determine the cause of delays, if applicable. The causes were grouped into two categories: 1) delays associated with incomplete applications, and 2) delays associated with processing complete applications. The following reasons relate to delays associated with incomplete applications:

- Difficulty in obtaining fingerprints from applicants in which travel was required, often to/from rural communities. Further, rejected fingerprints added to delays due to the need for re-obtaining fingerprints.
- Required information was not provided on the application forms, such as not listing the second parent in a two-parent household or other household members, or not providing references (regulations require three references, at least two of whom should be unrelated).

-
- Applicants not responding to OCS staff’s repeated attempts to obtain required information.

The following reasons relate to delays in reviewing, approving, and issuing foster care home licenses:

- Life and fire safety items, such as fire extinguishers, smoke detectors, carbon monoxide detectors, beds, and safety gates that needed to be installed or shipped, often to rural communities.
- Difficulty in scheduling home inspections around the applicants’ schedules.
- Delays in receiving background check results from the Background Check Program section, as well as delays associated with out-of-state background checks.
- Delays in receiving responses to requests for references, in which OCS staff spent time either waiting for a listed reference to submit a questionnaire, or following up with a listed reference via phone call.

Auditors found five of the 30 applications were delayed due to OCS staff shortages. The staffing-related delays were limited to the Anchorage office location and, according to OCS supervisors, affected applications received by the office between August 2022 and March 2023. Auditors noted unjustified periods of inactivity for the five applications ranging from 14 days to 91 days. (See Recommendation 3)

Children were placed at risk by OCS staff not following procedures for background checks.

While performing audit procedures to determine if OCS staff assisted unlicensed family members or relatives in obtaining a foster care home license, auditors identified three cases in which OCS’s procedures for background checks were not followed by staff. For two relatives, fingerprint-based background checks showed a relative or a household member had a five-year barrier crime. Further, one relative did not have a fingerprint-based background

check performed, and initial screening performed by OCS staff showed the relative had five potential background barriers and a history of substantiated child maltreatments.

Fingerprint-based background checks are required for all foster parents. For unlicensed relatives, OCS policy requires staff obtain approval for placement from the regional protective services manager if background checks reveal any barriers. For the three cases identified, OCS staff did not obtain approval from the protective services manager for the children to remain in the care of the relatives once the barriers were identified. (See Recommendation 1)

It is important to note that auditors found three of the 40 cases had inappropriate child placements (7.5 percent) without specifically testing for the appropriateness of the child placements. The true error rate may be higher.

OCS workers made efforts to keep siblings in contact when separated.

Review of 102 cases with siblings removed from the home showed OCS placed siblings together at a rate of 85 percent.¹¹ This includes siblings placed together at any one point during the review period or throughout the period while in an out-of-home placement. Review of 40 cases wherein siblings were placed separately at any one point during the audit period showed supervisors documented efforts made and reasons separating the siblings were in the best interest of the children.

An objective of the audit was to determine whether OCS staff disclosed contact information to separated siblings to allow the siblings to contact each other if in the best interest of the child who was the subject of the case. ORCA case activity notes did not specifically document whether staff disclosed contact information to separated siblings; however, the activity notes showed that staff

¹¹ The 102 cases included 62 cases wherein the siblings were placed together throughout and never separated during the review period, 25 wherein siblings were placed together but also separated at one point, and 15 wherein the siblings were not placed together at all during the review period. The sample of 40 includes the 25 and 15 cases.

OCS staff did not adequately document whether individuals 16 years of age or older obtained birth certificates and other important documents.

exerted efforts to keep separated siblings in contact, either through telephonic, virtual, or in-person visits, if it was in the best interest of the children to maintain contact.

HB 151 added a provision to require DFCS to provide individuals released from State custody with important documents or assist them with obtaining important documents. The law applies to youth 16 years of age or older who have been in State custody for at least six months.

An objective of the audit was to determine whether OCS staff actively helped individuals obtain important documents. Auditors reviewed 40 individuals, ages 16 years or older, who were in State custody for at least six months and released from custody during the audit period. The review identified that OCS staff did not consistently record whether OCS staff provided or assisted the individual with obtaining important documents. Exhibit 6 summarizes results of testing. (See Recommendation 4)

Exhibit 6

Individuals Age 16+ Released from State Custody Provided Documents or Provided Assistance in Obtaining Documents Results of Testing Sample of 40 Individuals		
Document Type	No Evidence that Document or Assistance Provided	Rate
Birth certificate	19	48%
Social security card	18	45%
Health insurance information	32	80%
Medical records	37	93%
Driver’s license or identification card	14	35%
Certificate of Degree of Indian or Alaska Native Blood*	23	96%

* Note: In the sample of 40, 24 youth were Alaska Native.

According to OCS management, cases that include individuals 16 years or older are generally assigned to an OCS independent living (IL) specialist that helps the individual achieve goals and self-sufficiency as the individual transitions into adulthood. IL services are tailored based on assessments and conversations with the individual and may include budget and financial management, health education and risk prevention, academic support or intervention, career preparation, employment programs or vocational training, and other services. OCS policy requires IL staff to fill out transition plans and review documents needed by individuals every six months. IL staff are also required to fill out exit plans for individuals exiting State custody which, among other things, outline whether the individual has obtained important documents.

Auditors found transition and exit plans were not consistently documented. Instead, some IL staff relied on ORCA case activity notes to document communications with individuals served. IL staff reported serving between 100 and 150 individuals and stated that providing services was prioritized over documentation. Auditors also noted IL services focus on youth who are likely to remain in foster care until 18 years of age and, therefore, may not include all individuals 16 years of age or older in State custody.

OCS management cited the following challenges with obtaining or assisting with obtaining documents:

- **Social security cards** – According to management, due to the COVID-19 pandemic, the Social Security Administration (SSA) limited the number of social security cards that OCS could request for youth to 10 cards per month. Although that limit was increased in 2022, the SSA began to require certified court orders from OCS to obtain social security cards for children in custody. This brought about additional challenges and delays.
- **Driver’s licenses and permits for minors** – OCS management reported that, beginning in 2021, the Alaska Department of

Administration, Division of Motor Vehicles (DMV) changed the process for obtaining driver's permits or licenses for children younger than 18 years of age. Historically, OCS staff assisting youth with obtaining a permit or license would accompany the youth to the DMV and sign the parent/guardian consent form. Beginning 2021, the DMV required a specific type of court order to demonstrate that OCS had custody and was allowed to sign instead of a parent.

- **Certificates of Degree of Indian or Alaska Native Blood (CIB)**
 - OCS management and staff reported that obtaining a CIB from the U.S. Department of the Interior, Bureau of Indian Affairs (BIA) was difficult as it requires official documents from parents who are often not cooperative. OCS staff also noted that Tribes and native corporations will not work with OCS staff once an individual turns 18 years of age. Auditors reviewed requirements on the BIA website and confirmed obtaining a CIB requires proof of relationships by way of birth certificates of parents and/or grandparents who may or may not be enrolled with a federally recognized Indian Tribe.¹²

OCS implemented a longer training program.

As discussed in the Background Information section of this report, OCS expanded core training for workers from two or three weeks (depending on the position) to six weeks for all child protection workers. The six weeks of training included the completion of five weeks of virtual training and one week of Transfer of Learning Training conducted in collaboration with a mentor. OCS management stated that child protection workers also completed online training modules prior to and in between the five weeks of core training, as well as participated in regular Transfer of Learning Training calls with mentors.

Auditors' review of training documents for 25 child protection workers confirmed that all 25 completed the five weeks of core

¹² The BIA requires youth to provide a birth certificate and prove relationship to an enrolled member of a federally recognized Indian Tribe through at least one parent or grandparent.

training as appropriate. Responsibility for the Transfer of Learning Training was transitioned from the Child Welfare Academy (CWA) to OCS in 2021. Seven of the 25 completed the Transfer of Learning Training when CWA was responsible and auditors confirmed that CWA maintained documentation to support the completion of training. In contrast, 18 of 25 completed Transfer of Learning Training after responsibility transitioned to OCS. OCS mentors did not maintain adequate documentation to confirm completion of training.

This audit did not assess the effectiveness of OCS's new training program. As discussed in the Background Information section of this report, the core training has been conducted virtually since the last quarter of FY 20 due to the COVID-19 pandemic. OCS management reported challenges with transitioning back to in-person classroom training. OCS management stated that an increased number of workers were being hired without higher education and OCS management believed in-person classroom training was not the best platform for development of necessary knowledge and skills for this type of employee.

OCS management believed the longer training program required by HB 151 is an improvement; however, management acknowledged that there was a need to enhance workers' on-the-job learning based on feedback from staff. Management reported the training program was continuously evaluated and will be redesigned in the future to include in-person, virtual, and on-the-job learning opportunities.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

A previous audit that evaluated compliance with foster care reform laws with implementation dates of September 5, 2018, and December 4, 2018, included four recommendations. Exhibit 7 shows the status of the prior recommendations as of the date of this audit report.

Exhibit 7

Status of Prior Recommendations		
No.	Recommendation	Status
1	The Office of Children’s Services (OCS) director should implement supervisor certification procedures for relative and family friend searches.	Progress Made - Not Resolved
2	OCS’s director should improve procedures to ensure foster parents and caregivers in residential child care facilities are provided reasonable and prudent parent standard training.	Resolved
3	OCS’s director should consider amending regulations to require written training plans.	Resolved
4	OCS’s director should strengthen information technology (IT) controls.	Not resolved

Details regarding the status of the prior recommendations are below.

Prior Recommendation 1:

OCS’s director should implement supervisor certification procedures for relative and family friend searches.

Prior finding:

Auditors found OCS procedures did not require supervisors to certify in writing that OCS searched for an appropriate placement with an adult family member or friend.

Criteria:

Alaska Statutes (AS 47.10.080(s), AS 47.10.142(i), and AS 47.14.100(e)) require OCS to search for an appropriate placement with an adult family member or family friend who meets licensing requirements when a child is removed from the home, temporarily placed, or transferred from one out-of-home placement to another. Statutes also require a supervisor to certify in writing in the case file whether OCS has searched for an appropriate placement with an adult family member or friend and to work to ensure the search

is completed in the shortest time feasible if OCS has not complied with the search requirements.

Cause:

Management did not recognize the need for formal certification procedures. Training provided before the new certification requirements became effective was not sufficient to ensure supervisors certified in compliance with the law.

Status of prior finding:

OCS made progress toward resolving the finding. To facilitate the supervisory certification process, OCS management embedded a relative certification within the Online Resource for Children of Alaska system (ORCA) case activity notes in April 2021. When this subtype is selected in a case activity note, supervisors are prompted to enter a certification that OCS staff have searched for an appropriate placement with an adult family member or family friend. If the search has not been completed, procedures require supervisors document the steps that will be needed to complete the relative search in the shortest time feasible. OCS policy requires supervisors to certify before transferring a child from one placement setting to another, before a non-emergency removal of the child from the home, or within 30 days of an emergency removal of the child.

Auditors reviewed 40 out-of-home placements to determine whether a supervisor certified in writing that a relative search was conducted. Testing identified 26 of 40 (65 percent) did not include written supervisory certifications. The remaining 14 (35 percent) included written supervisory certifications; however, eight of 14 certifications were not timely and, therefore, did not comply with policy. The lack of adequate procedures increases the risk that an adult family member or family friend who meets licensing requirements will not be identified.

Prior Recommendation 2:

OCS’s director should improve procedures to ensure foster parents and caregivers in residential child care facilities are provided reasonable and prudent parent standard training.

Prior finding:

OCS staff provide training to foster parents through licensing discussions with foster parents or through formal training provided by a training organization. During the prior audit, auditors found no evidence of formal training or staff discussions for five of 59 licensed foster homes tested (8.5 percent). Additionally, for nine of 41 two-parent licensed foster homes tested (22 percent), the licensing form (which documents the discussion on the reasonable and prudent parent standard) was completed with only one of the two foster parents and neither of the parents completed the formal training course. Further, OCS staff did not ensure that the required training was provided to the designated caregivers at residential child care facilities.

Criteria:

Federal and state law¹³ require prospective foster parents to be adequately prepared with the appropriate knowledge and skills to provide for the needs of the child, including knowledge and skills related to the prudent parent standard. Federal law requires child care institutions have at least one designated caregiver be provided the same training as foster parents.

Cause:

OCS coordinated with the Department of Health and Social Services, Division of Health Care Services’ (DHCS) Residential Licensing Unit to develop internal controls for ensuring compliance with training requirements at residential child care facilities; however, internal control procedures were not implemented due to a breakdown in communication between the two divisions. Further, inadequate training caused deficiencies in completing the licensing forms.

Status of prior finding:

OCS resolved this finding. Auditors’ review of the licensing evaluation forms of a sample of 38 licensed foster parents showed the sections on the reasonable and prudent parent standard were appropriately completed. In addition, auditors reviewed eight

¹³ Social Security Act Title IV-E Sec. 471 (a)(10) and (a)(24); AS 47.10.084(d).

Prior Recommendation 3:
OCS’s director should consider amending regulations to require written training plans.

residential child care facilities and found DHCS ensured each facility had a designated caregiver trained in the reasonable and prudent parent standard.

Prior finding:

Auditors found there were no formalized training plans in place for foster parents. Rather, OCS staff verbally communicated with foster parents regarding training needs.

Criteria:

Alaska Statute 47.14.115(a) requires the Department of Family and Community Services (DFCS) to, no less than once quarterly, “make available” training that will assist the foster parent or parents in providing care that will meet the needs of the child placed in the home and the requirements established by DFCS in regulation.

Cause:

According to OCS management, formal written training plans were not developed or documented because formal plans were not required by regulations.

Status of prior finding:

OCS resolved this finding by amending training regulations. New regulations¹⁴ effective July 1, 2022, require DFCS to develop a written individualized training plan in consultation with the foster parent and the child’s caseworker, not later than 90 days after issuance of a provisional foster home license. Following the first year of licensure, a foster parent is required to complete training as identified in the individual training plan. The individual training plan is to be updated annually by OCS’s licensing specialist in consultation with the foster parent. The new training regulations apply to new provisional licenses issued and licenses converted or renewed on or after July 1, 2022.

¹⁴ 7 AAC 67.130.

Prior Recommendation 4:

OCS’s director should strengthen IT controls.

Prior finding:

The prior audit found weaknesses in ORCA user access controls. The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details were communicated to OCS management in a separate confidential document.

Status of prior finding:

This finding was not resolved during the audit period. Auditors noted the same continuing weaknesses in logical access to ORCA.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation 1:

OCS’s director should improve training to ensure OCS staff follow procedures for background checks and address the safety risks identified by auditors.

Auditors’ review of 40 unlicensed relative providers identified three cases where procedures for background checks were not followed:

- Background check results for one relative provider showed the relative had a five-year barrier crime. The barrier was not reviewed by the regional protective services manager and Office of Children’s Services (OCS) staff did not obtain approval from the manager for the child to remain in the relative’s care. Auditors noted the barrier limit had expired at the time of this audit and the child remained in the care of the relative.
- Background check results for one relative provider showed the relative’s household member had a five-year barrier crime. The barrier was not reviewed by the regional protective services manager and OCS staff did not obtain approval from the manager for the child to remain in the relative’s care. The barrier limit expires in 2026. OCS staff reported the child’s placement was being reviewed after auditors identified the safety risk.
- One relative provider did not have a fingerprint-based background check performed. Initial screening performed by OCS staff showed the relative had five potential background barriers per the Alaska Public Safety Information Network, as well as a history of substantiated child maltreatments wherein the relative’s own children were removed from the relative’s custody. Fingerprints, to allow a more comprehensive background check, were obtained and sent to the licensing unit, but licensing staff reported never receiving the fingerprints and a fingerprint-based background check was not performed. The barriers identified by the initial screening were not reviewed by the regional protective services manager and OCS staff did not obtain approval from the manager for the child to remain in the relative’s care. The child was placed with the relative for three months.

By not following procedures for background checks, OCS increased the risk that the children were placed in an unsafe home. Per management, a lack of communication between OCS family workers

and licensing staff led to staff not seeking proper approvals for the children to remain in the relatives' care.

Alaska Statute 47.14.100(j) requires Department of Family and Community Services (DFCS) staff to conduct criminal background checks for relatives and relatives' household members age 16 years or older when a relative requests placement of a child. OCS's policy requires staff obtain approval from a protective services manager in order for the child to remain in the home of an unlicensed relative who has a background barrier.

We recommend OCS's director improve training to ensure OCS staff follow procedures for background checks and address the safety risks identified by auditors.

Recommendation 2:

OCS's director should strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.

Auditors' review of 40 applications identified data errors, omissions, and/or inconsistencies in OCS staff's recording of application receipt dates in the Online Resource for Children of Alaska information system (ORCA). Errors in recording the initial application receipt date and completed application receipt date were noted in 18 percent and 43 percent of applications, respectively. Auditors also noted the application date field that existed in ORCA prior to HB 151 was used interchangeably to record initial receipt dates, completed application receipt dates, or it was left blank.

Alaska Statute 47.32 authorizes DFCS staff to issue foster home licenses. Alaska Statute 47.32.032(c) requires DFCS staff, to the extent feasible, to approve or deny a foster care home license, including a request for variance, not more than 45 days after the date DFCS receives an application. According to OCS management, the 45-day timeline begins when a complete application is received.

Prior to HB 151, ORCA tracked the application receipt date using one date field. Management added two new date fields in the system in March 2022 to better track application receipt dates and distinguish between initial receipt and complete application dates;

however, management did not create written procedures to ensure application receipt dates were entered consistently and accurately in the system. Further, insufficient training led to differing staff interpretations of the criteria to be used when determining an application to be complete.

Inaccurate application dates in ORCA may prohibit OCS management, supervisors, and licensing staff from making informed decisions to ensure timely processing of foster home license applications.

We recommend OCS's director strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.

Recommendation 3:

OCS's director should continue efforts to address staffing shortages to ensure foster home applications are processed and approved in a timely manner.

Five of 30 approved foster home license applications were not processed by OCS staff or were not reviewed and approved by OCS supervisors on a timely basis. Auditors noted unjustified periods of inactivity for the five applications ranging from 14 days to 91 days. According to OCS management and supervisors, staff shortages contributed to the delays in processing applications received by the Anchorage regional office between August 2022 and March 2023.

Alaska Statute 47.32.032(c) requires DFCS, to the extent feasible, to approve or deny a foster care home license, including a request for variance, not more than 45 days after the date DFCS receives an application.

Delays in processing license applications negatively impact children in State custody. Relative caregivers waiting to be licensed may not receive foster care payments timely to assist with the costs of providing care to children. Further, prospective foster parents may become discouraged when unreasonable delays are experienced and decide not to seek licensure and thereby not qualify for assistance payments to help provide for children's needs.

We recommend OCS’s director continue efforts to address staffing shortages to ensure foster home applications are processed and approved in a timely manner.

Recommendation 4:
OCS’s director should implement procedures for documenting efforts made to assist individuals with obtaining important documents.

Auditors tested 40 individuals, age 16 years or older, and found multiple instances where OCS staff did not adequately document whether the individuals obtained the documents or whether OCS staff assisted the individuals with obtaining the documents. Error rates by document type were as follows:

- birth certificate - 19 of 40 (48 percent)
- social security card - 18 of 40 (45 percent)
- health insurance information - 32 of 40 (80 percent)
- medical records - 37 of 40 (93 percent)
- driver’s license or identification card - 14 of 40 (35 percent)
- Certificate of Degree of Indian or Alaska Native Blood (CIB), if applicable - 23 of 24 (96 percent)

When an individual 16 years or older who has been in State custody for at least six months is released from custody, AS 47.18.320(d) requires DFCS to provide the individual with or assist the individual with obtaining the individual’s birth certificate, social security card, health insurance information, medical records, driver’s license or identification card, and CIB, if applicable.

Procedures were not followed by OCS staff due to competing priorities. Auditors also noted procedures were insufficient to ensure OCS staff assisted individuals with obtaining the documents. Insufficient procedures increase the risk that individuals released from State custody do not obtain important documents, which negatively impacts transition to adulthood.

We recommend OCS’s director implement procedures for documenting efforts made to assist individuals with obtaining important documents.

Recommendation 5:

OCS’s director should continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS staff has searched for an appropriate placement with a relative or family friend as required by law.

Auditors found supervisors did not certify in writing that a relative search was conducted in 26 of 40 (65 percent) out-of-home placements reviewed. Further, auditors found that supervisors did certify in writing that a relative search was conducted for 14 of the 40 out-of-home placements reviewed; however, eight of the 14 (57 percent) certifications were not timely as defined by OCS policy.

Alaska Statutes (AS 47.10.080(s), AS 47.10.142(i), and AS 47.14.100(e)) require an OCS supervisor to certify in writing in the case file whether OCS has searched for an appropriate placement with an adult family member or family friend and to work to ensure the search is completed in the shortest time feasible if OCS has not complied with the search requirements. OCS policy requires supervisors to certify before transferring a child from one placement setting to another, before a non-emergency removal of the child from the home, or within 30 days of an emergency removal.

According to OCS management, the written supervisory certification is considered to have a lower priority compared to other critical work. OCS management encourages supervisors to adhere to policy when time permits. Auditors noted that OCS experienced staffing shortages, which reduced the resources available for non-critical procedures.

By not ensuring that supervisors certify in writing whether the required search has been performed, OCS increases the risk that a relative or family friend who meets licensing requirements will not be identified.

We recommend OCS’s director continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS

staff has searched for an appropriate placement with a relative or family friend as required by law.

Recommendation 6:

OCS’s director should improve security over access to ORCA.

Testing found weaknesses in user access controls over ORCA. State of Alaska Information Security Policies provide specific criteria related to the identified deficiencies. The details related to this control weakness and relevant audit criteria are being withheld from this report to prevent the weakness from being exploited. Pertinent details have been communicated to OCS management in a separate confidential document.

The internal control weaknesses are a result of inadequate procedures. Deficiencies in user access controls increase the risk of unauthorized system use.

We recommend OCS’s director improve security over ORCA access.

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 of the Alaska Statutes and a special request by the Legislative Budget and Audit Committee, we have conducted a performance audit of the Department of Family and Community Services (DFCS), Office of Children’s Services (OCS) compliance with specific foster care reform laws.

Objectives

The audit evaluates OCS compliance with foster care reform laws effective September 5, 2019. Specifically, the audit includes the following audit objectives:

- Evaluate OCS’s progress in addressing the prior audit findings and recommendations.
- Determine whether OCS case managers document in the files the efforts that were made and the reason separating siblings is in the best interest of the children. When siblings are not placed together, determine whether OCS staff disclosed contact information to a sibling of a child who is the subject of the case to allow the siblings to contact each other if it is in the best interest of the child to maintain contact.
- Evaluate whether OCS implemented a longer training program for employees who supervise the care of children committed to the supervision or custody of OCS, work with families to prevent the removal of a child from the child’s home, or investigate reports of harm as required by House Bill (HB) 151. Provide quantifiable details of the new training program and explain why the new training program was selected, and why DFCS believes the new training program will work.
- Report to what degree OCS has placed children with an adult family member who did not have a foster care home license under AS 47.32. Determine whether OCS assisted the family members in obtaining the licenses in a prompt manner.

-
- Determine whether OCS actively helped individuals in custody age 16 or older obtain their birth certificate and other important documents as required by HB 151.
 - Determine whether OCS has approved or denied foster care license applications within 45 days. If not, identify the reasons for the delays.

Scope

The audit examined:

- Foster home provider and license data for providers with at least one child placed in the provider's care from September 5, 2019 to March 31, 2023. Unlicensed relative providers with at least one child placed in the relative's care from July 1, 2021 to March 31, 2023 were sampled for compliance.
- Applications for provisional licenses received by OCS from July 1, 2021 through March 31, 2023.
- Cases with siblings removed from the home from July 1, 2021 through March 31, 2023.
- Individuals 16 years of age or older who were released from State custody between July 1, 2021 and March 31, 2023.
- Protective services workers hired from September 5, 2019 through March 31, 2023.
- Out-of-home foster care placements that occurred from July 1, 2021 through March 31, 2023.

Scope Limitation

The audit could not determine whether OCS complied with the 45-day timeline to approve or deny a foster care home license. Compliance could not be determined because license application completion dates in the Online Resource for Children of Alaska information system (ORCA) were not reliable for audit purposes.

Methodology

To address audit objectives, auditors:

- Gained an understanding of child protective services and foster care by reviewing HB 151, effective 2018, and statutes and regulations governing children in need of aid, child protection, and licensing.
- Reviewed articles to identify potential issues pertaining to Alaska foster care placement, searches for relatives or family friends, and employee training.
- Reviewed reports and documents issued by the U.S. Department of Health and Human Services' Administration for Children and Families, and other state auditor offices, to gain an understanding of issues surrounding foster care licensing, relative searches, placement, employee training, and permanency.
- Reviewed OCS child protective services and licensing manuals to gain an understanding of written policies and procedures related to placing children in foster care, providing important documents to individuals 16 years of age or older, licensing foster homes, facilitating sibling placement and contact, and providing assistance to unlicensed relatives.
- Conducted interviews, observations, and walkthroughs with DFCS and OCS staff to gain an understanding of processes for placing siblings together and facilitating sibling contact, providing assistance to unlicensed relatives, licensing foster homes, providing important documents to individuals 16 years of age or older, and documenting related actions in ORCA.
- Conducted interviews with OCS staff and Child Welfare Academy representatives to gain an understanding of procedures for training protective services workers.
- Analyzed the data of foster home providers with at least one child placed in the provider's care from September 5, 2019 to March 31, 2023, to determine the degree that OCS placed children

with an adult family member who did not have a foster care home license.

- Examined a random sample of 40 unlicensed relative providers with at least one child placed in the relative's care from July 1, 2021 to March 31, 2023, to assess compliance with state statutes for assisting the relative in obtaining a foster care home license. This included reviewing ORCA provider and case activity notes for documentation of assistance. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.
- Examined a random sample of 40 applications for provisional foster home licenses received by OCS from July 1, 2021 through March 31, 2023, to assess compliance with the state statute requiring DFCS, to the extent feasible, to approve or deny a foster care home license not more than 45 days after DFCS receives the application. The sample size was selected based on low/moderate audit risk. Results were not projected to the population. The selected applications were examined to:
 - Assess reliability of the application dates in ORCA by tying to dates documented in hard copy application files or ORCA provider notes;
 - Determine whether the application was approved within 45 days from the date a complete application was received, if the complete application date was determined to be accurate and reliable; and
 - Determine any reasons for delays in processing or approving the application.
- Examined a random sample of 40 cases with siblings removed from the home from July 1, 2021 through March 31, 2023, to assess compliance with state statutes related to sibling placement and contact. This included reviewing ORCA for documentation by a case manager of the efforts made and reason separating siblings is in

the children's best interest. When siblings were not placed together, auditors reviewed the system for documentation that OCS staff disclosed contact information to siblings to allow siblings to contact each other, if it is in the best interest of the children to maintain contact. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.

- Examined a random sample of 40 individuals released from State custody between July 1, 2021 and March 31, 2023, to assess compliance with the state statute for providing important documents to youth when exiting State custody. This included reviewing ORCA and physical case files, when available, for evidence of efforts to provide the documents or assist the individual with obtaining important documents. The sample selection included individuals 16 years of age or older at the time of the individual's release from State custody and who were in custody for six months or more. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.
- Examined a random sample of 25 protective services workers hired from September 5, 2019 through March 31, 2023, that were employed by OCS for at least six months, to assess compliance with the state statute requiring OCS to implement a longer training program for employees who supervise the care of children in State custody, work with families to prevent the removal of a child from the child's home, or investigate reports of harm to a child. This included reviewing employee training records to determine whether the protective services worker completed the five weeks of core training and one week Transfer of Learning Training. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.
- Examined a random sample of 40 out-of-home foster care placements that occurred from July 1, 2021 through March 31, 2023, to assess compliance with state statutes that require a supervisor to certify in writing in the case file whether OCS has conducted the required searches for relatives and family friends who meet foster

home licensing requirements. This included reviewing ORCA case activity notes for evidence of supervisory certifications. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.

- Examined a judgmental sample of active ORCA users as of March 31, 2023, to assess whether internal controls over system access were operating effectively. This included reviewing payroll records and performing other research to verify employment status. The sample size was selected based on low/moderate audit risk. Results were not projected to the population.
- Obtained and reviewed budget information from the Alaska Division of Legislative Finance’s website and Alaska Office of Management and Budget’s website to gain an understanding of OCS’s budget, including position count.
- Examined a random sample of five residential child care facilities licensed in Alaska from July 1, 2018 through March 31, 2023, to determine compliance with federal and state statutes regarding the reasonable and prudent parent standard. This included reviewing licensing documentation and checklists to determine whether the Department of Health, Division of Health Care Services staff ensured the facility had a designated caregiver trained in the reasonable and prudent parent standard. The sample size was selected based on low control risk, low/moderate inherent risk, and low/moderate audit risk. Results were not projected to the population.

Internal controls over ORCA access were assessed to determine if controls were properly designed and implemented.

Agency Response from the Department of Family and Community Services



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Family and Community Services

OFFICE OF THE COMMISSIONER

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LEGISLATIVE AUDIT

January 5, 2024

Kris Curtis
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

RE: Department of Family and Community Services, Office of Children's Services Compliance with Foster Care Reform Laws, Part 2, November 10, 2023

Dear Mr. Curtis,

The Department of Family and Community Services (DFCS) appreciates the opportunity to review and provide feedback to the associated findings and recommendations as shared in your preliminary audit report.

OCS offered license assistance to relatives in a prompt manner, but 80 percent did not obtain a license. DFCS agrees with this conclusion. There are a large variety of reasons why a relative chooses to decline licensure.

Application dates were not tracked accurately in ORCA. DFCS agrees with this conclusion. Please see response to Recommendation #2.

Auditors could not verify OCS' compliance with the 45-day timeline to approve or deny foster care home license. DFCS agrees with this conclusion. Please see response to Recommendation #2.

Foster home license applications were processed an average of 77 days from application receipt date. DFCS disagrees with this conclusion. As the report noted in the prior conclusion, due to staff having differing interpretations of the requirements that constitutes a complete application the average length of time to process an application could not be accurately determined.

Children were placed at risk by OCS staff not following procedures for background checks. DFCS agrees that relative homes were identified that did not have timely background checks. Please see response to Recommendation #1.

OCS workers made efforts to keep siblings in contact when separated.

DFCS agrees with this conclusion. The department recognizes and values the importance of maintaining sibling connections.

OCS staff did not adequately document whether individuals 16 years of age or older obtained birth certificates and other important documents.

DFCS does not agree with this conclusion. Please see response to Recommendation #4.

OCS implemented a longer training program.

DFCS agrees with this conclusion.

Recommendation 1: OCS’s director should improve training to ensure OCS staff follow procedures for background checks and address safety risks identified by auditors.

DFCS agrees with this recommendation. Safety is of utmost importance to the department. Plans for training all managers, supervisors and caseworkers with placement authority are in process. DFCS further intends to develop management reports that will assist in identifying provider homes that lack background check documentation in ORCA.

Recommendation 2: OCS’s director should strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.

DFCS agrees with this recommendation. 7 AAC 67.030(a) clearly defines the criteria that constitutes a completed application. Licensing management has issued guidance to all licensing staff of this criteria and has scheduled follow-up training. Additionally, the Community Care Licensing Manual will be updated to identify more clearly what constitutes a completed license.

Recommendation 3: OCS’s Director should continue efforts to address staffing shortages to ensure foster home applications are processed and approved in a timely manner.

DFCS agrees with this recommendation. Staffing shortages are not unique to the department and unfortunately high-turnover rates have plagued the nationwide child welfare workforce for many years. Recruitment and retention have been and remains a high priority to the department. We are actively working to transition hiring to the Alaska’s Talent Acquisition team who specialize in recruitment and talent acquisition.

Recommendation 4: OCS’s director should implement procedures for documenting efforts made to assist individuals with obtaining important documents.

DFCS does not agree with this recommendation. HB 151 requires the agency to “provide the individual or assist the individual” with obtaining some identification documents. The law does not require a specified form of documentation. Youth in foster care receive several methods of assistance regarding obtaining their documents such as but not limited to the Foster Children and Youth’s Rights, quarterly retreats, contacts with their Independent Living worker, and Independent Living courses. It is important to note that although this law sounds ideal on paper, execution requires many things that are unequivocally outside of the departments’ control.

Birth Certificates: The department has over 96% of original birth certificates for children in foster care uploaded and documented in ORCA.

Social Security Cards: The Social Security Administration will not release a social security card to the department without a stamped certified court order showing that we have custody. The department has to

rely on the Court System to provide these orders which can be timely. Further complicating this process is that although a custody order may exist and legally establish custody in Alaska, the Social Security Administration will not accept many of these orders preventing the department from obtaining the social security card. It should further be taken into consideration that the Social Security Administration limits the number of SSN cards in a person's lifetime so we should not be unnecessarily utilizing a person's lifetime benefit if there is not a current need for the card. Social Security numbers are uploaded and documented in ORCA.

Health Insurance Information: When a child exits foster care, their Medicaid case is updated to their new address, documented in EIS, and a new Medicaid card is mailed that includes their health insurance information. This occurs for all children exiting foster care.

Certificate of Degree of Indian Blood: As referenced in the report a parent's birth certificate is often required to obtain the CDIB and OCS does not have legal authority to obtain them. Additionally, these cards require proof of blood quantum. While it is known that the card can provide access to certain benefits, for some native people they come with great controversy.

While not all parents and Tribes are opposed to the CDIB cards, they still have rights and can refuse to cooperate with this process.

The department does provide several methods of information to assist youth with where and how to obtain these documents.

Recommendation 5: OCS's director should continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS staff has searched for an appropriate placement with a relative or family friend as required by law.

DFCS partially agrees with this recommendation. Please see response to recommendation number 3 regarding staffing shortages. DFCS agrees that supervisory certifications are not complete in all cases however DFCS disagrees that lack of written documentation increases risk that an adult family member or family friend will not be identified. Despite the lack of supervisory certifications, as of today's date less than 2% of children in out-of-home placements do not have a relative documented in ORCA.

The critical work and priority related to this topic is the act of performing relative searches, identifying relatives for placement, and increasing the number of children placed with relatives.

While it is always the goal to successfully achieve every single case-related and administrative task, DFCS fundamentally must prioritize the work that impacts safety and positive outcomes for children and families.

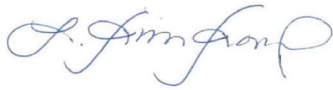
Recommendation 6: OCS's director should improve security over access to ORCA.

DFCS agrees with this recommendation. The following remedy has been implemented: OCS has obtained and verified that all current ORCA users, except one, have a completed form on file. The remaining staff has been on extended leave and will be resolved upon their return. Staff that have been deactivated from the State of Alaska system cannot access ORCA. Additionally, the ORCA team will run monthly queries

to ensure former staff are deactivated in ORCA.

Please contact Nancy Miller at 907-465-6891 if you have any questions or concerns.

Sincerely,



Kim Kovol
Commissioner

CC:
Marian Sweet, DFCS Assistant Commissioner
Nancy Miller, DFCS Finance Officer

Legislative Auditor's Additional Comments

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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January 8, 2024

Members of the Legislative Budget
and Audit Committee:

I have reviewed the Department of Family and Community Services (DFCS) commissioner's response to the audit report. Nothing contained in the response causes me to revise or reconsider the report conclusions or recommendations. I offer the following comments to address the commissioner's disagreements with specific audit conclusions and recommendations.

The commissioner disagrees with the audit's conclusion that foster home license applications were processed an average of 77 days from application receipt date. The commissioner states that Office of Children's Services (OCS) staff have differing interpretations of what constitutes a "completed" application. Consequently, the application completion dates within the system are unreliable. I agree that application completion dates are unreliable. Auditors were unable to evaluate compliance with timelines associated with completion dates. However, auditors were able to review hardcopy files for a sample of applications to identify accurate "receipt" dates and determined that, on average, applications were processed an average of 77 days from application receipt date.

The commissioner disagrees with the audit's conclusion that OCS staff did not adequately document whether individuals 16 years of age or older obtained birth certificates and other important documents. The commissioner also disagrees with our recommendation to implement procedures to document efforts made to assist individuals with obtaining important documents. The commissioner states that the law does not require any specific form of documentation and the department's ability to obtain documents or help obtain documents is impacted by many things that are outside the department's control.

On page 24 of the report, the audit acknowledges the challenges that OCS encounters in obtaining or helping obtain the documents. I agree that compliance with the law is not as simple as it may sound. However, OCS's good faith efforts should be documented to demonstrate compliance with the law.

In summary, I reaffirm the report conclusions and recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kris Curtis", with a stylized flourish at the end.

Kris Curtis, CPA, CISA
Legislative Auditor