



Department of Job and Family Services Foster Care/Adoption Licensing Audit

Audit Period: July through December 2014

Results Summary:

Objective	Conclusion*
Initial Licensing/Certification Process	Well-Controlled with Improvement Needed
Recertification Process	Well-Controlled with Improvement Needed

* Please refer to Appendix A for classification of audit objective conclusions.



Executive Summary

Background

The Ohio Department of Job and Family Services (JFS) provides foster care and adoption support to local agencies in their efforts to decrease the number of children waiting for permanent homes, to prevent discrimination in the placement of children, to identify and recruit permanent families who can meet each child's needs, and to provide support to families to ensure the stability and well-being of children in their care. The Office of Families and Children (OFC) at JFS is responsible for ensuring the fitness of agencies that provide foster care, adoption, and residential services to children and/or their families throughout the licensing/certification or recertification process, as well as after the license/certification is obtained. These services are largely provided by Public Children Service Agencies (PCSA), Private Child Placing Agencies (PCPA), and Private Noncustodial Agencies (PNA) in collaboration with JFS. The responsibility of administering foster care, adoption, and residential services to children and/or their families primarily rests with the counties and agencies. JFS supervises the counties and agencies to ensure compliance with administrative, governance, fiscal, child services and treatment, and operation standards, as prescribed by the Ohio Revised Code and Ohio Administrative Code.

The PCSAs and private network foster care agencies (PCPAs and PNAs) are responsible for ensuring all facilities/functions offered by them are certified by ODJFS through a single application process. The PCSAs, PCPAs, and PNAs are also responsible for making recommendations to JFS for certification of foster care and adoptive families. Placement settings such as foster homes, group homes, and residential care centers are routinely monitored to assure compliance with JFS rules. When necessary, technical assistance is provided to improve compliance with regulations. While rare, licenses may be revoked for noncompliance.

During the audit, OIA identified opportunities for JFS to strengthen internal controls and improve business operations. OIA conforms to the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank JFS staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

Scope and Objectives

OIA staff was engaged to perform an assurance engagement related to the controls over the JFS's Adoption and Foster Care licensing processes. This work was completed December 2014 through March 2015. The scope of this audit focused on JFS' licensing responsibilities over the PCPAs, PCSAs, PNAs, group homes and residential centers.



The following summarizes the objectives of the review:

- Evaluate the design and effectiveness of the controls around the agency licensing process.
- Evaluate the design and effectiveness of the controls around the agency recertification process.

The scope of this engagement did not include an evaluation of controls over JFS' certification of foster and adoptive families, as JFS is looking at opportunities to improve state-level monitoring over this process. However, OIA reviewed the current state-level monitoring over the local agencies' compliance with ensuring requirements for foster and adoptive families are met, and provided recommendations for improvement. These recommendations have been provided in a separate communication to management entitled 'Other Considerations for Management's Attention'.

Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate risk observations on this engagement. Low risk observations and consulting recommendations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



Appendix A – Classification of Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
High	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee