



**Report on  
Onondaga County Adoption Assistance Program  
October 2024  
By Onondaga County Comptroller Martin D. Masterpole**

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## **SECTION I**

### **Background and Executive Summary**

The New York State Office of Children and Family Services (OCFS) oversees New York State's child welfare system, including the Adoption Subsidy Program (Program). The purpose of the program is to locate and maintain stable and permanent alternative homes for hard-to-place and handicapped foster children, thus preventing long, inappropriate stays in foster care. The OCFS Adoption Services Bureau oversees the activities of the 58 county social services districts, including the Onondaga County Department of Children and Family Services' Adoption Assistance Unit (OCAAU), administering the Program.

New York State Social Services Law (18 CRR-NY 421.24) provides for adoption subsidy payments to adoptive parents of handicapped or hard-to-place children. These payments assist adoptive parents in the care and support of the adopted children, many of whom have varied and often costly needs. To be eligible for adoption subsidy payments, the adoptive parent(s) must enter into an adoption subsidy agreement (agreement) with a local social services district (District) or a voluntary authorized agency. The agreement contains Program eligibility criteria, medical documentation, and historical information to support the child is handicapped or hard-to-place with needs or circumstances which may be a barrier to placement or adoption without financial assistance.

The amount of the monthly subsidy payment depends on whether the child's handicap and/or placement history is classified as a basic, special, or exceptional needs level. OCFS periodically sets maximum state aid rates (MSARs) for adoption subsidy payments. The OCAAU sets payment rates within these guidelines. The subsidy payments continue until the child's 21<sup>st</sup> birthday unless the adoptive parent is no longer legally responsible for the support of the child, or is no longer providing any support to the child. In addition to monthly subsidy payments, the Program provides for a one-time payment of up to \$2,000 per adopted child for non-recurring expenses involved in the adoption process, such as legal and medical costs.

If the adoption assistance subsidy is approved by New York State as Title IV-E eligible, the Federal Medical Assistance Program (FMAP) percentage or Federal Financial Participation (FFP) rate is 50 percent. The remaining 50 percent is funded by New York State at 31 percent and the local district share at 19 percent. For Onondaga County, non-IV-E children (in custody of the local commissioner of the social services district) the New York State share of the adoption subsidy is 62 percent and the local district share is 38 percent.

The Single Audit Report for each of the years 2011-2015 reported findings of non-compliance with federal eligibility requirements in accordance with the Uniform Guidance in respect to Adoption Assistance CFDA 93.659. This audit focused primarily on state and locally funded cases.

In the past we have found the physical files to be very disorganized, lost or not having all of the proper backup. We wanted to note that beginning in early 2021, the FE Unit started utilizing the Adoption Subsidy Eligibility Documentation File – File Template (OCFS-4401; a strict state

physical folder organizational policy and they have been adhering to this). The physical folders for the cases we tested were very organized and put together which made testing substantially easier.

## **Executive Summary of Findings and Recommendations**

Over the course of the audit we found the following:

- Physical files were lacking specific documents
- On the Adoption Assistance Eligibility Checklist there were inconsistencies with marking the child as hard to place and/or handicapped
- Appears a case was overpaid as the child was transferred to a facility

Our high level recommendations include:

1. We recommend all approved adoption subsidy agreements are crosschecked by a supervisor against data entry into the BICS system and supported by records maintained in the case file to ensure eligibility and level of difficulty determinations are processed as approved by New York State.
2. We recommend the Adoption Eligibility Checklist (LDSS-3912) be completed according to the New York State Office of Children and Family Services (NYS OCFS) Eligibility Manual for Child Welfare Programs, Part B. Adoption Assistance Eligibility.
3. We recommend continued training and emphasis on following stated policies and procedures in addition to proper, complete, and consistent form completion to prevent noncompliance with program guidelines.
4. We recommend implementation and documentation of supervisory review procedures.

## **SECTION II**

### **SCOPE AND METHODOLOGY**

#### **Scope:**

The purpose of our audit was to perform testing procedures on non-federal participating (NFP) Adoption Subsidy Cases and any new (2016) cases to determine if adoption subsidy payments to adoptive parents were supported and in compliance with governing regulations.

A selection of 40 adoption subsidy cases was chosen for testing from the adoption subsidy composite rolls in BICS for the period January 1, 2023 through December 31, 2023.

Our objectives were to:

- Determine if established internal control policies and procedures related to the Onondaga County Department of Children and Family Services' Adoption Assistance Unit are in place and operating effectively.
- Ensure recipients' cases are coded correctly to receive the appropriate amount of aid and lessen the impact on local dollars.
- Review specific areas which came to our attention during the course of the engagement.
- Provide and assist management and those charged with governance and oversight with information and recommendations to improve internal controls and overall efficiency and program performance.

#### **Methodology:**

In order to complete our objective we:

- Interviewed management and staff responsible for the administration of the Adoption Assistance program.
- Reviewed directives, policies and procedures of the department pertaining to the Adoption Assistance program to ascertain they are operating effectively to ensure appropriate funding is received.
- Analyzed records and data to ensure recipients were properly coded in the Welfare Management System (WMS) and BICS to ensure correct funding.
- Reviewed adoption assistance recipient records and files.
- Sent draft recommendations to management with an offer to meet for discussion and their input. Management declined and provided a written response, Section V herein.
- Finalized recommendations and included them in this report

## SECTION III FINDINGS AND RECOMMENDATIONS

### Abbreviations:

**LOD** – Level of Difficulty (depends on many factors)

**WMS** – Welfare Management System

**BICS** – Benefit Issuance Control System

**HTP** – Hard to Place – a factor that applies to prove special needs (paid till day before 18th or 21st birthday, depending on child Applicable or Non-applicable status)

**H** – Handicap – a factor that applies to prove special needs (child paid till day before 21)

**NAC** – Non-applicable child status (IF child is HTP, child is paid till day before 18th birthday)

**A** – Applicable child status (IF child is H, child is paid till day before 21st birthday)

### **Findings:**

1. 1 out of the 40 selected for testing the physical file did not have a copy of one of the required items to prove citizenship (birth certificate, U.S. Passport or Naturalization certificate). A copy of the child's footprint was the only backup in the file for this. We questioned costs for all of 2023 in the amount of \$27,028.96.
2. In 1 of the 40 selected for testing the physical file was missing documentation to prove Section B (citizenship) and Section C (age). We questioned costs for all of 2023 in the amount of \$17,833.95.
3. In 1 of the 40 selected for testing the Adoption Assistance Eligibility Checklist does not show child selected as hard to place (HTP) or handicap (H) on page one and nor on page two. Form LDSS-4623A paperwork in physical file states handicap. No questioned costs as child still 17 years old at the end of 2023.
4. In 1 of the 40 selected for testing we noted the following:
  - The Adoption Assistance Eligibility Checklist in the physical adoption file shows child is selected as hard to place (HTP) and handicap (H) on page 1. Form LDSS-4623A paperwork in file states handicap only.
  - It appears 2/1/23 - 2/9/23 should have been paid as LOD 2, then 2/10/23 - 2/28/23 should have been paid as LOD 1 per LOD dates in WMS. The whole month was paid as LOD 2, yet was transferred to a facility 2/10/23. The questioned costs totaled \$532.76 of an overpayment to the child. – Update: Accounting Supervisor Grade B to correct payment.
5. In 1 of the 40 selected for testing the paperwork in the physical file LDSS-3912 Adoption Assistance Eligibility Checklist shows child as hard to place (HTP) not

handicap (H), yet Form LDS-4623A form page 2 states handicap. From 8/2/23 - 12/31/23 we question costs of \$6,070.16.

***Recommendations:***

- *Recommendation: We recommend the creation of a checklist for caseworkers to assure that all required initial documentation is in place when beginning a new child case.*
- *Recommendation: We recommend administration institute procedures to assure that each case file contains all required documentation to accurately process each case.*
- *Recommendation: We recommend supervisors pay attention to detail on all cases to ensure everything is filled out properly and each file consistently has the proper information.*
- *Recommendation: We recommend administration institute procedures to assure that all payments are made accurately.*
- *Recommendation: We recommend administration review all paperwork to ensure it is complete, consistent and filled out properly.*

## **SECTION V MANAGEMENT RESPONSE**

Below was received via email from Megan Rooney, Deputy Commissioner of the Department of Children and Family Services on 10/10/2024.

**DCFS Management Response:** The Department of Children and Family Services management agrees with the findings and will reeducate and reinforce existing policies and procedures within the Department, specifically the Adoption Assistance Eligibility Checklist, to ensure that all documents are properly retained and signed.