

THOMAS P. DINAPOLI  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

August 30, 2021

Sheila J. Poole  
Acting Commissioner  
Office of Children and Family Services  
52 Washington Street  
Rensselaer, NY 12144

Re: Oversight of Direct Placement of  
Children  
Report 2021-F-6

Dear Commissioner Poole:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of Children and Family Services (OCFS) to implement the recommendations contained in our audit report *Oversight of Direct Placement of Children* ([2017-S-30](#)).

**Background, Scope, and Objective**

OCFS oversees the child welfare system, and its Central Office is responsible for supervising and coordinating child welfare services, including child protective services, foster care, and preventive services, which are administered by 58 Local Departments of Social Services (Local Districts) throughout the State. Preventive services focus on averting scenarios that could result in the placement of a child in foster care. One alternative to foster care is direct placement, based on Family Court Act (FCA) Section 1017, where a child is placed in the direct custody of a relative or suitable person under the jurisdiction of the court.

With direct placement custody, the appointed caregiver has the authority to care for the child temporarily and the court will likely order the Local District to supervise the placement. New York Codes, Rules and Regulations require Local Districts to document that a placement can safely provide for the needs of the child. Local Districts must also provide the court with information to make decisions regarding the safety and well-being of a child, such as details of the child's service plan and the family's progress. Like foster care, direct placement is intended to be a temporary arrangement while parents work to resolve safety or child behavior issues. However, most of the standards required for foster care do not apply to children in direct placement.

Information regarding children in direct placement is tracked in CONNECTIONS, the system of record for child welfare in New York State. As of March 1, 2021, CONNECTIONS reported there were 3,738 children in New York State directly placed with caregivers via FCA Section 1017.

Our initial audit report, issued March 2, 2020, examined whether OCFS had effective controls in place to ensure that children placed in the direct care of relatives or suitable persons via FCA Section 1017 are placed in a safe environment. The audit covered children who were in direct placement between January 1, 2014 and December 31, 2017 and included subsequent documentation and information provided by OCFS through August 26, 2019. We found OCFS did not maintain adequate oversight of direct placement to ensure that Local Districts comply with applicable laws and regulations and that children were placed in safe environments. OCFS also had not developed the same type of centralized standards, policies, or procedures for Local Districts to follow in supervising direct placement cases as it has for similar child welfare services, such as foster care. Additionally, we found that OCFS' CONNECTIONS database, the system of record for direct placement information, contained numerous inaccuracies, compromising its integrity and usefulness for OCFS' data analysis, reporting, and performance measure purposes and the reliability of direct placement case tracking.

The objective of our follow-up was to assess the extent of implementation, as of June 9, 2021, of the four recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

OCFS officials have made some progress in addressing the issues identified in our initial report. Of the initial report's four recommendations, two have been partially implemented and two have not yet been implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Develop procedures for monitoring Local Districts' handling of direct placement cases.*

Status – Partially Implemented

Agency Action – Effective July 1, 2019, OCFS restructured the facilitation of its Continuous Quality Improvement reviews, and shifted primary responsibility for case record reviews from regional offices to its Central Office to standardize the case record review process statewide. OCFS officials also stated that, as of 2020, their protocol was updated to target direct placement cases as part of their reviews and make sure to include any direct placement cases as part of every review. According to information provided by officials, OCFS reviewed 29 direct placement cases in 2020 and has targeted 40 direct placement cases for review in 2021, a significant increase from the seven direct placement cases reviewed during 2019. OCFS officials said that they are in the process of developing a manual to document the new protocols for sampling preventive cases as part of their record reviews.

#### **Recommendation 2**

*Develop procedures for county supervision of children in direct placement to ensure greater consistency across the State.*

Status – Not Implemented

Agency Action – OCFS officials stated that they are in the process of issuing guidance that would reiterate the standards in their Preventive Services Practice Guidance Manual to reinforce the counties' responsibility for supervision of children in preventive cases,

including direct placement custodial arrangements. While officials said this is a step toward implementing our recommendation, they also stated that the planned guidance does not include any new procedures to address the issues identified in our initial audit report. Officials provided a draft document developed by one Local District that outlines potential procedures for supervision of children in direct placement, including the frequency of home visits. However, officials have not yet developed the same kind of centralized procedures for all Local Districts to follow.

### **Recommendation 3**

*Establish minimum standards for the safety of children in direct placement.*

Status – Not Implemented

Agency Action – OCFS officials said that the guidance they plan to issue, as described above in Recommendation 2 Agency Action, also addresses this recommendation. OCFS officials asserted that, in addition to reiterating the standards in their Preventive Cases Manual, the guidance will align with the existing standards in their Child Protective Services Manual and Family Assessment and Service Plan Guide, which reinforce standards for oversight of children in preventive cases, including direct placement. Officials stated that the planned guidance does not include any new procedures to address the issues identified in our initial audit report and, despite our requests, did not provide us with any detailed information on what would be included in this guidance.

### **Recommendation 4**

*Correct the errors identified in the direct placement data and implement ways to prevent and detect input errors to ensure that information in CONNECTIONS is complete and accurate.*

Status – Partially Implemented

Agency Action – Upon our engagement of this follow-up, OCFS officials said that they corrected nearly all the direct placement data errors identified in the initial audit, but only provided evidence for one correction from the 23 cases we originally found with errors. However, in 2019, OCFS developed a Data Governance Council (Council), which is responsible for establishing, maintaining, and monitoring strategies, policies, and procedures that govern data management across OCFS' child welfare programs. The Council approved a Charter and Implementation Plan and, beginning in July 2021, intends to meet bimonthly, focusing on its top child welfare data quality priorities. In addition to the Council, officials established a direct placement Connections Data Quality Workgroup to analyze and address data quality issues in the CONNECTIONS system, and developed a Statewide Information System Tool for Accuracy to be used by staff when performing case record reviews.

Major contributors to this report were Andrea LaBarge, Christi Duncan, Zachary Barach, and Haroon Sarwer.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of OCFS for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Heather Pratt, CFE  
Audit Manager

cc: Bonnie Hahn, OCFS Audit Liaison