

FAMILY PRESERVATION SERVICES

State Authorization: North Carolina General Statute 143B-150.5

N. C. Department of Health and Human Services Division of Social Services

Agency Contact Persons:

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N. C. DHHS Confirmation Reports:

SFY 2008 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Sub recipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Audit Confirmation Reports (State Fiscal Year 2007-2008)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2006-2008)”.

The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

The objective of the Family Preservation Services program is to prevent the unnecessary placement of children away from their families by providing intensive, time-limited in-home services aimed at restoring families in crisis to an acceptable level of functioning. Services are designed to stabilize the crisis which could put children at imminent risk for out-of-home placement and keep the child, family and community safe by defusing the potential for violence (i.e., physical, sexual, emotional/verbal abuse).

II. PROGRAM PROCEDURES

The Family Preservation Services Program is administered by the North Carolina Department of Health and Human Services, Division of Social Services (DSS). A variety of services may be provided under this program, including intensive individual and family counseling, behavior modification, parental counseling and support, life skills training, and a variety of client advocacy activities.

Grants are awarded by the Division of Social Services through a Request for Application process and is based on an independent assessment of applications. A team comprised of Department of

Health and Human Services staff and outside reviewers (child advocates, state agencies, parents, etc.) assess the applications. The team scores the applications and submits their recommendations to the Community-Based Program's Team and to the Assistant Director of the Division of Social Services for final approval.

The selected projects must contract with the Division. The contract administrator from the Division manages the contract process. The Division's contract administrator works with the Family Preservation Services contract administrator in the development of the contract.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

The compliance requirements in the Division of Social Services "Crosscutting Requirements" in Section D (Supplement #DSS-0) are applicable to this grant.

1. Activities Allowed or Unallowed

Compliance Requirement: Services provided by and cost allowable under the Family Preservation Services grant shall include, but are not limited to:

- a) Family Assessment
- b) Intensive Family and Individual Counseling
- c) Client Advocacy
- d) Case Management
- e) Development and Enhancement of Parenting skills
- f) Referral for other services, as appropriate

A listing of approved services and activities for a particular program will be found in the contract narrative and subsequent contract amendments for that program.

Audit Objective: Determine whether agency's activities/services are allowable.

Suggested Audit Procedures: Examine monthly reports to determine whether activities for which reimbursements are claimed are allowable activities and/or services.

2. Allowable Costs/Cost Principles

Grantees may claim reimbursement for the following activities:

- Purchase of allowable services (a listing of approved services can be found in the contract narrative and subsequent contract amendments);
- Purchase of equipment, training aids, and materials that will be designated for sole use by the Family Preservation program;
- Travel costs to provide in-home services, to meetings and events related to Family Preservation; and
- Other services or activities with prior written approval from the Division of Social Services.

Compliance Requirement: The following requirements relate to the grantee's budget as of the balance sheet date as compared to the budget approved by the Division of Social Services:

- The total expenditures may not exceed the contracted amount without written authorization of the Division of Social Services.
- No line item will be increased by more than 10% without prior approved budget amendment from the Division of Social Services.

Audit Objectives:

- Determine whether agency has adhered to authorized budgeting practices.
- Review the operating budget approved by the Division of Social Services and subsequent revisions. Determine that line items are within the amounts budgeted.
- All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

5. Eligibility

Compliance Requirement: Families eligible for services under the Family Preservation program are those with children ages birth through 17 years who are at imminent risk of out of home placement into the social services, mental health/developmental disabilities/substance abuse, or juvenile justice systems. The populations of children for whom these services shall be made available include those alleged or found to be abused, neglected, or dependent; emotionally or behaviorally disturbed; undisciplined or delinquent; and/or have medical needs, or in need of services that with assistance, could be managed in the home.

Audit Objective: Determine whether agency is serving eligible client population.

Suggested Audit Procedures: Review the operating budget approved by the Division of Social Services and subsequent revisions. Determine that all line items revisions that exceed 10% are accompanied by a prior approved budget amendment. Examine a sample of individual case documentation to determine that recipient is eligible to receive services under this program.

6. Equipment and Real Property Management

Compliance Requirement: Equipment purchased through Family Preservation allocations as a direct cost is allowable as long as that equipment is designated for the exclusive use of the Family Preservation programs. Otherwise, equipment must be cost allocated.

Audit Objective: Determine whether Family Preservation programs direct charged equipment purchases, or used cost-allocation method. Determine whether purchases met the standards for pre-approval as indicated in contract between DHHS and Intensive Family Preservation Programs.

Suggested Audit Procedure: Verify that no equipment was charged to Family Preservation allocations without consent of the State Department of Health and Human Services.

12. Reporting

Compliance Requirement: A monthly report of budget expenditures is to be submitted to Division of Social Services at the end of each month. Expenditures are submitted on a Division of Social Services 1571s form. In conjunction with the monthly report all Family Preservation programs are required to submit evaluation data, once a case is closed.

Audit Objective: Determine whether agency has adhered to reporting requirements.

Suggested Audit Procedure: Examine monthly reports to determine if they were submitted in a timely manner. These reports should be consistent with agency records.