

# FOLLOW-UP REPORT

Denver Human Services

## ***Administration of Child Welfare Placement Services***

MARCH 2025



**TIMOTHY M. O'BRIEN, CPA**  
DENVER AUDITOR

**OFFICE OF THE AUDITOR**  
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# City and County of Denver



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## AUDITOR'S LETTER

March 6, 2025

In keeping with generally accepted government auditing standards and Auditor's Office policy, as authorized by city ordinance, we have a responsibility to monitor and follow up on audit recommendations to ensure city agencies address audit findings through appropriate corrective action and to aid us in planning future audits.

In March 2023, we audited Denver Human Services' administration of child welfare placement services and found risks involving a lack of documented guidance for training certification staff, retaining caseworkers, and maintaining and securing the agency's imprest fund. Denver Human Services agreed to implement all seven of our recommendations.

We recently followed up and found the agency fully implemented two recommendations, partially implemented four, and did not implement one recommendation.

Although Denver Human Services' Child Welfare Division has made notable progress, it did not fully address all the risks associated with our original findings. Consequently, we may revisit these risk areas in future audits to ensure the city takes appropriate corrective action.

We appreciate the leaders and team members at Denver Human Services who shared their time and knowledge with us throughout the audit and the follow-up process. Please contact me at 720-913-5000 with any questions.

Denver Auditor's Office

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien".

Timothy M. O'Brien, CPA  
Auditor

## Administration of Child Welfare Placement Services

Original Report Issued:  
MARCH 2023

Follow-up Report Issued:  
MARCH 2025

### Objective

To evaluate the effectiveness of Denver Human Services' kinship caregiver certification process and whether the agency's controls over its imprest fund are consistent with city rules and leading practices.

### Background

When a child is removed from their home because of reported abuse or neglect, child welfare agencies prioritize placing them with "kin" first — family members or close family friends who have a relationship with the child. Denver Human Services' Child Welfare Division administers kinship placement in the City and County of Denver, and its staff certify the kinship caregivers, also called "providers," who take in children removed from their homes.

Meanwhile, the Financial Services Division oversees an "imprest fund" that provides emergency financial support for families and caregivers served by Denver Human Services.

### The kinship caregiver certification process lacked formal training and guidance

Caseworkers and other staff in Denver Human Services' Child Welfare Division did not have consistent training or clear procedures for certifying kinship caregivers. Because of this, child welfare managers could not ensure these staff members had the knowledge and tools they needed to best serve both the local children removed from their homes and their new caregivers.

Specifically, we found:

- The agency had no written guidance outlining policy or requirements for training certification staff.
- Training logs of three certification team members revealed inconsistencies in the types of training they took.
- The agency's procedures for certifying kinship caregivers were only in draft form.
- Checklists and other tools certification staff used lacked some details and were inconsistent.

### The policies and procedures for Denver Human Services' imprest fund were insufficient and outdated

Denver Human Services' procedures for its imprest account were missing important components referenced in city fiscal rules. And because the fiscal rule for petty cash accounts no longer mentioned imprest funds by name, staff within Denver Human Services were unsure what guidance still applied to the agency's fund.

Additionally, limited documented guidance for how to maintain and secure the agency's fund could have impacted how staff reviewed and approved expenses, kept checks secure, and resolved recordkeeping issues.

#### WHY THIS MATTERS

**When Denver Human Services does not adequately manage how it certifies kinship caregivers, it places added stress on caseworkers and staff who are already prone to turnover. The caregivers themselves can also miss out on needed financial aid when they are not given thorough, accurate, and timely information about the certification process. Meanwhile, weak policies and procedures for the imprest fund could result in inconsistent practices and potential misuse of money intended to help individuals with urgent needs.**



2

FULLY IMPLEMENTED



4

PARTIALLY IMPLEMENTED



1

NOT IMPLEMENTED

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# Action since audit report

## Administration of Child Welfare Placement Services



7 recommendations proposed in **March 2023**

Denver Human Services fully implemented two recommendations made in the original audit report. However, the agency only partially implemented four others and it has not addressed the risks one other recommendation had sought to resolve.

Implementing a formal training plan has allowed the Child Welfare Division to better equip staff with the necessary skills and knowledge for kinship caregiver certification. In turn, they can better serve Denver area children and their families and caregivers. Additionally, reviewing and updating file storage practices has streamlined staff access to current procedures, improved efficiency, and reduced the risk of errors in the certification process.



FULLY  
IMPLEMENTED

2



PARTIALLY  
IMPLEMENTED

4



NOT  
IMPLEMENTED

1

## Remaining risks

The recommendations the agency did not fully implement present several lingering risks. Among them:

- Denver Human Services updated its guidance on the kinship caregiver certification process but did not address inconsistencies in a separate certification tracking worksheet. This tracking sheet has also not been updated to reflect new tools. These inconsistencies could lead to confusion or inefficiencies in the kinship caregiver certification process.
  - Although Denver Human Services has a caseworker and support staff retention plan in place, it lacks documentation of the best practices used to develop the plan and could not provide details on how retention strategies were assessed before developing the plan. These gaps could leave the agency without a fully effective strategy to reduce turnover.
  - The request for a fiscal rule waiver, intended to clarify the application of Fiscal Accountability Rule 3.2 to the imprest fund, has not been submitted. This leaves the agency without clear guidance on important requirements for the imprest fund procedures. The draft procedures for the imprest fund are incomplete and not finalized, which prevents the implementation of effective controls over imprest requests and approvals. This increases the risk of noncompliance and improper use of imprest funds.
  - The agency has made progress in finalizing procedures for storage devices, but some authorization forms were incomplete or missing. This raises concerns about whether all staff with access to sensitive information are properly authorized and could result in unauthorized access to imprest funds.
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# FINDING 1 | The kinship caregiver certification process lacks formal training and guidance

RECOMMENDATION	IMPLEMENTATION STATUS
1.1 Develop a formal training plan	● FULLY IMPLEMENTED
1.2 Update procedures	● PARTIALLY IMPLEMENTED
1.3 Review file storage	● FULLY IMPLEMENTED
1.4 Develop caseworker and support staff retention plan	● PARTIALLY IMPLEMENTED

## Recommendation 1.1

**DEVELOP A FORMAL TRAINING PLAN** – Managers in the Child Welfare Division’s placement services group should develop and document a formal training plan specific to the certification, training, and recruitment team. This plan should include, at a minimum:

- A list of the types of training required and how often each training should be taken after an employee is hired (for example, only one time versus once each year).
- A description of how the division will track and document training.
- How often the training plan should be reviewed and updated.
- How the division will develop and use individual training plans to ensure a focused approach to staff training and development.

This training plan should also identify which staff – in addition to intake caseworkers and ongoing caseworkers – should be trained in the kinship caregiver certification process, as well as the types of training they should receive and how often.



**FULLY IMPLEMENTED**

**Agency’s original target date for completion: May 31, 2023**

### SUMMARY OF AGENCY ACTION

Denver Human Services’ Child Welfare Division implemented a new certification training policy on May 1, 2023. The training policy includes all the elements of the audit recommendation. For example, the training policy outlines the type of initial and ongoing training required for intake

and ongoing caseworkers and says how staff training will be documented, tracked, and monitored using training logs for each individual employee. We reviewed staff training logs and tracking documentation from 2023 and 2024. We confirmed the policy addresses concerns expressed by staff during our original audit regarding the lack of training or inadequate training on kinship caregiver certification.

Therefore, we consider this recommendation fully implemented.

However, new state child welfare-related legislation passed in September 2024 reduces certification requirements and barriers previously faced by kinship caregivers. This legislation allows the division to now provide immediate financial support and resources to kinship caregivers. The “Additional Information” portion of our 2023 audit report highlighted the need for fewer barriers to becoming certified and providing timely financial support for kinship caregivers. In response to the legislative changes, the division shifted the direction of the certification team’s work from certifying kinship caregivers to providing kinship support. With the new direction, the division plans to revise the certification training policy as well as other documentation used by staff.

Although we consider the recommendation fully implemented, we also identified matters the division may want to consider as it revises its documentation and processes going forward.

Specifically, the training policy stipulates it should be reviewed and updated at the end of every state fiscal year. But we found the training policy does not indicate whether an update occurred after May 1, 2023. Additionally, the department may want to revisit its process for tracking staff training to ensure it is effective. Specifically, we found inconsistencies in the use of training logs. For example, it is not clear how the division can effectively track training for all the certification workers when one training log we reviewed was incomplete. The log did not include all trainings taken by an employee and acronyms used in the training logs do not clearly describe the type of training taken by each employee. We also found one team member’s lack of attendance, at a kinship certification training held in 2023, was overlooked by managers. Addressing these matters could strengthen the department’s training policy and practices.

## **Recommendation 1.2**

**UPDATE PROCEDURES** – Managers in the Child Welfare Division’s placement services group should develop and document current guidance on the kinship caregiver certification process that accurately describes all required steps, who is responsible for those steps and for updating the procedures, and how often the procedures should be reviewed and updated. In addition, the procedures should include an effective date.



**PARTIALLY  
IMPLEMENTED**

**Agency’s original target date for completion: May 31, 2023**

**SUMMARY OF AGENCY ACTION**

The Child Welfare Division updated its foster care certification procedures in May 2023, and again in November 2024. The updated procedures outline the required steps for pre-certification and certification of foster care providers, including non-kinship and kinship providers. The procedures also identify the staff responsible for each certification step and provide guidelines for how often the procedures should be reviewed and updated by the Human Services operations manager.

The updated procedures address deficiencies identified in the original audit such as the lack of clear, up-to-date guidance on the certification process. The updated procedures also reflect process changes related to the division’s transition to “Binti” in 2024. Binti is a new web-based application that stores all documents and requirements associated with the certification process.

However, during the original audit, staff expressed concerns about gaps and inconsistencies in other tools used to guide them through the kinship caregiver certification process. These other tools include the resource certification tracking worksheet. Although the worksheet was updated in September 2023, it does not include procedures on the new Binti system. This indicates guidance inconsistencies persist.

Given this ongoing issue, we consider this recommendation partially implemented.

As the division continues to update guidance to reflect new legislation and determines what existing tools are still relevant and necessary, it should use this opportunity to ensure that all information used by the certification team is accurate and aligned. This will help staff perform their tasks effectively and meet organizational goals and objectives.

**Recommendation 1.3**

**REVIEW FILE STORAGE** – Managers in the Child Welfare Division’s placement services group should review the agency’s internal shared drive and any other file storage areas to identify and remove outdated procedures associated with the kinship caregiver certification process. Then, managers should identify where current procedures should be kept going forward and communicate that to all relevant staff.



**FULLY  
IMPLEMENTED**

**Agency’s original target date for completion: Feb. 27, 2023**



## SUMMARY OF AGENCY ACTION

During the original audit, we found the placement services group was relying on outdated and incorrect procedural documents to conduct its work. Since then, these four documents have either been removed or updated in the shared drive. Division leaders confirmed that the shared drive was the only location where outdated files were being stored.

Child Welfare Division leaders hold weekly meetings where they discuss whether procedures associated with the kinship caregiver certification process need updating. Updates are typically prompted by new rules or memos from the state of Colorado that affect the kinship caregiver certification process. When changes are necessary, the certification team's supervisor updates the relevant documents, uploads them to the agency's internal shared drive, and emails staff. The email lets staff know the documents are updated and shares where the documents can be found.

During our follow-up review, we noticed one set of documents, related to the division's old provider portal, remained in the shared drive until January 2025 — two years after the division discontinued its use. Despite this, the division showed it identified and removed the outdated certification process procedures from the shared drive and notified staff of document updates.

Therefore, we consider this recommendation fully implemented.

### Recommendation 1.4

**DEVELOP CASEWORKER AND SUPPORT STAFF RETENTION PLAN** – The Child Welfare Division should develop and document a plan to reduce caseworker and support staff turnover. This plan should:

- List strategies for improving caseworker and support staff retention using best practices from leading child welfare organizations and the city.
- Describe the division's assessment of potential caseworker and support staff retention strategies and which it will use.
- Document the individuals responsible for regularly reviewing and updating the retention plan and how often this should happen.



**PARTIALLY  
IMPLEMENTED**

**Agency's original target date for completion: May 31, 2023**

## SUMMARY OF AGENCY ACTION

The Child Welfare Division created a plan that outlines several strategies aimed at improving recruitment and retention within the division. However, the plan does not fully address all elements of the recommendation. The plan does not:

- Describe the division’s assessment of potential caseworker and support staff retention strategies.
- Outline which best practices were used to identify strategies.

Division leaders said discussions of recruitment and retention strategies are ongoing, but they could not provide documentation of these discussions. Leaders also said the plan was created using best practices but could not provide specific examples. Additionally, the plan specifies that it will be reviewed and updated annually – or more frequently – as needed by division leaders. However, the plan lacks details on who is responsible for reviewing and updating the plan, and it does not say who updated the plan in 2023 and 2024.

Although the division has made progress by creating a retention plan, it is unclear whether the division fully explored strategies recommended by leading child welfare organizations and strategically selected those most likely to reduce caseworker and support staff turnover in the division. Without the accountability of a regularly updated and monitored retention plan, that is based on a comprehensive assessment of possible recruitment and retention strategies, there is still a risk that turnover continues.

Because we could not confirm that all elements of the recommendation were incorporated in the retention plan, we consider this recommendation partially implemented.

## FINDING 2 | The policies and procedures for Denver Human Services' imprest fund are insufficient and outdated

RECOMMENDATION	IMPLEMENTATION STATUS
2.1 Apply for a fiscal rule waiver	● NOT IMPLEMENTED
2.2 Develop, document, and approve procedures	● PARTIALLY IMPLEMENTED
2.3 Approve and implement draft procedures for storage devices	● PARTIALLY IMPLEMENTED

### Recommendation 2.1



**NOT  
IMPLEMENTED**

**APPLY FOR A FISCAL RULE WAIVER** – Denver Human Services' Financial Services Division should apply for another waiver from the Controller's Office to clarify which elements of Fiscal Accountability Rule 3.2 apply to Denver Human Services' imprest fund.

**Agency's original target date for completion: May 31, 2023**

#### SUMMARY OF AGENCY ACTION

Denver Human Services' Financial Services Division developed a Fiscal Accountability Rule waiver request in 2023 but has not yet submitted it to the Department of Finance. As part of developing the waiver request, and at the request of Department of Finance personnel, Human Services' Financial Services Division officials also prepared an attachment noting which aspects of the fiscal rule should apply to the imprest fund. According to Human Services' previous financial services director, they believed the new imprest fund procedures needed to be finalized before submitting the fiscal rule waiver request to the Department of Finance. Although Human Services took steps to prepare for submitting a waiver request to the Department of Finance, the request has yet to be submitted for approval. As a result, we consider this recommendation not implemented.

## Recommendation 2.2

**DEVELOP, DOCUMENT, AND APPROVE PROCEDURES** – Denver Human Services’ Financial Services Division should develop, document, and approve more robust procedures for its imprest fund. The procedures should mention which specific requirements from Fiscal Accountability Rule 3.2 apply based on the guidance from the Controller’s Office. The procedures should also detail, at a minimum:

- How often the procedures should be reviewed and updated.
- The types of reconciliations required along with those responsible for completing them and how often reconciliations should happen.
- Any additional forms other divisions require to document spending approvals.
- The requirement for additional approvals for requests that exceed \$1,000 and where those approvals are to be documented.
- The process for identifying and resolving outstanding checks and ensuring each voided check is recorded.
- The actual daily transaction limit.
- An effective date.



**PARTIALLY  
IMPLEMENTED**

**Agency’s original target date for completion: May 31, 2023**

### **SUMMARY OF AGENCY ACTION**

Denver Human Services’ Financial Services Division officials prepared new imprest fund procedures in early 2023 but the procedures were not finalized. They anticipate the imprest fund procedures will be finalized by the end of March 2025.

Financial Services Division officials pointed to several factors as contributors to the delay in finalizing the procedures:

- A restructuring of the division.
- Changes in staffing.
- Implementation of a new software solution for the imprest request and approval process.

In our review of the available information about the new software solution, we found this automated process may simplify and improve the existing process. The new software will eliminate division-specific differences in the imprest fund request and approval process, which existed during the original audit.

We found that many of the elements we recommended for the imprest fund policy were included in the draft procedures. However, some elements were missing. These missing elements include references to how often the procedures should be reviewed and updated and which requirements from

Fiscal Accountability Rule 3.2 apply to the imprest fund.

As Human Services' Financial Services Division prepares the final imprest fund procedures, all relevant elements from our recommendation should be included. This will help ensure imprest funds are used only for local families with urgent needs. While the Financial Services Division took steps to implement this recommendation by developing draft procedures and locating and implementing a software solution for the imprest fund process, it has not finalized the draft procedures. Therefore, we consider this recommendation partially implemented.

### Recommendation 2.3

#### **APPROVE AND IMPLEMENT DRAFT PROCEDURES FOR STORAGE DEVICES –**

Denver Human Services' Financial Services Division should finalize its draft procedures regarding secure storage devices, including its authorization form. Once the procedures are approved, the division should implement them and communicate them to all relevant staff.



**PARTIALLY  
IMPLEMENTED**

**Agency's original target date for completion: Feb. 28, 2023**

#### **SUMMARY OF AGENCY ACTION**

Denver Human Services' Financial Services Division officials took steps to finalize and implement procedures for secure storage devices. The procedures, finalized on Feb. 28, 2023, included key controls. Among them:

- Determining who can access lock combinations.
- A roster of employees who can access any of the six different storage devices.
- The process for employees to sign an authorization form.
- How storage devices should be managed.

Financial Services Division officials communicated the procedures to relevant staff through an email on the same day, asking employees to review the policy and sign the necessary authorization forms. However, despite having a finalized policy and communication in place, we identified issues with the implementation of the authorization forms and the accuracy of the roster.

In November 2024, we reviewed the roster and associated authorization forms but found many forms were incomplete. The forms lacked required signatures from the director or deputy director, as required by the policy. Additionally, some authorization forms were for individuals who were not listed on the roster as having access to the security devices. These discrepancies raise concerns about the accuracy and timeliness of the roster

updates.

We asked Financial Services Division staff if they had any additional, complete authorization forms they could provide. In response, the Financial Services Division provided a new, updated roster along with a new batch of additional authorization forms in January 2025. These documents were delivered weeks after we first requested them. It appears that the updated roster and new authorization forms may have been developed only after we began our audit follow-up process.

In our review of the newer roster and authorization forms, we found additional discrepancies. For example, one employee's authorization form granted them access to a vault that the roster indicated they were not authorized to access. Inconsistencies remain in how secure storage device access is granted.

Although the procedures for secure storage devices were finalized and communicated to staff, incomplete authorization forms and the potential delay in implementation, indicate gaps in access control. Gaps in access control could allow unauthorized users to access secure storage devices and compromises the security of imprest fund checks.

As a result, we consider this recommendation partially implemented.

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## Office of the Auditor

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