



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

April 25, 2025

Senator Guy J. Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, Maryland 21401

Delegate Benjamin S. Barnes, Chair
House Appropriations Committee
Lowe House Office Building, Room 121
6 Bladen Street
Annapolis, Maryland 21401

Dear Senator Guzzone and Delegate Barnes:

The Office of Legislative Audits (OLA) has reviewed the actions taken by the Department of Human Services (DHS) Social Services Administration (SSA) to resolve the 7 repeat audit findings (that were addressed by 13 recommendations) in our June 3, 2021 audit report. This review was conducted in accordance with a requirement specified in the April 2024 *Joint Chairmen's Report* (JCR), page 142. The JCR required that, prior to the release of \$250,000 of its administrative appropriation for fiscal year 2025, DHS must take corrective action on all repeat audit findings on or before November 1, 2024.

The JCR language further provided that OLA submit a report to the budget committees listing each repeat audit finding along with a determination that each repeat finding was corrected. The OLA report is required to be submitted to allow 45 days for the budget committees to review and release the funds prior to the end of the fiscal year.

In accordance with the April 2024 JCR requirement, DHS on behalf of SSA provided a status report to OLA, dated October 31, 2024, detailing certain corrective actions that had been completed with respect to all seven repeat audit findings (**Exhibit 1**). The DHS status report indicated that corrective actions had been completed for the recommendations on all the repeat findings (findings 1, 2, 3, 4, 5, 7 and 8).

We reviewed the implementation status for all seven repeat findings that DHS reported as complete on the status report. Specifically, we reviewed the related documentation, performed

limited tests and analyses of the information, and held discussions with SSA personnel as necessary to assess the implementation status of the related recommendations. Our review did not constitute an audit conducted in accordance with generally accepted government auditing standards. As summarized in **Exhibit 2**, our review determined that SSA took sufficient action to resolve the recommendations for findings 2, 4 and 7 but had not yet taken sufficient actions to implement the recommendations for findings 1, 3, 5 and 8. Although SSA had implemented certain elements of these recommendations, the actions to date did not address the entirety of the findings as further described in **Exhibit 3**.

After discussing our review results, SSA generally agreed with the accuracy of the information presented. We trust our response satisfactorily addresses the JCR requirement. Please contact me if you need additional information.

Sincerely,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

cc: Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Joint Audit and Evaluation Committee Members and Staff
Senator William C. Ferguson IV, President of the Senate
Delegate Adrienne A. Jones, Speaker of the House of Delegates
Governor Westley W. Moore
Comptroller Brooke E. Lierman
Treasurer Dereck E. Davis
Attorney General Anthony G. Brown
Secretary Helene T. Grady, Department of Budget and Management
Secretary Rafael J. Lopez, DHS
Marva M. Sutherland, Inspector General, DHS
Shelly-Ann Dyer, Assistant Inspector General, DHS
Alger M. Studstill, Jr., D.B.A, Executive Director, SSA
Tennille R. Thomas, Principal Deputy Executive Director, SSA
Joan M. Peacock, Manager, Audit Compliance Unit, Department of Budget and Management
Victoria L. Gruber, Executive Director, Department of Legislative Services
Suveksha Bhujel, Policy Analyst, Department of Legislative Services

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

October 31, 2024

Mr. Brian S Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
The Warehouse at Camden Yards,
351 West Camden Street, Suite 400
Baltimore, Maryland 21201

Dear Mr. Tanen:

In response to your letter dated October 16, 2024, we are providing the enclosed status report detailing the implementation of the recommendations for the seven (7) repeat findings noted in the June 3, 2021, audit report on the Department of Human Services - Social Services Administration (SSA). We have also documented the ongoing monitoring process that exists to ensure that the corrective actions implemented remain in place.

The Department takes audit findings seriously and is committed to resolving the findings identified in the audit report.

We are happy to answer any questions. Please contact Marva Sutherland, Inspector General, by phone at (443) 378-4060 or via email at Marva.Sutherland@maryland.gov if you would like to continue the conversation.

In service,

A handwritten signature in black ink that reads "Carnitra White".

Carnitra White
Principal Deputy Secretary

Enclosures

cc: Rafael López, Secretary
Webster Ye, Chief of Staff
Dr. Alger Studstill, Executive Director, Social Services Administration
Marva Sutherland, Inspector General
Shelly-Ann Dyer, Assistant Inspector General for Audits
Kirill Reznik Chief Financial Officer
Rachel Sledge, Director, Office of Government Affairs

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Quality Assurance Program

Finding 1

Although the Social Services Administration (SSA) had implemented certain processes to monitor the administration of child welfare program services by the State's local departments of social services (LDSSs), we found they were not necessarily comprehensive or effective.

Recommendation 1a

We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs. Specifically, we recommend that SSA modify its existing processes to ensure that they provide comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat).

Status of Recommendation 1a			
Status as of 11/1/2024	Completed	Completion Date:	June 2023
Please provide details of corrective action taken.	<p>Audit, Compliance, and Quality Improvement (ACQI) was developed as a result of this finding to monitor federal and state requirements related to child welfare programs and services administered at the Local Department of Social Services (LDSS).</p> <p>ACQI provides weekly reports that encompass several milestone reports to show what has been completed and what needs to be completed.</p> <p>On a monthly basis, the ACQI will initiate a notification process for any LDSS that is not meeting established benchmarks and work to ensure an appropriate plan of action is implemented to address performance. If an LDSS has an exception request for a specific benchmark then it is discussed during this monthly meeting.</p> <p>In August, a new office was created in SSA - Office of Quality, Policy and Performance Management - to house all Quality Assurance (QA) functions under one team. SSA is currently in the process of assessing other state QA models and identifying opportunities to restructure our QA processes and functions to ensure better efficiency and enhanced performance outcomes.</p>		

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Recommendation 1b

We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs.

Specifically, we recommend that SSA modify its existing processes to ensure that they provide a quality assurance case review process at each LDSS that addresses all critical services and functions performed by the LDSSs (repeat).

Status of Recommendation 1b			
Status as of 11/1/2024	Completed	Completion Date:	December 2021
Please provide details of corrective action taken.	ACQI developed and issued a QA process for QA reviews that is completed at the LDSS level on a quarterly basis for all 24 jurisdictions. Results are collected and analyzed; any LDSS that does not meet the identified benchmark for performance must submit a plan of action to remedy the performance deficiency.		

Monitoring Compliance with Foster Care Requirements

Finding 2

SSA had not established effective monitoring of the LDSSs to ensure that foster children were placed in the least restrictive environment and received required services.

Recommendation 2a

We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure the applicable legal documentation is included in each foster child's case record in the statewide case management system (repeat).

Status of Recommendation 2a			
Status as of 11/1/2024	Completed	Completion Date:	February 2023
Please provide details of corrective action taken.	At the time of the audit report there was a 100% review of all foster care cases to ensure compliance with legal requirements. Moving forward this was incorporated into the ongoing QA process that occurs at the local 24 jurisdictions on a quarterly basis.		

Recommendation 2b

We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure the LDSSs place children in the least restrictive environment and document attempts to place the child with a relative (repeat).

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Status of Recommendation 2b			
Status as of 11/1/2024	Completed	Completion Date:	February 2023
Please provide details of corrective action taken.	CJAMS was enhanced to require that at every change of placement the case worker must indicate and provide a narrative description that the placement was the least restrictive environment at the time of placement. This is also reviewed during the quarterly QA process.		

Recommendation 2c

We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure compliance with medical, dental, and education requirements by reviewing applicable documentation (repeat).

Status of Recommendation 2c			
Status as of 11/1/2024	Completed	Completion Date:	February 2023
Please provide details of corrective action taken.	<p>Health policy and guidance documents were updated and released as a result of the audit and were then incorporated in the weekly and monthly ACQI process to ensure ongoing compliance. Technical assistance has been provided as needed at the local jurisdiction.</p> <p>Education policy and guidance documents were updated and released as a result of the audit. CJAMS was enhanced to make enrollment and start date mandatory entries for every child that is school age.</p> <p>SSA hosted a series of webinars with case workers, resource providers, managed care organizations, and health providers to educate professionals on the importance of medical documentation and addressing any challenges and barriers with documentation.</p> <p>CJAMS enhancement was implemented to require labeling of documentation in a standardized format.</p> <p>DHS is currently in the process of exploring the feasibility of developing and implementing an electronic health passport that would create a portal that would allow for caregivers and medical professionals to submit documentation in real time. Also, DHS in partnership with MDTHINK is working on creating a data interchange to ensure that medical and dental documentation is automatically imported into CJAMS.</p>		

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Child Protective Services

Finding 3

SSA's monitoring process was not effective for both ensuring the timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by the LDSSs.

Recommendation 3a

We recommend that SSA establish effective procedures to ensure that the LDSSs conduct and complete investigations of allegations of child abuse and neglect and safety and risk assessments of controlled substance-exposed newborns in a timely manner, as required by State law and regulations (repeat).

Status of Recommendation 3a			
Status as of 11/1/2024	Completed	Completion Date:	March 2021
Please provide details of corrective action taken.	ACQI provides weekly reports that encompass several milestone reports to show what has been completed and what needs to be completed, to include CPS initial face-to-face compliance, case initiations, timely documentation, and CPS case closures. On a monthly basis, the ACQI will initiate a notification process for any LDSS that is not meeting established benchmarks and work to ensure an appropriate plan of action is implemented to address performance. If an LDSS has an exception request for a specific benchmark then it is discussed during this monthly meeting. SSA issued guidance and tips sheets to all LDSS on timely CPS case initiations, initial face-to-face compliance, and case closures. SSA continues to provide technical assistance to LDSS as needed.		

Recommendation 3b

We recommend that SSA enhance the accuracy and completeness of system reports to ensure they can be reliably used to monitor compliance with these requirements (repeat).

Status of Recommendation 3b			
Status as of 11/1/2024	Completed	Completion Date:	March 2021
Please provide details of corrective action taken.	SSA developed and implemented the SEN milestone report to allow for the monitoring and compliance of SEN requirements at both the LDSS level and SSA. CJAMS enhancements were also completed to require the identification of reasons for delay in initial contact. This is also reviewed during the quarterly QA process with each of the 24 local jurisdictions.		

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Finding 4

SSA lacked adequate controls to ensure the LDSSs were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect.

Recommendation 4

We recommend that SSA establish adequate controls, such as initiating a supervisory review over the process, to ensure that LDSSs are promptly notified of children born to individuals who previously had their parental rights terminated by a court (repeat).

Status of Recommendation 4			
Status as of 11/1/2024	Completed	Completion Date:	May 2023
Please provide details of corrective action taken.	SSA fully implemented a birth match policy and notification process with 2nd level oversight completed at SSA.		

Federal Funds

Finding 5

SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations, and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds.

Recommendation 5a

We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA ensure that Title IV-E eligibility is properly determined for all children (repeat).

Status of Recommendation 5a			
Status as of 11/1/2024	Completed	Completion Date:	January 2022
Please provide details of corrective action taken.	SSA completed a 100% Title IV-E case review of migrated cases. SSA Revised the IV-E Quality Assurance SOP which requires additional documentation from workers and increased monthly case reviews. This was incorporated into the quarterly QA process and feedback is provided to Title IV-E regional supervisors after the review. The Title IV-E team in SSA was granted MDEC access to allow for timely retrieval of court orders. CJAMS was enhanced to create IV-E productivity reports to specify delays in case reviews due to system glitches.		

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

	Maryland recently underwent a Federal audit of Title IV-E compliance and were only found to have 5 errors with one currently under review for reconsideration which would indicate that Maryland is in substantial compliance with the federal regulations as it pertains to IV-E eligibility for children.
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Recommendation 5c

We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA review all children who are currently determined to be ineligible due to a missing court order or who entered care prior to July 2016 (and received services within the last two years), including the aforementioned cases, and obtain Title IV-E funds when possible (repeat).

Status of Recommendation 5c			
Status as of 11/1/2024	Completed	Completion Date:	August 2023
Please provide details of corrective action taken.	As a result of the audit, all 3,623 ineligible cases were reviewed and only two GAP determinations were reversed to IV-E eligible. Each case totaled \$10,431 for review periods July 2021 - July 2023 with the total to be claimed to be \$20,862. Claim adjustments were logged for each case.		

Foster Care, Adoption, and Guardianship Payments

Finding 7

SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home.

Recommendation 7a

We recommend that SSA establish procedures to ensure compliance with State regulations regarding adoption assistance payments being made for a child who has been moved from the adoptive home to an out-of-home placement (repeat).

Status of Recommendation 7a			
Status as of 11/1/2024	Completed	Completion Date:	October 2022
Please provide details of corrective action taken.	CJAMS enhancement was completed to suspend adoption assistance payments, if state funded, based on a monthly reconciliation of a child moving from adoptive home to an out-of-home placement. This was also added to the quarterly QA process with each LDSS.		

Exhibit 1 to April 25, 2025 Letter to Joint Chairmen

Recommendation 7b

We recommend that SSA review adoption assistance payments made on behalf of children in out- of-home placement, including the aforementioned 28 children, and recover any amounts that were inappropriately paid (repeat).

Status of Recommendation 7b			
Status as of 11/1/2024	Completed	Completion Date:	December 2021
Please provide details of corrective action taken.	SSA reviewed the specific 28 children, two additional cases were identified for recoupment of SSI benefits. Continue to monitor the adoptions subsidy payment report to ensure that adoption subsidy payments are suspended when children re-enter care. Notify the LDSS within two weeks to take the necessary action to terminate the subsidy payment when children re-enter foster care.		

Interagency Agreements

Finding 8

SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.

Recommendation 8

We recommend that SSA implement a process to ensure the propriety of State university invoices. For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat).

Status of Recommendation 8			
Status as of 11/1/2024	Completed	Completion Date:	June 2024
Please provide details of corrective action taken.	Worked with DHS AAG and DBM to revise the IAA template in November 2023 to align with audit recommendations to include requirement for effort reporting. SSA developed a contract monitoring tool in July 2022 to be used when reviewing and approving monthly invoice submissions to ensure the deliverables are in alignment with the scope of work. In 2024, SSA added effort reporting to the contract monitoring tool.		

Exhibit 2 to April 25, 2025 Letter to Joint Chairmen

Status of Repeat Findings in Office of Legislative Audits’ (OLA) June 3, 2021 Audit Report on the Department of Human Services (DHS) – Social Services Administration (SSA)

Prior Recommendations Pertaining to Repeat Findings	DHS Reported Status	Status Based on OLA Review
Quality Assurance Program		
1. We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the Local Departments of Social Services (LDSSs). Specifically, we recommend that SSA modify its existing processes to ensure that they provide <ol style="list-style-type: none"> a. comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed. 	Completed	Not Resolved (In Progress)
<ol style="list-style-type: none"> b. a quality assurance case review process at each LDSS that addresses all critical services and functions performed by the LDSSs. 	Completed	Resolved
Monitoring Compliance with Foster Care Requirements		
2. We recommend that SSA monitor the LDSSs to ensure compliance with foster care requirements. Specifically, we recommend that SSA ensure <ol style="list-style-type: none"> a. the applicable legal documentation is included in each foster child’s case record in the statewide case management system. 	Completed	Resolved
<ol style="list-style-type: none"> b. the LDSSs place children in the least restrictive environment and document attempts to place the child with a relative. 	Completed	Resolved
<ol style="list-style-type: none"> c. compliance with medical, dental, and education requirements by reviewing applicable documentation. 	Completed	Resolved
Child Protective Services		
3. We recommend that SSA <ol style="list-style-type: none"> a. establish effective procedures to ensure that the LDSSs conduct and complete investigations of allegations of child abuse and neglect and safety and risk assessments of controlled substance-exposed newborns in a timely manner, as required by State law and regulations. 	Completed	Not Resolved (In Progress)
<ol style="list-style-type: none"> b. enhance the accuracy and completeness of system reports to ensure they can be reliably used to monitor compliance with these requirements. 	Completed	Resolved

Exhibit 2 to April 25, 2025 Letter to Joint Chairmen

Status of Repeat Findings in Office of Legislative Audits' (OLA) June 3, 2021 Audit Report on the Department of Human Services (DHS) – Social Services Administration (SSA)

Prior Recommendations Pertaining to Repeat Findings	DHS Reported Status	Status Based on OLA Review
4. We recommend that SSA establish adequate controls, such as initiating a supervisory review over the process, to ensure that LDSSs are promptly notified of children born to individuals who previously had their parental rights terminated by a court.	Completed	Resolved
Federal Funds 5. We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA	Completed	Not Resolved (In Progress)
a. ensure that Title IV-E eligibility is properly determined for all children.		
c. review all children who are currently determined to be ineligible due to a missing court order or who entered care prior to July 2016 (and received services within the last two years), including the aforementioned cases, and obtain Title IV-E funds when possible.	Completed	Resolved
Foster Care, Adoption, and Guardianship Payments 7. We recommend that SSA		
a. establish procedures to ensure compliance with State regulations regarding adoption assistance payments being made for a child who has been moved from the adoptive home to an out-of-home placement.	Completed	Resolved
b. review adoption assistance payments made on behalf of children in out-of-home placement, including the aforementioned 28 children, and recover any amounts that were inappropriately paid.	Completed	Resolved
Interagency Agreements 8. We recommend that SSA implement a process to ensure the propriety of State university invoices. For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof.	Completed	Not Resolved (In Progress)

Exhibit 3 to April 25, 2025 Letter to Joint Chairmen

Comments on Findings OLA Assessed as Unresolved

Prior Report Recommendation – Finding 1

We recommend that the Department of Human Services (DHS) – Social Services Administration (SSA) establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the Local Departments of Social Services (LDSSs). Specifically, we recommend that SSA modify its existing processes to provide

- a. comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat).**

Status as Determined by DHS – Completed

Office of Legislative Audits (OLA) Assessment of Status – Not Resolved

Our review disclosed that SSA had not established comprehensive written procedures for monitoring the program services and functions administered by the LDSSs. Specifically, while SSA developed procedures to use reports generated from its Child, Juvenile, and Adult Management System (CJAMS) to assess the LDSSs' achievement of established performance standards, the procedures did not address how specific instances of missing services (such as health and dental exams) were to be resolved. Furthermore, the procedures did not address what to do when the underlying support for the CJAMS reports was determined to be missing or inaccurate. This is significant because SSA routinely identified instances in which CJAMS indicated services were provided even though no supporting documentation was uploaded.

Prior Report Recommendation – Finding 3

We recommend that SSA

- a. establish effective procedures to ensure that LDSSs conduct and complete investigations of allegations of child abuse and neglect and safety and risk assessments of controlled substance-exposed newborns in a timely manner, as required by State law and regulation (repeat).**

Status as Determined by DHS – Completed

OLA Assessment of Status – Not Resolved

Our review disclosed that while SSA developed procedures to ensure that the LDSSs investigated allegations of child abuse and neglect timely, the procedures were not fully implemented. Specifically, SSA established procedures to assess the LDSSs' compliance with the statutory timeframes for initiating and completing investigations of child abuse and neglect, which included a corrective action process for LDSSs that did not meet these timeframes. However, our review disclosed that SSA did not always address instances of noncompliance in accordance with its policy. For example, SSA did not refer 5 LDSSs to

Exhibit 3 to April 25, 2025 Letter to Joint Chairmen

Comments on Findings OLA Assessed as Unresolved

the DHS Secretary for additional action when they did not timely initiate investigations for the entire period from January 2023 to June 2024, as required by the new policy.

Prior Report Recommendation – Finding 5

We recommend that SSA ensure federal reimbursement is obtained for all children eligible for Title IV-E funding. Specifically, we recommend that SSA

a. ensure that Title IV-E eligibility is properly determined for all children (repeat).

Status as Determined by DHS – Completed

OLA Assessment of Status – Not Resolved

Our review disclosed that SSA did not ensure that Title IV-E eligibility was properly determined for all children. Although SSA established a supervisory review process in response to our prior report to verify the propriety of Title IV-E determinations, these reviews were not always effective. For example, our test of 18 Title IV-E determinations made between October 2022 and March 2024 disclosed that 3 children were improperly determined to be ineligible for Title IV-E which was not detected by the supervisory review. In addition, as of June 2024, SSA had not determined Title IV-E eligibility for 2,100 children who entered care between May 2020 and May 2024 due to system issues in CJAMS. As a result, SSA did not obtain federal reimbursement for the cost of these children's services.

Prior Report Recommendation – Finding 8

We recommend that SSA implement a process to ensure the propriety of State university invoices. For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat).

Status as Determined by DHS – Completed

OLA Assessment of Status – Not Resolved

Our review disclosed that SSA still had not implemented a process to ensure the propriety of the amounts billed by State universities. Specifically, while SSA obtained certain payroll records from one university, these records did not detail the actual time spent by each employee and, therefore, were not sufficient to support the propriety of the related charges. SSA also did not restructure the related agreements to base payment on specific deliverables. Under the terms of the current agreements, payments to this State university were still primarily based on the actual time spent and the salary costs of the applicable university personnel.